Sustainable Financing Report

August 2022

SEMPRA™

Sempra

The Sempra® family of companies is organized under four reportable segments – San Diego Gas & Electric Company® (SDG&E), Southern California Gas Company® (SoCalGas), Sempra Texas Utilities and Sempra Infrastructure. We have 20,000 talented employees who deliver energy with purpose to nearly 40 million consumers every day. With $72 billion in total assets at the end of 2021, Sempra is the owner of one of the largest energy networks in North America helping some of the world's leading economies transition to cleaner sources of energy.

For two decades, the Sempra family of companies has been on a path to decarbonize our business operations and help decarbonize the markets we serve. As detailed in our 2021 Corporate Sustainability Report, we're investing in critical infrastructure to help bring cleaner sources of energy onto the grid. This is essential to help power new solutions to society's climate challenges, as well as to help build a healthy economy and better quality of life for our communities. In 2021, Sempra announced its aim to have net-zero greenhouse gas (GHG) emissions by 2050. Accomplishing this aspiration is intended to aid in limiting global warming.

Sustainable Financing Framework

In August 2021, Sempra introduced its Sustainable Financing Framework (Framework), which outlines the parameters under which Sempra, SDG&E, and SoCalGas can issue green bonds, social bonds, sustainability bonds, loans, or other financial instruments (collectively the Sustainable Financing Instruments). It establishes criteria for the use of proceeds from issuances of Sustainable Financing Instruments to finance projects in alignment with our sustainability strategy, while also paving the way to expand new environmental, social, and governance (ESG) financing opportunities.

Sempra retained Vigeo Eiris (V.E), an independent global provider of ESG research and ratings, to deliver a second party opinion that confirms our Framework is in alignment with the International Capital Market Association's Green Bond Principles, 2021, Social Bond Principles, 2021, Sustainability Bond Guidelines, 2021, and the Loan Syndications and Trading Association's Green Loan Principles, 2021.

SDG&E Green Bonds

On August 13, 2021, SDG&E issued $750 million aggregate principal amount of 2.950% Green First Mortgage Bonds, Series WWW, due 2051 (the Green Bonds) pursuant to the Framework. In line with the commitments detailed in the Framework, this Sustainable Financing Report describes the projects financed with the net proceeds (or an amount equal thereto) from the sale of the Green Bonds and addresses the relevant environmental impact of such projects.

About SDG&E

SDG&E is a regulated public utility that provides energy service to 3.7 million people through 1.5 million electric meters and 900,000 natural gas meters in San Diego and southern Orange counties. Its service area spans 4,100 square miles.

SDG&E's commitment to sustainability is built into everything it does. As a forward-looking company in the state of California, a leader in the nation in environmental policy, SDG&E is closely aligned with the State's bold climate and environmental agenda. This agenda features a wide range of decarbonization laws and policies, including achieving economy-wide carbon neutrality by 2045, with interim targets and goals to promote an orderly transformation of the economy.

SDG&E's sustainability strategy focuses on three major activities: mitigating climate change, adapting to climate change, and transforming the grid to be the resilient catalyst for clean energy. These activities also offer a framework to integrate environmental and social justice, as well as climate equity considerations in SDG&E's operations and investment decisions.

SDG&E's goal is to contribute to the decarbonization of the economy by diversifying energy resources, collaborating with regional organizations, and providing customer choice to enable an affordable, flexible, and resilient grid. Guided by the State's policy objectives and established regulatory framework, SDG&E has set an aim to have net-zero GHG emissions by 2045. As part of this strategy, SDG&E recently published its "Path to Net Zero" economy-wide GHG Study, which recommends a diverse approach to achieve California's 2045 decarbonization goals by leveraging clean electricity, clean fuels, and carbon removal through the lens of reliability, affordability, and equity.

SDG&E Green Bonds

The net proceeds from the sale of the Green Bonds were approximately $738.7 million (after deducting the underwriting discount but before deducting estimated offering expenses). Such net proceeds (or an amount equal thereto) were intended to be allocated to finance and/or refinance, in whole or in part, investments in one or more new or existing Eligible Projects within 36 months prior to and 36 months subsequent to the date of issuance, with no more than 50% of such net proceeds (or amount) intended to be allocated to refinance existing Eligible Projects. Eligible Projects for such net proceeds (or amount), as set forth in the Use of Proceeds section of the Green Bonds Prospectus Supplement and as defined in the Sustainable Financing Framework, align with SDG&E's sustainability strategy and fall into one or more of the following categories (each, an Eligible Project Category): Climate Change Adaptation, Clean Energy Solutions, and Clean Transportation.

Issuing Entity	San Diego Gas & Electric Company
Sustainable Financing Instrument	Green Bonds
Ratings	A1 (stable) by Moody's Investors Service, Inc. A (stable) by S&P Global Ratings A (stable) by Fitch Ratings
Trade Date	August 9, 2021
Settlement Date	August 13, 2021
Maturity Date	August 15, 2051
Principal Amount	$750 million
Net Proceeds	$738.7 million
Coupon	2.950%
CUSIP	797440 CA0

Allocation Report

As of June 30, 2022, an amount equal to the net proceeds from the issuance of the Green Bonds was used to finance and/or refinance investments in Eligible Projects. For this purpose, we refer to the "Refinance Period" as the period prior to issuance of the Green Bonds from January 2019 through July 2021 and the "Current Period" as the period following issuance of the Green Bonds from August 2021 through June 2022.

An independent registered public accounting firm has examined management's assertion that the net proceeds from the issuance of the Green Bonds (or an amount equal thereto) have been used for Eligible Projects and provided an attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants. Both management's assertion and the third-party attestation may be found on the Sustainable financing section of our corporate website.

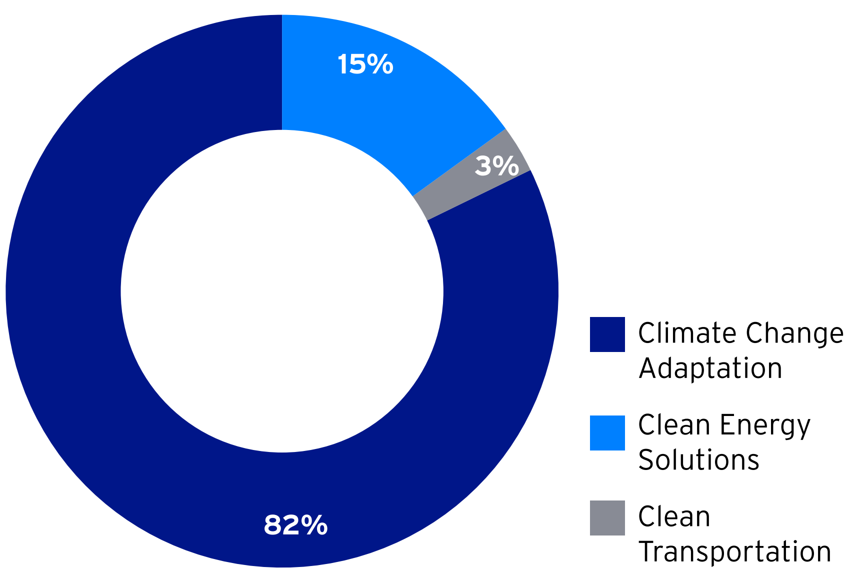
Net Proceeds

$738.7 million

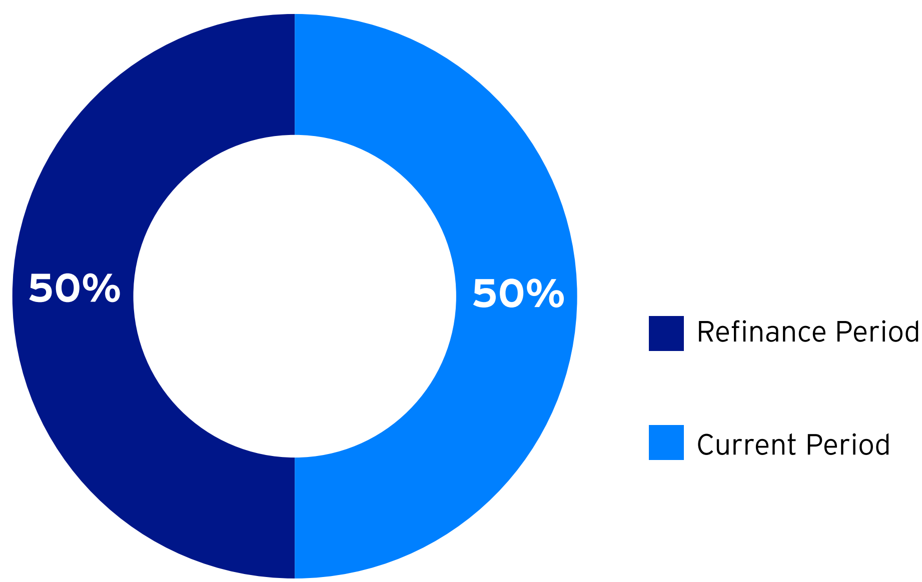
Net Proceeds Allocated

100%

Allocation of Net Proceeds by Eligible Project Category

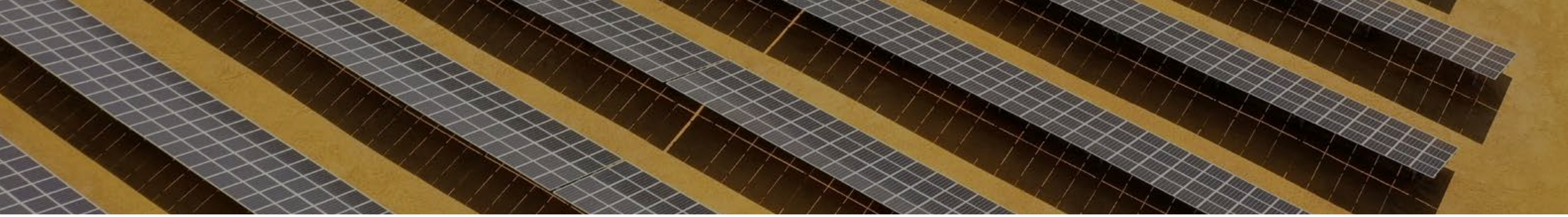


Allocation of Net Proceeds to Refinance or Finance Eligible Projects



Impact Report

Eligible Project Category[1]	UN Sustainable Development Goals[1]	Eligible Project Criteria	Project	Metric	Use of Proceeds (millions)
Climate Change Adaptation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	Investments and expenditures in infrastructure and grid hardening intended to reduce climate change risks such as wildfires, sea-level rise and elevated temperatures	• Infrastructure for hardening and resilience, primarily for wildfire mitigation • Microgrids for improved local resilience and reliable energy delivery, and more efficient use of lower-carbon sources of energy, including energy storage	213 miles of electric system hardening [2] 2,314 fuses replaced [3] 27 miles of fiber optic cable installed [4] 4 circuits enabled [5] 1.8 MW/9.2 MWh microgrids connected [6]	$605.1
Clean Energy Solutions	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Investments and expenditures in the construction, development, acquisition, expansion, research and development, generation, and operation of clean energy infrastructure	• Energy storage (battery storage – all chemistries, long duration storage)	127.3 MW/514.6 MWh of energy storage connected [7]	$110.4
Clean Transportation	11 SUSTAINABLE CITIES AND COMMUNITIES	Investments and expenditures in clean transportation charging infrastructure	• Installation of electric vehicle (EV) chargers and make-ready infrastructure ("make ready" means that all necessary electrical infrastructure to operate the charging stations is completed) • Vehicle-to-grid technology and infrastructure	204 EV charging stations installed and supporting make-ready infrastructure [8]	$23.2
				Total Use of Proceeds	**$738.7**



Notes to the Impact Report

1. Reflects category alignment to the 17 Sustainable Development Goals (SDGs) outlined by the United Nations.

2. Metrics reported for miles of electric system hardening and associated costs vary based on project specifics (e.g., project timing and terrain).

3. Metric represents proactively replaced at-risk electric distribution cutout bodies and fuses in Tier 2 and 3 of the High Fire Threat District (HFTD) with CAL FIRE-approved devices in order to help reduce the risk of wildfire ignition. Fuses act as electrical safety devices that operate to provide overcurrent protection of an electrical circuit.

4. Metric represents estimated miles of SDG&E's fiber optic communication system for control and protection of transmission and distribution lines, and automation in areas of HFTD.

5. Circuits enabled are part of SDG&E's Advanced Protection Program, which includes installation of new circuit breakers, relays, and distribution supervisory control and data acquisition (SCADA). This program develops and implements advanced protection technologies within electric substations and on the electric distribution system, and is designed to reduce the risk of transmission or distribution risk events leading to an ignition.

6. Microgrids connected (megawatts (MW)/megawatt hours (MWh)) reflects the total expected storage capacity at three locations within the HFTD. Ramona microgrid was completed in February 2022 and is powered by a 0.5 MW/2.0 MWh lithium-ion battery storage system. Microgrids at Cameron Corners and Butterfield Ranch sites will consist of photovoltaic (PV) panels and battery storage. Cameron Corners microgrid is expected to be completed by year-end 2022 and provide 0.875 megawatts of alternating current (MWac) of solar and 0.5 MW/2.4 MWh battery storage. Butterfield Ranch is expected to be completed in 2023 and provide an estimated 2.1 MWac of solar and 0.8 MW/4.8 MWh battery storage.

7. Energy storage connected (MW/MWh) reflects total expected energy storage capacity for six lithium-ion battery projects. Two projects – Top Gun Energy Storage (30 MW/120 MWh) and Kearny Mesa Energy Storage (20 MW/80 MWh) – went into operation in 2021 and 2022, respectively. The remaining four projects (Fallbrook AES, Melrose BESS, Pala/Gomez BESS, AES II - Borrego Springs), totaling 77.3 MW/314.6 MWh, are expected to be completed in 2023.

8. Includes amounts allocated to "make-ready" infrastructure (including engineering, construction and materials) to energize the EV charging stations. Charging stations installed may include multiple ports per station energized to date and does not include future ports supported by "make-ready" infrastructure. Includes installation of 67 EV charging stations across medium and heavy duty vehicle segments. Additionally, 40 EV charging stations were installed at school/educational facilities, parks and beaches as part of a pilot authorized by Assembly Bills 1082 and 1083. SDG&E also installed 97 EV charging stations at company facilities for fleet and employee vehicles.

This report 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 August 12, 2022. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this report, forward-looking statements can be identified by words such as "believes," "expects," "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.

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.

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