Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sempra is an energy infrastructure company focused on connecting millions through the power of people, ideas, and innovation. With more than $72 billion in total assets at the end of 2021, 20,000+ employees, and serving more than 40 million consumers worldwide, Sempra is proud to be a leader in the energy marketplace. From our San Diego, CA headquarters to our operations in key markets in North America, Sempra is developing forward-thinking energy solutions, and positively impacting the communities we serve by delivering energy with purpose.

Through informed and impactful strategies and an inspiring mission, we strive for sustainable long-term growth. Sempra is consistently recognized as a leader in sustainable business practices and for its long-standing commitment to building a high-performing culture focused on safety, workforce development and training, and diversity and inclusion. Sempra is the only North American utility sector company included on the Dow Jones Sustainability World Index and was also named one of the “World’s Most Admired Companies” for 2022 by Fortune Magazine.

- Sempra California
  - Sempra California is providing cleaner, safe and reliable energy to nearly 26 million consumers in Southern and Central California through its utilities, SDG&E and SoCalGas. With a focus on grid resiliency, reducing emissions and integrating increasingly renewable energy onto our networks, we’re also supporting California’s goal of getting five million electric vehicles on the road by 2030. California is known for technology and innovation, a spirit embraced at our utilities that are on the leading edge of research into hydrogen, battery storage, predictive technology and other tools designed to support the state’s ambitious climate goals.
- Sempra Texas

- Sempra Texas includes Oncor*, a regulated electric transmission and distribution utility headquartered in Dallas that delivers safe and reliable electricity to a population of approximately 13 million Texans. With more than 140,000 miles of transmission and distribution lines, Oncor is the largest transmission and distribution company in Texas based on the number of end-use customers and miles of transmission and distribution lines, connecting communities across the state to Texas' diverse energy supplies. Sempra owns an indirect, 50% interest in Sharyland Holdings, which owns a 100% interest in Sharyland Utilities.

- Sempra Infrastructure
  - Sempra Infrastructure is focused on delivering energy for a better world by developing, building, operating and investing in clean power, energy networks, and LNG and net-zero solutions that are expected to play a crucial role in the energy systems of the future. Through the combined strength of its assets in North America, Sempra Infrastructure is connecting customers across the globe to cleaner energy technologies and modern infrastructure while advancing new technologies like carbon sequestration and clean hydrogen. Sempra Infrastructure is formed by consolidating two leading energy businesses: Sempra LNG and IEnova.

*Sempra indirectly owns an 80.25% interest in Oncor.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

Mexico

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Equity share

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Electricity generation
Transmission
Distribution

Other divisions

Gas storage, transmission and distribution
Smart grids / demand response
Battery storage
Micro grids

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	SRE
Yes, an ISIN code	8168511090

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Safety, Sustainability and Technology (SS&T) Committee of Sempra's Board focuses on health, safety, security, cybersecurity, technology, climate change, sustainability and other related environmental, social and governance (ESG) matters that affect the Company and its employees, customers and the communities in which we operate. Six non-employee Board members serve on the committee, which is briefed by the Company's compliance, technology, environmental, health, safety, security and sustainability officers and senior personnel. In 2020, '21 and '22, the Board updated the SS&T Committee charter to strengthen and clarify the way this committee oversees and considers sustainability and other related matters. As an example of decision-making related to sustainability, the SS&T committee engaged in the development of the Company's framework for advancing the energy transition and emphasizing a climate-centered business strategy. This included specific greenhouse gas (GHG) emissions goals and key areas of investment that Sempra expects will be central to achieving global net-zero goals by 2050. We expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. As the Sempra family of companies develops and promotes new capabilities in these areas, it will help drive our ESG commitments to support long-term, sustainable value for our shareholders and other stakeholders. This energy transition action plan defines representative capabilities and investment opportunities to advance our aim to have net-zero GHG emissions by 2050.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Board monitors overall governance processes and delegates specific areas of focus to standing committees. For example, the Board's SS&T Committee reviews with management and, where appropriate, makes recommendations to management and the Board regarding, the Company's policies, practices and strategies with respect to ESG matters, including human rights, environmental, health, safety and safety culture, security, cybersecurity, technology, climate change, sustainability and others. Climate and related implications are woven into the fabric of corporate strategic planning. With significant environmental regulation and exposure to both climate-related risks and opportunities, it is critical that these issues are monitored at the highest level. Risks include regulatory risk, transition risk, operational and physical risks (weather, increasing drought, wildfire risk, and rising sea level over the longer term.) Opportunities include low- and zero-carbon energy infrastructure, international demand for liquefied natural gas (LNG) - a lower-carbon alternative to traditional coal-fired generation - energy efficiency, cleaner transportation, energy storage, and the integration of new technologies such as renewable natural gas, hydrogen, and carbon capture, sequestration and utilization.

		The Board, primarily through the SS&T Committee and sometimes at the full Board, oversees business strategies to mitigate the impact of Company operations on the environment, including climate change response and other sustainability matters. The Board's SS&T Committee also reviews and evaluates issues related to the Company's preparedness for extraordinary weather-related events. The Board, primarily through the SS&T Committee, also takes an active role in providing oversight of the Company's strategies to help enable a just energy transition in the markets we serve, including our aim to have net-zero emissions by 2050. This includes reviewing business risks and opportunities in the context of local, national and global energy, economic and climate trends, as well as overseeing the Company's strategies and capabilities relating to safety and reliability; decarbonization of key market sectors, including power generation, industry and transportation; digitization of energy systems, including use of robotics and artificial intelligence; and diversification of energy systems, including integration of distributed energy resources. The Board also oversees the Company's efforts to reduce the impact of Company operations on the environment.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Sempra's Board includes board members with extensive experience and leadership in the global energy industry and executive experience and knowledge, including in clean and renewable energy. The Board includes a number of

		directors with extensive leadership experience in the global energy industry where sustainability and greenhouse gas emission reduction has been a top priority. The Board chair is co-chair of the Electricity Community and a member of the Oil and Gas Community of the World Economic Forum.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Sempra's Chief Sustainability Officer (CSO) reports directly to Sempra's CEO and serves also as Senior Vice President – Corporate Affairs. The Sempra CSO has oversight of the annual sustainability reporting process, which includes goal setting and ESG performance, as well as the aggregation of data and reporting of emissions performance and efforts related to climate. Sempra's CSO also serves as the primary link between the SS&T Committee of Sempra's Board and the sustainability function and helps implement Sempra's sustainability vision. A parent company sustainability steering committee comprised of officers from our operating companies was formed in 2018. The steering committee works to oversee operating company sustainability efforts under the Sempra sustainability framework and provide a forum to share best practices in these areas. Leaders at our operating companies oversee and drive climate management at their respective companies. All of our operating companies also have chief sustainability officers and have developed executive-level sustainability steering committees to drive their management of climate-related issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	For 2021, the Compensation and Talent Development (C&TD) Committee of the Sempra Board selected earnings, weighted at 80%, safety, weighted at 12% and ESG, weighted at 8%, for the measurement of annual Company performance under the performance-based annual bonus plan. 2021 was the first year in which such ESG goals were included in our annual bonus plan. The C&TD Committee aims to continue to develop more targeted and quantitative goals for future years. The C&TD Committee utilizes earnings as the basis of the primary annual bonus metric because it believes this measure provides an accurate and comprehensive picture of annual Company financial performance that plan participants, shareholders, analysts and other parties clearly understand. Sempra's executive compensation philosophy is to align performance-based incentives with shareholder value creation.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction project	In the 2021 performance-based annual bonus plan there were performance measures related to safety such as pipeline and storage integrity efforts, which help to reduce emissions and increase public safety in addition to fire hardening efforts that help to mitigate and reduce the risk of catastrophic wildfires in our service territory.
Other, please specify Certain management employees	Monetary reward	Emissions reduction project	In the 2021 performance-based annual bonus plan there were performance measures related to safety such as pipeline and storage integrity efforts, which help to reduce emissions and increase public safety in addition to fire hardening efforts that help to mitigate and reduce the risk of catastrophic wildfires in our service territory.

Board/Executive board	Monetary reward	Company performance against a climate-related sustainability index	In 2021, the C&TD Committee selected earnings, weighted at 80%, safety, weighted at 12% and ESG, weighted at 8%, for the measurement of annual Company performance under the performance-based annual bonus plan. 2021 was the first year in which such ESG goals were included in our annual bonus plan. The C&TD Committee aims to develop more targeted and quantitative goals in future years.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	6	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Financial and strategic impacts of each identified risk are assessed and evaluated at various levels within the organization, including by line managers, officers, and senior management teams in each operating company. There are four dimensions that we consider when evaluating risk: health, safety and environmental; operations and reliability; regulatory, legal and compliance; and financial impact. What is understood to be reasonably likely and substantive is evaluated from each of these perspectives (at the operating company level and rolled up into the overall enterprise risk management

process), which will vary by risk type. The health, safety and environmental dimension assesses potential hazards to employees, the public, and the environment. With the consolidation of IEnova and Sempra LNG as Sempra Infrastructure (since October 2021), company-wide processes are being reviewed. Former risk management practices may change accordingly. The operations and reliability dimension assesses potential disruptions to Company operations that would impact customers. SoCalGas, part of Sempra California, enhances their damage prevention program to decrease the rate of third-party pipeline damages 40% by 2030 compared to a 2020 baseline as a part of environmental and operations and reliability dimensions. The regulatory, legal and compliance dimension assesses potential sanctions imposed by regulators or legal judgments. The financial dimension assesses potential financial losses. For example, SB 100 requires each California electric utility, including SDG&E, to procure at least 50% of its annual electric energy requirements from renewable energy sources by 2026, and 60% by 2030. SB 100 also creates the policy of meeting all of California's retail electricity supply with a mix of RPS Program-eligible and zero-carbon resources by 2045. It is Sempra's approach to work to mitigate impacts, at times even for those that may fall below the threshold of substantive.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Sempra and its family of companies identify, assess and, where possible, mitigate a broad and complex set of risks commonly associated with the energy industry, as well as risks specific to each operating company. A changing climate has regulatory, operational and reputational impacts on our businesses. Management of climate-related risks is integrated into Sempra's overall approach to risk. At the parent company level, the Sempra Board and the Compliance and Enterprise Risk Committee provide oversight on all identified risk areas. Risk management teams at each operating company and the parent company lead an established enterprise risk management program to assess risks using risk maps and other tools that help identify and monitor business risk exposure. To evaluate these risks, we look at different potential 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.

Issues are identified by their ability to impact each of our companies' core business through impacts on operational costs, costs to customers, or reputation. We monitor climate-related risks, increasingly volatile weather, impacts on insurance markets, emergency preparedness, legal and regulatory developments, as well as public and investor concerns. This serves to identify issues to be monitored on an ongoing basis. The substantive impact of each identified risk is assessed and evaluated at various levels within the Sempra family of companies, including by line managers, officers and senior management teams in each business.

Some climate-related risks are shorter term, such as preparing for a wildfire season exacerbated by drought. Others are medium-term, such as meeting a regulatory target to promote safety, increase operational efficiencies or avoid penalties or fines. Others, such as the potential impact of sea-level rise, are longer-term. These and other risks are considered when planning capital expenditures. SDG&E employs full-time meteorologists, prepares for adverse weather and related impacts, and conducts and reviews studies to assess the degree to which climate change poses a threat to infrastructure, employees and customers. SDG&E routinely plans for impacts to a variety of stakeholders; and review, monitor and adjust insurance coverage as necessary and to the extent the market permits, sharing and transferring risk when and where possible, in addition to other risk mitigation activities

Physical climate risk example: Rising temperatures, drought conditions, increased frequency of extreme weather and sea-level rise can impact our operations. SDG&E has increased its resilience by incorporating climate projections into its planning process. This includes determining the impact of rising temperatures on the efficiency and durability of natural gas and electric infrastructure; understanding how sea level rise and floods might impact its facilities; and evaluating the potential for more severe drought conditions and increased wildfire frequency. SDG&E is mitigating these risks by strengthening its infrastructure. This includes repositioning some electric lines underground; converting certain power poles from wood to steel; properly trimming trees; shutting off power to some areas when certain high-risk conditions occur; and reducing reliance on fresh water due to water scarcity in the Southwestern United States and northern Mexico, among other actions . As an example,

SDG&E's and Sempra Infrastructure's collective 5 natural gas-fired power generation facilities located in these areas are using dry-cooling or reclaimed water as an alternative to fresh water, saving nearly 2 billion gallons of fresh water in 2021 alone. Fresh water comprises less than 1% of the total water withdrawn. In 2017, SoCalGas began a fiber optic technology pilot program at select locations on its transmission pipelines. The high-tech sensor system continuously monitors the environment to detect changes in temperature, movement, and sound. When triggered, a digital alert is sent to a central monitoring control center for early detection, assessment, and operations deployment to address the safety risk. Pipeline fiber optics technology contributes to early detection, mitigation, and prevention of potential damage providing significant value to infrastructure and public safety.

Identifying opportunities: Leaders across our companies assess a wide range of risks and opportunities – including climate-related – as they review capital investments and growth prospects. Sempra's full Board participates in an annual strategic planning process to discuss business opportunities. In 2018, Sempra adopted a strategic plan centered on the mission of becoming North America's premier energy infrastructure company. The past two years have been transformational as Sempra sharpened its focus on what it believes are the most attractive growth markets in North America, simplified its business model and strengthened its balance sheet. As part of this strategic plan, Sempra is focused on the delivery of cleaner and more secure forms of energy to consumers in North America as well as abroad. Our parent company-level strategy group is integral in assessing opportunities, and is focused on areas that align with Sempra's mission and facilitate the clean energy transition in all of the markets our companies serve. Our corporate sustainability steering committee and operating company sustainability committees also provide a mechanism for the discussion of opportunities related to sustainability and climate.

Transition opportunity example: As part of its ongoing process to assess risks and opportunities related to our business, Sempra monitors regulatory and market trends, which include the transition to cleaner fuels as society aims for net-zero by 2050. In 2021, Sempra released its framework for the energy transition, including its aspiration to have net zero GHG emissions by 2050. Sempra expects that investing in decarbonization, diversification, and digitalization will drive Sempra's ESG commitments to help achieve our net-zero aim. One area of focus is renewable natural gas (RNG), which is natural gas from the decomposition of organic matter. SoCalGas achieved over 4% RNG deliveries to core customers in 2021 and is on track to reach 20% by 2030. SoCalGas aims to provide 5% renewable natural gas by the end of 2022 and 20% renewable natural gas by 2030 to its "core service" as defined in SoCalGas' Tariff Rule No. 23, by 2030. SoCalGas will need the continued support of state regulators with RNG targets or goals to be considered by the CPUC as part of Senate Bill 1440, in order to meet its 2030 goal.*

*SoCalGas will also need additional support of state legislators. There is no assurance that such support will be received.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As part of Sempra's Enterprise Risk Management (ERM) program we assess and address adverse environmental impacts including those related to climate. Our operating companies are subject to energy, climate and environmental laws and regulation that are evaluated as part of our ERM program.
Emerging regulation	Relevant, always included	Sempra's ERM program addresses emerging environmental regulations, including those related to climate, in its risk universe. Emerging energy, climate and environmental regulations are assessed and evaluated for any potential impacts to our business.
Technology	Relevant, always included	Sempra's ERM program also considers the impact of transition risk and new technologies. Given the importance of technology to our operating companies (smart meters, smart grid, time-of-use rates, solar net metering, energy storage and battery technology) and a future that could involve further digitalization, our risk assessments include energy, IT, and cybersecurity technologies, in addition to technologies that could disrupt our current way of doing business and require adaptation.
Legal	Relevant, always included	Sempra's ERM program reviews adverse environmental impacts, including those related to climate in its risk universe. The impact of individual risks can range from health/safety/environmental and operational and/or reliability claims, to regulation and compliance claims. For example, legal risks evaluated include claims related to natural disasters that are magnified by climate change.
Market	Relevant, always included	Climate-related concerns are leading to rapid market changes in the energy industry and energy markets. This is evaluated and factored into our risk assessment process.
Reputation	Relevant, always included	Reputational risk is evaluated in our risk assessment process. Sempra and its 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 try to mitigate this risk by focusing on safe and efficient operations; setting and working to achieve goals,

		including lower-carbon energy goals; and working to develop new energy resources and technologies, including renewable natural gas, hydrogen and energy storage.
Acute physical	Relevant, always included	As part of Sempra's Enterprise Risk Management program, Sempra includes an environmental category in its risk universe to address adverse environmental impacts, including those related to climate. Potential impacts of individual risks are assessed in the following areas: Health/Safety/Environmental, Operational and Reliability, Regulation/Legal/Compliance, Financial. One of the primary acute physical risks is the potential for wildfires impacting our communities and infrastructure. Increasing drought conditions in California are increasing the risk of devastating wildfires. We have already experienced this in the San Diego region where SDG&E operates, and it is a factor that is always considered in risk assessments
Chronic physical	Relevant, always included	As part of Sempra's Enterprise Risk Management program, Sempra includes an environmental category in its risk universe to address adverse environmental impacts, including those related to climate. Potential impacts of individual risks is assessed in the following areas: Health/Safety/Environmental, Operational and Reliability, Regulation/Legal/Compliance, Financial. A chronic physical risk that is considered in our risk assessment is the potential impact of sea level rise due to climate change.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Sempra's operating companies can face civil liability and criminal penalties, enforcement actions, financial fines and increases in operating costs if they fail to comply with federal and state air pollution limits and other environmental regulations. For example, under California's Renewable Portfolio Standard (RPS), SDG&E was required to contract 33% of electricity purchased on behalf of its customers from renewable sources by 2020. California SB 100 increases this requirement to 60% renewable energy delivered to customers by 2030 and 100% renewable or zero-carbon energy by 2045. SDG&E estimates RPS program compliance in 2021 at 55%.* While SDG&E is on track to meet mandated goals, failure to comply could subject it to CPUC-imposed penalties, which could materially affect the business, cash flows, financial condition, results of operations and/or prospects of SDG&E. Per the CPUC decision D.18-05-026, section 3.5, the limit on the total amount of penalties for failure to comply with the RPS requirements is $100 million for 2021-2024; $75 million for 2025-2027; and $75 million for 2028-2030.

* SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities (LSEs) and customer load departure to local Community Choice Aggregators (CCAs).

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Although SDG&E is on track to meet RPS goals, failure to comply could subject it to CPUC-imposed penalties. which could materially affect its business, cash flows, financial condition, results of operations and/or prospects. The limit on the total amount of penalties for failure to comply with the RPS requirements is $100 million for 2021-2024; $75 million for 2025-2027; and $75 million for 2028-2030.

Cost of response to risk

Description of response and explanation of cost calculation

SDG&E continues to procure renewable energy to meet renewable portfolio standard (RPS) targets. in 2021 SDG&E's RPS compliance stood at 55%. The market for renewable energy is dynamic and multiple factors can impact project development and SDG&E's attainment of RPS goals. For example, California's load-serving entities are required to procure 60% of their electricity from renewable resources by 2030. SDG&E's procurement team monitors its portfolio to help ensure the company stays in compliance but is also subject to project risk and additional regulatory requirements. Further, enhancements to the energy grid are also integral to achieving 100% zero-carbon energy in 2045. Energy storage at grid scale can help mitigate the effects of renewable energy intermittency and energy shifting. Over time, energy-storage and energy-shifting capabilities will need to expand to manage daily intermittency needs and mitigate the impact of lengthy weather events. Besides charging primarily when there is an overabundance of renewables and prices are low and discharging later in the day when solar is coming offline, these batteries can provide ancillary services to help maintain grid stability. And although these patterns will likely change over time as more energy storage and renewables are connected to the grid, they can inform planning for the next decade and beyond.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Over the past few years, California has been experiencing some of the largest wildfires (measured by acres burned) in its history. Frequent and more severe drought conditions, inconsistent and extreme swings in precipitation, changes in vegetation, unseasonably warm temperatures, very low humidity, stronger winds and other factors have increased the duration of the wildfire season and the intensity and prevalence of wildfires in California, including in SDG&E's and SoCalGas' service territories, and have made these wildfires increasingly difficult to prevent and contain. Changing weather patterns, including as a result of climate change, could cause these conditions to become even more extreme and unpredictable. These wildfires could jeopardize thirdparty property and SDG&E's and SoCalGas' electric and natural gas infrastructure and result in temporary power shortages in SDG&E's and SoCalGas' service territories. Certain of California's local land use policies and forestry management practices have been relaxed to allow for the construction and development of residential and commercial projects in high-risk fire areas, which could lead to increased third-party claims and greater losses in the event of fires in these areas for which SDG&E or SoCalGas may be liable. Any such wildfires in SDG&E's and SoCalGas' territories could materially adversely affect SDG&E's, SoCalGas' and Sempra's results of operations, financial condition, cash flows and/or prospects.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact is unknown but could be significant. In July 2019, the Governor of California signed Assembly Bills (AB) 1054 and 111 (the Wildfire Legislation) into law. The Wildfire Legislation did not change the doctrine of inverse condemnation, which imposes strict liability (meaning that liability is imposed regardless of fault) on a utility whose equipment is determined to be a cause of a fire. The Wildfire Legislation established a revised legal standard for the recovery of wildfire costs (Revised Prudent Manager Standard) and established a fund (the Wildfire Fund) designed to provide liquidity to participating California electric investor-owned utilities (IOUs) to pay IOU wildfire-related claims in the event the governmental agency responsible for determining causation determines the applicable IOU's equipment caused the ignition of a wildfire, primary insurance coverage is exceeded and certain other conditions are satisfied. It cannot be predicted whether the Wildfire Legislation will be effectively implemented or consistently applied and its impact on SDG&E's ability to recover certain costs and expenses in the event that SDG&E's equipment is determined to be a cause of a fire.

Cost of response to risk

Description of response and explanation of cost calculation

SDG&E has strong risk management practices in place to mitigate wildfire risk. This has been an effort developed over the last decade. In 2021, SDG&E updated its wildfire mitigation plan which outlines efforts to mitigate these risks. Efforts include:
- Leveraging the WRRM-Ops model to inform operational decision-making by providing a better understanding of ignition probability and estimations of wildfire.
- Advanced situational awareness tools such as weather stations, cameras, wireless fault indicators, and the Fire Potential Index for system planning, emergency operations, and the safe implementation of PSPS. Added 30 weather stations (total 220) to improve coverage for critical, data driven, real-time decision making.
- Continue implementing system hardening projects: enhanced 10 switches / projects, installed permanent, renewable solutions for 2 microgrids.
- Continue maintenance and inspection of facilities.
- Inspect vegetation, determine success and efficacy of fire-retardant fuels treatment, stringent monitoring and inspection standards with robust internal controls; identify expanded scope and applicability of fuels management program.
- Stakeholder collaboration with over 3,000 customers, elected officials, non-profit support organizations, first responders and more.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Sea level rise

Primary potential financial impact

Increased capital expenditures

Company-specific description

Rising sea levels pose a threat to our energy infrastructure located in coastal areas. Through SDG&E and SoCalGas and Sempra Infrastructure operations, we have a concentration of operations and infrastructure in coastal areas of California and Northern Baja California, Mexico. Sea level rise may be compounded by other causes of flooding that we already experience- extreme high tides and storm surges- that are expected to cause the greatest impacts. Coastal flooding may also lead to further beach and bluff erosion as well as runoff and drainage problems from intense storms. If these effects were to occur, extended service losses and operational challenges could result. The gas system could also experience some impacts from climate change, including in the form of increased repair/maintenance needs or localized disruptions. Widespread disruptions to natural gas infrastructure would not be expected due to limited project exposure to climate hazards, and low system sensitivity when hazards do occur. Other indirect impacts could be experienced by nearby communities if critical customers served by the substations, such as sewage pumping stations, hospitals, airports, and ports, are affected by outages. For other asset types, potential direct impacts are expected in the form of increased maintenance and repair costs.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As one example, Sempra Infrastructure has estimated impacts of service losses and operational challenges that could take place at the Energia Costa Azul LNG facility located in the coastal area of Rosarito-Ensenada in Baja California if nothing were done to mitigate the impacts of sea level rise if the facility were to not be operational. Mitigating measures are in place, including buoys that permanently monitor waves and tides, an insurance policy that covers for climate disasters, and maintenance programs to help maintain this asset's integrity.

Cost of response to risk

Description of response and explanation of cost calculation

In 2021, Sempra Infrastructure analyzed physical risks related to climate change of 18 of its assets in Mexico, which represents nearly 50% of assets in Mexico. Based on these results of this study, Sempra Infrastructure will look to determine the potential economic impact to its business derived from these risks and identify the necessary adaptation measures in an effort to avoid or reduce negative impacts to operations as a result of climate change, where possible.

SDG&E and SoCalGas have participated in a study with the California Energy Commission analyzing the exposure of utility assets to climate change-driven sea level rise. To develop action plans for the adaptation actions identified in the study, SDG&E and SoCalGas have focused on reporting the study results throughout the organization, utilizing workshops and one-on-one communication. Maps are being developed that will be integrated into the geographic information system highlighting at-risk infrastructure and locations that can be used to inform new construction standards. SDG&E is identifying monitoring procedures through a flexible adaptation pathways approach in which short- and long-term adaptation measures are identified and evaluated. For example, upon looking further into the results of the scenario analysis study, SDG&E determined that one substation faces the highest level of risk for impacts related to sea level rise. SDG&E has partnered with the Scripps Institute of Oceanography to install a sensor west of the substation to monitor and generate wave models and allow for more detailed projections of coastal flooding and better understanding of potential sea level rise in the future. In addition, SDG&E is now engaged in a vulnerability assessment for its entire service territory and all its assets for a multitude of climate hazards on several different time scales, creating projections for the next 50 years. This will be the most comprehensive assessment the utility has conducted to date and will serve as a guiding document for how the utility addresses climate change risks moving forward.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Other, please specify

Changes in traditional/fossil natural gas demand

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Certain California legislators and groups have expressed a desire to limit/eliminate reliance on natural gas. Reducing methane emissions has become a focus of certain U.S. legislators and the current U.S. Administration. Certain California state agencies and city governments have proposed regulations to prohibit or restrict the use of natural gas in buildings, appliances and other applications. These regulations and other similar actions could have the effect of reducing natural gas use. The CPUC has initiated an order to implement a long-term planning strategy to manage the state's transition away from natural gas fueled technologies to meet California's decarbonization goals. The California Air Resources Board (CARB) continues to pursue plans for reducing GHG emissions that include proposals to reduce natural gas demand, including more effective energy efficiency programs, increased renewable electric generation and replacement of natural gas appliances. A reduction or elimination of natural gas as an energy source in California could have a material adverse effect on SoCalGas', SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects.

Risk exists to LNG export projects, including the ECA LNG Phase 1 project and potential development of other LNG export facilities. The ability to reach a final investment decision, and the overall success of each project depend on global energy markets'. Depressed natural gas and LNG prices could reduce the pricing and cost advantages of exporting domestically produced natural gas and LNG. Global oil prices and their associated projections could reduce demand for natural gas and LNG in some sectors. A reduction in natural gas demand could also occur from

higher penetration of alternative fuels in power generation, or because of calls by some to limit/eliminate reliance on natural gas as an energy source. Oil prices could make LNG projects in other parts of the world more feasible and competitive with LNG projects in North America, thus increasing supply and competition for LNG demand. Any of these developments could impact competition and prospects for developing LNG export projects and negatively affect the performance and prospects of our projects that are or become operational.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As one example of the potential financial impact, the Cameron LNG liquefaction project alone, which has been developed to help meet worldwide demand for natural gas, is expected to generate $400-$450 million of annual full run-rate earnings to Sempra for the full contract period (until 2039).

Cost of response to risk

Description of response and explanation of cost calculation

In general, Sempra's operating companies' assets have long-term contracts in place which mitigates some of this risk. Another way to mitigate risk is through R&D efforts evaluating low-carbon technologies that can leverage gas infrastructure for storage and transportation. Sempra continues to focus our strategy on assets that we believe will be critical to the transition to a lower-carbon future.

While annual/average gas use is projected to decline, the value of the gas infrastructure system grows, particularly the parts of our system needed to support the reliable and resilient operation of an increasingly decarbonized electric grid. The gas distribution networks at the California utilities could in the future transport lower and zero carbon fuels as well as carbon as we examine the need for a carbon management network. The evolution of the traditional utility business model is a necessary part of the energy transition, including a need to align cost allocation and rate design with beneficiaries and users of the system and monetize the resiliency and reliability provided by a clean fuel network.

Sempra companies continue to innovate, advancing existing and new technologies in distributed energy, carbon capture utilization and sequestration and cleaner fuels like renewable natural gas and hydrogen. In 2021, SoCalGas achieved over 4% RNG deliveries to its core customers, on track for its 20% goal by 2030. A Sempra Board member is also a part of the Carbon Capture Coalition, a nonpartisan collaboration of more than 90 companies, unions, conservation and environmental policy organizations, building federal policy support to enable economy-wide, commercial-scale deployment of carbon management technologies. This includes carbon capture, removal, transport, utilization and storage from industrial facilities, power plants and ambient air. It supports achieving the State's climate goals and recognize those goals can only be achieved with carbon capture technology.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market
Changing customer behavior

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Electric utilities in California are experiencing increasing deployment of distributed energy resources (DERs), such as solar generation, energy storage, energy efficiency and demand response technologies, and California's environmental policy objectives are accelerating the pace and scope of these changes. This growth of DERs will require modernization of the electric distribution grid to, among other things, accommodate increasing two-way flows of electricity and increase the grid's capacity to interconnect these resources. In addition, enabling California's clean energy goals will require sustained investments in grid modernization, renewable integration projects, energy efficiency programs, energy storage options and electric vehicle infrastructure. The growth of the third-party energy storage alternatives and other technologies may increasingly compete with SDG&E's traditional transmission and distribution infrastructure in delivering electricity to consumers. The CPUC is conducting proceedings to evaluate various projects and pilots; implement changes to the planning and operation of the electric distribution grid to prepare for higher penetration of DERs; consider future grid modernization and grid investments; evaluate if traditional grid investments can be deferred by DERs; determine what, if any, compensation would be feasible and appropriate; and clarify the role of the electric distribution grid operator. These proceedings and the broader changes in California's electricity industry could result in new regulations, policies and/or operational changes that could materially adversely affect SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

SDG&E provides bundled electric procurement service through various resources that are typically procured on a long-term basis. While SDG&E currently provides such procurement service for most of its customer load, customers do have the ability to receive procurement service from a load serving entity other than SDG&E, through programs such as direct access (DA) and community choice aggregation (CCA). DA is currently limited by a cap based on gigawatt hours and CCA is only available if a customer's local jurisdiction (city) offers such a program. Several local jurisdictions, including the City and County of San Diego and other municipalities, have implemented, are implementing or are considering implementing CCA, which could result in SDG&E providing procurement service for less than half of its current customer load as early as December 31, 2021. When customers are served by another load serving entity, SDG&E no longer procures electricity for this departing load and the associated costs of the utility's procured resources could then be borne by SDG&E's remaining bundled procurement customers. Existing state law requires that customers opting to have CCA procure their electricity must absorb the cost of above-market electricity procurement commitments already made by SDG&E on their behalf, which requires equitable cost sharing among customers served by SDG&E and customers served by DA and CCA. If adequate mechanisms are not implemented to help ensure compliance with state law or if state law changes, remaining bundled customers of SDG&E could potentially experience large increases in rates for commodity costs under commitments made on behalf of CCA customers prior to their departure. If all such costs are not recoverable in rates, SDG&E could experience material increases in its unrecoverable commodity costs. If legislative, regulatory or legal action is taken that has the effect of preventing or delaying recovery of these procurement costs or if mechanisms are not in place to help ensure compliance with state law, the unrecovered costs could have a material adverse effect on SDG&E's and Sempra's cash flows, financial condition and/or results of operations.

Cost of response to risk

Description of response and explanation of cost calculation

To help achieve the goal of ratepayer indifference (whether or not customers' energy is procured by SDG&E or by CCA or DA), the CPUC revised the Power Charge Indifference Adjustment framework. SDG&E implemented the framework on January 1, 2019, by adopting several refinements designed to more equitably share energy procurement costs among customers served by SDG&E and customers served by CCA and DA. The revised methodology went into effect in January 2019, with additional implementation issues to be addressed through workshops in 2019 and implemented in 2020. Costs to monitor regulation related to CCAs do not represent a significant additional cost above already established departments.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Worldwide, there continues to be increasing demand for cleaner energy. A number of countries are turning to natural gas to provide their citizens with affordable energy and reduce emissions associated with coal, oil, and dirtier fuel sources. Natural gas and its infrastructure are expected to play a continuing role in enabling the energy transition. As renewable energy generation continues to scale globally, it will be critical to be able to leverage other energy sources that can satisfy demand when solar and wind farms are unable to produce electricity. Reliability is a key benefit of natural gas power generation since natural gas-fired power plants can quickly ramp up to meet consumer demand and provide stability to the power grid.

Furthermore, the current geopolitical climate suggests that LNG demand will continue to grow globally, providing an opportunity for North American natural gas to meet that demand. Sempra, through its LNG business at Sempra Infrastructure, has a substantial track record of developing and operating LNG infrastructure in North America. Over the last 15 years, Sempra has invested more than USD $12 billion in the development and operation of two regasification sites in Mexico and Louisiana. In addition, Sempra Infrastructure currently owns a majority stake in Cameron LNG, a facility capable of exporting over 12 million tonnes per annum (Mtpa) of LNG. We believe that Sempra's long track record of excellence in developing, building, and operating natural gas infrastructure in North America will allow the organization to capitalize on these opportunities.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

400,000,000

Potential financial impact figure – maximum (currency)

450,000,000

Explanation of financial impact figure

The Cameron LNG liquefaction project alone, which has been developed to help meet worldwide demand for natural gas, is expected to generate $400-$450 million of annual full run-rate earnings to Sempra for the full contract period (until 2039). The annualized financial impact is based on a considered project life of 20 years and Sempra's 50.2% ownership prior to its sales of non-controlling interests in Sempra Infrastructure in October 2021 and June 2022.

Cost to realize opportunity

2,000,000,000

Strategy to realize opportunity and explanation of cost calculation

To take advantage of these market opportunities, Sempra companies continue to execute on projects to expand access to natural gas and other enabling infrastructure with a focus on expanding LNG export capacity to deliver it to some of the largest world markets through strategically located projects in Louisiana, Texas and Mexico, which offer flexibility and scalability to meet current and future global LNG demand. One example of this effort is the ECA LNG Phase 1 project under construction. This project would be the first LNG export facility on the Pacific Coast of North America that can help connect abundant natural gas supplies from Texas and the Western U.S. directly to markets in Mexico and countries across the Pacific Basin. The ECA LNG Phase 1 project is currently under construction and is expected to be a single-train liquefaction facility with a nameplate capacity of 3.25 million tonnes per annum (Mtpa) of LNG and an initial offtake capacity of approximately 2.5 Mtpa of LNG. Estimated capital expenditures for ECA LNG Phase 1 are approximately $2 billion, including capitalized interest and project contingency.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Due to the focus on emissions reductions from the transportation sector, we project steady growth in low-emission and zero-emission vehicles, providing SDG&E with the opportunity to help build the charging infrastructure and fueling stations that will be needed and earn a rate of return on these projects. SDG&E is supporting California's goal to transition to zero-emission vehicles by accelerating strategic collaboration of key stakeholders in an effort to deliver an ambitious region-wide clean transportation infrastructure goal, address air pollution and solidify the region as a leader on the global transportation map; and aims to help shape constructive policies and legislation to help promote customer adoption and facilitate an equitable transition. Consistent with California Senate Bill 100 (100% Clean Energy Act of 2018), it is the policy of the state that renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies. SDG&E estimates Renewable Portfolio Standard (RPS) program compliance in 2021 at 55%*. SoCalGas also has the opportunity to continue to expand its transportation-related efforts with expanded use of renewable natural gas in fueling stations in addition to exploring new technologies to provide renewable hydrogen made from RNG. SoCalGas' goal with these projects is to produce emissions-free renewable hydrogen for fuel cell electric cars and other vehicles at a price competitive with gasoline. Another example

is the Power Your Drive program. After receiving approval in 2016, SDG&E has installed more than 3,500 electric vehicle charging stations at 300 locations to support the 73,000 electric vehicles in its service territory. The program, features a special rate that encourages EV drivers to charge their cars when electricity supply, including renewable energy, is plentiful and energy prices are low, thereby reducing the impact on SDG&E's grid.

*SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities (LSEs) and customer load departure to local Community Choice Aggregators (CCAs).

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

44,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

When determining the revenue requirements for SDG&E and SoCalGas, the CPUC allows for the recovery of reasonable operating and capital costs in addition to a fair rate of return on infrastructure investments. SDG&E's 2020 and 2021 consolidated rate filings include $44.4 million in revenue requirements related to projects to promote transportation electrification including light duty, medium duty, and heavy-duty electrification; projects at ports and airports, public Cal Trans lots, and car dealerships; electrification of fleet delivery trucks and green shuttles; and a vehicle to grid electric school bus pilot.

Cost to realize opportunity

120,000,000

Strategy to realize opportunity and explanation of cost calculation

Over the past several years, SDG&E has been working to implement projects to increase the number of electric vehicles (EVs) in its service territory. Other projects that are planned include:
- Port and airport electrification: Installations would support electric medium-duty/heavy-duty vehicles and forklifts for the Port of San Diego.
- Fleet delivery trucks: Charging stations are planned to be installed for fleet delivery vehicles at multiple locations.
- Highways (Park-n-Ride lots): Various charging stations, including DC fast chargers — one of the fastest chargers available — are expected to be installed at certain public Caltrans Park-and-Ride lots located along highways.
- Green shuttles: SDG&E is installing charging stations at certain locations to support shuttles running on fixed routes.
- Dealerships: SDG&E provides car dealerships with educational programs and financial incentives to help advance and grow the sales of EVs in the region.

$120 million are the estimated capital expenditures at SDG&E related to electric vehicle charging infrastructure for 2021-25 .

In addition, SoCalGas and SunLine Transit Agency have partnered to test two technologies to produce hydrogen from RNG at SunLine Transit Agency's hydrogen fueling station in Thousand Palms, California. The research project, called "H2 SilverSTARS," is designed to produce renewable hydrogen to fuel SunLine's fleet of 17 hydrogen fuel cell electric buses.

Hydrogen-powered fuel cell electric vehicles are expected to play an important role in meeting California Governor Newsom's executive order requiring all new cars sold in the state be zero emissions by 2035. As demand for these cars increases, Californians will need more stations where they can fuel up with hydrogen.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Worldwide, there continues to be increasing demand for cleaner energy. In areas where Sempra companies operate, including Mexico, governments and consumers are pushing for additional amounts of renewable energy as part of the power generation portfolio and delivered energy. In Mexico, general climate change law (LGCC) details the country's commitment to reduce GHG emissions 30% by 2020 and 50% by 2050. Therefore, Sempra Infrastructure may have the opportunity to increase revenues through projects that enable delivery of renewable energy to customers in Mexico and the United States through cross-border renewables opportunities. With existing wind and solar facilities, Sempra Infrastructure may be able to leverage this experience to continue to deliver renewable energy projects to meet demand.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

176,220,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Revenues for renewable power generation in Mexico totaled approximately 10% of total revenues or $176 million in 2020. Additional projects and investments provide an opportunity for growth in revenues from renewable power generation.

Cost to realize opportunity

42,300,000

Strategy to realize opportunity and explanation of cost calculation

Sempra Infrastructure is currently among the top 10 producers in renewable energy generation in Mexico with 1,044 MW in combined wind and solar generating capacity. In 2020 and early in 2021, IEnova finalized acquisition of the remaining 50% equity-interest in Energía Sierra Juárez (ESJ), a wind complex in Baja California; began development of the proposed ESJ expansion, expected to begin operations in 2H-2021 adding 108 MW of power generation capacity; placed the 150 MW Border Solar project in service in March 2021; and reached commercial operations on the Don Diego Solar 125 MW project in December 2020. The $42.3 million cost to realize this opportunity is the approximate capital expenditure plan for wind and solar projects (only includes projects that have reached a final investment decision). By 2030, IEnova wants to achieve 97% availability for renewable generation (fleet level average). IEnova achieved 92.4% in 2021

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Regulators, consumers, and markets continue to push towards a future with net-zero GHG emissions, as demonstrated by the signing of the Paris Agreement, Executive Orders, and new regulations in states like California.

The Sempra family of companies follows an innovation and new technology approach focused on three core capabilities, referred to as the "3Ds": Decarbonize, Diversify, and Digitalize. Through the three Ds, Sempra aims to modernize existing and develop new energy infrastructure that delivers clean, reliable, and affordable energy to consumers and help drive the organization's environmental, social, and governance (ESG) commitments.

Sempra's demonstrated position as a leader in decarbonizing energy, together with our disciplined approach to innovation and operational excellence, has allowed us to maintain a strong position in large North American markets and positions us to be a leader in the energy transition. Over the next 30 years, energy systems will need to change dramatically to meet local, regional, and global climate goals. This

includes a universal focus on decarbonizing the industrial, transportation and power generation sectors. In combination, these sectors account for more than 32 gigatons of energy-related emissions. Decarbonizing these sectors means that grids will need to expand and harden, and zero-carbon electrons and molecules will need to work in tandem to meet the energy needs of consumers. Innovation and new technologies will be central to society's transition to net-zero GHG emissions goal by 2050, and we believe that investing in the 3Ds will be position Sempra to lead that transition

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Sempra has recently established our long-term strategy to achieve our aim to have net-zero GHG emissions by 2050 and outlined key investment opportunities related to the 3Ds: decarbonization, diversification and digitalization. Two examples of investments that we are considering include hydrogen and carbon capture and storage.

Combined, SoCalGas and SDG&E are participating in over 10 hydrogen demonstration projects, exploring hydrogen uses in clean transportation, hydrogen pipeline infrastructure, electrolysis, pyrolysis and hydrogen blending. For example, SoCalGas collaborates with a wide range of organizations locally and globally to examine hydrogen blending into the gas grid. As part of the global HYREADY joint industry project, with over 16 international utilities, SoCalGas is supporting the development of engineering guidelines for transmission and distribution operators to support hydrogen injection into the gas grid. SoCalGas and SDG&E, as part of the California statewide effort to transport hydrogen through the gas network, are working alongside PG&E and Southwest Gas to conduct hydrogen blending research and lab testing to support demonstration opportunities with the potential to increase blending.

Additional opportunities are under consideration, iincluding a proposed carbon capture and storage project near the Cameron LNG facility, which could sequester emissions from Cameron LNG and other facilities in the area. In addition, investment opportunities in the production and transportation of alternative fuels such as hydrogen, green ammonia, RNG, and biofuels are also being explored. These new opportunities represent potential areas of growth for our family of companies while we advance cleaner energy systems.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We do not have a feedback mechanism in place, and we do not plan to introduce one within the next two years

Attach any relevant documents which detail your transition plan (optional)

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Sempra 2021 Sustainability Report.pdf

Sempra-Sustainability-Report-Full (6).pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 4.5	Business division		SDG&E and SoCalGas completed a scenario analysis as part of California's 4th Climate Change Assessment. The analysis focused on midcentury exposure, in line with energy infrastructure planning horizons. Methodology included: A literature review of coastal hazards; sector vulnerabilities and concurrent efforts; an exposure analysis to understand where sea level rise (SLR) impacts might

			intersect with infrastructure; an assessment of potential direct impacts; quantitative modelling and qualitative assessment of indirect impacts due to disruptions at potentially exposed substations, including estimating the value of the lost service to customers, and impacts from service disruptions; and development of potential “flexible adaptation pathways” and priority adaptation measures. The RCP 8.5 50th, 95th, and 99.9th percentile projections were used for planning horizons before 2060, and RCP 4.5 and 8.5 (50th, 95th, and 99.9th percentile) beyond 2060. In absence of coastal hazard models which directly align, the research team evaluated several models and recommended specific scenarios and recurrence intervals of wave and water levels to match the guidance as closely as possible. On the electric side, it was determined that a significant number of assets and services are exposed to coastal hazards related to climate change. Areas of concern for the utility by midcentury are in low-lying areas around bays and estuaries and on the coastline adjacent to erodible cliffs and dunes. The most significant direct impacts could occur from damage to substations near two bays in San Diego. If inundated with sufficient water to damage equipment, these substations could go out of service until flooding recedes and repairs can be made, potentially disrupting service to thousands of customers. Other direct impacts include increased maintenance or repair costs. Natural gas infrastructure is likely to experience increased repair/maintenance needs or localized disruptions. The cumulative impacts of increased costs could not be quantified in this study but could be significant with the number of assets potentially exposed. Widespread disruptions to natural gas infrastructure are not expected due to limited projected exposure to climate hazards, and low system-sensitivity when exposure occurs. Analysis like this allows for our companies to plan for future capital projects and determine work necessary to improve our infrastructure’s ability to withstand SLR that occurs.
Physical climate scenarios RCP 8.5	Business division		

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

What possible future developments need to be probed?
What can Sempra do to align with current and future climate-related legislation?
How can Sempra align with the Paris Climate Agreement and a well below 2 degree or 1.5 degree climate scenario?

Results of the climate-related scenario analysis with respect to the focal questions

Sempra conducts periodic ESG materiality assessments to identify key ESG issues, sets goals in these areas and communicates progress to our stakeholders.1 The most recent such materiality assessment was conducted in connection with the 2019 corporate sustainability report. As part of the assessment, Sempra: • Analyzed international sustainability frameworks and standards, • Interviewed internal and external stakeholders to gain their perspectives on current and emerging priorities. In addition to shareholders, stakeholders included nongovernmental organizations, academia, regulators/government agencies, community members and members of Sempra's and our operating companies' management teams, and • Assessed results against macro policy and other societal trends. The material ESG issues identified during that assessment were: reliability; affordability; greenhouse gas (GHG) emissions; energy transition; public safety; disaster preparedness and response; employee and contractor safety; infrastructure security; and climate risk and resilience. The Board influences the tone and safety culture of the organization through, among other things, the questions they ask, the focus they place on key organizational issues, the messages they give during direct interactions with employees and overall compensation programs. Direct lobbying activities align with relevant policies within the legislative and regulatory jurisdictions in which we operate, such as California's goal to achieve economy-wide carbon neutrality by 2045, the U.S. Environmental Protection Agency's methane rules, and important global multi-lateral collaborations, including the Paris Agreement's goals of limiting average global warming to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C.

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

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	While the core products and services (transmission and distribution of gas and electricity) that Sempra businesses offer have not changed, climate-related risks and opportunities have had a high impact on our business strategy and investment decisions in types of electric generating facilities and natural gas infrastructure. For two decades, the Sempra family of companies has been on a sustained path to decarbonize our business operations and the markets we serve with a view towards transitioning to net-zero to aid in keeping global warming below a 1.5-2 degree Celsius change. While innovation and new technologies will be central to achieving society's net-zero goal by 2050, we expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. As the Sempra family of companies develop and promote new capabilities in these areas, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders. When applied to our own operations, the 3Ds framework is intended to support our aim of having net-zero GHG emissions by 2050, with proof points and illustrative goals across three estimated time periods: 2021-2025, 2026-2030 and 2031-2050.
Supply chain and/or value chain	Yes	

Investment in R&D	Yes	Society's shift to a cleaner energy future presents both opportunities and risks and has a high impact on R&D expenditures. The energy transition and reaching net-zero GHG emissions as an industry will require significant innovation and new technologies to be achievable. Our businesses are investing in R&D opportunities designed to facilitate this transition and allow for upgrades to our current infrastructure to provide reliable delivery of energy, in addition to the development of new technologies designed to reduce the emissions impacts of the electricity and natural gas that we deliver. Sempra engages in R&D collaborations with external parties and license technology in an effort to take advantage of climate-driven opportunities and address risks. For example, Sempra recently announced a Memorandum of Understanding (MOU) with the U.S. Department of Energy's National Renewable Energy Laboratory (NREL), providing a framework for a joint effort to advance future net-zero energy systems. The MOU, which is not legally binding but sets forth a framework for cooperation, builds off nearly 10 years of ongoing collaboration and will continue current work researching and developing innovative solutions to help shape a lower-carbon future through technology and applications capable of withstanding increasing energy demand and broad adoption while advancing future innovation. Sempra NREL have collaborated for nearly a decade on cooperative and multi-year projects exploring the development, access and integration of low-carbon fuels and microgrid technology. In 2013, SDG&E and NREL joined to establish the nation's first utility-owned community microgrid in Borrego Springs, CA, connected to a local 26-megawatt solar field (owned by a third party), two battery storage systems, two generators, and an ultracapacitor. The microgrid, which is being upgraded so that it can operate on 100% clean energy, was designed to provide consistent power flowing to the remote desert town during emergencies and planned outages on the larger grid. In 2017, SoCalGas and NREL partnered to create, validate and integrate the nation's first carbon-free, power-to-gas pilot-system. The technology takes excess electricity and converts it to hydrogen, which can be used, stored, or combined with carbon dioxide and fed to a bioreactor to produce RNG.
Operations	Yes	With operations that can be impacted by the physical risks of climate change, our utilities have worked to update infrastructure and operations to mitigate these risks. Climate-related scenario analysis studies, as described in our response to 3.2a provide a pathway and framework to address areas of operations particularly at risk. One of the most significant decisions made related to operations is at SDG&E, where the decision was made to invest in a wildfire mitigation program that resulted in more

		than $2.0 billion spent since 2007 in wildfire mitigation investments (which does not attempt to quantify future costs). SDG&E has been highly impacted in terms of the risk related to increasing drought conditions and the potential for wildfires. Wildfires can put our infrastructure and customers at risk, and if overhead power lines are implicated in wildfires, as was the case in 2007, it represents further financial risk. This risk has influenced the way that SDG&E operates, to mitigate this risk to the extent possible. SDG&E has long been recognized as a leader in wildfire innovation and weather science and continues to invest in fire hardening to support public safety. Since 2007, the company has continued to improve and build upon its wildfire mitigation efforts, culminating in the latest iteration of its wildfire mitigation program, “Fire Safe 4.0.” As part of its efforts, SDG&E leverages an enhanced weather and camera network to measure fuel moisture and monitor chlorophyll in vegetation; artificial intelligence to identify smoke patterns and deploy push notifications; remote sensing to detect hot spots and link with cameras to provide alerts; risk-based decision tools to assess wildfire and public safety power shutoff risks; strategic hardening, such as undergrounding, covered conductor and falling conductor protection; community programs, including microgrids and generators to help keep communities energized, and a mobile app to help keep customers informed; and enhanced vegetation management within high fire threat districts.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation	For two decades, the Sempra companies have been on a sustained path to decarbonize their business operations and the markets they serve with a view towards transitioning to net-zero – to emit no more greenhouse gases than removed from the atmosphere Capital expenditures have been significantly impacted by this effort to lower environmental impacts and climate-related

	Acquisitions and divestments	risks and opportunities in general. This has involved capital expenditures in infrastructure that helps enable the energy transition. Sempra is executing on its largest-ever capital plan of $36 billion,* which calls for new investments in critical infrastructure, such as new electric transmission and distribution investments, utility-scale battery storage and green hydrogen delivery systems, to bring cleaner sources of energy onto the grid. These types of investments are essential to help power new solutions to society's climate challenges, Sempra's capital plan is for 2022-2026 and includes $11.2 billion of capex representing Sempra's proportionate ownership share of amounts expected to be funded by unconsolidated entities.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Business activity

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Base year

2015

Base year Scope 1 emissions covered by target (metric tons CO2e)

884,811

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

884,811

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

40

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

530,886.6

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

587,028

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

587,028

% of target achieved relative to base year [auto-calculated]

84.1374598643

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Sempra has set a goal to reduce methane emissions from natural gas transmission and distribution systems by 40% from a 2015 baseline* by 2030. The target includes the following businesses: SoCalGas, SDG&E and IEnova (Ecogas utility and other IEnova-owned natural gas pipelines).

SoCalGas and SDG&E have 25+ emission reduction activities underway to reduce emissions from natural gas infrastructure. This includes actively monitoring high-pressure pipelines using advanced sensors; capturing natural gas that would otherwise be released into the atmosphere during some pipeline work; and using the latest technologies including drones and handheld sensors to conduct leakage surveys. In 2021, the California utilities achieved a 34% emission reduction relative to the 2015 baseline, and a total reduction of approximately 78,000 metric tons of CO2e from 2020 to 2021**.

Through the implementation of a strong methane management program, as of 2020, SoCalGas and SDG&E have collectively achieved a reduction of more than 19% in fugitive methane emissions from the baseline year. The goal is expected to be achieved primarily through working to improve the efficiency of the transmission system to reduce fugitive methane emissions; and by working to improve fugitive emission review, detection, and repairing activities as part of the asset maintenance plan.

*The baseline year used by SDG&E and SoCalGas is 2015, while IEnova selected 2019 as the baseline year (2019 emissions are higher).
**Based on the current CPUC reporting templates and approved methodologies.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

---

Target reference number

Abs 2

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

5,153,303

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

91

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

2,576,651.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

5,242,739

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

145,809

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,388,548

% of target achieved relative to base year [auto-calculated]

-9.1298726273

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Interim target: The aim is to reduce California utilities and Mexico (non-LNG) operational GHG emissions by 50% compared to a 2019 baseline by 2030. This target excludes Scope 1 and 2 GHG emissions related to our LNG operations. Sempra has set an annual intensity target for LNG related emissions, which is discussed in 4.1b below.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Business activity

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Other, please specify

Metric tons of CO2e per unit of LNG traded

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.481

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

20

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.3848

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.2772

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.2772

% of target achieved relative to base year [auto-calculated]

211.8503118503

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

The intensity goal above was established for our LNG-related operations. Each year we aim to operate our existing LNG infrastructure at a GHG emissions intensity 20% less than the 2020 baseline. This goal is through 2025. Cameron LNG, the primary LNG operating asset, had its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we expect to establish new goals.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Int 2

Year target was set

2019

Target coverage

Business division

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.289

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.289

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

0

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.289

% change anticipated in absolute Scope 1+2 emissions

-18.69

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.235

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.29

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Achieved

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

IEnova works to keep its emissions intensity for power generation below 0.35 tCO2e per MWh. This target applies to IEnova's power generation activities, including natural gas and renewable electricity generation. In 2021, IEnova generated 2,546,613 MWh of net renewable and carbon-free power. As a result of the growth in IEnova's renewable power generation, their carbon intensity has decreased. In 2021 IEnova's carbon intensity was 0.235 t CO2e/MWh, an 18.9% reduction compared to 2020.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to reduce methane emissions
Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 2

Year target was set

2018

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify

Other, please specify

Number of zero-emissions vehicles in SDG&E service territory: Facilitate electric vehicle growth to meet the Governor’s goal of 500,000 zero emissions vehicles in its service territory by 2030.

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

500,000

Figure or percentage in reporting year

73,000

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

In January of 2018, the state of California signed Executive Order B-48-18 in an effort to reduce the state's overall greenhouse gas emissions in the transportation sector. The purpose of the Executive Order is to increase the supply of zero-emission vehicles and charging and refueling stations in California. The Executive Order established a series of milestones toward a long-term target of 1.5 million zero-emissions vehicles on California's roadways by 2025 and 5 million by 2030. In SDG&E's service territory, this target represents 500,000 zero emissions vehicles by 2030. Transportation accounts for 55% of all the greenhouse gas emissions in the city of San Diego, so this effort will reduce a significant portion of the emissions in SDG&E's service territory. In September of 2020 California's governor increased this ambition and signed an Executive Order banning the sale of new gas cars and trucks by 2035.

Is this target part of an overarching initiative?

Other, please specify

Executive Order B-48-18

Please explain target coverage and identify any exclusions

Part of California governor's goal of 500,000 electric vehicles in San Diego region by 2030. As of December 2021, SDG&E has helped increase the number of light duty zero emissions vehicles in its service territory to approximately 73,000 and has installed over 3,600 electric vehicle charging stations.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

---

Target reference number

Oth 3

Year target was set

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of low-carbon vehicles in company fleet

Target denominator (intensity targets only)

Base year

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

33

% of target achieved relative to base year [auto-calculated]

66

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is part of SoCalGas' ASPIRE 2045 plan to replace 50% of SoCalGas' over-the-road fleet with electric, hybrid, renewable gas, and fuel cell electric vehicles by 2025. By 2035, SoCalGas plans to operate a 100% zero emission over-the-road fleet. As of 2021, SoCalGas' fleet consisted of 1,406 alternative fuel vehicles (NGV), of a total of 4,194 vehicles, or approximately 33%.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

The target coverage is specifically for SoCalGas. This is an internal goal to replace 50% of SoCalGas over the road fleet with electric, hybrid, renewable gas and fuel cell electric vehicles by 2025. As of 2021, SoCalGas' fleet consisted of 1,406 alternative fuel vehicles, of a total of 4,194 vehicles.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

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Target reference number

Oth 4

Year target was set

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of low-carbon vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

3.9

Target year

2040

Figure or percentage in target year

100

Figure or percentage in reporting year

4.7

% of target achieved relative to base year [auto-calculated]

0.8324661811

Target status in reporting year

Is this target part of an emissions target?

This target is part of SDG&Es' sustainability strategy to transition 30% of its overall fleet to Zero Emission Vehicles (ZEV) by 2030, and operate 100% ZEV by 2040.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

The target coverage is specifically for SDG&E. As of 2021, 4.7% of SDG&E's overall fleet consisted of ZEVs. SDG&E aims to transition 30% of the fleet to ZEV by 2030 and operate a 100% ZEV fleet by 2040.*

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell vehicles.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

---

Target reference number

Oth 5

Year target was set

2019

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of battery electric vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

12.1

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

21.3

% of target achieved relative to base year [auto-calculated]

10.4664391354

Target status in reporting year

Underway

Is this target part of an emissions target?

In addition to SDG&E's plan to transition 30% of the fleet to ZEV by 2030 and operate a 100% ZEV fleet by 2040*, SDG&E aims to electrify 100% of their light duty fleet by 2030.

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell vehicles.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

The target coverage is specifically for SDG&E. As of 8/31/2022, 21.3% of SDG&E's light duty fleet was electrified. Additionally, SDG&E has a related sustainability goal to transition 30% of the fleet to zero-emission vehicles (ZEV) by 2030 and operate a 100% ZEV fleet by 2035.* Refer to target reference number 'Oth 4' above for details.

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEV) and hydrogen fuel cell vehicles.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

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Target reference number

Oth 6

Year target was set

2019

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Fossil fuel reduction target

Percentage of fossil fuels in the fuel mix

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

20

Figure or percentage in reporting year

4

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

SoCalGas has set a goal that by 2030, 20% of the natural gas that it delivers to SoCalGas core customers will be from renewable natural gas that is released from the decomposition of organic matter (with an interim goal of 5% by 2025). SoCalGas has released a broad, inclusive and

integrated plan to help achieve California's ambitious emissions goals. More details can be found here: https://www.socalgas.com/sites/default/files/1443742359071/scg-executive-summary-white-paper.pdf.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

The target coverage is specifically for SoCalGas. SoCalGas is the largest natural gas distribution utility in the United States. SoCalGas works to deliver affordable, reliable and increasingly renewable gas service to 22 million customers across 24,000 square miles of service territory, where more than 90% of residents use natural gas for heating, hot water, cooking, drying clothes or other uses. Gas delivered through the company's pipelines also plays a key role in providing electricity to Californians— about 45% of electric power generated in the state comes from gas-fired power plants.

SoCalGas' mission is to build the cleanest gas utility in North America, by delivering affordable and increasingly renewable energy to its customers. In support of that vision, SoCalGas has set a goal to replace 20% of its traditional natural gas supply delivered to core customers with RNG by 2030 (with an interim goal of 5% by 2022). By developing renewable gas from California's abundant organic waste streams, SoCalGas can help to meet its climate goals sooner, while diversifying carbon-free energy sources, improving energy resilience and reliability, and also creating additional renewable fuel and jobs for our communities. SoCalGas is also committed to investing in its gas delivery infrastructure while keeping bills affordable for customers.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs3

Target year for achieving net zero

2050

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions

Net-zero greenhouse gas emissions by 2050

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

For two decades, Sempra has been on a sustained path to decarbonize our business operations and the markets we serve. We see innovation and new technologies as central to a clean energy future, enabled by investments in three key capabilities: decarbonization, diversification and digitalization, which we refer to as the “3Ds”. This past year, we summarized our aspirations in each of these areas as part of our energy transition action plan. In 2021, we announced a bold aim to have net-zero GHG emissions by 2050.

In 2021, Sempra released a Sustainable Financing Framework, which outlines the parameters under which we invest in the 3Ds to work toward our net-zero aspirations and advance the energy transition. It establishes criteria for any issuances by Sempra, SDG&E or SoCalGas of

sustainable financing instruments and the use of proceeds from such issuances to finance projects aligned with our ESG strategy. Eligible projects may include investments in clean transportation, climate change adaptation, energy efficiency, clean energy solutions, green buildings, pollution prevention and control and socio-economic advancement and empowerment. By aligning our capital-intensive activities with our 3Ds framework and sustainability goals, we believe it will help drive our ESG commitments to support long-term, sustainable value for all.

Sempra is a founding sponsor of the Veritas initiative being led by the Gas Technology Institute. Veritas is a differentiated gas measurement and verification initiative intended to accelerate actions to reduce methane leakage from natural gas systems. Sempra Infrastructure and SoCalGas have been participating in the development of protocols to quantify methane emissions. Sempra Infrastructure expects to conduct a demonstration project of the Veritas initiative at its existing LNG terminals during 2022.

Target reference number

NZ2

Target coverage

Business division

Absolute/intensity emission target(s) linked to this net-zero target

Not applicable

Target year for achieving net zero

2045

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions

Net-zero emissions for San Diego Gas & Electric by 2045.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

By 2030, SDG&E aims to achieve zero net energy for all owned facilities (in 2020 electricity usage for owned facilities was approximately 5.5 MW). SDG&E intends to employ energy efficiency measures and/or renewable energy generation so that its buildings consume no more than the amount of energy that can be produced onsite and through renewable sources. As an interim measure to help offset its emissions from owned facilities, SDG&E purchased renewable energy credits (RECs) in 2021.

Target reference number

NZ3

Target coverage

Business division

Absolute/intensity emission target(s) linked to this net-zero target

Not applicable

Target year for achieving net zero

2045

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions

Net-zero emissions for SoCalGas by 2045

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

In September 2021, SoCalGas began purchasing 100% renewable power from the grid under Southern California Edison's Green Rate Program. Additionally, SoCalGas has been working with four additional electric service providers to purchase 100% renewable power for all eligible grid-connected facilities. For these facilities SoCalGas estimates that it will purchase nearly 66.5 million kilowatt hours of power from 100% renewable sources each year, which could reduce greenhouse gas emissions by over 13,000 metric tons equivalent annually

SoCalGas and SDG&E are working to accelerate innovation and advancements in emissions reduction and mitigation strategies and practices. They are not only investing in new technologies, programs and procedures to detect leaks, but also technologies tied to managing our gas infrastructure more effectively.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	34	1,044,180

Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify

Other, please specify

Transmission Pipeline Blowdown Reductions

Estimated annual CO2e savings (metric tonnes CO2e)

85,325

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

Comment

This initiative is part of Sempra's aim to achieve zero natural gas vented during planned transmission pipeline work (SDG&E and SoCalGas, excludes emergency repairs) by 2030. Per the Reporting Year 2022 (i.e., Emissions Year 2021) R.15-01-008 Annual Emissions Reports, SoCalGas and SDG&E transmission pipeline blowdown emissions were 94% and 98% less, respectively, than 2015 baseline transmission pipeline blowdown emissions. As a result, a total of approximately 86,000 fewer metric tons of CO2e (190,564 Mscf) were released by transmission pipeline blowdowns during 2021 than during the 2015 baseline year.

*Based on current CPUC reporting templates and approved methodologies

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Initiative category & Initiative type

Other, please specify

Other, please specify

Emission Reductions

Estimated annual CO2e savings (metric tonnes CO2e)

297,782

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

Comment

This initiative is mandatory for SoCalGas and SDG&E and voluntary for Sempra's Mexico gas distribution and transmission operations. Estimated annual savings (CO2e) currently do not include Mexico operations. SoCalGas and SDG&E have 25+ emission reduction activities underway to reduce emissions from natural gas infrastructure. This includes actively monitoring high-pressure pipelines using advanced sensors; capturing natural gas that would otherwise be released into the atmosphere during some pipeline work; and using the latest technologies including drones and handheld sensors to conduct leakage surveys. In 2021, SoCalGas and SDG&E achieved a 34% emission reduction relative to the 2015 baseline, and a total reduction of approximately 78,000 metric tons of CO2e from 2020 to 2021*.

*Based on current CPUC reporting templates and approved methodologies

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Initiative category & Initiative type

Other, please specify

Other, please specify

Energy Efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

573,301

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 11: Use of sold products

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

186,432,209

Payback period

No payback

Estimated lifetime of the initiative

Comment

SDG&E and SoCalGas help customers reduce their energy use and the resulting impact on the environment through energy efficiency and energy conservation programs. Scope: This represents a reduction in scope 3 emissions from use of electricity and natural gas sold to customers, and ultimately scope 1 emissions due to a reduction in demand from customers. In 2021, customer energy efficiency at SDG&E and SoCalGas saved approximately 466 gigawatt-hours of electricity and approximately 46.0 million therms of natural gas. * Approximately $186 million was allocated by SDG&E and SoCalGas to implement energy efficiency programs for customers in 2021. The energy-saving programs reduced CO2 by an estimated 573,301 metric tons. In California, utilities are typically rewarded through financial incentives for meeting energy efficiency goals. *Preliminary numbers

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Initiative category & Initiative type

Other, please specify

Other, please specify

Vented emissions reductions; natural gas capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

87,772

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,369,851

Investment required (unit currency – as specified in C0.4)

101,372,711

Payback period

>25 years

Estimated lifetime of the initiative

>30 years

Comment

Also includes reductions of vented emissions. SoCalGas has been a member of the US EPA Natural Gas STAR program since 1994. Through this program, SoCalGas has networked with other program members to identify partner-reported opportunities working to adopt best management practices. In 2021, SoCalGas reported a reduction in fugitive emissions (scope 1) by such practices as reclaiming rather than blowing to atmosphere the natural gas remaining in a pipeline preceding pipeline maintenance operations. In 2021, SoCalGas' reduction amounted to 87,772 metric tons CO2e in potential vented emissions through activities including pressure adjustments, and altered emergency shutdown practices. In addition to these efforts, SoCalGas has also been implementing other technology that is reducing fugitive emissions. This includes a system that captures natural gas associated with pipeline testing and replacement (instead of venting it to the atmosphere); sensors that read methane levels every five minutes near high pressure pipelines to improve early leak detection; and infrared thermal-imaging cameras that can detect even the tiniest leak. Payback period and estimated lifetime of the initiative vary, depending on the specific type of work completed.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Most U.S. states have a renewable energy requirement or goal and these requirements are a critical part of the domestic energy resource mix. Compliance with renewable portfolio standards in California and Mexico has driven purchases and development of renewable power.
Dedicated budget for energy efficiency	Energy efficiency programs also play a critical role in reducing emissions. Examples of energy efficiency programs at SDG&E and/or SoCalGas include: • Time-of-use rates for customers; • Peak-demand campaigns such as “reduce your use” and “dial it down”; and • In-home efficiency programs that provide customers with more efficient appliances, weather stripping and other upgrades at no cost. In 2021, customer energy efficiency programs at Sempra California surpassed goals and saved approximately 466 gigawatt-hours of electricity and more than 46 million therms of natural gas. These efforts avoided more than 788,700 metric tons of greenhouse gas emissions and resulted in customer savings of nearly $176 million in energy costs last year alone.* *Preliminary data.
Dedicated budget for low-carbon product R&D	At SDG&E and SoCalGas there is a dedicated budget for work on developing innovative technology: smart grid, electric vehicles, hydrogen, renewable natural gas and carbon capture and storage research and demonstration projects. For example, SoCalGas' H2 hydrogen home is the first project of its kind in the U.S. aiming to show how carbon-free gas made from renewable electricity can be used in pure form or as a blend to fuel clean energy systems of the future. The project was named one of Fast Company magazine’s World Changing Ideas and aims to demonstrate the important role of hydrogen in helping the state achieve its carbon neutrality goals.
Employee engagement	We work to educate and support employees as they strive to reduce energy use in facilities and fuel use while driving. We also have employee-driven sustainability teams at several locations that engage employees on reducing their impacts at home and at work.

Internal incentives/recognition programs	Sempra's operating companies offer recognition to employees, as well as performance incentives, where applicable and SDG&E and SoCalGas offer rebates and incentives to customers.
Partnering with governments on technology development	Sempra's operating companies work closely with governments and government agencies, including the California Energy Commission, the U.S. Department of Energy (DOE) and National Labs to advance high-impact, lower carbon technologies. For example, earlier this year GKN Hydrogen and SoCalGas announced the companies will work with the U.S. DOE's National Renewable Energy Laboratory (NREL) on an innovative green hydrogen storage solution. GKN Hydrogen's HY2MEGA could enable safe, long duration clean energy storage without the need for compression. At scale, this combined technology could provide resilient power in case of widespread outages. It also highlights the technologies needed to reach carbon neutrality and accelerate clean fuel initiatives. Two HY2MEGA hydrogen storage subsystems are planned to connect to an electrolyzer and fuel cell at the ARIES facility on NREL's Flatirons Campus near Boulder, Colorado. The electrolyzer would use renewable sources and produce green hydrogen to be stored in the HY2MEGA. The HY2MEGA stores the hydrogen in a solid state (metal hydrides), under low pressure in a compact footprint. According to GKN Hydrogen, it's one of the safest ways to store hydrogen. The fuel cell would then convert the green hydrogen to produce renewable electricity. The two HY2MEGA's could add an additional 500 kgs of hydrogen storage on site. The three-year project is set to launch at the end of this year. SoCalGas plans to leverage the large-scale hydrogen storage capabilities of GKN Hydrogen's HY2MEGA from this project to help accelerate the commercialization and deployment of green hydrogen projects, in an effort to ultimately help decarbonize the energy system while stabilizing the electrical grid to enable even higher penetrations of renewable sources of electricity.
Dedicated budget for other emissions reduction activities	Funds are allocated specifically for emissions reduction initiatives, including facility energy efficiency, fugitive emissions reductions, pipeline upgrades, and the purchase of alternative-fuel fleet vehicles. In addition, given our focus on low and zero carbon sources of energy, our capital expenditure budget includes funds for projects that target emissions reductions: the construction of renewable energy facilities; zero emissions vehicle infrastructure; battery storage; and electric and gas distribution system upgrades to accommodate increasing amounts of renewable electricity and gas.

Internal price on carbon	An internal price of carbon is particularly relevant for SDG&E and SoCalGas, where a cap and trade program has been adopted. SDG&E and SoCalGas were asked by the California Public Utilities Commission to calculate cap and trade compliance costs and thus, a proxy price was developed to forecast the price of allowances to protect confidential information related to GHG allowance prices and bid strategies in accordance with regulations. SoCalGas and SDG&E's methodology is based on the forward Intercontinental Exchange (ICE) settlement price of a California Carbon Allowance with December delivery in the forecast year.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

EPA GHG equivalencies

Type of product(s) or service(s)

Other

Other, please specify

Variety of energy savings products for homes and businesses

Description of product(s) or service(s)

Energy efficiency plays a critical role in reducing emissions. In California, profits are not tied to the amount of energy sold. This policy ("de-coupling") has helped align energy and environmental interests and has facilitated a strong record of energy efficiency performance. Programs include rebates for energy-efficient appliances, demand-response programs, energy-efficient lighting programs, and on-bill financing for retrofits in commercial and government buildings. These programs result in reductions of scope 1 and scope 2 emissions of our customers and scope 3 emissions reported by us.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Power

Other, please specify

Solar and Wind generation

Description of product(s) or service(s)

Sempra Infrastructure can generate 1,044 megawatts of wind and solar power in Mexico.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Avoided emissions are calculated considering the emission factor of the Mexican electricity grid. The figure represents the total amount of electricity generated by renewable assets multiplied by the grid emission factor (0.423 ton CO2e/MWh)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1,077,217

Explain your calculation of avoided emissions, including any assumptions

Avoided emissions are calculated considering the emission factor of the Mexican electricity grid. The figure represents the total amount of electricity generated by renewable assets multiplied by the grid emission factor (0.423 ton CO2e/MWh)

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

---

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Type of product(s) or service(s)

Other

Other, please specify

Renewable Natural Gas (RNG)

Description of product(s) or service(s)

Sale of renewable natural gas to customers.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

C-EU4.6

(C-EU4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

Decades of work in early-adopted and innovative technologies have helped Sempra's companies identify and reduce emissions. For example, SoCalGas voluntarily began implementing and developing strong management practices to reduce its fugitive emissions as an original member of the Environmental Protection Agency’s (EPA) Natural Gas STAR program beginning in the early 1990s. Ongoing infrastructure improvements, such as eliminating high-bleed pneumatic devices and cast-iron pipes, have modernized and tightened the system. Legislation, such as California Senate Bill

1371 “Natural Gas Leakage Abatement,” has helped formalize accountability in this area and support the efforts at Sempra California by codifying requirements for gas distribution utilities to reduce methane emissions, while prioritizing safety, reliability and affordability.

SoCalGas and SDG&E are working to accelerate innovation and advancements in emissions reduction and mitigation strategies and practices. They are not only investing in new technologies, programs and procedures to detect leaks, but also technologies tied to managing our gas infrastructure more effectively. These include:

- Advanced meters to identify leaks on the customer side
- Real-time monitoring of transmission pipelines from a state-of-the-art gas control center
- Fiber optic cables that detect methane leaks and third-party damage to pipelines in real time
- Infrared cameras to check for leaks in newly installed pipelines
- Infrared “point” sensors to detect leaks even before odorant can be detected
- In-line inspection tools, or “smart pigs”
- External corrosion surveying
- Aerial methane mapping to accelerate emissions detection and repair

Sempra is a founding sponsor of the Veritas initiative being led by the Gas Technology Institute. Veritas is a differentiated gas measurement and verification initiative intended to accelerate actions to reduce methane leakage from natural gas systems. Sempra Infrastructure and SoCalGas have been participating in the development of protocols to quantify methane emissions. Sempra Infrastructure expects to conduct a demonstration project of the Veritas initiative at its existing LNG terminals during 2022.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, other structural change, please specify

Name of organization(s) acquired, divested from, or merged with

Sempra LNG and IEnova

Details of structural change(s), including completion dates

With a view towards creating a larger platform to capture new opportunities that support the energy transition and invest in the energy systems of the future, Sempra Infrastructure consolidates Sempra LNG and IEnova, announced November 9, 2021. This resulted in a re-segmentation for accounting purposes, which became effective at the beginning of the 2022 fiscal year.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	GWP updates to IPCC AR4 2007 (EPA and the Climate Registry)

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we have not evaluated whether the changes should trigger a base year recalculation	

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

5,700,977

Comment

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

220,586

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

2,884,834

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

8,310

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

62,800,178

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: Electric Power Sector (EPS) Protocol
The Climate Registry: General Reporting Protocol
US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify
California Air Resources Board (CARB) subpart c, w; CARB oil and gas regulation; Mexico federal guidelines

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

6,836,421.36

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Currently only SDG&E and SoCalGas calculate scope 2 market-based emissions.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

241,035

Scope 2, market-based (if applicable)

135,228

Comment

Currently only SDG&E and SoCalGas calculate scope 2 market-based emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Emissions related to operations of wind in Mexico.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Emissions are not relevant

Estimated percentage of total Scope 1+2 emissions this excluded source represents

0

Explain how you estimated the percentage of emissions this excluded source represents

Scope 2 emissions broken down by asset in % are located in Sempra Infrastructure's 2021 Sustainability Report, page 126. 20% of scope 2 emissions in Mexico are attributed to wind operations as detailed in the report. These emissions account for approximately 0.03% (3,107 MT CO2e) of total Sempra scope 1 and scope 2 emissions.

Source

Emissions related to operations of solar in Mexico.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Emissions are not relevant.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

0

Explain how you estimated the percentage of emissions this excluded source represents

Scope 2 emissions broken down by asset in % are located in Sempra Infrastructure's 2021 Sustainability Report, page 126. 15% of scope 2 emissions in Mexico are attributed to solar operations as detailed in the report. 3,107 tons of CO2e account for approximately 0.02% of total Sempra scope 1 and scope 2 emissions.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

In 2014, a supply chain analysis was conducted for Sempra's headquarters, SDG&E, and SoCalGas suppliers, which provided us with an estimate of greenhouse gas emissions from purchased goods and services (outside of the energy supply chain) based on our 2013 suppliers and spend. Based on this evaluation, Sempra does not consider these emissions to be relevant compared to other sources.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

866,908

Emissions calculation methodology

Other, please specify

TCR’s Electric Power Sector Protocol v1.0 Emissions from Purchased Power [MT GHG] = Power Delivered onto System [MWh] x Emission Factor [MT GHG/MWh] This calculation is repeated for each GHG (CO2, CH4, N2O) using the appropriate emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions provided are for power purchased on behalf of and delivered to our utility SDG&E's customers.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

The primary products in Sempra's supply chain are electricity and natural gas. The emissions that arise from the transportation and distribution of these products are included in our scope 1 and 2 emissions figures. Sempra does not consider any other emissions from transportation and

distribution to be relevant compared to the quantity of emissions from other sources.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,096

Emissions calculation methodology

Other, please specify

Emissions from employee air travel are calculated by our corporate travel services. Flights are categorized into short, medium, and long-haul. Total distance travelled in each category is then multiplied by the emissions factors from the WRI GRP.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions provided are for employee air travel booked through Sempra's travel services companies and may not include all work-related flights taken by employees.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Leased assets are not a significant part of our operations.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Most of the electricity and natural gas sold by Sempra companies is sold to end users and not used as an intermediate product.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

65,342,579

Emissions calculation methodology

Other, please specify

Emissions are calculated with Subpart NN of CARB regulations

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions resulting from the combustion of natural gas sold to SoCalGas, SDG&E and Sempra Infrastructure customers.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Sempra businesses sell natural gas and electricity. End of life treatment is not relevant for these products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Sempra does not believe these emissions are relevant compared to the quantity of emissions from other sources.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Sempra does not have any franchises.

Investments

Evaluation status

Relevant, not yet calculated

Please explain

Emissions related to investments have not yet been calculated.

Other (upstream)

Evaluation status

Relevant, not yet calculated

Please explain

Emissions related to the production and transportation of natural gas used in our operations has not yet been calculated.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0006

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

7,212,683.83

Metric denominator

unit total revenue

Metric denominator: Unit total

12,857,000,000

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

Both revenues and GHG emissions have increased year-over-year resulting in consistent intensities.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4,814,896	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1,992,893	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	2,834	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	7,524	IPCC Fourth Assessment Report (AR4 - 100 year)

HFCs	1,760	IPCC Fourth Assessment Report (AR4 - 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	163	4,984	0.33	133,561	
Combustion (Electric utilities)	1,251,507	21	0	1,136,514	
Combustion (Gas utilities)	140,518	3	0	140,664	
Combustion (Other)	774	0	0	774	
Emissions not elsewhere classified	0	0	0	0	

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	6,432,647
Mexico	404,344

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
SDG&E	1,308,602
SoCalGas	1,882,523
Sempra Infrastructure	1,998,596

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	2,499,773	Power plant stationary combustion emissions in the U.S. and Mexico

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	470,879	Decreased	7	This decrease is due to emissions reduction activities related to vented and fugitive emissions, resulting in a total reduction of approximately 470,879 metric tons CO2e. Our total Scope 1 and 2 emissions in the previous year were 6,879,105 metric tons CO2e. Therefore, we arrived at a 7% decrease: (470,879/6,879,105) *100.
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	1,411	Decreased	0.02	Purchased electricity from Mexico decreased 1,411 MT CO2e due to lower demand.
Change in methodology	25,592	Increased	0.4	Fugitive emissions increased 25,592 MT due to the GWP for methane increasing to 25 (vs. 21 in previous years). Our total Scope 1 and 2 emissions this year were 7,213,254 metric tons CO2e. Therefore, we arrived at a 0.4% increase: (25,592/ 7,213,254) *100.
Change in boundary	0	No change	0	

Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	480,767	Increased	0.07	An increase in leak detection in Mexico accounted for a minimal increase in emissions year over year. Scope 2 GHG emissions from the Cameron LNG facility in Louisiana were reported for the first time in 2021.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes

Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	16,275,181.03	16,275,181.03
Consumption of purchased or acquired electricity		60,861	3,881,001.82	3,941,862.82
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		60,861	20,156,182.85	20,217,043.85

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No

Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

129,184.81

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Includes Diesel and Gasoline purchased and consumed

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

16,142,656.61

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Includes Compressed Natural Gas, Natural Gas, Propane Gas, and Liquefied Petroleum Gas.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

3,339.6

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Includes Other Fuels purchased and consumed.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

16,275,181.03

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Lignite

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Oil

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Gas

Nameplate capacity (MW)

2,466

Gross electricity generation (GWh)

6,189

Net electricity generation (GWh)

6,015

Absolute scope 1 emissions (metric tons CO2e)

2,499,773

Scope 1 emissions intensity (metric tons CO2e per GWh)

416

Comment

Sustainable biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Other biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Waste (non-biomass)

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Nuclear

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Geothermal

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Hydropower

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Wind

Nameplate capacity (MW)

515

Gross electricity generation (GWh)

1,172

Net electricity generation (GWh)

1,197

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Solar

Nameplate capacity (MW)

529

Gross electricity generation (GWh)

1,384

Net electricity generation (GWh)

1,349

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Marine

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Other renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Other non-renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Total

Nameplate capacity (MW)

3,510

Gross electricity generation (GWh)

8,745

Net electricity generation (GWh)

8,561

Absolute scope 1 emissions (metric tons CO2e)

2,499,773

Scope 1 emissions intensity (metric tons CO2e per GWh)

292

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Mexico

Consumption of electricity (MWh)

32,135.53

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

32,135.53

Country/area

United States of America

Consumption of electricity (MWh)

4,548,630.62

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4,548,630.62

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region

United States of America

Voltage level

Transmission (high voltage)

Annual load (GWh)

17,215

Annual energy losses (% of annual load)

1.76

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

102,990

Length of network (km)

41,806

Number of connections

1,355,230

Area covered (km2)

10,619

Comment

This represents data for the combined transmission and distribution system of SDG&E, this data is not reported separately. Losses are primarily for the power sent over our transmission lines from the various sources. The 2020 FERC loss factor is used as the 2021 figure is not yet available.

Note the annual energy loss rate and emissions reflect the updated values that were submitted to The Climate Registry (TCR) in June 2022. 2021 emissions are subject to verification.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Lignite

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Oil

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Gas

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

3,295,000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

5

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

29

Explain your CAPEX calculations, including any assumptions

This information reflects Sempra Infrastructure CAPEX data from 2021 to 2026.

Sustainable biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Other biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Waste (non-biomass)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Nuclear

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Geothermal

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Hydropower

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Wind

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

55,370,000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

81

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

59

Explain your CAPEX calculations, including any assumptions

This information reflects Sempra Infrastructure CAPEX data from 2021 to 2026.

Solar

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

9,851,000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

14

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

12

Explain your CAPEX calculations, including any assumptions

This information reflects Sempra Infrastructure CAPEX data from 2021 to 2026.

Marine

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Fossil-fuel plants fitted with CCS

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Other renewable (e.g. renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

Other non-renewable (e.g. non-renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Large-scale storage	Energy storage at grid scale can help mitigate the effects of renewable energy intermittency and energy shifting. Over time, energy-storage and energy-shifting capabilities will need to expand to manage daily intermittency needs and mitigate the impact of lengthy weather events. Besides charging primarily when there is an overabundance of renewables and prices are low and discharging later in the day when solar is coming offline, these batteries can provide ancillary services to help maintain grid stability.	444,000,000	4	2026
Charging networks	This includes planned capital expenditures related to the implementation of California assembly bills 1082 and 1083 which will allow SDG&E to install a mix of public DC fast	178,000,000	1.6	2026

	chargers and level 2 chargers. CAPEX is also planned for charging infrastructure for medium and heavy-duty vehicles.			
Micro-grid	SDG&E is committed to modernizing the power grid to integrate more clean energy, enhance reliability and improve safety. Microgrids, basically mini power grids, use technologies such as energy storage to provide power to specific communities/neighborhoods if an outage occurs on the larger grid.	40,000,000	0.5	2026

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Unable to disaggregate by technology area		81-100%	23,854,598	This represents 2021 expenditures for the electric program investment charge (EPIC). The California Public Utilities Commission (CPUC) established EPIC to assist the development of non-commercialized new and emerging clean energy technologies in California while providing

				assistance to commercially viable projects. EPIC consists of three program areas: (1) Applied research and development; (2) Technology demonstration and deployment; and (3) Market facilitation, consisting of market research, regulatory permitting and streamlining, and workforce development activities. EPIC activities must be designed to produce electricity ratepayer benefits for customers.
Unable to disaggregate by technology area		21-40%	18,034,669	This represents 2021 R&D spending at SoCalGas, which is focused on the development of low-carbon technologies, including the use of hydrogen, renewable natural gas, fuel cells, as well as clean transportation, clean generation, customer end use and gas operations.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf

TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf

SCG verification statement signed.pdf

Page/ section reference

Verification reports for 2020 for SDG&E, SoCalGas and Termoeléctrica de Mexicali are attached.

Relevant standard

The Climate Registry's General Verification Protocol (also known as California Climate Action Registry (CCAR))

Proportion of reported emissions verified (%)

63

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AR_Sempra_Infrastructure_2021.pdf

Page/ section reference

Limited independent assurance report on the 2021 Sempra Infrastructure Sustainability Report begins on page 109.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

12

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf

TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf

SCG verification statement signed.pdf

Page/ section reference

Verification reports for 2020 for SDG&E, SoCalGas and TDM are attached.

Relevant standard

The Climate Registry's General Verification Protocol (also known as California Climate Action Registry (CCAR))

Proportion of reported emissions verified (%)

97

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AR_Sempra_Infrastructure_2021.pdf

Page/ section reference

Limited independent assurance report on the 2021 Sempra Infrastructure Sustainability Report begins on page 109.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

3

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AR_Sempra_Infrastructure_2021.pdf

Page/section reference

The limited independent assurance report for the Sempra Infrastructure sustainability report begins on page 109.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

30

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

AR_Sempra_Infrastructure_2021.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Other, please specify	ISAE 3000 by the IAASB/IFAC considering the Global Reporting	For SDG&E and SoCalGas operations verification of the breakdown of scope 1 and 2 emissions by gas is verified through the climate registry verification

	Scope 1, and 2 emissions breakdown	Initiative Standards The Climate Registry's General Verification Protocol	process. For Sempra Infrastructure operations, as part of the sustainability report assurance process, the GRI indicators below were verified based on GRI standards. 305-1: Direct GHG Emissions 305-2: Energy Indirect GHG Emissions 305-3: Other Indirect GHG emissions 305-5: Reduction of GHG emissions 305-4 GHG Emissions Intensity.
C8. Energy	Energy consumption	ISAE 3000 by the IAASB/IFAC considering the Global Reporting Initiative Standards	For our Sempra Infrastructure operations in Mexico, we conducted an assurance process of some relevant indicators that are published in the annual sustainability and financial report. This report utilizes the methodology of the Global Reporting Initiative. 302-1: Energy consumption was verified.
C6. Emissions data	Other, please specify Scope 1 Emissions (excluding mobile sources)	Mexican standard: NMX-SAA-14064 – 3 – IMNC-2007	Verification required by Mexico's emissions trading system (on trial for three years-2020-2022). Verified emissions only include Scope 1 emissions from combustion, excluding mobile sources.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT - ETS

% of Scope 1 emissions covered by the ETS

42

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2021

Period end date

December 31, 2021

Allowances allocated

9,349,852

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e

3,032,692

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Verified scope 1 emissions data for 2021 are not yet available. GHG emissions data provided are unverified and subject to change pending the verification process. We are prohibited by applicable regulations from providing information on allowances purchased.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The California Air Resources Board (CARB) regulations have required the electric sector to obtain GHG emissions allowances corresponding to reported GHG emissions from operations since 2013 and, starting in 2015, from the sale of natural gas to customers for use in California as part of the Cap-and-Trade program. Under the program the CARB set a state-wide maximum limit on total GHG emissions, and this cap declines annually through 2030. We are required then to obtain allowances or qualifying offset credits for each metric ton of GHGs emitted from our operations and from the sale of natural gas to customers for use in California. The availability of allowances will decline over time, and the cost to acquire such allowances is expected to increase. SDG&E has been participating in the California Cap-and-Trade program since its inception in 2013 and SoCalGas since 2015. Each company employs its own strategy for managing the costs of compliance with the California Cap-and-Trade program rules, as well as for identifying opportunities to purchase cost-effective compliance instruments.

SDG&E and SoCalGas use public prices such as the floor price and other public external prices to determine their respective costs of compliance and make decisions. In 2021, the floor (reserve) price was $17.71. Under rules defined by the California Air Resources Board, SDG&E and SoCalGas are prohibited from disclosing any information about auction strategies. To manage compliance costs, SDG&E created a GHG procurement strategy in its Bundled Procurement Plan that was approved by the California Public Utilities Commission (CPUC) in 2012, 2014 and amended in 2018. This strategy allows SDG&E to employ several procurement mechanisms such as participation in CARB's quarterly allowance auctions, transacting via a request for offers process, transacting via broker and transacting via exchanges. The CPUC adopted similar procurement options for gas utilities in 2014.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations

GHG Scope

Scope 1

Application

Given that Sempra's utilities SDG&E and SoCalGas are covered under the state of California's cap and trade program, they use a price of carbon to determine compliance costs.

Actual price(s) used (Currency /metric ton)

17.91

Variance of price(s) used

In this example, the price would be differentiated as it specifically applies to SDG&E and SoCalGas and cap and trade compliance costs. This value does not remain constant and is updated based on the results of the program.

Type of internal carbon price

Other, please specify

Market-based price

Impact & implication

An internal price of carbon is particularly relevant for our utilities in California, where a cap and trade program has been adopted. SDG&E and SoCalGas were asked by the California Public Utilities Commission to calculate cap and trade compliance costs and thus, a proxy price was developed to forecast the price of allowances to protect confidential information related to GHG allowance prices and bid strategies in accordance with regulations. SoCalGas and SDG&E's methodology is based on the forward Intercontinental Exchange (ICE) settlement price of a California Carbon Allowance with December delivery in the forecast year. The proxy for the 2021 GHG emissions price was $17.91/MT. The Proxy GHG Allowance price is the 5-day average of forward prices for October 1-4 and October 7 on the Intercontinental Exchange (ICE) for a California Carbon Allowance with December delivery in 2021. We are now looking into other potential uses of this price, such as evaluating benefits of energy efficiency and other internal emissions reduction initiatives.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Other, please specify

Compliance and Onboarding

Details of engagement

% of suppliers by number

44

% total procurement spend (direct and indirect)

6

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

The information is for SDG&E and SoCalGas only based on 2021 data and information. Sempra's engagement with its suppliers begins with the supplier code of business conduct, which outlines our expectations for supplier behavior including environmental protection and sustainability; human rights; supplier diversity; and health and safety, among other topics. Our standard terms and conditions state that suppliers are to follow all applicable environmental laws and regulations. It is a supplier's responsibility to know and understand the environmental issues associated with the production of their goods and services and be good stewards of the environment. We value suppliers that evaluate their products and services from a total lifecycle perspective, have solid environmental metrics tracking practices, use resources responsibly, reuse and recycle when possible, and work to eliminate environmental incidents. Our California utilities, SDG&E and SoCalGas, have and are currently implementing specific programs to address sustainable business practices with suppliers, including GHG emissions and climate change. Both SDG&E and SoCalGas plan to continue to expand and build upon their supply chain sustainability programs in 2022 through efforts including, but not limited to, implementing processes to incorporate sustainability into their supply chains, working with supplier partners to pursue more sustainable business practices, and prioritizing critical material supply chain risks and opportunities. Currently, SDG&E and SoCalGas evaluate supplier operational impacts through Requests for Proposals (RFPs) above a certain dollar threshold by including sustainability questions that are given weight in the bid award evaluation, which is reflected in the percentages of suppliers covered by number and total procurement spend for 2021 above.

Impact of engagement, including measures of success

The information provided in this section is for Sempra California only based on 2021 data and information. These consolidated businesses represent most of Sempra's expenditures with suppliers in 2021. The supplier percentages above are estimates based on the number of suppliers with RFPs that go through the bidding process (sourceable spend) that are required to include sustainability questions based on company procedures. The number of suppliers that receive sustainability RFP questions does not directly relate to the percentage of overall spend because not all suppliers are awarded a contract, some agreements are non-funded master agreements, and not all spend occurs within

the year that the contract was awarded. Therefore, the estimated percentage of total procurement spend of 6% for Sempra California is based on the number of suppliers with spend over $1 million, which does not capture all suppliers the utilities have engaged with on sustainability matters (including those who were not awarded a contract or whose spend is under $1 million). The percentage of suppliers includes all bidders, not solely suppliers with whom the utilities contract as a result of evaluation. This process allows all bidders to understand the significance of sustainability as part of doing business with Sempra California by requiring bidders to answer sustainability-related questions during the sourcing event. Therefore, our measure for success is receipt of additional information and data related to supplier sustainability efforts.

Comment

The information provided in this section is for SDG&E and SoCalGas only based on 2021 data and information.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

72

% total procurement spend (direct and indirect)

64

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

There are two ways that SDG&E and SoCalGas collect climate change and carbon information from suppliers. SDG&E is a member of the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), a non-profit organization of investor-owned utilities across the U.S. to promote supply chain sustainability. Through EUISSCA, we survey suppliers to understand their environmental impacts, policies, and goal setting around resource use and emissions reduction. The suppliers selected to complete the survey include top-tier suppliers, those identified

as part of the Supplier Relationship Management (SRM) program, and any other suppliers critical to the business based on our Supply Management Business Continuity Plans. In 2021, SDG&E and SoCalGas invited 158 suppliers to participate in the EUISSCA Annual Supplier Sustainability Assessment and achieved a response rate of approximately 64% of overall spend and 72% for invited suppliers. The percentage response rate for invited suppliers is reflected in the 72% shown under "% of suppliers by number." The number of invited suppliers represents approximately 4.2% of our overall suppliers. SDG&E and SoCalGas are working to streamline this selection process and data collection effort in the future. These suppliers responded by completing the assessment phase of the survey and at least initiating the improvement planning phase. At SoCalGas, suppliers that are identified as critical become part of the SRM program. Suppliers review requests for information as part of the initial phase of doing business. The current SRM supplier areas were determined to be critical based on a segmentation approach in each commodity or service area and SoCalGas has reviewed critical and high-risk suppliers as part of the SRM program annually. The supplier questionnaire highlights sustainability as an area of focus for SoCalGas, creating awareness among suppliers that we consider this area important to engage in business with them and that improvement is encouraged and expected. Through this program, SoCalGas tracks supplier performance and looks for ways to gain efficiencies, in terms of safety, cost, industry best practice, diverse business spend, and environmental impact.

Impact of engagement, including measures of success

The information provided in this section is for SDG&E and SoCalGas only based on 2021 data and information. These businesses represent most of Sempra's expenditures with suppliers in 2021. Measures of success vary with each method of engagement. With regard to sustainability metrics, success in many cases is receipt of increased information and data related to suppliers' impacts. Through the EUISSCA Annual Supplier Sustainability Assessment survey, SDG&E and SoCalGas have gathered data that provides baseline sustainability information for the selected suppliers that will help shape the sustainability programs for both utilities. Capital spend is expected to increase over the next five years for both SDG&E and SoCalGas. Therefore, the number of supplier engagements through the EUISSCA survey is expected to increase. The survey tool gives suppliers a score in the applicable areas, benchmarking dashboards to compare their performance against others in their category, and best practices to increase scores in the applicable areas. Additionally, the tool allows suppliers to create plans in areas the supplier feels best fits their company to enhance their everyday sustainability activities and thereby raise their scores in the following year. Suppliers are provided percentage scores based on their responses, including a percentage breakdown per area (e.g., Governance & Management, Office/Grounds, Design & Engineering, Procurement, Construction, etc.) to show areas of opportunity for improvement. Each area provides methodologies to enhance performance in the targeted areas. With other programs mentioned, such as the SRM program, success can be measured in terms of reductions in cost and environmental impact. As part of our SRM program at SoCalGas, suppliers meet with the utility and areas associated with the contractor (e.g., Safety, Contractor Controls, Pipeline Integrity, etc.) regularly. During the meeting, the supplier informs us about the efforts they have made regarding environmental, social, and economic sustainability aspects. The information

obtained serves to gauge what activities suppliers are currently undertaking, and to define a baseline. Once we are able to get some best practice options, we may look to include a best practice as part of any renegotiated contracts or in the execution of new requests for proposals.

Comment

This information is for SoCalGas and SDG&E only based on 2021 data and information.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

% of suppliers by number

3.44

% total procurement spend (direct and indirect)

46

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

This information is for SoCalGas only based on 2021 data and information. Suppliers that are identified as critical based on a mix of spend amount and the business resumption plan (BRP) become part of the SRM program. Some of the critical suppliers that participate in the SoCalGas SRM Program also serve SDG&E. Through these discussions in regularly scheduled meetings suppliers are requested to provide information on their sustainable efforts.

Impact of engagement, including measures of success

The information provided in this section is for SoCalGas. These businesses represent most of SoCalGas' expenditures with suppliers. Measures of success vary with each method of engagement. With regard to sustainability metrics, success in many cases is receipt of increased information and data related to suppliers impacts. With other programs mentioned, such as the SRM program, success can be measured in

terms of reductions in cost, environmental impact, and adherence to the diverse business spend percentage commitment reported by suppliers as part of the procurement process. Some examples of past innovation and collaboration with suppliers include the following: . 1. Discussion and information regarding Sempra and the utilities' sustainability plans through 2045 and a dialogue of how suppliers can partner to achieve goals; 2. Requests for updates on selected suppliers' use of the sustainability survey used to review suppliers to better understand their environmental impacts, policies, and any goal setting around resource use and emissions reduction.

Comment

This information is for SoCalGas only based on 2021 data and information.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

70

Please explain the rationale for selecting this group of customers and scope of engagement

California has the fourth-lowest per capita energy consumption in the U.S. per the U.S. Energy Information Administration (EIA), in part because California regulators provide incentives for utilities to achieve energy-efficiency improvements at customer facilities. By improving energy efficiency, the state has avoided the need to build additional power generation facilities. SDG&E and SoCalGas work with their residential, business and industrial customers to determine ways they can save energy and reduce their energy bills. Targeted energy efficiency programs are described on the utilities' websites. For example, the Energy Savings Assistance Program provides energy-saving improvements at no charge to customers that meet certain income requirements. Other programs include on-bill financing of energy upgrades, level-payment plans

(which can reduce month-to-month differences in energy bills), time-of-use rates, “Reduce Your Use” days, and many other similar programs. Percent of customers is percent of SDG&E and SoCalGas customers.

Impact of engagement, including measures of success

Measures of success for energy efficiency programs are megawatt-hours of electricity and therms of natural gas saved. In 2021 alone energy efficiency programs at SDG&E resulted in electricity savings of 466 GWh. SoCalGas and SDG&E's customer energy efficiency programs saved more than 4,600,000 MMBtu of natural gas in 2021. These electric and gas energy efficiency efforts reduced CO2 emissions by more than 573,000 metric tons over the year. *Preliminary numbers.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.

Climate-related requirement

Other, please specify

Supplier Code of Business Conduct

Description of this climate related requirement

From the supplier code of business conduct https://www.sempra.com/sites/default/files/content/files/node-media-document/2022/Policies/Sempra_SCOBC_091421_updates.pdf:

Sempra is committed to protecting and conserving the environment for the benefit of our employees, customers and the diverse communities in

which the Sempra Companies serve and provide service. It is the supplier's responsibility to know and understand the environmental issues associated with the production of goods and services they provide. We expect our suppliers to be good environmental stewards. We value suppliers that evaluate their operations, products and services from a total lifecycle perspective in order to propose and implement effective policies and measurable improvements in areas such as:

• Environmental metrics tracking
• Reuse and Recycling
• Air emissions reductions (Volatile organic Compound-VOC's, Greenhouse Gas-GHG's)
• Land restoration
• Responsible resource utilization
• Environmental incidents elimination
• Energy and water use minimization
• Waste reduction

The Company values suppliers who disclose their corporate sustainability results and set measurable goals that reduce environmental impacts.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Other, please specify

Non-compliance can alter our business relationship and could result in the termination of that business relationship.

supplier-code-of-business-conduct_5-18_1.pdf

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Sempra and its operating companies engage in direct and indirect lobbying activities at the federal, state and local levels of government consistent with our commitment to creating long-term, sustainable value. We believe that our indirect lobbying activities through trade associations are consistent with a transition to a lower-carbon energy system and generally align with the Paris Agreement's goal to limit global temperature rise. (Page 106).

Sempra 2021 Sustainability Report.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Trade association policies generally reflect a compromise of the membership, so at times the policy positions and lobbying activities of these associations may not fully align with Sempra's positions on a particular issue, including the Paris Agreement's goal to limit global temperature rise, in which case we work to mitigate risks associated with such misalignment. Specifically, we seek to do this in three primary ways:

1. Education of the association staff and key members.
2. Ongoing engagement with the association to try to move consensus positions.
3. If needed, dissension from association positions, including not providing formal company participation or endorsement.

We have also enhanced our disclosure about our trade associations and their alignment with the Paris Agreement and Sempra's climate position. To assist in this endeavor, we developed a standardized trade association template in consultation with shareholders and other key stakeholders. This template was sent to trade associations in which we participate with annual dues or membership fees over $20,000 that have lobbying expenditures.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Other, please specify

Infrastructure, Climate

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Infrastructure Investment & Jobs Act

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra has met with federal legislators to advocate the importance of incentives for the deployment of clean energy technologies including grid modernization, energy storage, EV infrastructure, and hydrogen. As a major utility stakeholder in California and Texas, the company engaged delegation members to discuss the benefit of these programs for their constituents and local communities.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify

Carbon Capture

Specify the policy, law, or regulation on which your organization is engaging with policy makers

CCUS/45QInfrastructure

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra engaged directly with federal legislators and their staff, and hosted briefings for Capitol Hill stakeholders on the environmental benefits of carbon capture, utilization, and storage (CCUS) technology. Specifically, Sempra advocated for more robust incentives, including an

expanded 45Q tax credit, and eligibility for liquified natural gas facilities, as a cost-effective way to further reduce emissions from the natural gas sector.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Assembly Bill (AB) 66 (Boerner-Horvath) – Sea Level Rise Early Warning System; requires the Scripps Institute of Oceanography at UC San Diego to conduct research on coastal cliff landslides and erosion in San Diego County, upon appropriations by the California Legislature.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra's Sacramento employees worked with legislative staff via meetings, email, telephone calls, and position statements, to communicate the Sempra utilities' position on the measures.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers

AB 322 (Salas) – Electric Program Investment Charge for Biomass; requires the California Energy Commission (CEC) to consider funding for eligible biomass conversion to energy projects.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra's Sacramento employees worked with legislative staff via meetings, email, telephone calls, and position statements, to communicate the Sempra utilities' position on the measures.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify

Electric Vehicles

Specify the policy, law, or regulation on which your organization is engaging with policy makers

AB 970 (McCarty) – Electric Vehicle Charging Station Permits – provides that an expedited, streamlined permitting process for electric vehicle charging stations applies to all cities, including charter cities, in California.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra's Sacramento employees worked with legislative staff via meetings, email, telephone calls, and position statements, to communicate the Sempra utilities' position on the measures.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify

Zero Emission Fleet Vehicles

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Senate Bill 372 (Leyva) – Fleet Purchasing Assistance Program for Zero-Emission Vehicles; established the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program (within the CA Air Resources Board/CARB) to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra's Sacramento employees worked with legislative staff via meetings, email, telephone calls, and position statements, to communicate the Sempra utilities' position on the measures.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify

Fuel Cell Electric Vehicles

Specify the policy, law, or regulation on which your organization is engaging with policy makers

SB 643 (Archuleta) – Fuel Cell Electric Vehicle Fueling Infrastructure & Production Statewide Assessment; requires the CEC, in consultation with the CARB and the CPUC, to prepare a statewide assessment of the fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles at levels necessary for the state to meet climate goals.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sempra's Sacramento employees worked with legislative staff via meetings, email, telephone calls, and position statements, to communicate the Sempra utilities' position on the measures.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

American Council for Capital Formation

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

ACCF believes that government policies should be transparent and enable capital investment needed to develop affordable, reliable and sustainable energy for consumers. It recognizes that addressing the challenge of climate change is critical and must be balanced with the need for energy to maintain global economic growth.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

25,000

Describe the aim of your organization's funding

Membership Dues

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

American Gas Association (AGA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

AGA represents companies delivering natural gas safely, reliably and in an environmentally responsible way to help improve the quality of life for their customers every day. AGA's mission is to provide clear value to its membership and serve as the indispensable, leading voice and facilitator on its behalf in promoting the safe, reliable and efficient delivery of natural gas to homes and businesses across the nation. AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure and advanced technologies that maintain reliable, resilient and affordable energy service choices for consumers.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

1,095,876

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

American Petroleum Institute

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

API represents all segments of America's oil and natural gas industry. Its nearly 600 members produce, process and distribute most of the nation's energy. API's mission is to promote safety across the industry and influence public policy supporting a strong, viable U.S. oil and natural gas industry. API and its members are committed to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. API supports global action that drives greenhouse gas emissions reductions and economic development. API will lead by providing platforms for industry action to:

• Reduce greenhouse gas emissions through industry-led solutions and
• Actively work on policies that address the risks of climate change while meeting the global need for affordable, reliable and sustainable energy.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by

trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

216,244

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Bioenergy Association of California

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Bioenergy Association of California's mission is to promote sustainable bioenergy development and associated activities in California. Its work supports California climate policies, which are aligned with the Paris Agreement.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

California Business Roundtable

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The California Business Roundtable is a nonpartisan organization comprised of the senior executive leadership of the major employers throughout the state – with a combined workforce of more than half a million employees. For more than thirty-five years the Roundtable has identified the issues critical to a healthy business climate and provided the leadership needed to strengthen California's economy and create jobs. It supports the State's climate goals and advocate for policies to achieve the goals affordably and reliably.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

52,112.55

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

California Carbon Capture Coalition

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Carbon Capture Coalition is a nonpartisan collaboration of more than 90 companies, unions, conservation and environmental policy organizations, building federal policy support to enable economywide, commercial-scale deployment of carbon management technologies. This includes carbon capture, removal, transport, utilization and storage from industrial facilities, power plants and ambient air. It supports achieving the State's climate goals and recognize those goals can only be achieved with carbon capture technology.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

California Energy Storage Alliance (CESA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The mission of CESA is to make energy storage a mainstream resource to advance a more affordable, efficient, reliable, safe and sustainable electric power system for all Californians.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

20,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

California Hydrogen Business Council (CHBC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

CHBC is committed to advancing the commercialization of hydrogen and fuel cells in the energy and transportation sectors to achieve California's climate, air quality and decarbonization goals. It does not have a specific statement on climate; however, CHBC is committed to advancing the commercialization of hydrogen and fuel cells in the energy and transportation sectors to achieve California's climate, air quality and decarbonization goals.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

62,500

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

California NGV Coalition (CNGVC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

CNGVC is the industry's premier advocacy and education organization in California. It works to ensure this technology reaches its full potential to succeed in the marketplace and advance California's air quality and climate goals. It focuses on advancing the use of the lowest carbon fuels available to achieve climate milestones.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the

template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

71,500

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Carbon Neutral Coalition (CNC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

CNC's mission is to put Texas on a path to becoming carbon neutral by 2050 while maintaining a robust economy that provides a good standard of living and affordable energy, products and services. CNC believes the energy industry can lead the way toward carbon neutrality, create jobs,

increase efforts to reduce carbon emissions and continue to provide reliable, affordable energy.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Civil Justice Association of California (CJAC)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

A trusted source of expertise in legal reform and advocacy for almost half a century, CJAC's mission is to confront legislation and laws that create unfair burdens on California businesses, employees and communities.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

27,500

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Coalition for Renewable Natural Gas, INC

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

RNG Coalition advocates and educates for sustainable development, deployment and utilization of renewable natural gas so that present and future generations will have access to domestic, renewable, clean fuel and energy. RNG captures emissions from society's waste streams and redeems its energy value and therefore has the lowest lifecycle carbon intensity of any clean energy resource readily available today.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

72,600

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Council of Americas (COA)

Is your organization's position on climate change consistent with theirs?

Unknown

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

COA is an international business organization whose members share a shared commitment to economic and social development, open markets, the rule of law and democracy throughout the Western Hemisphere. The Council's membership consists of leading international companies representing a broad spectrum of sectors, including banking and finance, consulting services, consumer products, energy and mining, manufacturing, media, technology and transportation. The Council has indicated that it does not have a position on, nor does it lobby on, global climate change matters.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

45,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Edison Electric Institute (EII)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

EEI represents all U.S. investor-owned electric utility companies. EEI provides public policy leadership, strategic business intelligence and essential conferences and forums. EEI's member companies are leading a clean energy transformation. Thanks mainly to the leadership of EEI's member companies, carbon emissions. From the electric power sector are at their lowest level since 1978—and should continue to fall. EEI has an extraordinary opportunity before us to tackle climate change, and EEI's member companies are well-positioned to be part of the climate change solution. We are committed to reducing carbon emissions in our sector and helping other sectors—particularly the transportation and industrial sectors—transition to clean, efficient electric energy.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

1,037,055

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Greater Houston Partnership

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Greater Houston Partnership is dedicated to strengthening Houston's position as the world's energy capital. The economic vitality and growth of the region's economy is inextricably tied to the energy industry, and the industry is changing rapidly. In 2020, the Partnership prioritized efforts that will position Houston to lead the global energy transition to a more efficient and sustainable, low-carbon future and to accommodate global demand growth. The Partnership is committed to working alongside the business community, stakeholders, elected officials and others to identify solutions to take on the dual challenge of meeting the world's increasing energy needs while lowering the world's carbon footprint.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

100,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Interstate Natural Gas Association of America (INGAA)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. INGAA is comprised of 26 members, representing the vast majority of the interstate natural gas transmission pipeline companies in the U.S. and Canada. In January 2021 INGAA members issued a climate policy statement. In November 2021, INGAA released updated commitments on reducing greenhouse gas emissions. These commitments outline specific actions and considerations for reducing methane and carbon dioxide emissions; highlight INGAA members' support of the development of new emissions reduction technologies and practices; and encourage information-sharing related to reducing emissions across the natural gas transmission and storage sector.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

105,060

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Louisiana Association of Business and Industry (LABI)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

LABI serves its broad membership by working towards the singular goal of fostering a climate for economic growth through consistently championing the principles of the free enterprise system. LABI sets the standard for advocacy, providing policymakers with the information and perspective necessary to advance sound public policy that supports strong economic growth. The LABI Energy and Environmental Council contains many principles that support timely compliance with the Federal Clean Air Act, support for a diverse energy strategy, and support for a consistent and fair regulatory climate, among other items. One relevant provision states that the association "supports environmental legislation and regulations that balance environmental concerns with economic realities and are workable, practical, equitable and consistent."

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Louisiana Mid-Continent Oil and Gas Association (LMOGA)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

LMOGA's mission is to promote and represent the oil and gas industry operating in Louisiana and the Gulf of Mexico by extending the representation of its members to the Louisiana Legislature, state and federal regulatory agencies, the Louisiana congressional delegation, the media and the general public. LMOGA has stated that the risks of climate change are real, and the solutions to these risks must also be real. Creative solutions to the climate challenge should leverage Louisiana's natural areas of strength and present opportunities for economic growth for Louisianans.

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Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

25,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Orange County Business Council (OCBC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

OCBC represents and promotes the business community, working with government and academia to enhance Orange County's economic development and prosperity. OCBC does not participate in federal advocacy practices but supports sustainability and renewable clean energy options that provide choices for businesses in the region.

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template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

46,500

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Texas Association of Business (TAB)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

TAB is the Texas State Chamber, representing companies of every size and industry. TAB works bipartisanly to protect Texas's pro-business climate, delivering solutions to the challenges affecting Texas employers. Its core principles are to ensure a light regulatory environment and tax

structure for businesses of every size and industry; maximize employers' opportunity to grow jobs, increase wages and give back to their communities; build a sustainable and inclusive workforce by enhancing the education system and encouraging second chance hiring; support business growth through sensible immigration and trade policies as well as economic development incentives; and fortify infrastructure including energy, transportation, water and broadband.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

25,000

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Texas Oil and Gas Association (TXOGA)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

TXOGA is a statewide trade association representing every facet of the Texas oil and gas industry, including small independents and major producers. TXOGA's climate policy statues that to further achieve climate progress, GHG emission-reduction efforts are a global responsibility with participation from all sectors and industries. TXOGA supports public policy that recognizes oil and natural gas are indispensable, facilitates GHG emissions reductions, and balances economic, environmental, energy and national security needs while promoting innovation. The association believes in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. TXOGA supports a market-based approach to GHG emissions reductions across the U.S. economy and believes that advanced technology and innovation offer the best solutions for managing climate risks and reducing GHG emissions.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

25,000

Describe the aim of your organization's funding

Membership dues

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

US Chamber of Commerce

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The U.S. Chamber of Commerce is the world's largest business organization. The U.S. Chamber has advocated for policies that help businesses create jobs and grow our economy. The Chamber believes that there is much common ground on which all sides of this discussion could come together to address climate change with policies that are practical, flexible, predictable and durable. The Chamber believes in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. The Chamber supports a market-based approach to GHG emissions reductions across the U.S. economy, and believes that advanced technology and innovation offer the best solutions for managing climate risks and reducing GHG emissions.

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area. We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

705,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Trade association

Other, please specify

Western States and Tribal Nations Natural Gas Initiative (WSTN)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

WSTN is a narrowly focused organization organized to develop markets for the Rockies natural gas basins. It has not developed a specific position on climate; however, its focus is on the role natural gas can play in the energy transition toward lower carbon fuels and how Rockies producers can lead the way on responsibly sourced gas and reduce carbon content along the natural gas value chain. It is part of the WSTN message that U.S. natural gas exports are proven to accelerate other nations' realization of rapid emissions reductions while generating decades of economic development for our rural communities and sovereign tribal nations in the western U.S.

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and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions. Please see esg.sempra.com for the full analysis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

55,000

Describe the aim of your organization's funding

Membership Dues / Payments

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization

Other, please specify

Sempra Corporate Political Contributions

State the organization to which you provided funding

Candidates, political parties, political action committees, and ballot measures

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)

1,559,468

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Sempra makes corporate political contributions in the U.S. as permitted by law only from corporate shareholder funds. Political contributions are made to candidates, political parties, political action committees, and ballot measures in furtherance of public policies that support the company's business interests.

Sempra does not use company funds to make contributions to federal Super PACs or to officeholder accounts, nor does Sempra make independent expenditures to expressly advocate for the election or defeat of federal, state, or local candidates.

Sempra materially complies with all federal, state and local laws as well as reporting requirements governing corporate political contributions. Federal law, for example, forbids corporations from giving monetary or in-kind contributions to candidates for federal office. State and local laws dictate the conditions under which corporate political contributions may be made.

Consistent with our commitment to ethical business conduct, political spending reflects Sempra's interests and is not based on the personal interests of any of our individual officers, directors or employees. Furthermore, no contributions are given in anticipation of, in recognition of, or in return for, any official act.

Additional details can be found here: https://www.sempra.com/investors/governance/political-engagements-contributions

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Sempra 2021 Sustainability Report.pdf

Page/Section reference

See page 134 for Sempra's TCFD disclosures

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify
GRI, SASB, UNSDG

Comment

Sempra's 2021 Corporate Sustainability Report

Publication

In voluntary sustainability report

Status

Complete

Attach the document

AR_Sempra_Infrastructure_2021.pdf

Page/Section reference

TCFD disclosures begin on page 124 of Sempra Infrastructure's Sustainability Report

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify
GRI, SASB, UNSDG

Comment

Sempra Infrastructure 2021 Sustainability Report

Publication

In voluntary sustainability report

Status

Complete

Attach the document

SoCalGas_Sustainability_Strategy_final.pdf

Page/Section reference

No specific framework to reference, relevant information is listed throughout the report.

Content elements

Governance
Strategy
Emission targets
Other metrics
Other, please specify
UNSDG

Comment

Aspire 2045 SoCalGas Sustainability Strategy

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Sustainability_2021.pdf

Page/Section reference

No specific framework to reference, relevant information is listed throughout the report.

Content elements

Governance
Strategy
Emissions figures
Emission targets

Other metrics

Comment

SDGE'S 2021 Sustainability Strategy Update

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2021 Oncor Corporate Sustainability Report.pdf

Page/Section reference

No specific framework to reference, relevant information is listed throughout the report.

Content elements

Governance
Strategy
Risks & opportunities
Other metrics
Other, please specify
EEI, UNSDG

Comment

Oncor's 2021 Corporate Sustainability Overview

Publication

In mainstream reports

Status

Complete

Attach the document

Sempra 2021 10-K.pdf

Page/Section reference

Pages 36-59

Content elements

Risks & opportunities

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity

Row 1	Yes, both board-level oversight and executive management-level responsibility	The SS&T Committee of Sempra's Board focuses on health, safety and safety culture, security, cybersecurity, technology, climate change, sustainability, human rights and other related ESG matters, including biodiversity, that affect the Company and its employees, customers and the communities in which we operate. Six non-employee Board members serve on the committee, which is briefed by the Company's compliance, technology, environmental, health, safety, security and sustainability officers and senior personnel. In 2020, '21 and '22, the Board updated the SS&T Committee charter to strengthen and clarify the way in which the Board oversees ESG matters. These changes included: expanding to fully describe the committee's areas of oversight of ESG-related matters to include human rights, health, safety and safety culture, security, cybersecurity, technology, climate change, and sustainability; adding language to the charter to more broadly reflect this oversight; describing the committee's role in liaising with other Board committees to make recommendations to management and the Board; adding language to clarify the committee's role in reviewing, evaluating and making recommendations to the Board regarding technology applications that advance the Company's ESG goals, including human rights, health, safety and safety culture, cybersecurity, climate change, sustainability and others; and adding oversight responsibility for reviewing controls and procedures with respect to the creation of the annual corporate sustainability report.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to No Net Loss Adoption of the mitigation hierarchy approach Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Other, please specify	SDG

		Sempra Infrastructure has not made any public endorsements.	

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in both our upstream and downstream value chain

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water management Species management Education & awareness Law & policy

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Pressure indicators Response indicators

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Biodiversity strategy	Relevant biodiversity information for Sempra is located on page 62 of Sempra's annual sustainability report (page 64 of the PDF). 1
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Biodiversity strategy	Relevant biodiversity information for Sempra Infrastructure is located on pages 72-75 and 121-126 of Sempra Infrastructure's sustainability report. 2

1 Sempra 2021 Sustainability Report.pdf

2 AR_Sempra_Infrastructure_2021.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

This response to CDP contains statements that 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.

Future results may differ materially from those expressed or implied in any forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this response to CDP. 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 response to CDP, forward-looking statements can be identified by words such as “believes,” “expects,” “intends,” “anticipates,” “contemplates,” “plans,” “estimates,” “projects,” “forecasts,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “in process,” “construct,” “develop,” “opportunity,” “target,” “outlook,” “maintain,” “continue,” “progress,” “advance,” “goal,” “aim,” “commit,” or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.
Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include risks and uncertainties relating to: California wildfires, including the risks that we may be found liable for damages regardless of fault and that we may not be able to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, in rates from customers or a combination thereof; decisions, investigations, regulations, issuances or revocations of permits and other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, and other regulatory and governmental bodies and (ii) the U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) being able to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) realizing anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent or approval of partners or other third parties, including governmental and regulatory bodies; civil and criminal litigation, regulatory inquiries, investigations, arbitrations, property disputes and other proceedings, including those related to the natural gas leak at Southern California Gas Company’s (SoCalGas) Aliso Canyon natural gas storage facility; changes to laws and regulations, including certain of Mexico’s laws and rules that impact energy supplier permitting, energy contract rates, the electricity industry generally and the import, export, transport and storage of hydrocarbons; cybersecurity threats, including by state and state-sponsored actors, to the energy grid, storage and pipeline infrastructure, information and systems used to operate our businesses, and confidentiality of our proprietary information and personal information of our customers and employees, including ransomware attacks on our systems and the systems of third-parties with which we conduct business, all of which have become more pronounced due to recent geopolitical events and other uncertainties, such as the war in Ukraine; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow on favorable terms and meet our debt service obligations; the impact of energy and climate policies, laws, rules and disclosures, as well as related goals and actions of companies in our industry, including actions to reduce or eliminate reliance on natural gas generally and any deterioration of or increased uncertainty in the political or regulatory environment for California natural gas distribution companies and the risk of nonrecovery for stranded assets; the pace of the development and adoption of new technologies in the energy sector,

including those designed to support governmental and private party energy and climate goals, and our ability to timely and economically incorporate them into our businesses; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, information system outages or other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires or subject us to liability for damages, fines and penalties, some of which may be disputed or not covered by insurers, may not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; inflationary and interest rate pressures, volatility in foreign currency exchange rates and commodity prices, our ability to effectively hedge these risks, and their impact, as applicable, on San Diego Gas & Electric Company's (SDG&E) and SoCalGas' cost of capital and the affordability of customer rates; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid or limitations on the withdrawal of natural gas from storage facilities; the impact of the COVID-19 pandemic on capital projects, regulatory approvals and the execution of our operations; the impact at SDG&E on competitive customer rates and reliability due to growth in distributed and local power generation, including from departing retail load resulting from customers transferring to Community Choice Aggregation and Direct Access, 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; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those that have been imposed and that may be imposed in the future in connection with the war in Ukraine, which may increase our costs, reduce our competitiveness, impact our ability to do business with certain counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which are difficult to predict and beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on Sempra's website, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

This questionnaire may include market, demographic and industry data and forecasts that are based on or derived from third-party sources such as independent industry publications, publicly available information, government data and other similar information from third parties. We do not guarantee the accuracy or completeness of any of this information, and we have not independently verified any of the information provided by these third-party sources. In addition, market, demographic and industry data and forecasts involve estimates, assumptions and other uncertainties and are subject to change based on various factors, including those discussed above. Accordingly, you should not place undue reliance on any of this information. This questionnaire also contains links to third-party websites that are not hosted or managed by Sempra or its family of companies. We are not responsible for, nor do we recommend, endorse or support, any information contained on any such third-party websites. In addition, this questionnaire includes

descriptions of positions of third-party trade associations, which descriptions are provided in the manner articulated by each such trade association and do not necessarily reflect the manner in which we would describe these positions, even if we have stated our views are consistent.

Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, and Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President, Corporate Affairs and Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	12,857,000,000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify Lack of protocols	A primary challenge in allocating emissions to different customers is the lack of protocols available for these calculations.
Other, please specify Process is resource intensive	Together, Sempra's electric and natural gas distribution companies serve a large customer base of approximately 40 million consumers. Allocating emissions to commercial and industrial customers on an individual level could become very resource intensive as the interest in this information grows.
Other, please specify Privacy rules	The privacy and security of electricity usage data is protected by the California Public Utilities Commission per Decision 11-07-056.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Sempra ’s operating companies stay informed of updates and changes to greenhouse gas emissions reporting methodologies.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization’s goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options		Public

Please confirm below