**Sempra Energy**®

# Environmental, social and governance highlights

## Environmental

**Power generation:** Portfolio is 50% zero-emissions, projected to approach 65% zero emissions by 2021

**Emissions rate:** Power generation emissions rate is roughly half the U.S. national average

**Methane:** Methane capture system is reducing emissions; sensor technology is improving leak detection

**Energy efficiency programs:** Helped customers save 346 gigawatt-hours of electricity and nearly 40 million therms of natural gas

**Transportation:** Developing and promoting a first-of-its-kind, near-zero NOx emissions heavy duty engine, fueled by natural gas (SoCalGas)

**Supply chain:** Member, Responsible Natural Gas Supply Collaborative (SoCalGas)

**Electrification:** Developing the charging infrastructure to support 150,000 electric vehicles by 2025 (SDG&E)

**Resilience:** LNG and midstream facilities in U.S. Gulf region built to withstand hurricanes and flooding; Utility and generation infrastructure in California and the Southwest built to protect against wildfires, water shortages and sea level rise

## Social

**Employees:** 85% of employees satisfied with the company as a place to work

**Safety:** OSHA recordable incident rate decreased for the second year in a row to 2.31 incidents per 100 full-time workers

**Human rights:** Completed human rights assessment and developing human rights policy

**Preparedness:** Business resumption plans and strong relationships with first responders help protect the public in case of unforeseen events

**Public safety:** Advanced testing and upgrading of natural gas infrastructure is underway across Southern California

**Innovation:** Employee invention simplifies solar installation and has saved customers $5 million to-date (SDG&E)

**Supply chain:** Spent 42%* and 43% with women, minority & veteran-owned enterprises (SoCalGas and SDG&E)

**Rates:** Rolling out a new rate structure to encourage customers to use energy when cost-to-deliver is lower, thus reducing both customer costs and demand on the electric grid (SDG&E)

**Communities:** Donated $19.6 million to communities; Employees donated $3.3 million and gave 22,000 hours of volunteer time

## Governance

**Board diversity:** Nearly 70% of the members of our board are women and/or people of color

**Board tenure:** Balanced, with 54% of members on the board for fewer than 5 years; 23% between 5 and 10 years; and 23% longer than 10 years

**Board independence:** 12 of 13 members of our board are independent according to the principles and standards established by the New York Stock Exchange

**Shareholder engagement:** Met with 33% of our total outstanding shares (43% of institutional share ownership) to discuss a range of environmental, social and governance issues

**Executive compensation:** Gathered feedback through shareholder engagement program and made refinements, as articulated in our 2017 proxy statement

**Risk management:** A new chief information officer is now responsible for physical and cyber security, complementing a robust risk management program

**Grievances:** Stakeholders may report concerns or grievances via our ethics & compliance helpline, available 24 hours a day, seven days a week

*Excludes highly specialized companies hired to stop the Aliso Canyon natural gas leak.

# By the numbers

## Environmental

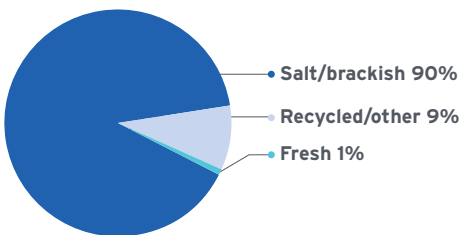**4.7 mmt*** of $CO_2e$ – scope 1 emissions

**235 tons** of NOx emissions

**8 tons** of $SO_2$ emissions

**561 lbs** of $CO_2$ emitted per megawatt-hour of electricity generated

**21.9 billion** gallons of water withdrawn

**Water withdrawal by source (2016)**

- Salt/brackish 90%
- Recycled/other 9%
- Fresh 1%

**1.4 billion** gallons of water consumed

2016 CDP Climate Change **score of A-**

**Generating capacity:** 50% natural gas; 27% wind, 20% solar; 3% hydro

**43% of power delivered** was from renewables (SDG&E)

Diverted **13,000 metric tons** of waste from landfills

Earned **$4 million** from recycling efforts

**34%** of customers are now using paperless billing

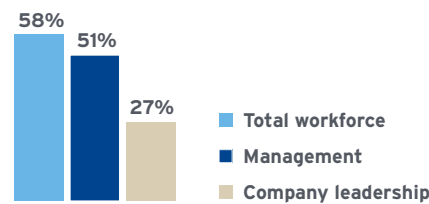**97%** of all agency inspections resulted in no notice of violation

## Social

**32 million** consumers served

**7 million** metered natural gas customers

**3.2 million** metered electric customers

More than **16,000 employees**

**People of color in U.S. workforce (2016)**

- 58% Total workforce
- 51% Management
- 27% Company leadership

**29% of workforce** are women (industry average is 25%)

**33% of management** are women (industry average is 21%)

**SAIDI** – (average outage duration in minutes): U.S. – 72; Chile – 649; Peru – 540

**SAIFI** – (outage frequency per customer per year): U.S. – 0.61; Chile – 3.98; Peru – 2.34

Contributed **more than 1%** of pretax income to communities

**100 Best Citizens**, *Corporate Responsibility* magazine, 2010-17

## Governance

**$10.2 billion** in revenues
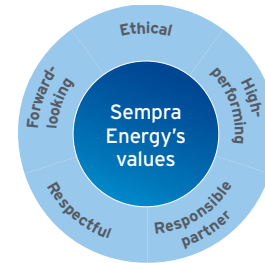
**$1.4 billion** in earnings

**$47.8 billion** in assets

**119,500 miles** of pipelines

**1,004 Bcf** of natural gas throughput

**49,881 miles** of electric lines

**10,200,000 MWh** of electricity generated

**Corporate values**

Sempra Energy's values: Ethical, High-performing, Responsible partner, Respectful, Forward-looking

**Top ranking** on Zicklin Index for political accountability

Member, **Dow Jones Sustainability Index** North America, 2011-16

Member, **FTSE4Good Index**, 2016-17

Constituent, **MSCI Global Sustainability Indexes**, 2014-16

Member, **Thomson Reuters U.S. Large Cap ESG Index**, 2014-16

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