Sustainable Future
ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS
ENVIRONMENTAL PERFORMANCE

At Sempra Energy, our strategy is influenced by a growing demand for clean energy in markets throughout the world.

**Clean power delivery:** Approximately 45% of the energy delivered by SDG&E was from renewable sources.

**Clean power generation:** Our power generation portfolio is 53% emissions-free.

**Methane emissions:** Our California utilities are responsible for just 3.6% of the state’s total methane emissions.

**Methane reduction:** Methane from organic sources such as landfills and dairy operations could supply up to 20% of California’s residential customers. SoCalGas is working to capture this methane (also called “renewable natural gas”) and add it to its distribution system.

**Water sources:** Only one percent of the water we withdraw comes from fresh water sources.

**Climate-related opportunities:** Our core operations (LNG and delivery of cleaner energy) help meet growing worldwide demand for lower-carbon energy.

**Enabling renewables:** Developed and patented software (PXISE) that helps the electric grid more quickly adapt to changing conditions, enabling electric utilities to add more energy from distributed/renewable sources to the power generation mix.

**Climate resilience:** Activities include vegetation management; weather forecasting and monitoring; and building infrastructure to wildfires, water scarcity, hurricanes and potential sea-level rise.

**Clean transportation:** SDG&E is adding 3,000 electric-vehicle charging stations. There are also 320 compressed natural gas (CNG) fueling stations in SoCalGas service territory.

**Energy efficiency:** In 2017, our California utilities helped customers save enough electricity and natural gas to serve more than 80,000 and 84,000 homes, respectively.

**Environmental compliance:** 96% of all agency inspections resulted in no notice of violation.

**Waste:** Diverted 5,250 tons of waste from landfills.

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**BY THE NUMBERS**

**CO₂ emissions rate for power generation**

<table>
<thead>
<tr>
<th>Year</th>
<th>National average</th>
<th>Sempra Energy</th>
<th>2021 goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>694</td>
<td>453</td>
<td>475</td>
</tr>
<tr>
<td>2015</td>
<td>649</td>
<td>484</td>
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<td>2016</td>
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<td>475</td>
</tr>
<tr>
<td>2018</td>
<td>484</td>
<td>475</td>
<td></td>
</tr>
</tbody>
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1 In 2017, we are reporting additional sources from Chile and Peru that were not included in prior years.
2 Emissions data for 2017 are undergoing third party verification and may be updated. Emissions data for 2016 have been updated following an independent verification.
4 Emissions rate of Sempra-owned generation on an equity share basis. Data from 8-megawatt Chilquinta Energía plant is not included.

**Sources of methane in California (2015)**

- **45.4% Dairy**
- **21.2% Landfill**
- **10.2% Natural gas transmission and distribution**
- **5.8% Oil & gas extraction**
- **7.8% Other**
- **9.6% Other livestock**

1 Data is from 2015. In order to represent a typical year of emissions, emissions resulting from the Aliso Canyon leak are not included.
2 Other includes methane emissions from rice, wastewater and other industrial sources.
3.6% is attributable to SoCalGas and SDG&E.

**Water withdrawal by source**

- **Salt/brackish 92%**
- **Recycle/other 7%**
- **Fresh 1%**

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

Public safety: Our California utilities achieved a 10% reduction in the pipeline damage rate compared to 2016; replaced 226 miles of distribution pipeline; and completed enhanced well integrity inspections on 59% of underground storage wells.

Rates: Time-of-use pricing plans offer SDG&E customers flexibility while also reducing strain on the electric grid.

Employee safety: OSHA recordable incident rate decreased for the third year in a row, to 2.24 incidents per 100 full-time workers.

Innovation: In South America, employees report safety incidents using GPS coordinates. When other field employees enter the same area, they receive “pushed” safety messages, reducing risk of recurrence.

Gender equity in compensation: Male-to-female base salary is nearly equal. (10% higher for female executives; equal for female managers; 1% lower for female non-managers.)

Human rights: Developed a human rights policy, designated a formal grievance mechanism, publicly disclosed challenges.

Stakeholder engagement: Developed a stakeholder engagement policy which outlines process by which we seek out, consider and incorporate stakeholder input.

Supplier diversity: Spent 43% with women, minority and veteran-owned enterprises (SoCalGas and SDG&E).

United Nations Sustainable Development Goals (SDGs): Mapped company activities against the SDGs.

We are inspired by the opportunity to meet the needs of investors, employees, customers and community members each and every day.

BY THE NUMBERS

Women in workforce

- Total workforce: 30%
- Management: 34%
- Company leadership: 21%

People of color in U.S. workforce

- Total workforce: 59%
- Management: 52%
- Company leadership: 30%

U.S. workforce diversity

- Hispanic: 37%
- Asian: 12%
- Black: 7%
- Native American: 1%
- Two or more races: 1%
- Native Hawaiian or other Pacific Islander: 1%
- White: 41%
Board experience: Board members have experience in a wide range of areas relevant to managing a large multinational energy services holding company.

Grievances: Stakeholders may report concerns or grievances via our Ethics & Compliance Helpline, available 24 hours a day, seven days a week.

Board diversity: 9 of the 14 members of our board (64%) are women and/or people of color.

Ethics and compliance: Every employee regularly completes ethics and compliance training, customized to their position and responsibilities.

Innovative compliance communications: We deliver compliance messages to our employees using pulse surveys, videos, gaming and other formats.

Sustainability governance: The board’s Environmental, Health, Safety & Technology Committee oversees issues which might impact the long-term sustainability of the company. Company leaders consider climate-related risks and opportunities when they assess potential capital investments and growth opportunities.

Political transparency: Received a score of 97.1 percent on the Center for Political Accountability’s CPA-Zicklin Index.

Internal audit: The company’s audit services department completed 121 audits, identifying possible business improvements.

At Sempra Energy, our work is guided by our values. What we do is important, but how we do it is even more critical.