



2020 CORPORATE SUSTAINABILITY REPORT
INNOVATION, SUSTAINABILITY AND LEADERSHIP

EXECUTIVE SUMMARY

Guided by our values to – do the right thing, champion people and shape the future – Sempra can help solve some of society’s greatest and most pressing challenges. Our 2020 corporate sustainability report outlines our environmental, social and governance risks and opportunities, using leading disclosure frameworks, such as TCFD and SASB, and highlights key achievements, goals and commitments.

Advancing the energy transition

Sempra’s disciplined approach to capital allocation, innovation and operational excellence along with our high-performing culture is helping us decarbonize our business and every market we serve. As we chart a path to **net-zero GHG emissions across all scopes by 2050¹**, we are committed to expanding energy choice and modernizing systems to enhance resiliency.

A critical aspect of the global energy transition will be promoting energy affordability and reliability and enhancing energy access. By 2050, there will be an additional two billion people on our planet, and if the energy transition is to be just, low-carbon energy must be available to all.

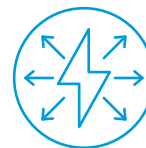
On our journey to reach net-zero emissions by 2050, we are focused on developing technology to support three key capabilities that are central to our success – decarbonization, diversification and digitalization. The advancement of the low-carbon energy system also requires bold leadership and deep collaboration across governments, business and communities.

¹ We define net-zero to mean growing Sempra and investing our capital with a view toward emitting no more greenhouse gases than we remove from the atmosphere by 2050. We understand that our goals and underlying assumptions involve risks and uncertainties and are not guarantees.

Framework for the energy transition



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 zero-carbon fuel choices to every market is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.



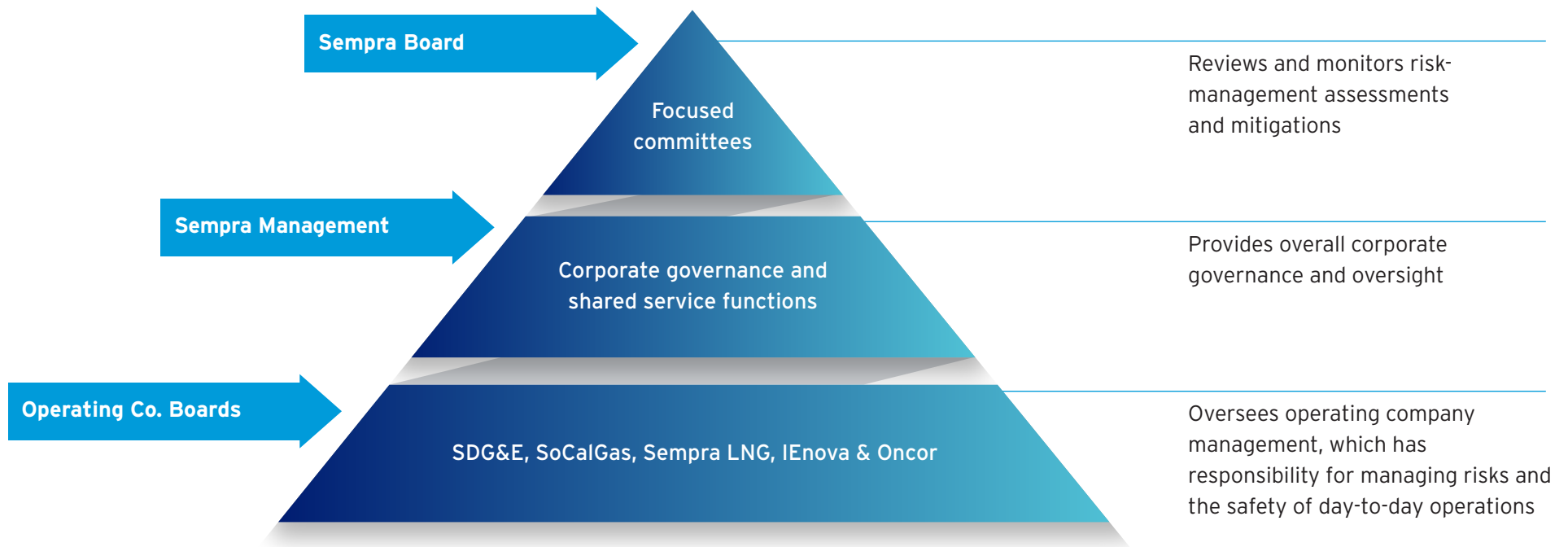
Digitalization: Improving operational efficiency, safety and service will turn on the integration of real-time information and cutting-edge analytics, benefiting network operators and consumers.

Creating responsible governance

Sempra's governance process is strengthened by a robust ecosystem comprised of:

- Our commitment to listen and learn from our stakeholders;
- A shared accountability in achieving our strategic priorities; and
- A culture of continuous improvement.

Our board of directors monitors overall governance processes as part of its oversight role. Board committees, such as the Safety, Sustainability and Technology Committee, are important delegates, monitoring specific areas of focus. Every member of Sempra's management team is focused on long-term value creation as fundamental to our company's vision. These leaders set Sempra's sustainability strategy and help ensure operating company alignment. Each operating company is responsible for implementing these policies and managing risks, safety and compliance issues.



Protecting the environment and advancing the circular economy

Being an environmental steward goes beyond reducing carbon emissions. Semptra's environmental policies and procedures are designed to manage and mitigate environmental impacts and advance the circular economy. We are committed to managing and using environmental resources in a responsible way, including:

- Reusing water and minimizing our use of freshwater resources;
- Reducing waste, reusing materials and safely extending the life of equipment;
- Integrating biodiversity preservation and enhancements into our decision making;
- Working to measure, monitor and reduce our emissions; and
- Setting expectations with our suppliers on their sustainability efforts.

Serving our stakeholders

Our core value to do the right thing underpins our unwavering focus on safety and our willingness to stand for what is right. Safety is fundamental to all that we do – as a result, we are only satisfied when each employee and contractor returns home safely after every workday.

At the heart of our company's value to champion people is a commitment to invest in people. Creating an inclusive environment elevates our performance and helps us responsibly partner with our stakeholders.

This past year, we have taken steps to improve equity in our workplace and the communities we serve, the result of which is our enterprise-wide action plan that lays out three fundamental goals:

1. Recruit more employees from under-represented communities.
2. Increase organizational leadership at all levels from under-represented communities.
3. Create new enterprise-wide initiatives to support communities of color with targeted volunteer and charitable giving programs and re-invigorated diverse spending goals with our community partners.

Semptra's business strategy is grounded in our ability to create sustainable value for our shareholders and other stakeholders



SHAREHOLDERS

including institutional investors and retail investors, many of whom are current or former employees

MORE THAN 19,000 EMPLOYEES



REGULATORS AND LEGISLATORS

from across the U.S. and Mexico

OVER 36 MILLION ENERGY CONSUMERS



in California, Texas and Mexico

THOUSANDS OF SUPPLIERS



who support our businesses

Sustainability goals and KPIs



1. Enabling the energy transition

By 2050 we aim for:

- Net-zero GHG emissions across scopes 1, 2, and 3¹

By 2045 we aim to:

- Deliver 100% renewable or zero-carbon energy to electric customers (SDG&E)

By 2030 we aim to:

- Reduce our California utility and Mexico (non-LNG) operational GHG emissions 50% compared to a 2019 baseline
- Deliver 20% renewable natural gas (SoCalGas)
- Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas and IEnova)
- Eliminate 100% of natural gas vented during planned transmission pipeline work (SDG&E and SoCalGas, excludes emergency repairs)

Each year, we aim to:

- Operate our existing LNG infrastructure at a GHG emissions intensity of 20% less than our 2020 baseline^{1,2}
- Actively partner with companies and institutions across the LNG supply chain to reduce scope 2 and 3 emissions
- Enroll 90% of eligible utility customers in California alternative rates for energy (CARE) programs (SDG&E and SoCalGas)
- Fulfill 100% of new renewable energy requests for interconnection (Oncor)

¹ New goal set in 2020.

² This goal is through 2025. 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 goals



Sustainability goals and KPIs (continued)



2. Driving resilient operations

Each year, we aim to:

- Achieve electric reliability in top quartile



3. Achieving world-class safety

Each year, we aim to:

- Achieve zero employee and contractor fatalities
- Improve employee and contractor OSHA recordable injury rates and lost work-time incident rates
- Participate in emergency planning processes in 100% of the communities we serve
- Train 100% of critical employees in emergency management and response



4. Championing people

Each year, we aim to:

- Achieve a voluntary employee turnover rate of 5% or less
- Achieve a company-wide employee engagement survey score in the top quartile
- Provide 30+ training hours per employee
- Achieve or maintain workforce diversity consistent with that of the communities where we operate

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

