



2020 CORPORATE SUSTAINABILITY REPORT INNOVATION, SUSTAINABILITY AND LEADERSHIP

ADVANCING THE ENERGY TRANSITION

At Sempra, we are playing a leading role in the energy transition by investing in the critical new infrastructure needed to create the net-zero energy systems of tomorrow.

Our demonstrated leadership over the last two decades in decarbonizing energy together with our disciplined approach to innovation and operational excellence positions us to drive this transition. In doing so, we are charting the path to achieve our goal of net-zero GHG emissions by 2050 in both the energy we use in our operations and that delivered to our customers.

Being a leader in a just energy transition means promoting energy diversification, affordability and access for all. By 2050 there will be an additional two billion people on our planet. Sempra's goals include providing access to energy to these people - as well as to those who do not have access to affordable, reliable energy today. This will require bold leadership and collaboration across governments, business and local communities to create long-term, sustainable value for all our stakeholders. We expect that investing three key capabilities is needed: decarbonization, diversification and digitalization (the 3Ds).

The 3Ds



Decarbonization: Reducing the carbon content of energy is central to interdicting and decarbonizing the industrial, transportation and power generation sectors. Over time, the electrons and molecules delivered to customers will need to become less carbon intensive.



Diversification: Bringing new lower- to zerocarbon fuel choices to every market is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.



Digitalization: Improving operational efficiency, safety and service will turn on the integration of real-time information and cutting-edge analytics, benefiting network operators and consumers.

NET-ZERO GOAL

Interim operational goals

By 2030, we aim to reduce our California utility and Mexico (non-LNG) GHG emissions by 50% compared to a 2019 baseline.

- Reduce fugitive emissions from our natural gas transmission and distribution systems by 40% from our 2015 baseline (SDG&E, SoCalGas and IEnova efforts contribute to this goal).
- Eliminate 100% of natural gas vented during planned transmission pipeline work at SDG&E and SoCalGas (excluding emergency repairs).

Through 2025, we aim to operate our LNG infrastructure at a GHG emissions intensity 20% less than our 2020 baseline.*

Interim value chain goals

By 2030 we aim to reduce scope 3 emissions, including upstream and downstream emissions for our California utility and Mexico (non-LNG) operations, by:

- Delivering 20% RNG by 2030.
- Delivering 60% renewable or zero-carbon energy to California electric consumers by 2030 (part of the 100% commitment by 2045).
- Leveraging the 3Ds to reduce the carbon content of energy delivered, bring new low- to zero-carbon fuel choices to market and integrate cutting-edge analytics to benefit network operators as well as consumers.

By 2050, we expect our operations and the products consumed by those we serve will produce less carbon-related emissions than we remove or eliminate from the environment.

Net-zero - Growing Sempra and investing our capital with a view toward emitting no more greenhouse gases than we remove from the atmosphere by 2050.

2050

Net-zero goal

By 2050, we aim to achieve net-zero scope 1, scope 2 and scope 3 GHG emissions

Sempra understands that being a leader in climate change includes measuring and reducing emissions across the energy value chain. That is why we are committing to the goal of achieving net-zero GHG emissions across all scopes by 2050.

* Cameron LNG, the primary LNG operating asset, will achieve its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we will establish new interim goals.

Investment opportunity timeline

The timeline for key investment opportunities is divided over three time-bounded horizons, that illustrate our investment thesis around the 3Ds.

	2021-2025	2026-2030	2031-2050
	 Battery storage Green hydrogen pilots Renewable generation (U.S., Mexico) RNG 	 Electrolyzer ownership and utility- scale green hydrogen projects Green hydrogen methanation pilot Enhanced battery storage fleets 	 Utility-scale green hydrogen and methanation Commercial-scale CCUS Micro-nuclear fuel cell pilots
Decarbonization			
Diversification	 LNG export infrastructure and marketing Replace fuel oil in power production in Mexico Back country microgrid pilots Electric vehicle charging infrastructure Renewable natural gas connections 	 Green hydrogen storage and export proof of concept Electric transmission to unlock renewables Power-to-gas interconnections Hydrogen fueling stations Non-wire alternative 	 Green hydrogen storage and export commercial projects Pipeline hydrogen blending Green hydrogen and CCUS-dedicated pipelines and storage, enabling industrial decarbonization Hydrogen transportation fueling network
Digitalization	 Machine learning/AI efforts Predictive analytics (e.g., leak detection, wildfires) Circuit-level power shutoffs to improve 	 Satellite methane detection Smart grid 2.0/grid management technologies Al/robots for utility functions 	 Lower emission natural gas procurement (e.g., blockchain tracking and dynamic procurement) New energy markets/procurement strategies leveraging distributed energy resources

To learn more about Sempra's sustainability achievements, efforts and goals, download our 2020 corporate sustainability report: *Innovation, Sustainability and Leadership.*