2021 Corporate Sustainability Report

Advancing a better future for all

SEMPRA™

We are pleased to present our 14th annual sustainability report, chronicling our efforts to help lead the energy transition. In it, we continue to disclose our environmental, social and governance (ESG) risks and opportunities.

Guided by our values — *do the right thing, champion people and shape the future* — at Sempra, we are committed to helping solve some of our society's greatest and most pressing challenges.

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Sempra Infrastructure, Sempra LNG, 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 LNG, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC. This report is accurate as of April 27, 2022. See sempra.com for the most up-to-date version.

Introduction

Recognition as an industry leader

Sempra

- 3BL's 100 Best Corporate Citizens List
- Bloomberg Gender Equality Index
- Center for Political Accountability – Zicklin Index – Trendsetter
- Corporate Director's Forum: Director of the Year – Jeffrey W. Martin
- DiversityInc Lists: Top Companies for ESG; Top Utilities; Top Regional Companies; Top Companies for Talent Acquisition for Women of Color; and Top Companies for Board of Directors
- DiversityInc Top Companies for ESG List
- DiversityInc Top Utilities List
- DiversityInc Top Regional Companies List
- DiversityInc Top Companies for Talent Acquisition for Women of Color List
- DiversityInc Top Companies for Board of Directors List
- Dow Jones Sustainability World Index
- Dow Jones Sustainability North American Index
- EPA's ENERGY STAR Distinction – Sempra HQ
- Equileap's S&P 500 Top 25 for Gender Equality
- Forbes' 'America's Best Employers for Diversity' list
- Forbes' Best-In-State Employers
- Forbes and Just Capital: Just 100
- Forbes and Just Capital: Top 100 U.S. Companies Supporting Healthy Families and Communities
- Fortune's 'World's Most Admired Companies'
- Global Listed Infrastructure Organisation ESG A Medal Ranking
- Human Rights Campaign Foundation's 'Best Places to Work' for LGBTQ equality
- Human Rights Campaign Foundation's 'Corporate Equality Index' perfect score
- National Diversity Council Leadership Excellence Award, Sharon Tomkins
- National Diversity Council's Top 100 Diverse Energy Leaders Award – Lisa Alexander
- Newsweek's 'America's Most Responsible Companies'
- Latino Leaders Magazine's 'Latinos on Boards,' Maria Contreras-Sweet, Bethany Mayer, Cynthia Walker and CJ Warner
- Latino Leaders Magazine's 'Top Latinos in Energy,' Nelly Molina, Andrés Conesa, Maria Contreras-Sweet and Pablo Ferrero
- Los Angeles Times Business Top DE&I Leader, Mitch Mitchell
- S&P Global Platts Sustainability Yearbook
- San Diego Business Journal 500: Jeffrey Martin, Kevin Sagara, Mitch Mitchell, Caroline Winn, William Jones
- SAP Innovation Utility of the Year Award
- Savoy Magazine's Most Influential Black Corporate Directors, William Jones
- U.S. Transparency Award: Most Improved
- VIQTORY 'Military Friendly Employer Bronze'

Sempra California | SDG&E

- 2020 Sustainability Strategy – Building a Better Future – Association of Environmental Professionals, San Diego – Outstanding Innovation in Resilient or Sustainable Planning and Design
- AGA's Industry Leader Accident Prevention Award
- API Corporate Partner of the Year Award by SDBJ and Asian Business Association
- Chartwell Bronze Award for Digital Customer Experience
- Downtown San Diego Partnership's Create the Future for Diversity, Equity and Inclusion Award
- E Source Utility Ad 1st place for "LOVEELECTRIC EV Awareness Campaign"
- EEI Advocacy Excellence, Honorable Mention
- Escalent: Cogent Utility Trusted Brand and Customer Engagement Customer Champion
- The Global Power & Energy Elites: Billing & Customer Engagement Award
- IDG Communications' CIO's 'CIO 100 Award' for Intelligent Image Processing
- IDG Insider Pro and Computerworld's List of 100 Best Places to Work in IT
- ReliabilityOne National Reliability Award
- ReliabilityOne Outstanding Grid Sustainability Award
- ReliabilityOne Outstanding Reliability Performance – West Region Metropolitan Service Area
- S&P Global Platts Global Energy Awards Engineering Solution of the Year Finalist
- San Diego Regional Urban Forests Council's Best Innovative Urban Forestry Project
- SANDAG iCommute Silver Tier
- SAP Innovation Excellence in Customer Service
- SEPA 2021 A Utility Transformation Leaderboard
- U.S. DOE Federal Energy and Water Management Award

Sempra California | SoCalGas

- Advanced Clean Transportation Expo Fleet Award
- Asian Business Association of Los Angeles Supplier Diversity Sponsorship Bronze Partner Award
- Best South Asian Americans Corporate Partner
- Cabrillo Aquarium Philanthropic Partner of the Year
- City of Orange 2020 Community Partner of the Year
- Computerworld's 100 Best Places to Work in IT
- Fast Company's Top 15 Finalist for World Changing Ideas
- Greater Los Angeles African American Chamber of Commerce Special Recognition Award, Trisha Muse
- Hispanic Lifestyle's Executive of Influence Award, Andy Carrasco
- IDG Insider Pro and Computerworld's List of 100 Best Places to Work in IT
- Inland Empire Business of the Year 2021
- Latino Leaders Magazine's '100 Latinas,' Gina Orozco Mejia
- Los Angeles Area Chamber of Commerce's Corporate Member of the Year
- Mojave Desert Air Quality Management District Exemplar Award
- National Guard Patriotic Employer
- Natural Gas Vehicles for America Utility Leadership Award
- Public Utilities Fortnightly Top Innovators 2021
- Society of Women Engineers' Distinguished New Engineer, Nadia Bess
- Southern California Minority Supplier Diversity Development Council's Corporation of the Year
- STEAM: Coders Corporate Honoree
- US Geospatial Intelligence Foundation Golden Ticket Winner
- Utility Analytics Institute's Most Engaged Utility

Sempra Texas | Oncor

- DFW Minority Supplier Development Council's Supplier Diversity Professional of the Year - Nominated
- IEEE Power & Energy Society Leadership in Power Award
- Stevie Award's Leader in Operations and Business Resilience, Silver Award
- Women's Business Council - Southwest Buyer of the Year - Nominated
- Women's Business Council - Southwest Corporate Advocate of the Year - Nominated
- Women's Business Council – Southwest Corporation of the Year - Nominated
- Women's Enterprise Top 100 Corporations of the Year
- Women's Enterprise USA's Corporate Buyers of the Year

Sempra Infrastructure

- ALAS20 Leader Company in Corporate Governance, Mexico
- ALAS20 Leader in Sustainability, Mexico
- Bloomberg Online Top 500 Influencers in LATAM Against COVID
- Cameron LNG National Safety Council Perfect Record Award
- CWC Americas LNG & Gas Series HSSE Award
- CWC Americas LNG & Gas Series LNG & Gas Sustainability Award
- Energía Hoy Magazine's 'Top 10 Women & Energy' – Tania Ortiz
- Energy Risk , Deal of the Year for ECA LNG
- Expansión Magazine's '500 Most Important Companies in Mexico'
- Forbes Magazine's 'Mexico's Most Powerful Women in 2020' – Tania Ortiz
- 'Great Place to Work List' by Great Place to Work Institute
- 'Great Place to Work List for Companies Facing Challenges in Mexico' by Great Place to Work Institute
- LatinFinance Oil and Gas Financing of the Year for Costa Azul LNG
- Líderes Mexicanos Magazine's 'Most Exceptional Women in Mexico' – Tania Ortiz
- MERCO Mexican Leaders With Highest Reputation
- S&P Global Platts Global Energy Award of Excellence – LNG
- Socially Responsible Company Award by CEMEFI
- T21 Magazine's 'Top 100 Leaders in Logistics' – Tania Ortiz
- World Finance Oil & Gas Award for Excellence in LNG

Advancing a Better Future For All

Letter from our Chairman and CEO

As the owner and operator of one of North America's largest energy networks, we have a critical role to play in advancing energy security, future economic growth and the development of a lower-carbon society.

Jeffrey W. Martin
Chairman and Chief Executive Officer

The unprecedented events of the past two years have fundamentally changed the way we look at the world.

Health and safety have been our foremost concerns throughout the global pandemic. In addition, the ongoing war in Ukraine creates a profound sense of sadness, while also raising new issues relating to the security of Europe and the importance of energy security generally. All these considerations are set against the backdrop of unrelenting changes in our climate.

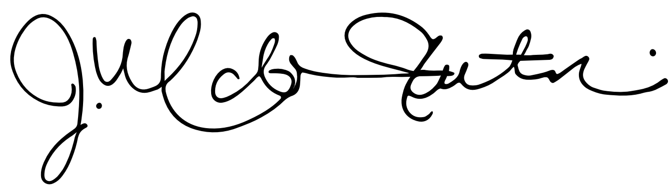
As we strive for a world with greater peace and stability, our responses to these issues are interconnected. At Sempra, we have an optimistic view about our ability to make a difference. As the owner and operator of one of North America's largest energy networks, we have a critical role to play in advancing energy security, future economic growth and the development of a lower-carbon society. This is not an either-or discussion. A better future depends on all the above.

That is why our corporate strategy is centered on sustainability—and why an unwavering focus on safety, resilience, energy security and climate security informs our approach to delivering value for shareholders and all our other stakeholders. As energy systems around the world change and adapt, we are determined to be a positive force for change. While others defend their business activities with initiatives focused on doing less harm, at Sempra we are committed to creating a corporate culture that is relentlessly focused on how we can do more good. Today we are executing on our largest-ever capital plan of $36 billion,[1] which calls for new investments in critical infrastructure, such as new electric transmission and distribution investments, utility-scale battery storage and green hydrogen delivery systems, to bring cleaner sources of energy onto the grid. These types of investments are essential to help power new solutions to society's climate challenges, as well as help build a healthy economy and better quality of life for our communities.

We remain steadfast on our mission to be North America's premier energy infrastructure company. We owe our progress to our 20,000 employees who have risen to the challenges of the past years, while remaining focused on serving our communities safely and delivering energy with purpose. Their resolve and contributions to our high-performance culture set our employees apart as one of the best workforces in the industry. At Sempra, we are committed to building an inclusive workplace, where diverse views and backgrounds are celebrated alongside our common values:

Do the right thing | Champion people | Shape the future.

We press forward with these values and a bias for action at the heart of everything we do, advancing a better future for all.



Jeffrey W. Martin
Chairman and Chief Executive Officer

[1] *Sempra's capital plan is for 2022-2026 and includes $11.2 billion of capex representing Sempra's proportionate ownership share of amounts expected to be funded by unconsolidated entities.*

A letter from our Chief Sustainability Officer

This past year we advanced Sempra's strategic initiative known as Leading 2025, with the goal of helping to deliver improved energy security, economic growth and a lower-carbon society by investing in modern energy networks.

Our growth platforms – Sempra California, Sempra Texas, and Sempra Infrastructure – are strategically positioned to deliver these opportunities with significant size and scale in key markets, strong recurring cash flows associated with transmission and distribution investments and growth trends requiring continued network expansion. In 2021, we invested over $7 billion in critical energy infrastructure,[1] a record amount for our company, and our adjusted earnings per common share (EPS) were well above our forecasted guidance range.[2] For more information on our 2021 financial performance, please see Sempra's 2021 Annual Report.

Sempra's focus on our sustainable business practices, however, is not sentimental. Instead, it is central to our strategy, capital allocation and sustained performance. That is why throughout our report, you will see examples of our sustainable business practices, including our proactive management of environmental, social and governance risks and opportunities to drive improvements across a variety of performance criteria and long-term value for shareholders and all our other stakeholders. These practices include:

- Aligning our portfolio with long-term macroeconomic, market and policy trends (page 43);
- Mitigating the risks of our business by enhancing safety, climate resilience and affordability, among other factors (pages 65, 54 and 84); and
- Capturing new opportunities and activating new value streams through investments in infrastructure supporting increasingly diversified and cleaner forms of energy (page 46 and 47).

Importantly, the business case for our sustainable business practices is set forth in a programmatic way in Sempra's *Energy Transition Action Plan Framework*. Innovation and technology are central to the company's business case and underpin our investments in decarbonization, diversification and digitalization of energy networks over the next five, ten and ten-plus years. See page 46 for a summary of the progress we made in 2021.

[1] See Appendix for reconciliation of this financial measure. Amount represents Sempra's proportionate ownership share of expenditures for property, plant and equipment and investments and includes $1.5B funded by unconsolidated entities.

[2] See Appendix for information regarding Adjusted EPS and Adjusted EPS Guidance Range, which represent non-GAAP financial measures.

In addition, our *Sustainable Financing Framework*, introduced in August 2021, outlines the parameters under which we can finance sustainable projects in alignment with our strategy, while also paving the way to expand new ESG financing opportunities.

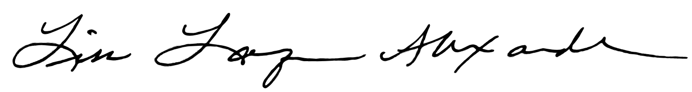
Our sustainable business practices include proactive effortsto seek input and guidance from our stakeholders and in turn, help our stakeholders understand how we continue to improve our business operations. To that end, we regularly look to improve the relevance, transparency and usefulness of our reporting. In this report, we introduce the following enhancements, among others:

- Dedicated section for our ESG goals and key ESG performance indicators (KPIs) (pages 18–26);
- Downloadable tables, graphics and other tools to assist stakeholders with analysis, to be released online; and
- New trade association climate lobbying disclosure template, developed by Sempra in consultation with shareholders and other key stakeholders that is now adopted by some of the most significant trade associations in the United States (page 106).

Over the past year, our workforce — 20,000 employees strong — worked with great discipline and a laser focus on advancing safe and resilient energy infrastructure with a view toward meeting the evolving needs of our shareholders and all our other stakeholders. Across our companies, we helped lift our communities and delivered energy to help enable the wellbeing and aspirations of the nearly 40 million consumers and thousands of businesses that we have the privilege of serving 24/7/365. Our refreshed brand, introduced last year, affirms our purpose and anchors our high-performance culture, reminding us of our decades-long commitment to serve others, our shared values and our strategic focus on modern, 21st century energy infrastructure. Simply put, sustainability — including our abiding commitment to serving all our stakeholders—is the basis of all we do.

At a time of great change globally and at home, Sempra's North Star has never shined brighter—***to deliver energy with purpose.***

Onward,



Lisa Larroque Alexander
Senior Vice President, Corporate Affairs
and Chief Sustainability Officer

About this report

This report serves as a consolidated view of key ESG matters at a point in time. This report describes Sempra's approach to and performance on key ESG topics and is divided into four sections:

1 **Introduction:** describes our business and companies, outlines our sustainability reporting and governance processes and provides an update on our performance under our ESG goals and KPIs.

2 **Environment:** provides an update on our work to help enable cleaner energy systems and describes our sustainable business practices related to emissions, climate resilience, biodiversity and land use, water, waste and supply chain management.

3 **Social:** details our commitment to building a high-performance culture, including safety, employee training and development and diversity and inclusion. It also describes how we engage with our shareholders and all other stakeholders.

4 **Governance:** describes the role of our board of directors and outlines our enterprise safety, governance and risk management practices.

SASB ALLIANCE

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: See Core and the GRI electric utilities sector supplement (pages 158-175). Additionally, this report aligns with the Value Reporting Foundation's SASB (Sustainability Accounting Standards Board) Standards to provide stakeholders with relevant information on a subset of ESG topics that may impact long-term enterprise value creation (pages 150-157). Sempra is a member of the SASB Alliance.

We also continue to enhance our reporting under the Task Force on Climate-related Financial Disclosures (TCFD) (pages 134-143). Moreover, we report to the following standards and frameworks:

- United Nations (UN) Sustainable Development Goals (pages 27-39)
- Edison Electric Institute (EEI) and American Gas Association (AGA) combined ESG template
- Certain World Economic Forum Stakeholder Capitalism Metrics (pages 158-175)
- CDP Climate and Water questionnaires

Sempra's sustainability website provides additional resources, including prior sustainability reports, position statements, responses to the CDP climate and water questionnaires, Sempra's Sustainable Financing Framework, the EEI/AGA ESG template and our sustainability report supplements, where we provide more in-depth content on specific topics.

In response to stakeholder feedback and interest, we have made U.S. Department of Labor's Equal Employment Opportunity Commission standards (EEO-1) data available on our website. Additionally, in 2021, Sempra set a goal to help develop a standardized template for our trade associations to disclose their positions on climate and alignment with the Paris Agreement. Read more on pages 126-133.

This report describes Sempra's approach to and performance on key ESG topics.

Reporting boundary

Sempra uses a comprehensive system to track and collect ESG data. This data is used to monitor performance and track progress toward our goals.

We generally include 100% of the ESG data for the operating companies where Sempra had majority ownership and control as of December 31, 2021. We also report ESG data for the following unconsolidated entities due to their significant impact and influence on our business as a whole:

- **Cameron LNG:** We include 50.2% of its ESG data based on our ownership share prior to the sales of non-controlling interests in Sempra Infrastructure Partners described below.[1]
- **Oncor:** We indirectly own 80.25% of Oncor Electric Delivery Company LLC (Oncor), and where possible we include 100% of its ESG data. However, historical data for Oncor in the following areas is not included: contractor safety; employee compensation; employee engagement survey results; ethics and compliance helpline data; greenhouse gas emissions; and water. In addition, unless specifically indicated, none of the enterprise-wide ESG goals stated in this report include Oncor.[2]

Non financial data for 2019 and 2020 does not include data for the South American, midstream and renewables businesses we sold in 2019 and 2020. In addition, employee diversity metrics do not include our employees in Mexico because of our use of definitions established by the U.S. Equal Employment Opportunity Commission (EEOC).

Additional ESG data exclusions or additions are noted throughout our report.

In October 2021, Sempra formed its Sempra Infrastructure platform by combining its liquefied natural gas (LNG) business and its ownership of Infraestructura Energetica Nova, S.A.P.I. de C.V. (IEnova) under a single platform intended to create scale benefits, portfolio synergies and a standalone investment grade credit rating. The Sempra Infrastructure platform is organized around three core focus areas: LNG and net-zero solutions, energy networks and clean power. Concurrently, Sempra sold a 20% noncontrolling interest in Sempra Infrastructure Partners to KKR, a leading global investment firm, for net cash proceeds of approximately $3.2 billion. Sempra subsequently entered into an agreement to sell an additional 10% noncontrolling interest in Sempra Infrastructure Partners to Abu Dhabi Investment Authority for a cash purchase price of $1.8 billion, subject to adjustment, which is expected to close in the summer of 2022, subject to obtaining regulatory approvals and satisfying all other closing conditions.

As the transaction forming Sempra Infrastructure closed in the fourth quarter of the year, in this report, data aggregation remains consistent with prior years and we do not make adjustments for the sales of ownership interests in Sempra Infrastructure Partners described above.

Unless otherwise specified, data in this report is as of or for the calendar year ended December 31, 2021.

[1] *100% ESG data is disclosed for transparency in areas where ownership adjustments could create unnecessary confusion of the information (including, but not limited to, injury rates, compliance, fines and penalties and workforce diversity and training).*
[2] *Certain ring-fencing measures limit our ability to direct the management or activities of Oncor, which has its own board of directors and sets its own policies. As a result, Oncor sets its own ESG goals.*

Material topics and ESG goals

Sempra conducts periodic ESG materiality assessments to identify and manage key ESG issues, sets goals in these areas and communicates progress to our stakeholders.[1] We completed our most recent such materiality assessment in connection with our 2019 corporate sustainability report. As part of the assessment, we:

- Analyzed international sustainability frameworks and standards,
- Interviewed internal and external stakeholders to gain their perspectives on current and emerging priorities. In addition to shareholders, stakeholders included nongovernmental organizations, academia, regulators/government agencies, community members and members of Sempra's and our operating companies' management teams, and
- Assessed results against macro policy and other societal trends.

The material ESG issues identified during that assessment were: reliability; affordability; greenhouse gas (GHG) emissions; energy transition; public safety; disaster preparedness and response; employee and contractor safety; infrastructure security; and climate risk and resilience.

We established four sustainability pillars and specific goals and KPIs under each pillar:

- Enabling the energy transition
- Driving resilient operations
- Achieving world-class safety
- Championing people

In last year's sustainability report, we announced additional goals and aspirations under enabling the energy transition, including our aim to achieve net-zero GHG emissions by 2050.[2] Additional details on this and other aspirations can be found on pages 43-52.

To further refine our KPIs, in 2021 and early 2022 we conducted a corporate human rights assessment to identify and prioritize human rights issues across our companies and to assess and strengthen the way we manage these issues. Details can be found on page 86. To take into account the constantly changing environment in which we operate, we plan to continue to analyze the relevance of various ESG topics to our stakeholders, while also updating our sustainability pillars, goals and overall reporting.

As we move forward with efforts to deliver on our goals, Sempra continues to monitor the evolving regulatory landscape and how our operating companies are supporting the energy needs of their operating areas and meeting legal and regulatory requirements and federal, state and local climate policies, including California's ambitious climate targets for carbon neutrality by 2045 and goal of 100% of the state's electricity to be carbon free by 2050. We understand that a successful energy transition will require industry leadership, technological advancements that are economically and technically feasible, and broad coordination and support from every level of government and among industry participants, among other things.

[1] According to GRI's definition of material, for sustainability reporting purposes.

[2] For this purpose, we expect that achievement of net-zero GHG emissions will be determined based on company operations in 2050 and GHG emissions will be calculated according to widely accepted emissions reporting guidelines or mandates at that time. Our current emissions inventory includes both consolidated operations and our Cameron LNG (proportionate ownership share) and TAG Norte Holding joint ventures, which are unconsolidated equity method investments. Where applicable, we try to work with our business partners to manage environmental impacts, including GHG emissions. Our net-zero aim does not include Oncor, which sets its own goals due to certain ring-fencing measures that limit Sempra's ability to direct the management or activities of Oncor. In line with California GHG emissions targets, Sempra California has announced a slightly accelerated timeline and aims to have net-zero GHG emissions by 2045.

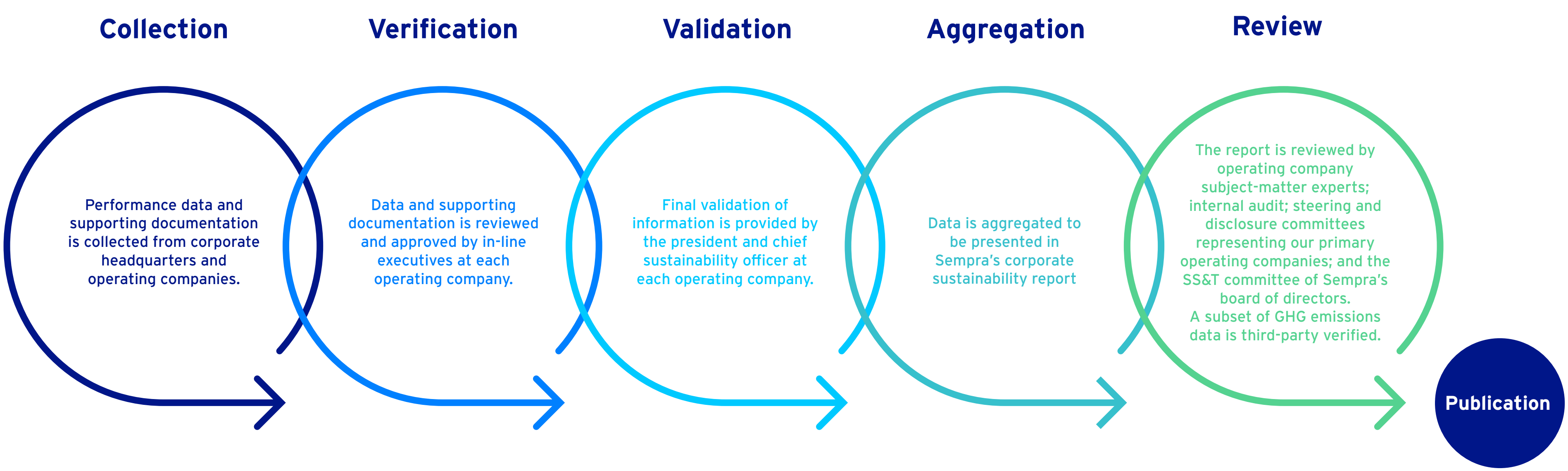
Data verification and report review

We collect and aggregate ESG data and supporting documentation from our corporate headquarters and operating companies. Prior to aggregation, in-line executives across our family of companies review and approve the ESG data, with final validation performed by the president and chief sustainability officer at each operating company.

Prior to publication, this report is reviewed by operating company subject-matter experts, Sempra's corporate sustainability steering committee, the ESG disclosure committee, comprised of senior executives across Sempra and its operating companies, and the Safety, Sustainability and Technology (SS&T) committee of Sempra's board of directors.

We also receive input from external stakeholders, employees and industry groups on report content and areas of focus to help improve alignment with disclosure trends and stakeholder interest. Throughout the year, we engage with investors and other stakeholders to hear their perspectives on current trends. These insights help guide our report development. Our internal audit department reviews key data points for accuracy each year and we conduct periodic audits to review overall ESG data reporting processes. The SS&T committee reviews the report and the controls and procedures around ESG data collection and verification. We obtain third-party verification of a subset of GHG emissions data during the year following publication.

2020 scope 1 and 2 GHG emissions for SDG&E and SoCalGas were verified at a reasonable level of assurance by Cameron-Cole, LLC and Lloyd's Register Quality Assurance, respectively. Verification of 2021 GHG emissions will occur in 2022. 2021 scope 1, 2 and 3 GHG emissions for Mexico and scope 1 emissions for U.S. LNG operations were verified at a limited level of assurance by Deloitte & Touche LLP.[1]



[1] *Scope 1 emissions are from sources owned or controlled by the reporting company. Scope 2 emissions represent emissions from electricity, heating/cooling or steam purchased by the reporting company and used in its operations in addition to emissions from electricity lost during transmission and distribution. Scope 3 emissions are emissions (excluding those already reported in scope 2) that are a result of the reporting company's activity, but occur at sources owned or controlled by others.*

About our business

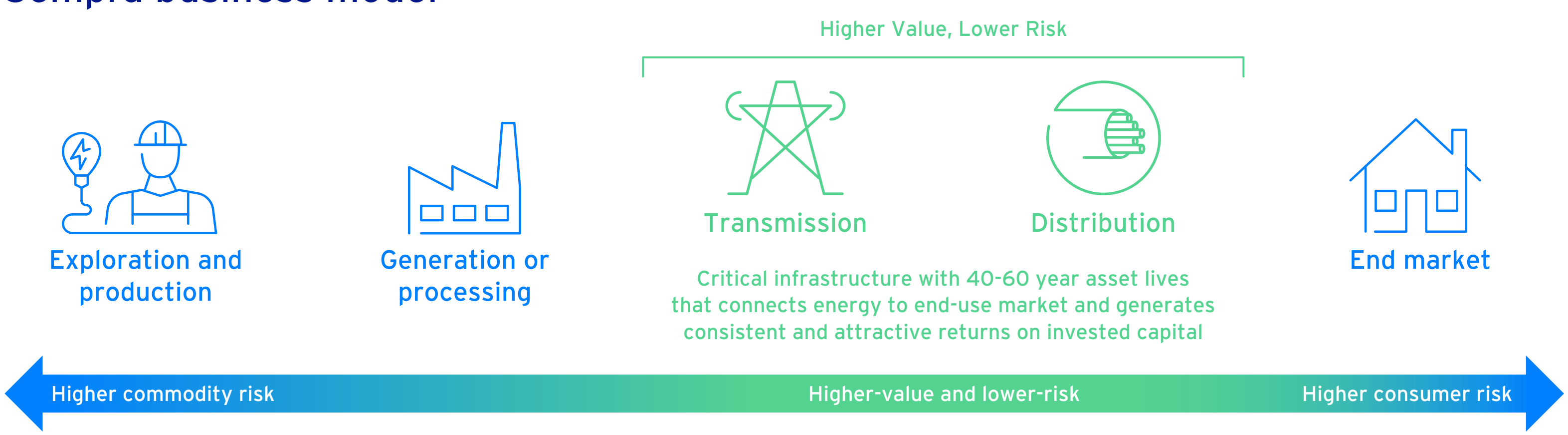
Sempra's mission is to be North America's premier energy infrastructure company. The Sempra family of companies has 20,000 talented employees who deliver energy with purpose to nearly 40 million consumers. With more than $72 billion in total assets at the end of 2021, Sempra is the owner of one of the largest energy networks in North America helping some of the world's leading economies transition to cleaner sources of energy.

We are helping to advance the global energy transition through electrification and decarbonization in the markets we serve, including California, Texas, Mexico and the LNG export market. Sempra is consistently recognized as a leader in sustainable business practices and for our long-standing commitment to building a high-performance culture focused on safety, workforce development and training and diversity and inclusion. Sempra is the only North American utility sector company included on the Dow Jones Sustainability World Index and was also named one of the "World's Most Admired Companies" for 2022 by Fortune Magazine.

We own or hold interests in regulated electric and gas utilities in California and Texas. These energy networks will continue to require investments in critical transmission and distribution (T+D) infrastructure and focus on delivering energy reliably and safely; Sempra California will also continue to support the build-out of cleaner energy systems and remain focused on delivering cleaner energy.

Our energy infrastructure businesses are primarily focused on supporting the clean energy transition by investing in renewables and energy networks in North America, together with natural gas infrastructure to support exports to foreign markets. We believe diverse sources of energy will continue to be important domestically and internationally. Our revenues for these businesses generally are tied to long-term contracts with counterparties we believe are creditworthy.

Sempra business model



Companies and assets

Every day, our companies work to develop new ideas, solve problems and reliably meet the needs of our employees, customers and the communities we serve. This approach is helping us meet the energy demands of tens of millions of consumers and work to continue to do so sustainably for generations to come.

Sempra California

Sempra California is providing cleaner, safe and reliable energy to nearly 26 million consumers in Southern and Central California through its utilities, San Diego Gas and Electric Company (SDG&E) and Southern California Gas Company (SoCalGas). With a focus on grid resiliency, reducing emissions and integrating increasingly renewable energy onto our networks, we are also supporting California's goal of getting five million electric vehicles on the road by 2030. California is known for technology and innovation, a spirit embraced at our utilities that are on the leading edge of research into hydrogen, battery storage, artificial intelligence (AI), predictive technology and other tools designed to support the state's ambitious climate goals.

- **145,000 miles of transmission and distribution lines**
- **Decoupled from electricity and gas sales**
- **73,000 zero emission vehicles (ZEVs) in SDG&E's service territory[1]**
- **304 MW of utility-owned energy storage in operation**

Sempra Texas

Sempra Texas[2] includes Oncor,[3] a regulated, pure-play electric transmission and distribution utility headquartered in Dallas that delivers safe and reliable electricity to a population of approximately 13 million Texans. With more than 140,000 miles of transmission and distribution lines, Oncor is one of the largest pure-play transmission and distribution companies in the U.S., connecting communities across the state to Texas' diverse energy supplies.

- **140,000 miles of transmission and distribution lines**
- **Pure-play transmission and distribution infrastructure**
- **1,174 substations**

Sempra Infrastructure

Sempra Infrastructure is focused on delivering energy for a better world by developing, building, operating and investing in clean power, energy networks, and LNG and net-zero solutions that are expected to play a crucial role in the energy systems of the future. Through the combined strength of its assets in North America, Sempra Infrastructure is connecting customers across the globe to cleaner energy technologies and modern infrastructure while advancing new technologies like carbon sequestration and clean hydrogen.

- **5,000 mi T+D lines**
- **Recurring cash flows from long-term contracts**
- **15 mtpa of LNG in operation or under construction[4]**
- **1,100+ MW of renewable power in operation[4]**

[1] SDG&E proprietary IHS Markit data as of Q4-2021. Total Light Duty electric vehicles including electric and plug-in hybrid vehicles.
[2] Sempra Texas also includes Sempra's indirect 50% interest in Sharyland Utilities, L.L.C.
[3] Sempra indirectly owns an 80.25% interest in Oncor.
[4] Represents capacity for 100% of projects, not Sempra's ownership share. The ability to complete major development and construction projects is subject to a number of risks and uncertainties. Capacity for LNG represents offtake and for renewable power represents nameplate.

Sempra companies'
20,000 employees

serve nearly
40 MILLION
consumers in the U.S. and Mexico

157
WIND TURBINES
with 515 megawatts of generation capacity

4,490
ACRES OF PHOTOVOLTAIC SOLAR FACILITIES
with 529 megawatts of generation capacity

15 mtpa of LNG
in operation or under construction[1]

Installed, owns and operates
NEARLY 3,600
ELECTRIC VEHICLE CHARGERS AT MORE THAN
310 workplaces and multi-unit dwellings

Assets valued at
$72+ billion

12
HYDROGEN
R&D AND DEMONSTRATION PROJECTS[2]

$2.6 BILLION FY-2021
adjusted earnings[3]

~ 290,000 MILES
of transmission and distribution infrastructure[4]

Note: All data on this page is as of or for the year ended December 31, 2021, as applicable.

[1] Represents 100% of project, not Sempra's ownership share. The ability to complete major development and construction projects is subject to a number of risks and uncertainties.

[2] Projects are in development and depend upon California Public Utilities Commission (CPUC) approval and various other risks and uncertainties.

[3] See Appendix for information about adjusted earnings, which represents a non-GAAP financial measure. GAAP earnings for FY 2021 were $1.25 billion. (GAAP represents generally accepted accounting principles in the United States of America)

[4] Consists of electric T+D lines and natural gas pipelines.

Goals and KPIs

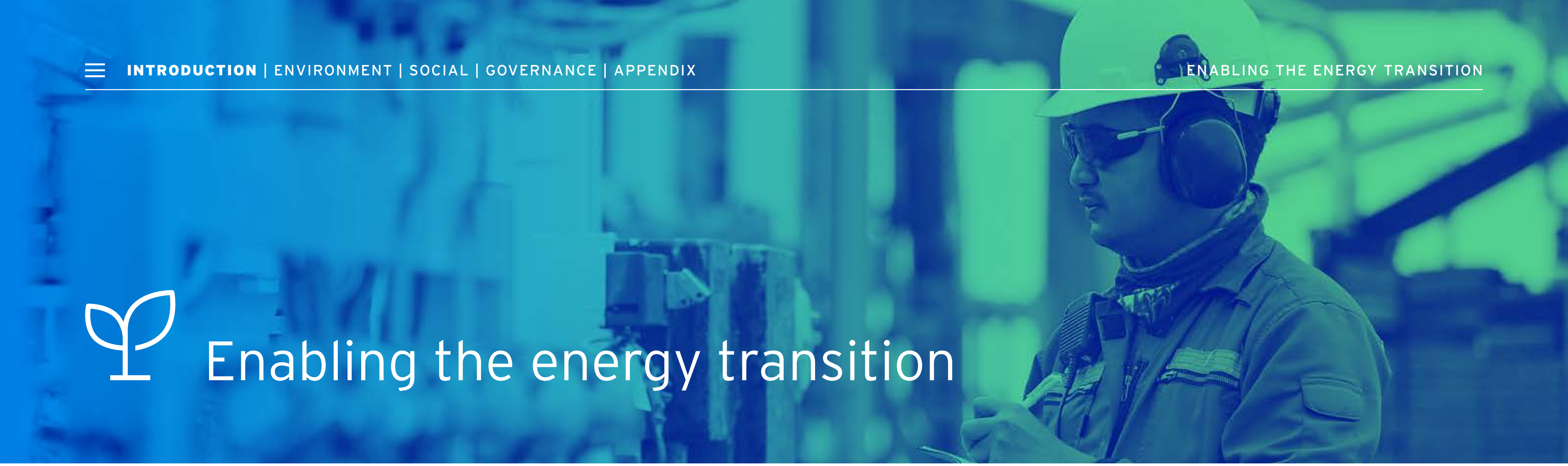
Through our high-performance culture, we aim to create long-term sustainable value for all our shareholders and other stakeholders by managing risk and capturing opportunities related to environmental stewardship, stakeholder engagement and governance. We align our sustainability goals and KPIs across four key pillars: enabling the energy transition, driving resilient operations, achieving world-class safety and championing people.

Enabling the energy transition

Driving resilient operations

Achieving world-class safety

Championing people



Enabling the energy transition

2050
We aim to have net-zero GHG emissions

As part of our energy transition action plan, we expect that investing in decarbonization, diversification and digitalization or the "3Ds," will help drive our ESG commitments to help us achieve our net-zero aim.

2045
We aim to deliver 100% renewable or zero-carbon energy to electric utility customers at SDG&E

Consistent with California Senate Bill 100 (100% Clean Energy Act of 2018), it is the policy of the state that renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies. SDG&E estimates Renewable Portfolio Standard (RPS) program compliance in 2021 at 55%.[1]

2030
We aim to reduce our Sempra California and Mexico (non-LNG) operational scope 1 and 2 GHG emissions 50% compared to a 2019 baseline

As part of our ongoing assessment related to goals, we will continue to re-assess our interim goals as necessary taking into account risks presented by regulatory developments and grid resilience needs and other relevant factors, including technological advancements that are economically and technically feasible and the level of coordination and support from governments and among industry participants.

[1] *SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities (LSEs) and customer load departure to local Community Choice Aggregators (CCAs).*

2030 (continued)
We aim to deliver 20% renewable natural gas to core customers at SoCalGas.

SoCalGas achieved over 4% renewable natural gas (RNG) deliveries to core customers in 2021 and is on track to reach 20% by 2030. The company aims to provide 5% renewable natural gas by the end of 2022 and 20% renewable natural gas by 2030 to its "core service" as defined in SoCalGas' Tariff Rule No. 23, by 2030. SoCalGas will need the continued support of state regulators with RNG targets or goals to be considered by the CPUC as part of Senate Bill 1440, in order to meet its 2030 goal.[1]

We aim to reduce fugitive emissions from our natural gas transmission and distribution system 40% from our 2015 baseline.[2] SDG&E, SoCalGas and IEnova efforts contribute to this goal.

Through the implementation of a strong methane management program, as of 2020, SoCalGas and SDG&E have collectively achieved a reduction of more than 19% in fugitive methane emissions from the baseline year. For more information on how we are reducing methane emissions, see page 50[3].

We aim to eliminate 100% of natural gas vented during planned transmission pipeline work at SDG&E and SoCalGas, excluding emergency repairs.

During pipeline testing we capture natural gas that would otherwise be released into the atmosphere. SoCalGas and SDG&E have reduced these emissions by more than 57% and 69%, respectively, compared to a 2015 baseline, preventing the release of more than nearly 60,000 metric tons of CO2e (127,765 MCF) since 2015.

[1] SoCalGas will also need additional support of state legislators. We can provide no assurance that such support will be received.
[2] IEnova's baseline is 2019.
[3] Data for 2021 will be finalized in June 2022 and reported in our 2022 sustainability report.

Each year
We aim to operate our existing LNG infrastructure at a GHG emissions intensity 20% less than our 2020 baseline.[1]

In 2021, Sempra LNG exceeded this goal with a GHG emissions intensity of 28% less than baseline. This was a result of several key initiatives at Cameron LNG including operational enhancements and a reliability-centered maintenance program to reduce flaring and fugitive emissions; enhanced methane monitoring to help minimize leaks; and updating the gasification process for LNG vessels.

We aim to actively partner with companies and institutions across the LNG supply chain to reduce scope 2 and 3 emissions.

As one example, the Veritas initiative is working to develop methane measurement and reconciliation protocols across six segments of the natural gas value chain, from production through liquefaction. Sempra Infrastructure has been participating in the development of the LNG protocols and is preparing to conduct demonstration projects for the LNG segment.

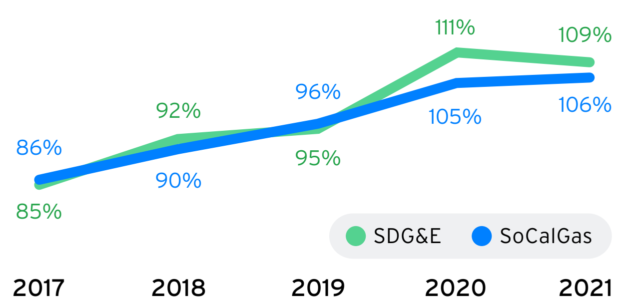
We aim to enroll 90% of eligible customers in alternative rates for energy programs at SDG&E and SoCalGas.

Protecting energy affordability helps enable a just energy transition. Energy affordability is particularly important for the lower-income utility customers served by the California Alternative Rates for Energy (CARE) program. The California Public Utilities Commission sets CARE enrollment rate goals. Sempra California works hard to meet or exceed these goals.

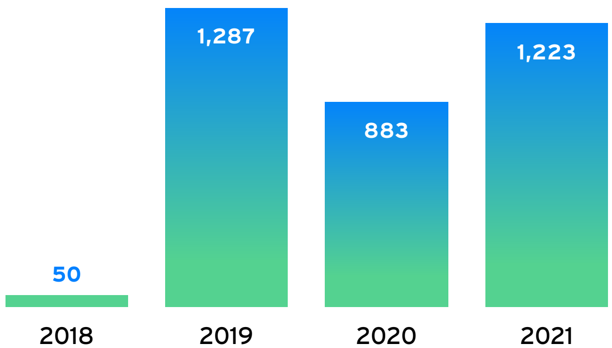
Oncor aims to fulfill 100% of new renewable energy requests for interconnection.

Oncor directly connects approximately 12,000 megawatts of renewable power to the ERCOT[4] grid; according to ERCOT statistics, this amount of power can serve approximately 2.2 million typical Texas homes.

CARE enrollment rate [2, 3]



Megawatts of renewable energy newly connected by Oncor to Texas' grid



[1] This goal is through 2025. Cameron LNG, the primary LNG operating asset, achieved its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we expect to establish new goals.
[2] 2020 figures reported last year have been updated per final regulatory filings. 2021 figures are preliminary pending regulatory filings.
[3] In 2020 and 2021, eligibility for CARE expanded and enrollment increased above 100% of eligible customers as a result of the COVID-19 pandemic's negative impact on socioeconomic conditions.
[4] Electric Reliability Council of Texas, Inc., the independent system operator and the regional coordinator of various electricity systems within Texas.

Driving resilient operations

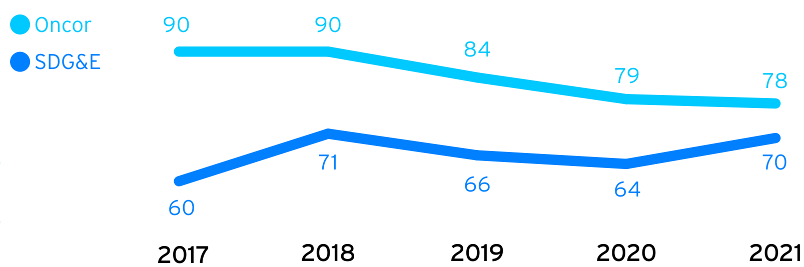
Each year
We aim to achieve electric reliability in the top quartile.

Oncor and SDG&E compile reliability data for North American utilities based on data obtained through public sources and through participation in industry benchmarking forums.

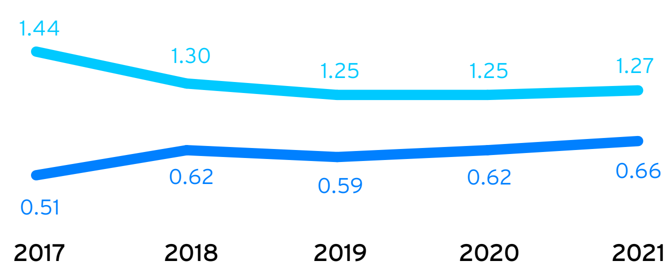
SDG&E was recognized by PA Consulting as co-recipient of the National Reliability Award. The company also received the Grid Sustainability Award, and the Regional Reliability Award for the Western Region for the 16th consecutive year, once again demonstrating outstanding reliability performance and system resilience. Operating conditions and methodology for determining performance vary by location.

Oncor is near meeting its goal of achieving top quartile reliability on the industry's primary benchmark for reliability, system average interruption duration index (SAIDI-nonstorm). Oncor's performance in this area continues to improve, and the target remains to be in the top quartile by the 2022 benchmarking cycle.

Average outage duration, in minutes (SAIDI)[1]



Average number of outages per customer (SAIFI)[2]



[1] System average interruption duration index
[2] System average interruption frequency index

Achieving world-class safety

Each year
We aim to achieve zero employee and contractor fatalities.

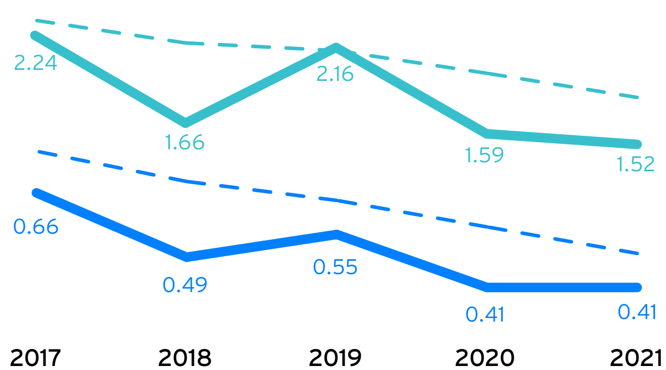
It is with great sadness that we report in 2021 an SDG&E employee was fatally injured while operating a vehicle. The incident was thoroughly investigated, and SDG&E identified the cause and took action to prevent reoccurrence. No other employee or contractor fatalities occurred in 2021. We continue to work to strengthen employee and contractor safety.

Improve employee and contractor OSHA recordable injury rates and lost work-time incident rates.

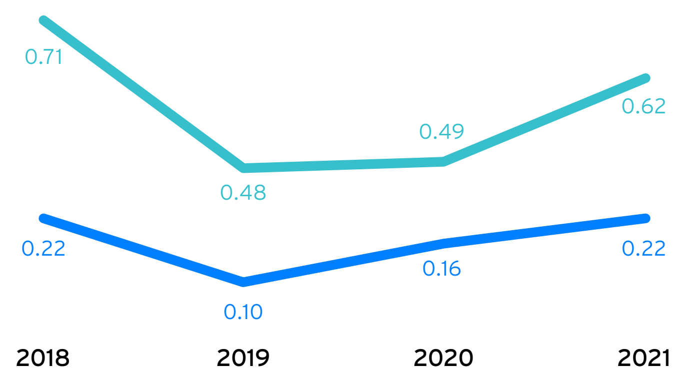
Safety is our top priority. Through our safety-focused culture, employee recordable and lost time incident rates continue to trend down. We continue to work to identify areas where we can enhance a safe working environment for employees and our contractor workforce.

Recordable injury rate
Trend (when averaged with four prior years)
Lost work-time incident rate
Trend (when averaged with four prior years)

Employee safety incidents, per 100 full-time workers



Contractor safety incidents, per 100 full-time workers[1]



[1] *We continue to improve the completeness of contractor safety data. Oncor is not included. 5-year rolling average data will be provided when available.*

Each year (continued)
We aim to participate in emergency planning processes in 100% of the communities we serve.

Our operating companies participate in community emergency planning activities, including mutual aid and training simulation exercises with first responders. Other actions in 2021 included meeting with state and regional partners to refine emergency protocols to support vulnerable communities.

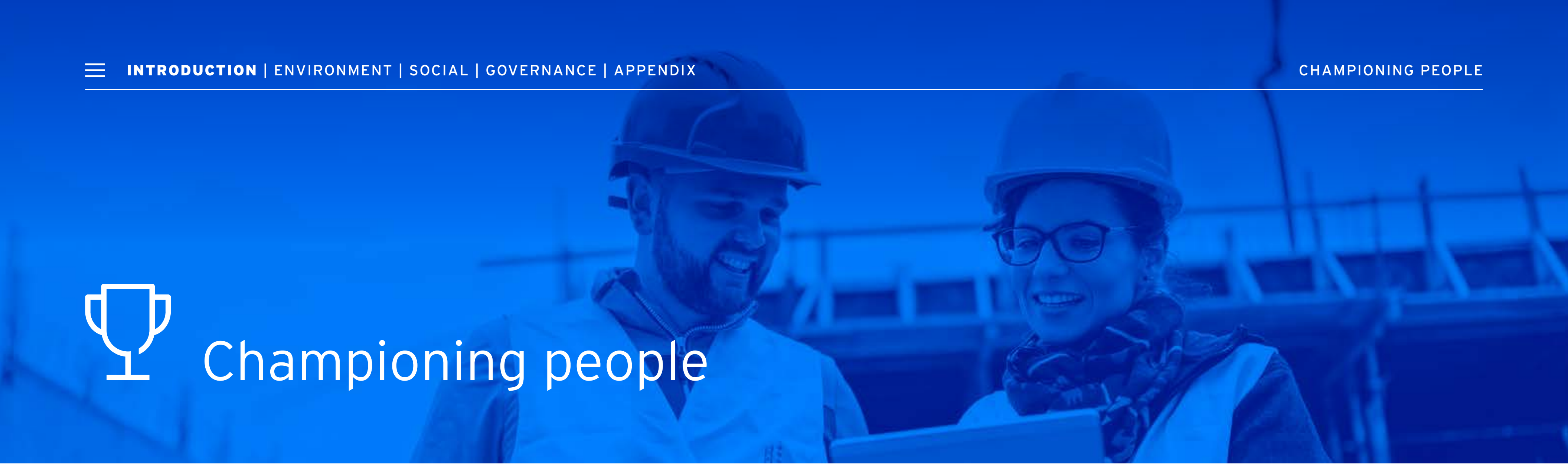
For example, SDG&E met quarterly with the wildfire safety community advisory council and held wildfire webinars and safety fairs for the general public. In 2021, customers in over 2,600 vehicles participated in five drive-through safety fairs and over 400 people logged into wildfire safety webinars hosted by SDG&E.

SoCalGas, through its first responder program, completed 237 pipeline safety and awareness presentations to the California Governor's Office of Emergency Services, county and city fire departments, county coordinators and forest protection parks and recreation personnel in all 12 counties that it serves. SoCalGas assembled and executed a company-wide virtual functional exercise and conducted 4 multi-agency emergency drills with its gas storage facilities. SoCalGas also revised, enhanced and conducted eight summer and winter curtailment workshops in partnership with SDG&E.

We aim to train 100% of critical employees in emergency management and response.

Our operating companies prepare for significant disasters or emergencies each year. They develop operational contingency plans and practice implementing them. 24/7 emergency operations facilities are staffed by employees specifically trained in emergency response, including Federal Emergency Management Agency (FEMA) and National Incident Management System training. 174 SoCalGas employees were trained on FEMA 100 and 200 in 2021. A series of drills were carried across our operations to prepare for emergency conditions, including severe weather events and their potential impacts to our infrastructure.

Whenever energy service is threatened or affected by a serious or widespread event, such as a wildfire or earthquake, SDG&E activates its Emergency Operations Center (EOC) to coordinate restoration of gas and electric service. For weather related potential impacts like Public Safety Power Shutoffs due to Red Flag Warnings, SDG&E EOC activates to confirm appropriate notifications are made and to mitigate wildfire risks. EOC responders work closely with public officials, law enforcement, fire departments and others to help manage the incident, protect public safety and keep communities informed. All EOC responders are required to complete several trainings to meet the eligibility to serve as a responder. In 2021, SDG&E had 448 active responders.



Championing people

Each year
We aim to provide 30+ training hours per employee

Employees on average completed 17.7 hours of training in 2021.[1] Opportunities for developmental training for employees has been evolving throughout the pandemic, with many in-person courses either shifting online or being temporarily unavailable. We remain committed to developing our employees with formal training via classroom, workshops and training courses; mentoring, coaching and peer-to-peer social forums; and experiential on the job assignments and rotations.

We aim to achieve or maintain workforce diversity consistent with that of the communities where we operate

Company-wide data demonstrates our consistent commitment to gender and ethnic diversity. Please see pages 70-72 for performance data and other information on how we work to create a high-performance culture.

[1] *Data includes professional development courses and does not include ethics and compliance or other mandatory training.*

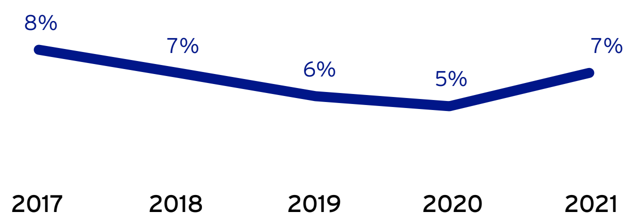
Each year (continued)
We aim to achieve a voluntary employee turnover rate of 5% or less

We recognize that employees may decide to voluntarily leave the company for a wide range of reasons, including retirement. We saw a minor increase in turnover during the pandemic due to employees reevaluating their options and some choosing to change fields or the part of the country in which they prefer to live during these uncertain times. At 7%, our overall turnover still remained lower than industry average.

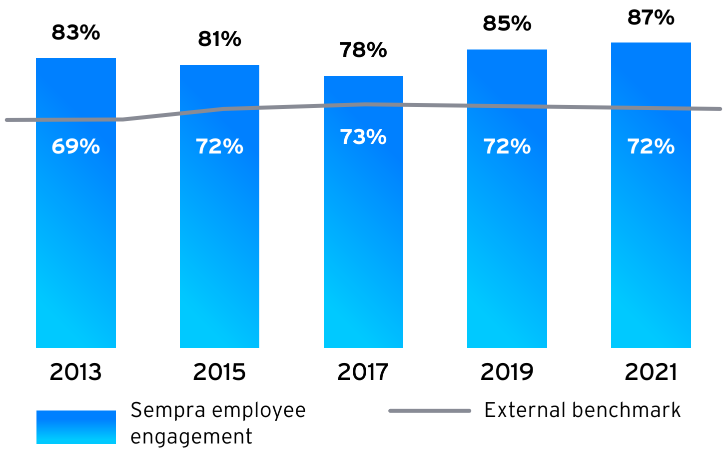
We aim to achieve a company-wide employee engagement survey score in the top quartile

In 2021, we conducted our biennial employee engagement survey, resulting in an overall engagement score of 87%, with some of our companies achieving record high scores for those companies. Employee engagement has remained at or above 78% since 2011. We strive for continued improvement, analyzing survey results across a wide range of factors, and take action as a result. Leaders have shared the results with their teams with the objective of creating concrete action plans for areas of improvement. Our results are well above external benchmark comparisons.

Voluntary employee turnover rate



Employee engagement[1]



[1] *Based on employee responses to a subset of questions in an anonymous survey conducted every other year. Excludes data from Oncor and our South American businesses sold in 2020. In 2019 and 2021, the external benchmark compares Sempra results against the top quartile of other U.S.-based companies utilizing the Qualtrics third-party survey vendor. Prior year external benchmark numbers from previous vendors reflect aggregated data from Fortune 500 companies.*

SUSTAINABLE DEVELOPMENT GOALS

Alignment with the United Nations Sustainable Development Goals

In 2015, the United Nations (UN) released its 2030 Development Agenda, which included 17 sustainable development goals (SDGs) and supporting targets. Through our core business activities, Sempra strives to directly align to UN SDGs 3, 6, 7, 9, 11, 12 and 13.

We also strive to indirectly align with UN SDGs 5, 8 and 10 through our efforts to create an inclusive culture throughout our operations and supply chain.

Sempra goals and KPIs

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Enabling the energy transition

Achieving world-class safety

3 GOOD HEALTH AND WELL-BEING

UN SDG 3 - to ensure healthy lives and promote well-being for all at all ages aligns with our work to be a leader in the energy transition and decarbonize our business and the markets we serve.

As part of our action plan, we are making investments in three key capabilities: decarbonization, diversification and digitalization. This includes investments in new and existing infrastructure to help enable the increased use of clean fuels such as hydrogen. We are working to build infrastructure that is reliable and resilient to withstand the effects of a changing climate, including from wildfires, sea level rise and increasing temperatures. Read more on page 54.

3Ds

Decarbonization
Diversification
Digitalization

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Championing people

5 GENDER EQUALITY

UN SDG 5 - to achieve gender equality and empower all women and girls aligns with our dedication to gender equality for our employees and in our communities.

- 36% of Sempra's board of directors are women.[1]
- Women represent 28% of our total workforce, 35% of management and 33% of company leadership.
- In an effort to encourage girls' interest in STEM careers at an early age, SDG&E's #BeThatGirl initiative offers SDG&E's female employee STEM professionals to schools and non-profits in our communities to serve as successful role models for young girls with an interest in STEM.
- Since 2016, female employees at some of the Sempra family of companies have participated in Big Brothers Big Sisters' Beyond School Walls program. The program introduces middle school girls to careers in STEM by pairing them with a mentor from our companies.

36%

of Sempra's board of directors are women[1]

[1] *Based on our directors nominated to stand for election at the annual shareholders meeting in May 2022.*

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Driving resilient operations

6 CLEAN WATER AND SANITATION

UN SDG 6 - to ensure availability and sustainable management of water and sanitation for all aligns with Sempra's management of water use in our operations and at our facilities.

- Our use of fresh water is minimal, accounting for less than 1% of total water withdrawn in 2021.
- We use reclaimed and recycled water when possible to preserve fresh water for nearby communities and reduce any contribution to water scarcity.
- LNG regasification and natural gas-fired power plants account for nearly 93% and 7%, respectively, of our total water withdrawal. The water withdrawn to support these LNG operations is seawater.
- We utilize multiple processes to monitor water temperature and help ensure sea life is not impacted by the water withdrawal or discharge process.
- Water does not come into any contact with any product and is returned to the sea under strict compliance with the corresponding discharge permits.
- At our natural gas-fired power plants we use municipal wastewater and dry cooling technology to reduce our impacts.
- In 2021, our total water withdrawal remained relatively similar year over year at 27.8 billion gallons and we returned 92% of water withdrawn back to the source.

<1%

of water withdrawn from fresh water sources

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Driving resilient operations

7 AFFORDABLE AND CLEAN ENERGY

UN SDG 7 - to ensure access to affordable, reliable, sustainable and modern energy for all aligns with Sempra's role as a leader in the energy transition, demonstrated by our aim to have net-zero GHG emissions by 2050 and SDG&E's and SoCalGas' aims to have net-zero emissions by 2045. Read more on page 19.

7.1 - By 2030, ensure universal access to affordable, reliable and modern energy services

- Our utility companies serve nearly 40 million consumers.
- Time-of-use pricing encourages some California utility customers to shift their discretionary energy use to lower-cost time periods. Bill assistance programs help qualifying customers reduce their energy bills.
- SDG&E sees energy storage as a flexible and reliable option for getting cleaner power to customers when they need it most. In 2017, SDG&E unveiled the world's largest lithium-ion battery storage facility at the time in Escondido and now has approximately 678 megawatts (MW) of energy storage projects completed or contracted.[1]
- SDG&E continues to develop microgrids in response to changing environmental and system conditions.
- SoCalGas and SDG&E are exploring the use of fuel cells to enhance electric reliability and resiliency.
- We encourage policymakers to maintain the stable energy policy framework critical to the development of major energy infrastructure. Many projects require long lead times and significant financial commitments.

678

MW of energy storage completed or contracted[1]

[1] *The ability to complete major development and construction projects is subject to a number of risks and uncertainties.*

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Driving resilient operations

7 AFFORDABLE AND CLEAN ENERGY

UN SDG 7 - to ensure access to affordable, reliable, sustainable and modern energy for all aligns with Sempra's role as a leader in the energy transition, demonstrated by our aim to have net-zero GHG emissions across all scopes by 2050 and SDG&E and SoCalGas' aims to have net-zero emissions by 2045. Read more on page 19.

7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix

- Oncor connects 67 renewable energy generators capable of producing approximately 12,000 megawatts of energy to the Texas power grid.
- SDG&E's RPS compliance in 2021 is estimated at 55%.[1]
- SoCalGas has a goal to deliver 20% RNG to its core customers by 2030.
- Sempra Infrastructure can generate 1,044 megawatts of wind and solar power in Mexico.

7.3 – By 2030, double the global rate of improvement in energy efficiency

- Time-of-use pricing encourages some California utility customers to reduce energy use during periods of peak demand.
- Oncor has spent approximately $946 million for its "Take a Load Off, Texas" energy efficiency programs from 2002 through 2021.
- SoCalGas and SDG&E are working on blending initiatives with the goal of understanding how the existing gas network could be used to transport a mix of natural gas and hydrogen.

1,044

MW wind and solar power in Mexico

[1] *SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to LSEs and customer load departure to local CCAs.*

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Championing people

8 DECENT WORK AND ECONOMIC GROWTH

UN SDG 8 - to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all aligns with our value to champion people and our unwavering commitment to safety in our operations, for our workforce and for the communities we serve.

8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value aligns with our value to champion people

- At the heart of this value is our commitment to investing in employees and fostering an inclusive environment, which we believe elevates our performance and helps us to partner responsibly. This value extends to the communities we serve. We are focused on:
  - Increasing the number of employees from communities of concern in our workforce;
  - Increasing the number of organizational leaders at all levels from communities of concern; and
  - Creating new initiatives to support communities of concern with (a) targeted volunteer and charitable giving programs and (b) re-invigorated diverse spending goals with our community partners.

Additionally, we are committed to supplier diversity as a core business value and an integral strategy that fosters innovation, cost effectiveness and competition in our supply chain by promoting an inclusive supplier base that represents our customers, stakeholders and the communities we serve. We look to our suppliers as partners in creating a culture and environment that promotes improvement and innovation across every area of our business.

Champion people

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Championing people

8 DECENT WORK AND ECONOMIC GROWTH

UN SDG 8 - to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all aligns with our value to champion people and our unwavering commitment to safety in our operations, for our workforce and for the communities we serve.

8.8. - To protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants and those in precarious employment

Field employees at our operating companies are trained to "stop the job" in any situation that potentially impacts the safety of a worker, the public, our equipment and systems or the environment.

- In 2021 our company-wide employee recordable incident rate decreased while our lost-time incident rate remained level. Read more on page 67.

Our focus on safety extends to the communities we serve. We are working to build infrastructure that is reliable and resilient to withstand the effects of a changing climate, including from wildfires, sea level rise and increasing temperatures. Read more on page 54.

Stop the job for

safety

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Enabling the energy transition

Driving resilient operations

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

UN SDG 9 - to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation aligns with Sempra's 3D strategy, described on page 44. We are integrating energy storage, smart meters, electric vehicles, time-of-use pricing and customer engagement strategies into our utility operations to help reduce environmental impact. At Sempra Infrastructure, we enable the delivery of LNG to international markets, where this lower-carbon fuel can replace higher-emitting coal or fuel-oil.

9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

- We track and disclose our GHG emissions and intensity.
- We continue to innovate and implement new technologies to improve energy efficiency and reduce environmental impact.
- We continue to innovate, advancing existing and new technologies in distributed energy, hydrogen technologies, carbon capture utilization and sequestration and cleaner fuels like renewable natural gas and hydrogen.
- SDG&E is working on a vehicle-to-grid project intended to connect six electric school buses to 60kW bi-directional DC fast chargers with the goal to help ease the strain on the electric grid while exploring new technology to support the pathway to net zero.
- By the end of 2022, SDG&E plans to pilot a Virtual Power Plant (VPP) to further expand and leverage distribution-level demand response as a means to reduce GHG emissions, advance resource adequacy and enhance grid resiliency.
- By the end of 2025, SoCalGas plans to complete five hydrogen pilot projects and help establish statewide hydrogen blending standards.
- By the end of 2030, SoCalGas plans to help establish a hydrogen industrial cluster with industry partners.

12

hydrogen R&D and demonstration projects[1]

[1] Projects are in development and depend upon CPUC approval and various other risks and uncertainties.

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Championing people

10 REDUCED INEQUALITIES

UN SDG 10 - to reduce inequality within and among countries aligns with our strategy to bring lower-carbon energy to developing economies and our history of supporting a diverse supply chain.

Diverse

supply chain

Local coal resources provide the most affordable domestic source of energy in many emerging economies – energy that is needed as hundreds of millions of people seek greater prosperity. As coal plants are shuttered in advanced economies, they may be replaced by new coal plants in emerging economies.

- Through our energy infrastructure, we believe we can help drive the decarbonization of mature economies, while addressing the concurrent need to diversify and decarbonize emerging markets.
- Our LNG business provides access to cleaner, more reliable and more affordable energy that can help displace coal and other fossil fuels.

Our diversity, equity and inclusion metrics can be found on page 72.

Sempra California has a long history of partnering with Diverse Business Enterprises (DBEs) to supply them with goods and services they need to serve their customers.

- By building a diverse supply chain, they help create an inclusive culture - and can often achieve better business outcomes.
- Supplier DBE categories we support include minority, minority women, women, service-disabled veteran and lesbian, gay, bisexual, transgender. Learn more on page 74.

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Enabling the energy transition

11 SUSTAINABLE CITIES AND COMMUNITIES

UN SDG 11 - to make cities and human settlements inclusive, safe, resilient and sustainable aligns with our investment in cleaner transportation and our focus on reducing emissions from our companies' fleets and facilities.

Transportation is the largest contributor of GHG emissions in California and a major source of air pollution.

- Over the past decade, SDG&E has built nearly 3,600 EV chargers in its service territory and has regulatory approval to more than double that in the coming years. In 2021, SDG&E secured a tariff to construct EV 'make-ready' infrastructure, to better assist third-party EV service providers to more easily work with customers to install chargers.
- SoCalGas is focused on projects to bring zero emission vehicle solutions to the transit and heavy-duty truck industry, such as hydrogen fuel cell technology.

Our companies' commitment to more sustainable cities and human settlements also includes transforming their fleets of vehicles that travel around communities every day and reducing environmental impacts from company facilities.

- By the end of 2025, SoCalGas is aiming to have net-zero energy for 100% of its newly constructed buildings and major renovations of its buildings over 10,000 square feet (excluding compressor and transmission facilities), along with its goal of replacing 50% of its over-the-road fleet with electric, hybrid, renewable gas and fuel cell electric vehicles.
- By the end of 2030, SDG&E is aiming to electrify 100% of its light-duty fleet, transition 30% of its overall fleet to zero emission vehicles (ZEV)[1] and achieve zero net energy for all owned facilities.[2]
- By the end of 2035, SDG&E and SoCalGas are targeting to operate a 100% ZEV over-the-road fleet.[1]

3,600

EV chargers

[1] *Zero-Emission Vehicle (ZEV) includes full battery electric vehicles (BEV), plug-in hybrid vehicles (PHEV) and hydrogen fuel cell vehicles. Fleet goals contingent on vehicle availability and CPUC funding.*

[2] *As an interim measure to reduce its carbon footprint, SDG&E purchased renewable energy credits (RECs) in 2021.*

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Driving resilient operations

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

UN SDG 12 - to ensure sustainable consumption and production patterns aligns with our efforts to improve recycling and reduce our waste.

- All company facilities in California, including SoCalGas, SDG&E and Sempra headquarters, divert organic waste from entering landfills, in support of California Senate Bill 1383.
- In 2021, approximately 65% of operational waste generated by Oncor, such as oil, poles and other electrical equipment, was recycled or repurposed.
- In Mexico, IEnova implemented an initiative in 2019 to reduce non-hazardous waste consisting of replacing the type of coagulant used in the wastewater treatment plant with an organic coagulant.
- Please see page 60 for additional details on our waste and recycling efforts.

65%

of Oncor's operational waste was recycled or repurposed

SUSTAINABLE DEVELOPMENT GOALS

Aligned Sempra goals

Enabling the energy transition

13 CLIMATE ACTION

UN SDG 13 - to take urgent action to combat climate change and its impacts aligns with our sustainability strategy to help enable the energy transition and aim to have net-zero GHG emissions by 2050. Progress toward this goal and our interim goals is described on page 45.

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

- We identify, disclose and work to manage climate change risks, such as wildfires, sea level rise and elevated temperatures.
- We track, disclose and work to reduce our GHG emissions, investing in new technologies such as aerial methane mapping to work toward achieving our goals.
- We work to improve efficiency and climate resiliency in our own operations.

13.2 Integrate climate change measures into national policies, strategies and planning

- We encourage policymakers to maintain an energy policy framework that addresses climate change and energy in a coordinated manner.

2050

aim to have net-zero GHG emissions

Environment

At the core of Sempra's efforts to advance a just and orderly energy transition is a commitment to strong environmental stewardship policies and practices. From investing in technology and innovation to help achieve a net-zero future, to reducing emissions from our own operations and protecting natural resources, we strive to mitigate our environmental impact — and to enable our customers to do the same.

Environmental management

Sempra's strong environmental management practices help us protect the environment and advance a circular economy. Our environmental policy details our work to reduce our environmental impact and our commitment to abide by applicable laws, regulations and permit requirements. Additional environmental policies and procedures are designed to manage issues such as preserving biodiversity, water use, recycling and waste minimization, air quality improvements and GHG and other air emissions reduction programs. Other key components of our environmental management practices include regular reviews of our performance, including environmental audits at our facilities to identify areas of potential improvement, and education and training for employees and contractors. An environmental committee brings together teams from across our companies each quarter to share suggested practices and lessons learned. Sempra's chief sustainability officer is responsible for the company's environmental policies, while the SS&T committee of Sempra's board of directors considers environmental management issues as part of its oversight function.

Our operating companies utilize environmental management systems to assess and mitigate environmental risks associated with our operations. These systems identify compliance requirements and procedures, track training requirements for employees and audit our performance. For example, the environmental and safety compliance management program, used at Sempra California, helps to ensure compliance with environmental and safety laws and regulations as well as company standards. In Mexico, our major operations have ISO 14001 certifications (56% of all our facilities in Mexico).[1] For new construction or major projects, specialized teams support environmental compliance from planning to project completion with the aim of being responsible stewards of natural resources.

One way we track our environmental compliance performance is through notices of violation (NOV) issued by government agencies for non-compliance with environmental regulations. In 2021, 96% of all agency inspections we received did not yield NOVs, and we received 16 NOVs and paid $15,250 in settlements and $1,100 in fines and penalties. 11 of the NOVs were for air quality-related issues, one was related to waste management and four were administrative in nature. While all of the Sempra companies strive for 100% compliance with all applicable regulatory requirements, when an issue is discovered we work closely with the overseeing agencies to timely make necessary corrections and maintain safe and sustainable operations.

[1] *ISO 14001 is a voluntary standard that provides a framework for organizations to improve their environmental performance by designing and implementing effective environmental management systems.*

Environmental compliance performance

	AGENCY INSPECTIONS	AGENCY INSPECTIONS WITH NO NOV ISSUED	NOTICES OF VIOLATION (NOV)[1]	INTERNAL COMPLIANCE ASSESSMENTS & AUDITS[2]	FINES & PENALTIES[3]
2021	410	96%	16	422	$1,100
2020	451	98%	9	408	$4,000
2019	551	98%	10	447	$3,652
2018	425	96%	16	543	$12,250

[1] *Self-reported violations are not included.*
[2] *The number of internal compliance assessments and audits may vary from year-to-year due to adjustment of inspection cycles as determined by risk assessments.*
[3] *Does not include settlements. The amount of fines and penalties paid varies from year-to-year depending on the nature of the violation and the timing of its resolution.*

Advancing the energy transition

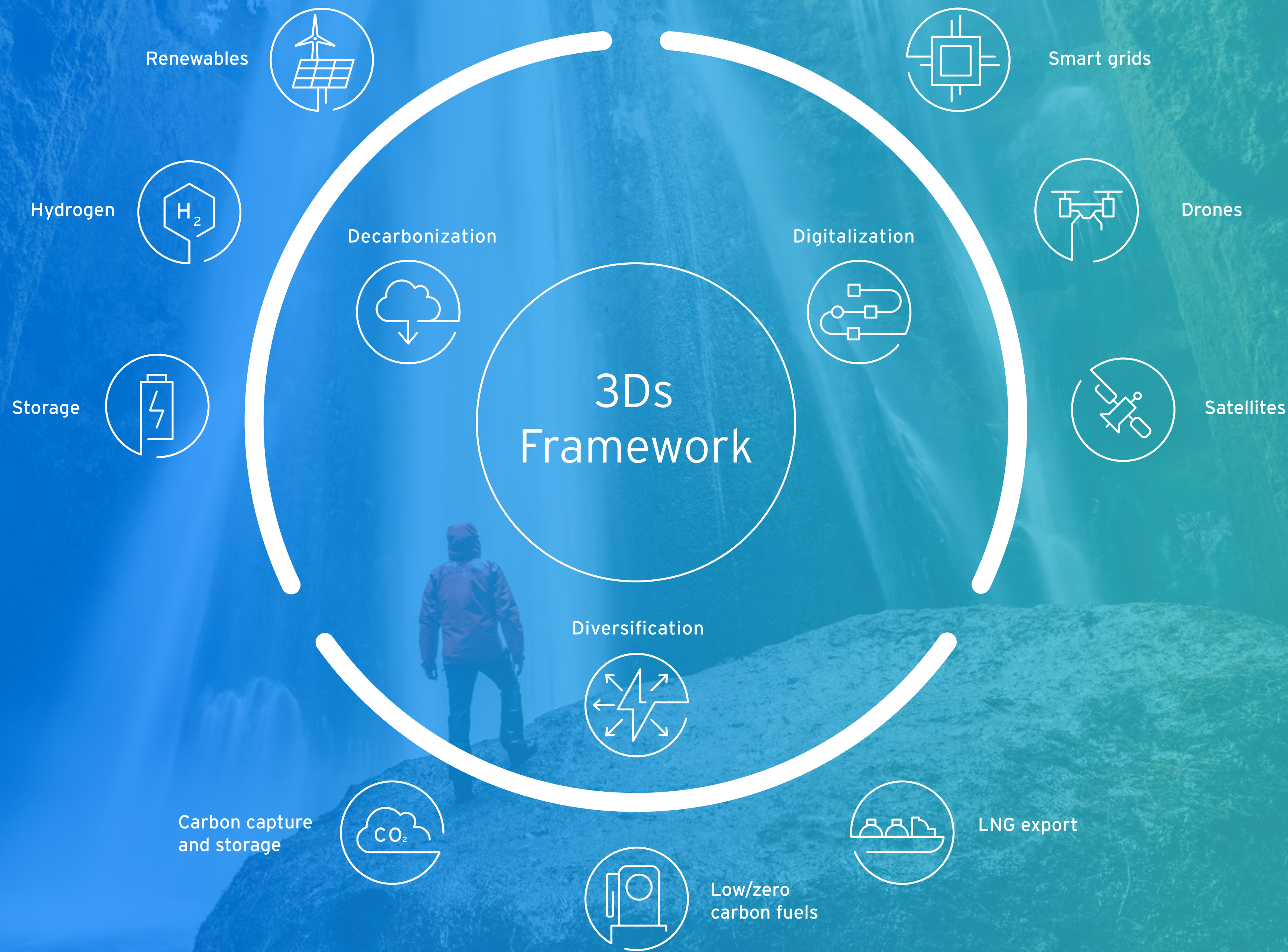
For two decades, Sempra has been on a sustained path to decarbonize our business operations and the markets we serve. We see innovation and new technologies as central to a clean energy future, enabled by investments in three key capabilities: decarbonization, diversification and digitalization, which we refer to as the "3Ds".

This past year, we summarized our aspirations in each of these areas as part of our energy transition action plan. In 2021, we announced a bold aim to have net-zero GHG emissions by 2050. As an interim operational goal, we aim to reduce Sempra California and Mexico (non-LNG) scope 1 and 2 GHG emissions 50% by 2030 as compared to a 2019 baseline. Read about our operating company goals on pages 118-121.

These announcements represent a continuation of our longstanding commitment to work to reduce our carbon footprint while providing customers access to affordable and reliable cleaner energy solutions. Read more about how we aim to advance a just energy transition on page 84.

In 2021, Sempra released a Sustainable Financing Framework, which outlines the parameters under which we invest in the 3Ds to work toward our net-zero aspirations and advance the energy transition. It establishes criteria for any issuances by Sempra, SDG&E or SoCalGas of sustainable financing instruments and the use of proceeds from such issuances to finance projects aligned with our ESG strategy. Eligible projects may include investments in clean transportation, climate change adaptation, energy efficiency, clean energy solutions, green buildings, pollution prevention and control and socio-economic advancement and empowerment. By aligning our capital-intensive activities with our 3Ds framework and sustainability goals, we believe it will help drive our ESG commitments to support long-term, sustainable value for all. **In California, SDG&E** completed in 2021 its inaugural issuance of $750 million of green bonds and secured regulatory approval for three new utility-owned energy storage projects, expected to total 161 megawatts. Additionally, **SoCalGas** achieved over 4% RNG deliveries to core customers in 2021.

Energy transition



In Texas, Oncor is connecting customers to cleaner, renewable sources of energy by expanding and modernizing Texas' vast transmission and distribution network. In 2021, Oncor connected 1,223 MW of renewable generation, bringing the total renewables connected to Oncor's system to approximately 12,000 MW. In addition to progress on its operations, Oncor also entered into a new $2 billion revolving credit facility with sustainability-linked performance metrics.

At Sempra Infrastructure, the newly consolidated platform is advancing opportunities in renewables, hydrogen, ammonia, LNG and carbon capture infrastructure. The company recently filed an amendment with the Federal Energy Regulatory Commission (FERC) to incorporate electric-driven compression at its proposed Cameron LNG Phase 2 project, which could help reduce facility emissions, while continuing to help decarbonize global markets. Earlier this year, the company also announced a non-binding memorandum of understanding (MOU) with Entergy Louisiana, LLC to cooperate on the development of options intended to accelerate deployment of renewable energy to power primarily LNG facilities.

Across our industry, companies are adjusting their business models to meet customer demands for increasingly cleaner sources of energy. At Sempra, we think these trends play to the strength of our company and effectively create a tailwind for new and cleaner investments across our platforms.

The 3Ds framework is intended to support our aim to have net-zero emissions by 2050.

Progress on our pathway to net-zero

Sempra California

Decarbonization

- Announced three energy storage projects (10, 20 and 131 MWs) for nearly $400 million capital investment
- Proposed Angeles Link, which could be the nation's largest green hydrogen energy infrastructure system, including the possibility to displace up to 3 million gallons of diesel a day by replacing diesel powered heavy-duty trucks with hydrogen fuel cell trucks, and eliminate nearly 25,000 tons of smog forming NOx per year
- Supported the interconnection of six RNG projects onto the SoCalGas system
- Achieved 4% RNG deliveries to core customers as defined in SoCalGas' tariff rule no. 23

Diversification

- SDG&E and Sumitomo Electric completed zero-emissions microgrid pilot using vanadium redox flow battery
- Received regulatory authorization to offer Voluntary Renewable Natural Gas Tariff
- Received state approval for Senate Bill 1440 renewable gas standard implementation
- Completed initial testing of electrochemical hydrogen separation and compression technology demonstration
- Broke ground on H2 Hydrogen Home construction
- Continued to transition towards ZEV fleet with delivery of 23 light duty hydrogen fuel cell electric vehicles
- Established ongoing demonstrations with H2 blending into gas system and appliance performance testing
- Continued investment in SDG&E's wildfire prevention and mitigation measures, including the integration of an artificial intelligence (AI) forecasting system across 190 of its 221 weather stations in 2021

Digitalization

- Invested $12 million in becoming the first utility to deploy state-of-the-art laser technology to detect, pinpoint and quantify methane emissions in SoCalGas distribution area
- Launched $285 million Envision program at SDG&E to modernize its customer service and information capabilities
- SoCalGas launched hydrogen drone partnership with Doosan and GTI to enhance pipeline system imagery and video for difficult to access or hazardous locations with performance of 120-minute flight time
- In 2022, SoCalGas expects to begin implementation of vehicle telematics in fleet vehicles designed to understand vehicle utilization patterns, emissions profile and performance and to assess improvement opportunities

Sempra Texas | Oncor[1]

Decarbonization

- Connected 1.2 GW of wind and solar generation, with plans to connect nearly 13 GW of renewables by 2025

Diversification

- Established a five-year program to expand voltage reduction capabilities to substation transformers with a load tap changer, with potential to enable this capability at more than 100 additional locations in 2022, which, if completed, has potential to reduce demand by approximately 500 MW during peak load conditions
- Established processes in response to winter storm Uri to more efficiently rotate customer outages while maintaining service to critical loads and underfrequency load shed feeders, in order to help increase customer equity and reduce reliability risks

Digitalization

- Established a goal to invest $700 million over 10 years in smart-grid technology designed to prevent potential overloads and outages before they happen
- Collaborated with the National Renewable Energy Laboratory and other utilities to examine opportunity for electrification of heavy-duty trucks and semi-trucks

[1] *Certain ring-fencing measures limit our ability to direct the management or activities of Oncor. As a result, Oncor sets its own ESG goals and unless specifically indicated, enterprise goals and activities do not include Oncor.*

Sempra Infrastructure

Decarbonization

- Added 26 new wind turbines in Phase 2 of the Energia Sierra Juarez wind farm in Tecate, Baja California, a $150 million investment
- Filed an amendment with FERC to incorporate e-drives at proposed Cameron LNG Phase 2 facility
- Entered into non-binding MOU with Entergy Louisiana, LLC to cooperate on the development of options to accelerate the deployment of renewable energy to Sempra Infrastructure's facilities
- Worked with the World Bank Group to develop the Volta de Mexicali Battery Energy Storage System facility in Mexicali, Mexico
- Proposed carbon capture utilization and sequestration project in Hackberry, Louisiana, that would allow Cameron LNG to achieve scope 1 CO_2 emissions reductions

Diversification

- Signed a non-binding MOU with Mexico's Federal Electricity Commission to work to develop critical new energy infrastructure in Mexico, including the proposed Vista Pacífico LNG project
- Combined platform strengths of LNG and net-zero solutions, clean power, energy networks to create large-scale new opportunities

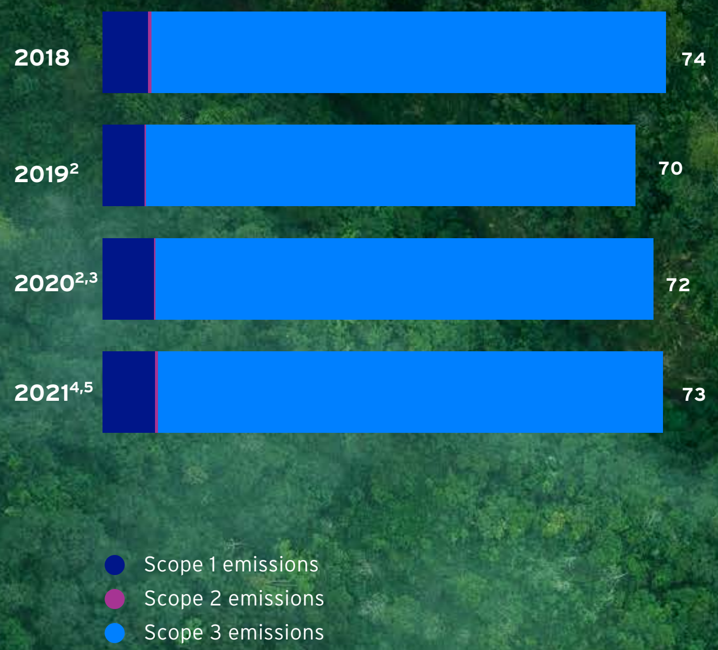
Digitalization

- Continued to advance world-class, integrated digital systems to deliver efficient development, construction and operations
- Embarked on digital/AI strategy designed to increase production, reduce emissions and reduce operations and maintenance costs at Cameron LNG

Greenhouse gas emissions

Estimated scope 1, 2, and 3 GHG emissions[1]

(million metric tons of CO_2 equivalent)



Estimated 2021 GHG emissions by scope and source[1,4]

Scope 1
9%

- **70%** STATIONARY COMBUSTION[7]
- **29%** FUGITIVE EMISSIONS
- **1%** PROCESS EMISSIONS[8, 9]
- **1%** FLEET VEHICLES

Scope 2
1%

- **27%** POWER LINE LOSSES[10]
- **73%** FACILITY ELECTRICITY USE

Scope 3[6]
90%

- **99%** END USER COMBUSTION OF NATURAL GAS
- **1%** PURCHASED POWER DELIVERED TO CUSTOMERS

[1] See page 12 for reporting boundary.
[2] Scope 3 emissions in 2019 and 2020 for end user combustion of natural gas updated per adjustment to methodology.
[3] 2020 scope 1 and 2 emissions data updated following third-party verification.
[4] 2021 scope 1 and 2 emissions data subject to third-party verification.
[5] 2021 scope 2 emissions also include electricity purchased and used in the Cameron LNG facility. These emissions are not included in emissions data for prior years.
[6] We also track scope 3 emissions from employee travel, which comprised .002% of scope 3 emissions in 2021.
[7] Emissions from our natural gas power plants.
[8] Emissions from physical or chemical processes related to combustion.
[9] Percentages may not add to 100% due to rounding.
[10] Emissions from the generation of electricity that we lose during transmission and distribution.

We are upgrading our infrastructure and processes, and collaborating with suppliers, customers and peers to work to effectively measure, monitor and reduce emissions. In line with our goals, each of our operating companies is continuing to execute on emissions reduction strategies and also identify new opportunities to reduce emissions across scopes 1, 2 and 3.

Scope 1 emissions

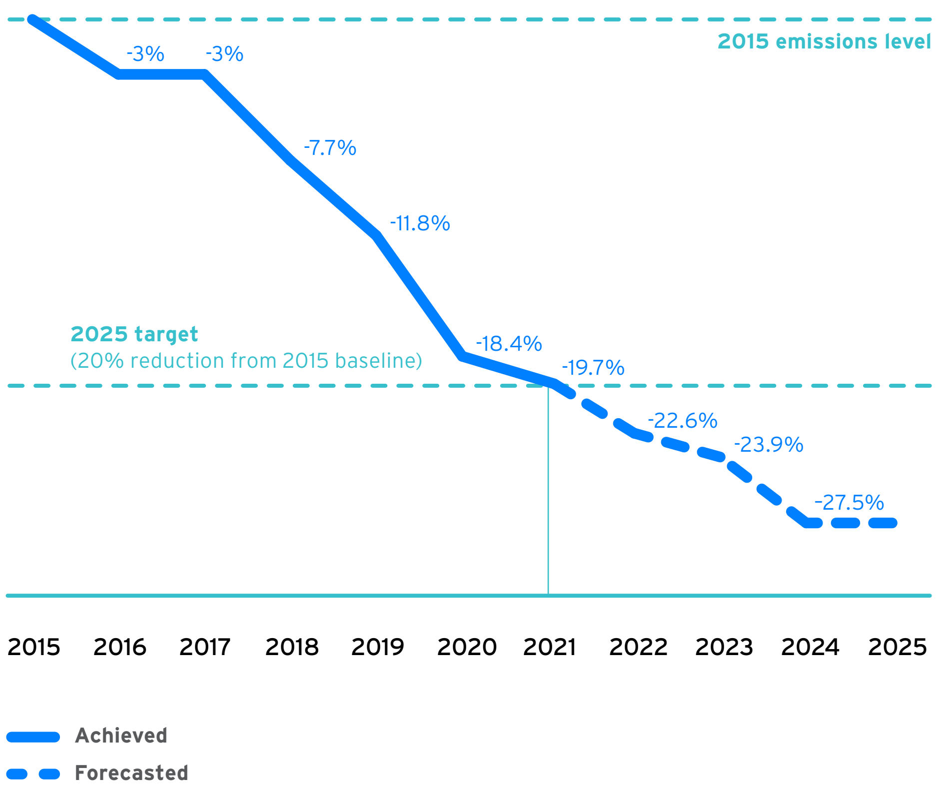
Sempra's 2021 direct (scope 1) emissions are from sources that we own or control, including stationary combustion (4.8 MMT CO_2e), fugitive emissions (2 MMT CO_2e) and fleet vehicles (.05 MMT CO_2e).

Reducing methane emissions

Decades of work in early-adopted and innovative technologies have helped our companies identify and reduce emissions. For example, SoCalGas voluntarily began implementing and developing strong management practices to reduce its fugitive emissions as an original member of the Environmental Protection Agency's (EPA) Natural Gas STAR program beginning in the early 1990s. Ongoing infrastructure improvements, such as eliminating high-bleed pneumatic devices and cast-iron pipes, have modernized and tightened the system.

Legislation, such as California Senate Bill 1371 "Natural Gas Leakage Abatement," has helped formalize accountability in this area and support the efforts at Sempra California by codifying requirements for gas distribution utilities to reduce methane emissions, while prioritizing safety, reliability and affordability. According to California-based emission factors used for Senate Bill 1371 reporting in 2021, the emission rates for transmission and distribution systems ranged from 0.03 to 0.16% for SoCalGas and from 0.03 to 0.15% for SDG&E; an average between the two systems of ~0.09%. Learn more in our sustainability supplement on reducing our emissions.

Sempra California natural gas emissions reductions[1]
(% reduction from 2015 baseline)



[1] *Per CPUC rulemaking 15-01-008, thresholds for natural gas emissions reductions vary by classification tier, which are based on the utilities' 2015 emissions percentages. As a class A utility, SoCalGas has specific mandated reduction targets. SDG&E is a class B utility and has a goal to reduce natural gas emissions as much as feasibly possible.*

SoCalGas and SDG&E are working to accelerate innovation and advancements in emissions reduction and mitigation strategies and practices. They are not only investing in new technologies, programs and procedures to detect leaks, but also technologies tied to managing our gas infrastructure more effectively. These include:

- Advanced meters to identify leaks on the customer side
- Real-time monitoring of transmission pipelines from a state-of-the-art gas control center
- Fiber optic cables that detect methane leaks and third-party damage to pipelines in real time
- Infrared cameras to check for leaks in newly installed pipelines
- Infrared "point" sensors to detect leaks even before odorant can be detected
- In-line inspection tools, or "smart pigs"
- External corrosion surveying
- Aerial methane mapping to accelerate emissions detection and repair

Sempra is a founding sponsor of the Veritas initiative being led by the Gas Technology Institute. Veritas is a differentiated gas measurement and verification initiative intended to accelerate actions to reduce methane leakage from natural gas systems. Sempra Infrastructure and SoCalGas have been participating in the development of protocols to quantify methane emissions. Sempra Infrastructure expects to conduct a demonstration project of the Veritas initiative at its existing LNG terminals during 2022.

Scope 2 emissions

Sempra's 2021 indirect (scope 2) emissions are from other companies' generation of electricity that we purchased and used in our operations (0.376 MMT CO_2e). This includes electricity lost during transmission and distribution. The U.S. Energy Information Administration estimates that approximately 5% of the electricity that is delivered each year in the U.S. is lost as it passes through transmission and distribution lines. SDG&E's estimated loss rate is 0.68% for transmission and 1.08% for distribution.

Sempra California and Sempra Texas are working to decarbonize electricity use in their owned facilities:

- By 2030, SDG&E aims to achieve zero net energy for all owned facilities (in 2020 electricity usage for owned facilities was approximately 5,596 MWh). SDG&E intends to employ energy efficiency measures and/or renewable energy generation so that its buildings consume no more than the amount of energy that can be produced onsite and through renewable sources. As an interim measure to help offset its emissions from owned facilities, SDG&E purchased renewable energy credits (RECs) in 2021.
- In September 2021, SoCalGas began purchasing 100% renewable power from the grid under Southern California Edison's (SCE) Green Rate Program. Additionally, SoCalGas has been working with four additional electric service providers to purchase 100% renewable power for all eligible grid-connected facilities. For these facilities SoCalGas estimates that it will purchase nearly 66.5 million kilowatt hours of power from 100% renewable sources each year, which could reduce greenhouse gas emissions by over 13,000 metric tons equivalent annually.[1]
- In June 2020, Oncor negotiated agreements that enable it to contract for 100% renewable electricity at all Oncor facilities, and Oncor plans to continue contracting for 100% renewable electricity going forward.

Scope 3 emissions

Sempra's 2021 reported indirect (scope 3) emissions are primarily from end users' combustion of natural gas that we delivered to them (65.3 MMT CO_2e) and emissions from other companies' generation of electricity that we delivered to end users (0.9 MMT CO_2e). Reporting on scope 3 emissions is complex, as these emissions come from a wide range of sources, some of which are difficult to measure or estimate.

Third-party verification of GHG emissions data is an important part of our process. 2020 emissions data was verified in 2021 for approximately 75% of our scope 1 and 2 emissions. Scope 3 emissions from end user combustion of natural gas, which represent 99% of our reported scope 3 emissions, are estimated. We plan to increase the scope of assurance and continue to enhance our emissions inventory in future years as part of our carbon management program.

[1] *Data is an estimated emissions reduction for utility grid-connected electricity purchased under a green tariff as of January 10, 2022. Emissions reduction estimates use a location-based emission factor analysis performed in January 2022. This profile includes electricity for SoCalGas base locations, regulating stations and the Aliso Canyon compressors and facility. This profile does not include any emissions related to on-site electricity generated at operational transmission or storage facilities.*

Energy efficiency

Energy efficiency programs play a critical role in reducing emissions. Energy efficiency programs include:

- Time-of-use rates for customers;
- Peak-demand campaigns such as "reduce your use" and "dial it down"; and
- In-home efficiency programs that provide customers with more efficient appliances, weather stripping and other upgrades at no cost.

In 2021, customer energy efficiency programs at Sempra California surpassed goals and saved approximately 466 gigawatt-hours[1] of electricity and more than 46 million therms[1] of natural gas. These efforts avoided more than 788,700 metric tons of greenhouse gas emissions and resulted in customer savings of nearly $176 million in energy costs last year alone.

[1] *Preliminary data, pending regulatory approval.*

Climate resilient energy networks

Meeting the goal set forth in the Paris Agreement to limit global warming to well below 2 degrees Celsius and preferably to 1.5 degrees Celsius, compared to pre-industrial levels, will require an energy ecosystem that is resilient to extreme weather, such as wildfires and drought, while delivering reliable, affordable and increasingly low carbon energy to customers.

As we work to execute on our decarbonization roadmap, we are focused on infrastructure solutions that help maintain the resiliency and reliability of our system, while helping meet the greatest challenge of our time, climate change.

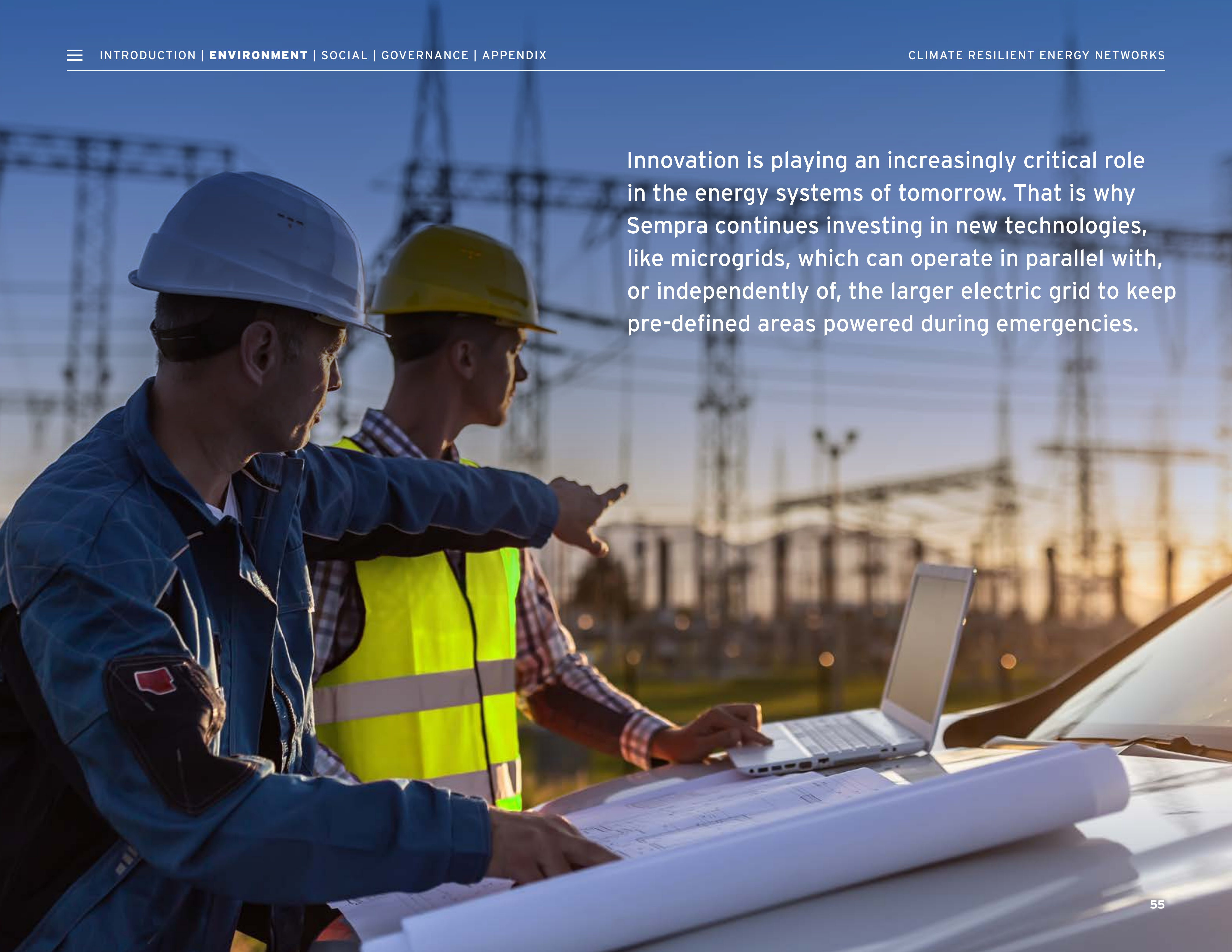
Severe weather response

Innovation is playing an increasingly critical role in the energy systems of tomorrow. That is why Sempra continues to invest in new technologies, such as microgrids, which can operate in parallel with, or independently of, the larger electric grid to keep pre-defined areas powered during emergencies. They are an important tool to increase community resiliency, especially in regions that are subject to public safety power shutoffs during extreme weather events. A pioneer in developing microgrid technology, SDG&E built America's first utility-scale microgrid in Borrego Springs in 2013 and is currently upgrading it so that it has the capability to run on 100% renewable energy and to demonstrate green hydrogen energy storage. As the company works to add four more microgrids to help lessen the impact of public safety power shutoffs and keep critical facilities powered, it is leveraging lessons learned from the Borrego Springs microgrid.

Wildfire prevention and mitigation is a critical part of our strategy to improve the climate resilience of our infrastructure and help reduce the significant adverse health impacts and air emissions associated with wildfire smoke. SDG&E is a recognized industry leader in wildfire prevention and mitigation. The company continues to advance its wildfire mitigation efforts and is now on version 4.0 of its Fire Safe program. SDG&E openly shares its experience, lessons learned and technological advancements in weather and wildfire mitigation with other investor-owned utilities, state and federal agencies and stakeholders in the fire community, with the objective of improving wildfire prevention across California and the West.

For our infrastructure businesses, resilience of operations is critical. Extreme weather, including severe storms and hurricanes, have the potential to impact Sempra Infrastructure's operations on the Gulf Coast. The company has engineered resilience into Cameron LNG. The facility is located 18 miles from the Gulf at a base elevation well above the 500-year flood plain with all major equipment elevated above that. Cameron LNG also was designed to handle major hurricane-force winds. That resiliency was borne out during hurricanes in 2020 and 2021, as a result of which the facility encountered minimal damage.

The Cameron LNG weather risk management and operations teams safely evacuated, shut down and restored operation of the facility in response to two back-to-back hurricanes that made landfall near Lake Charles, Louisiana, and crippled parts of the Gulf region. Following these catastrophic weather events, Cameron LNG has been working with the Rockefeller Wildlife Refuge to fund projects for the restoration of educational structures and wildlife habitats. Additionally, through its annual corporate responsibility investment program, Cameron LNG is collaborating with other organizations in efforts to preserve and protect wildlife habitats, restore the coastal beach and wetland areas and support beautification efforts in surrounding communities.



Innovation is playing an increasingly critical role in the energy systems of tomorrow. That is why Sempra continues investing in new technologies, like microgrids, which can operate in parallel with, or independently of, the larger electric grid to keep pre-defined areas powered during emergencies.

By beneficially using dredge soil material since construction of the regasification terminal in 2005 and continuing through the construction of the liquefaction facilities, Cameron LNG has created over 750 acres of marshland to date in Cameron Parish. Annual dredging of the berth area is expected to allow Cameron LNG to continue to create up to 7,000 acres of marshland for the life of the project. Marshlands prevent flooding by temporarily storing and slowly releasing stormwater, helping protect critical infrastructure and surrounding communities. Efforts such as these help create a vibrant and resilient ecosystem and aligns with our belief that the responsible development of energy infrastructure is compatible with environmental protection and preservation.

Severe weather can also develop quickly in Texas, and with a service territory covering nearly one third of the state, Oncor's dedicated personnel work hard to prepare for and respond to various weather conditions. Planning occurs year-round in anticipation of a variety of potential seasonal impacts, with preparations implemented months before the hot or cold seasons begin, including:

- utilizing forecasting and predictive analytics to identify equipment for upgrades or replacement;
- performing ground and air inspections of facilities; and
- increasing storm response inventory and regularly completing staff emergency preparedness trainings.

In February 2021, Oncor, the ERCOT market and the state of Texas experienced an unprecedented winter weather event and period of short generation supply. Texas transmission and distribution utilities, including Oncor, were directed to shed an unprecedented amount of load to offset the short supply of generation, which was the cause of the vast majority of Oncor power outages throughout the course of the event. While Oncor does not own, operate or control power generation plants or facilities, the company has been working to identify innovative transmission and distribution solutions that could mitigate the impacts of, or even avoid, third-party generation-shortfall events such as occurred in winter storm Uri.

First, Oncor has begun a five-year program to expand remotely controlled voltage-reduction capabilities to certain substation transformers, with potential to enable this capability at more than 100 locations in 2022. Once complete, this program has the potential to reduce demand by approximately 500 MW during peak load conditions. Second, Oncor has established processes to spread rotating-outage burdens among a greater number of customers while still maintaining service to critical community-service and energy-generation premises. This should increase customer equity while also reducing reliability risks. More generally, Oncor has also reviewed its process for planning and building assets ahead of projected constraints, including extreme weather conditions. Oncor undertakes annual system planning assessments and seasonal preparedness studies to help ensure it has adequate facilities to support a wide range of temperatures, and in 2021, Oncor began implementing substation additions and upgrades to support an expanded temperature range, now extending from 10°F to 110°F.

Resiliency for intermittent renewable energy

As more and more renewable energy sources become available, investments in clean fuels, energy storage and microgrids will be needed to fill the gaps when wind and solar supplies are not available and to deliver energy to sectors of the economy that cannot be easily electrified, such as heavy-duty transportation and industrial sectors. SoCalGas' resilient underground pipeline system is designed to prevent, withstand, adapt to and quickly recover from disruption. To better withstand effects of climate change SoCalGas has implemented fiber optic technology to address severe weather impacts, such as mud slides.

We believe the gas infrastructure system is poised to enhance and complement a future energy ecosystem made of clean electrons and clean molecules. In its study on The Role of Clean Fuels and Gas Infrastructure in Achieving California's Net Zero Climate Goal, SoCalGas examines California's energy system options to achieve economy-wide carbon neutrality. The study found that an integrated energy system comprised of renewable electricity and cleaner fuels should achieve carbon neutrality faster, more reliably and more affordably than one without cleaner fuels. According to the study, this approach offers significant renewable penetration, solutions for hard-to-abate transportation and industrial sectors, and resilient electrification.

We believe combining the strengths of clean electrons from solar, wind and hydro with the strengths of cleaner fuels like hydrogen and renewable natural gas, would deliver a reliable and affordable clean energy future for California. A cleaner fuels network leveraging existing infrastructure should help integrate more renewables on the electric grid, reduce risk and provide valuable storage and customer choice as California works to decarbonize and develop the means to scale up electrification.

In early 2022, SoCalGas announced a proposal to develop what would be the nation's largest green hydrogen energy infrastructure system, the Angeles Link, designed to deliver cleaner, reliable energy to the Los Angeles region. As proposed, the Angeles Link would support the integration of more renewable electricity resources like solar and wind and would significantly reduce GHG emissions from electric generation, industrial processes, heavy-duty trucks and other hard-to-electrify sectors of the Southern California economy. The proposed Angeles Link would also significantly decrease demand for natural gas, diesel and other fossil fuels in the LA basin, helping accelerate California's and the region's climate and clean air goals.

Supply chain

We depend on suppliers for equipment, parts and services essential to project planning, construction, operations and system reliability. Our supplier code of conduct details our expectations for suppliers to evaluate their operations, products and services from a total lifecycle perspective in order to propose and implement effective policies and measurable improvements.

Climate risks and opportunities have influenced our strategy related to supply chain in several ways. First, to advance decarbonization, reliability and retail choice, we continue to evolve our electric procurement strategy at SDG&E to meet decarbonization, reliability and affordability needs with renewable and firm sources of electricity and storage. On the natural gas side, we have set a goal that by 2030, 20% of the gas that we deliver to SoCalGas core customers will be from renewable natural gas that is captured and repurposed from the decomposition of organic matter (with an interim goal of 5% by the end of 2022), which is key to advance decarbonized circular solutions in the local economy and also to meet California Senate Bill 1383's goals for organics diversion from landfills and reduction of short-lived climate pollutants. We are also engaging in the market to develop RNG from sources such as dairy farms, landfills and wastewater treatment plants.

On the LNG side, Sempra Infrastructure actively works with companies and institutions across the LNG supply chain to help reduce scope 2 and 3 emissions. Earlier this year, Sempra announced it had entered into a memorandum of understanding (MOU) with Entergy Louisiana, LLC to develop options designed to accelerate the deployment of renewable energy to power Sempra Infrastructure's facilities in the state of Louisiana.

Sempra recognizes the critical role suppliers play in our operations and supports SDG&E and SoCalGas' visions of developing supply chain sustainability programs on the leading edge in the industry that include short-term, mid-range and long-term goals, some with target completion dates by 2025. Specifically, by 2025 SDG&E aims to develop a supply chain sustainability program. To demonstrate this commitment to creating a more sustainable supply chain, SDG&E and SoCalGas are both developing independent tangible and actionable roadmaps with measurable milestones and working with suppliers and partners throughout the supply chain on continuous and sustainable improvement. **This approach strengthens both companies' long-term supply chain strategy and includes:**

- Integrating social responsibility, environmental stewardship, financial and governance aspects into decision-making throughout the supply chain to improve long-term performance and reduce risk;
- Partnering with SDG&E's and SoCalGas' suppliers and partners to reach the companies' supplier diversity and sustainability goals through outreach, education and shared resources;
- Participating in industry groups focused on supply chain sustainability and shared best practices, including the Electric Utility Industry Sustainable Supply Chain Alliance;
- Conducting annual sustainability assessments to engage SDG&E's and SoCalGas' suppliers and better refine the company's scope 3 GHG emissions;
- Engaging outside consultants to periodically benchmark SDG&E's and SoCalGas' supply chain sustainability program strategy and reassess the companies' supply chain material issues; and
- Integrating investment recovery into a sustainable supply chain.

Sempra recognizes the critical role suppliers play in our operations and supports SDG&E and SoCalGas' visions of developing supply chain sustainability programs on the leading edge in the industry that include short-term, mid-range and long-term goals, some with target completion dates by 2025.

Waste and recycling

Across our operating companies we are working to find new ways to reduce waste, reuse materials and safely extend the life of equipment. We look to find new vendors to increase recycling rates and identify new products that can be recycled.

All company facilities in California, including Sempra's headquarters, SoCalGas and SDG&E facilities, divert organic waste from entering landfills, in support of implementing California Senate Bill 1383. By 2030, SDG&E also aims to divert 100% of facilities-related waste from landfills by reducing, reusing, recycling and recovering waste materials. In 2021, SDG&E's facilities generated 2,640 tons of waste, of which 48% was diverted from landfills.

Oncor continues to integrate environmental considerations into its business planning and decision making, working with customers, business partners and regulatory authorities to reduce environmental impacts. In 2021, approximately 65% of operational waste generated by Oncor, such as oil, poles and other electrical equipment, was recycled or repurposed.

In Mexico, IEnova implemented an initiative in 2019 to reduce non-hazardous waste by replacing the type of coagulant used in a wastewater treatment plant with an organic coagulant. This resulted in a 26% reduction in non-hazardous waste at the facility since the start of the project.

In 2021, our businesses generated an aggregate of approximately 6,260 tons of hazardous waste. Hazardous materials teams manage hazardous material storage, recycling, transportation and/or disposal to help ensure compliance with applicable laws. The amount of hazardous waste we generate fluctuates from year-to-year as we work to complete the clean-up of historic manufactured gas sites and replace other energy infrastructure.

Managing and reducing our waste
(Data from 2021)

130,045 TONS
Non-hazardous waste generated and disposed

64,628 TONS
Non-hazardous waste diverted from landfills

$13,590,626
Investment recovery revenue

Biodiversity and land use

Our biodiversity policy describes how we integrate biodiversity considerations into the planning, permitting, construction and operation of our infrastructure. We are committed to biodiversity preservation and enhancement as part of our planning and decision-making processes and we work with local groups, government agencies, academia and nongovernmental organizations at all stages of project development and operation to help ensure we reduce impacts to local wildlife. This outreach involves working with federal, state and local organizations including the U.S. Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, California State Parks, San Diego Audubon Society, San Diego Zoo, Ventura Land Trust, Universidad Autónoma de Nuevo León and many others.

Our commitment to environmental stewardship is broad, ranging from habitat conservation, restoration and tree planting to employee volunteerism and tackling business challenges with nature-based solutions. We strive to balance our business needs with stewardship of sensitive habitats, abide by applicable laws and regulations for endangered species, and work to reduce impacts to protected plants and wildlife and sensitive habitat communities, in an effort to consistently meet or exceed permit requirements.

For example, SDG&E and SoCalGas have worked closely with state and federal agencies to develop an approach that balances their needs to construct, operate and maintain both electric and natural gas pipeline systems while at the same time protecting the environment. In 1995, SDG&E became one of the first utilities in the country to develop and begin implementing long-term habitat conservation plans designed to protect and support local biodiversity. For the past three decades, these Habitat Conservation Plans have served as the cornerstone of SDG&E's natural resource protection efforts and land use practices. In that same year, SoCalGas acquired and implemented the California Desert Conservation Area programmatic federal and state endangered species permits. These plans and permits, developed with the California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and Bureau of Land Management, are designed to reduce impacts to numerous species and their habitats while allowing SDG&E and SoCalGas to install, maintain, operate and repair their existing gas and electric system and undertake typical expansion of the electric grid. The plans and permits expressly aim to preserve the biological and physical resources comprising sensitive habitats or ecosystems and afford all species within managed habitats greater protections than before. We have worked closely with these agencies in recent years to continue, modernize and improve upon the conservation strategy that SDG&E and SoCalGas have successfully implemented since 1995.

Additionally, SDG&E has worked closely with the Cleveland National Forest on a long-term plan that balances the need to operate and maintain critical electric infrastructure with the careful and diligent land management activities required on U.S. Forest lands. The company routinely interacts with state and federal agencies such as the Bureau of Land Management, Department of Defense, California State Parks and the County of San Diego that have land management responsibilities to try to ensure its construction, operation and maintenance activities are compatible with land use policies and resource protection management requirements.

For the past several years, SoCalGas has been working closely with the California Department of Fish and Wildlife on its plans to restore nearly 600 acres of wetlands and upland habitat within the Ballona Wetlands Ecological Reserve, the largest coastal wetland complex in Los Angeles County. As a critical component of this project, SoCalGas intends to permanently seal each of its 16 gas wells that lie within the reserve. Removing these wells is expected to create an opportunity for a larger wetland restoration footprint and result in additional habitat for the local fish and wildlife. SoCalGas' well removal work will be undertaken in a manner that works to reduce environmental impacts.

Our biodiversity targets vary by project and include:

- No net loss of wetlands and waters of the U.S., including coastal wetlands
- No net loss of sensitive upland vegetation communities, habitats and rare plants
- Net improvement in ecological condition and habitat values or any sensitive habitats that have been temporarily impacted by our projects or operations
- Net improvement in habitat values for the coastal California gnatcatcher, least Bell's vireo, southwestern willow flycatcher, arroyo toad, peninsular bighorn sheep and many other listed species, by establishing permanently protected habitat preserve(s) and enhancing the existing habitat for the species
- Net benefit to state-listed threatened or endangered species
- Net benefit to federally-listed threatened or endangered species

Water

Climate change is affecting water access around the world, including in California where severe drought and water shortages persist. As a company, we are working on responsible stewardship and sustainable use of water in our operations and at our facilities, as described in our water policy. This commitment aligns with UN SDG 6 – to ensure availability and sustainable management of water and sanitation for all. Our efforts include:

- Integrating climate-related water risks into our construction and business resumption plans;
- Planning projects in a way that tries to avoid sensitive riparian areas;
- Using dry-cooling, recycled or reclaimed water and salt or brackish water as an alternative to fresh water;
- Monitoring water quality discharge at the facility level, according to permitting and other regulatory requirements;
- Reducing water consumption in employee occupied facilities; and
- Encouraging customers to reduce their use of this resource.

Additional information on our approach to water is available in our response to CDP's water survey.

We regularly monitor our water use and associated risks. Many of our facilities are located in water-stressed areas, as identified through the World Resources Institute's Aqueduct water risk mapping tool. Our use of fresh water is minimal, accounting for less than 1% of our total water withdrawn.

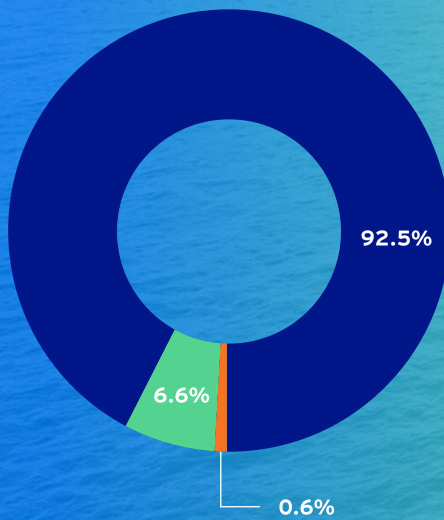
We use alternative sources of water to preserve fresh water for nearby communities and reduce any contribution to water scarcity. Water use by LNG regasification and natural gas-fired power plants account for nearly 93% and 7%, respectively, of our total water withdrawal. The water withdrawn to support these LNG operations is seawater, utilized to raise the temperature of LNG and re-gasify it. There are multiple processes to monitor water temperature and help ensure sea life is not impacted by either the withdrawal or discharge process. The water does not come into contact with any product and is returned to the sea in compliance with the corresponding discharge permits. At our natural gas-fired power plants we use municipal wastewater and dry cooling technology to reduce our impacts.

Our operating companies are working actively to manage water use. As one example, by 2030, SDG&E aims to:

- Increase recycled water use to at least 90% at all company facilities.
- Reduce facilities freshwater use by 50% (against a 2010 baseline) by investing in low-flow/waterless fixtures, rainfall and water recovery systems and drought-tolerant landscaping.

In 2021, our total water withdrawal decreased by 1% to approximately 28 billion gallons as a result of less withdrawal at our LNG operations in Mexico. We returned 92% of the water withdrawn to the source.

Water withdrawal by source and use[1] in 2021
Gallons (in billions) %



- **25.7 billion gallons salt/brackish or seawater** primarily used to support LNG operations
- **1.8 billion gallons reclaimed or recycled water** primarily used to support power generation operations
- **.2 billion gallons fresh water** primarily used in employee occupied facilities

[1] *Produced water, rainwater and agricultural water account for the remaining 0.3% of water withdrawal.*

Social

At Sempra, we know that our stakeholders are key to our success. We are dedicated to protecting the safety of our employees and the public, supporting the communities in which we operate, championing our employees in their careers and personal lives, and protecting human rights — that's how we *deliver energy with purpose*.

Safety

Anchored by our value to do the right thing, safety remains foundational to all we do. The global pandemic reaffirmed that nothing is more important than the safety of our employees, our contractors, our customers and the communities we serve. At the onset of the pandemic we quickly adapted, directing many of our employees to work from home and implementing comprehensive safety measures throughout our companies' operations.

The pandemic also highlighted the importance of psychological and emotional safety, and we continue to support our employees as they adapt how they live and work. Read more about how we support our employees' emotional well-being on page 75.

Since early 2020, we have responded rapidly and effectively to the global pandemic.

Employees

- Activated enterprise-wide pandemic response leadership forum to help respond quickly to changing conditions and manage risks
- Hired infectious disease specialists to provide us with expert advice
- Instituted travel restrictions, limited office access and increased sanitization
- Revised protocols for essential onsite employees, including physical separation within operating groups and increased protective gear
- Expanded paid sick and emergency leave policies for employees who need additional flexibility
- Provided employees technology reimbursement, stress management and mental health resources
- Continued to adhere to the guidance of public health authorities to implement current health, safety and security guidelines, in an effort to implement a safe return to work plan

Customers

- Offered flexible payment plans and suspended service disconnections at Sempra California to help maintain uninterrupted energy service
- Enforced physical distancing and personal protective equipment protocol while performing work in customer homes / businesses
- Introduced contactless enrollment option for energy savings assistance program in response to COVID-19 social distancing guidelines

Communities

- Since early 2020 we have donated over $17 million for COVID-19 relief and recovery efforts. Our support addresses food insecurity, senior services, medical supplies, worker relief and more
- Expanded employee giving program to include a one-to-one match by Sempra of employees' financial contributions to charitable causes, virtual volunteering or actual time spent volunteering

Our safety-focused culture emphasizes that work should only begin when all safety measures are in place. Employees and contractors are empowered to take responsibility for their own safety as well as the safety of others. This allows and encourages colleagues to speak up when needed. It influences how a coworker responds when someone raises a safety concern and encourages a "stop the job" mentality.

The responsibilities of the Sempra board's SS&T committee include oversight of a variety of ESG topics including Sempra's overall health and safety policies, reinforcing our company's strong commitment to robust safety practices. Executive leadership is responsible for overseeing reported safety concerns and promoting a positive safety culture and an environment of trust. Comprehensive safety management plans that follow international safety protocols are also integral to our approach.

In 2021 an SDG&E employee was fatally injured while operating a vehicle. The incident was thoroughly investigated, and SDG&E identified the cause and took action to help prevent reoccurrence. No other employee or contractor fatalities occurred in 2021. We continue to work to strengthen employee and contractor safety.

In 2021 our company-wide employee recordable incident rate decreased while our lost-time incident rate remained level. SDG&E developed a new safety framework that addresses process safety: building safety into every process, reimagining the way processes are detailed and described and implementing change management to help stakeholders understand and adopt the new approach. With an increased focus on supervisor engagement and quality job observations, SoCalGas reported a decrease in both recordable and lost-time incident rates in 2021. Also in 2021, SoCalGas participated in a safety culture assessment commissioned by the CPUC. The assessment offered recommendations to enhance SoCalGas' safety culture by moving beyond compliance to a more systemic and integrated approach. It also identified similar suggestions for Sempra to promote a healthy safety culture. SoCalGas is looking forward to working with the CPUC and other utilities and stakeholders to continue to build a top-tier safety culture.

Sempra Infrastructure's Energia Costa Azul natural gas liquefaction export project under construction achieved over 1 million manhours without a recordable injury. The business also significantly strengthened its emergency preparedness and response program based upon the lessons learned from the severe U.S. Gulf Coast hurricane season.

Building on its updated safety vision and strategy, Oncor hit a new milestone of 10 million safe work hours completed with no lost time incidents between December 2019 and January 2021, continuing its trend of reducing lost time and recordable incident rates and preventable vehicle accident rates.

Our commitment to safety extends to our contractor and supplier workforce. Our supplier code of conduct outlines our expectations that suppliers provide a safe working environment that incorporates accident prevention and minimizes exposure to health risks; and are responsible for knowing and understanding the health and safety laws and regulations impacting the goods and services they provide. See page 23 for safety performance data.

We also strive to protect the public from dangerous contact with energy infrastructure. In 2021, there were three serious injuries and one fatality alleged to involve company pipes, poles and wires, construction areas, motor vehicles or other facilities.[1]

All our companies are working to build safety awareness in the communities in which they operate. For example, to help bridge the gap in electric safety education for Texas' public-school students, Oncor created the Super Safe Kids program, a traveling show that teaches students about electric safety. Since the program's launch, Oncor employees and a cast of animated characters have presented more than 165 Super Safe Kids safety shows at schools and community events, reaching more than 85,000 kids in Oncor's metro and non-metro service territory.

[1] *Reflects the number of fatalities or personal injuries requiring in-patient hospitalization involving our energy infrastructure.*

Building and reinforcing a safety culture

1. We have safety management systems in place designed to address requirements, awareness, goals, monitoring and verification related to all applicable, health and safety laws, rules and regulations and company standards.
2. We share lessons learned from safety incidents and near-misses across businesses.
3. We analyze safety data for trends: Is safety performance improving, declining or remaining steady? In which areas? In which groups? These statistics tell a story – and can help company leaders identify areas in need of greater focus.
4. We help reduce the risk of body sprains and strains, the most common employee injuries, with training programs on body mechanics and ergonomics.
5. We practice responding to a wide range of safety-related scenarios during safety trainings.
6. We review safety plans and procedures with work crews before the day's work begins.

For an overview of our efforts to protect employees and customers during the COVID-19 pandemic, please see page 66.

Stakeholder engagement

Our three business platforms – Sempra California, Sempra Texas and Sempra Infrastructure – are well-positioned to play a critical role in delivering lower and zero-carbon energy and to deliver long-term sustainable value for our shareholders and other stakeholders. Transparent, two-way communication with stakeholders as described in our stakeholder engagement policy,[1] is integral to delivering on our goals.

Our operating companies work to facilitate open communication with external stakeholders through different methods of communication that recognize the distinct needs of each stakeholder group. For example, Community Advisory Councils (CACs) offer a forum for diverse stakeholders in the communities where we operate. CACs provide direct constructive input, feedback, recommendations and support to senior management from community and business leaders, addressing topics including wildfire mitigation planning and community outreach, natural gas system safety, sustainability strategy and clean energy future, RNG, hydrogen and power-to-gas, COVID-19 response and customer assistance and relevant emerging community issues. These specialized groups of diverse and independent leaders from public safety, tribal government, business, nonprofit and academic organizations possess extensive experience in business services, sustainability, public safety, wildfire management, community-based services and applied technology. In 2021, more than 260 members across our companies' CACs held more than 30 meetings, facilitating important stakeholder feedback for our companies. As one example, SoCalGas held meetings with the CAC on its ASPIRE 2045 sustainability commitments, gaining useful feedback that was incorporated into the development of the strategy.

Our senior vice president of corporate affairs is the officer responsible for policies related to stakeholder engagement across the Sempra family of companies. Our Ethics & Compliance Helpline serves as our formal mechanism for stakeholders to share concerns or describe project impacts.

[1] *Oncor's stakeholder engagement efforts are undertaken under a separate stakeholder engagement policy, overseen by its chief customer officer.*

High-performance culture

We believe we have one of the best workforces in the industry and that our high-performance culture continues to be our differentiator. Our culture is central to our success in bringing stakeholders together and improves our competitive position as we look ahead.

As part of our unwavering dedication to our company values — do the right thing, champion people and shape the future — we remain committed to building a diverse and inclusive workplace at our operations in the U.S. and Mexico, where we embrace different views, backgrounds and experiences and where employees feel valued and empowered to bring their authentic and best selves to work. We continue to demonstrate that commitment through concrete actions to advance that culture and maintain a workplace that evokes engagement and is rich in opportunities for all employees to reach their full career potential. And while the ethnic diversity metrics highlighted in our report (page 72) do not include our employees in Mexico due to our use of definitions established by the U.S. Equal Employment Opportunity Commission (EEOC), their diverse perspectives and backgrounds play a key role in the success of our company and contribute on a daily basis to our high-performing culture.

In early 2021, we announced an action plan centered on five strategic pillars, each part of a broader, multi-faceted and multi-year plan to continue to drive sustainable change in the areas of diversity, equity and inclusion.

1. Leading from the top
2. Accelerating engagement
3. Creating opportunity
4. Driving conscious inclusion
5. Partnering with communities

Since then, we have worked to achieve targeted goals under each pillar.

1

Leading from the top

- Appointed a senior vice president of diversity and community partnerships with direct input to the CEO of Sempra.
- Created new positions at SDG&E and SoCalGas for directors of diversity, equity and inclusion. These directors work closely with Sempra's senior vice president of diversity and community partnerships to help ensure alignment across our companies.
- Embedded diversity and inclusion (D&I) into annual leadership goals and executive compensation structure. Additional details can be found on page 96-97.

2

Accelerating engagement

- Held employee forums to discuss D&I topics, including hatred and violence and mental health and resilience. Facilitated numerous virtual events focused on D&I issues at our operating companies.
- Piloted employee resource groups for women, Hispanic and Latino, Black and African American and veteran employees and their allies.
- Launched accelerated leadership development programs for under-represented groups, including an impact leadership development program for director-level employees at Sempra and Sempra Infrastructure with an inaugural cohort made up of 80% diverse participants. SDG&E launched a Leader Within development program with the inaugural cohort made up of 72% diverse participants.

3

Creating opportunity

- Formed task forces to align and further de-bias applicant review, selection and promotional practices, including piloting diverse interview panels consisting of at least one woman and one person of color for identified manager positions.
- Increased participation in diversity mentorship programs and evaluated efficacy of sponsorship program for under-represented populations. Sempra's M-Power mentoring program grew from 168 to 304 participants overall, while women and participants of color increased from 136 to 241, an increase of 81% and 77% respectively. At SDG&E and SoCalGas, the VALOR program supports veteran employees transitioning to a post-military career through recruitment, onboarding and development.
- Established metrics to identify and help reduce any gaps in populations under-represented in leadership and the overall employee population. Sempra, SoCalGas and SDG&E released D&I reports outlining the make-up of their workforce and incorporated these findings into succession planning processes.

4

Driving conscious inclusion

- Updated respect, anti-harassment and psychological safety training fto be online. SoCalGas and SDG&E incorporated unconscious bias training into interview training and as part of the talent review and succession planning process.
- Trained all officers and directors across all companies on conducting meaningful conversations about race. Online trainings on respect and D&I fundamentals were launched in the first quarter of 2022.
- SDG&E delivered training on overcoming unconscious bias to 100% of employees.

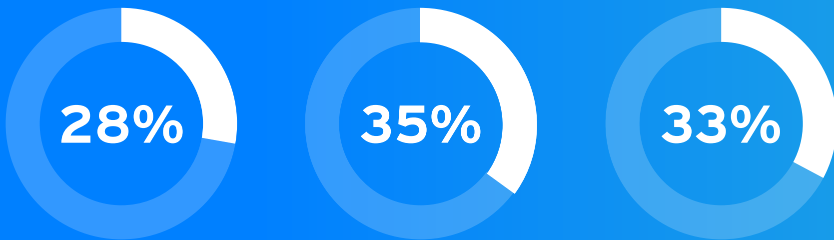
5

Partnering with communities

- Established external advisory groups across our operating companies and continued to leverage existing community advisory councils. Additional details on stakeholder engagement can be found on page 69.
- Through Sempra's Supporting Social Justice employee giving campaign and SDG&E's Energy for Others multi-year giving campaign, contributed to charitable organizations supporting communities of concern. Nearly one quarter of the Sempra family of companies' charitable giving in 2021 directly benefited Black communities.
- Analyzed and expanded California utility supplier diversity spend with respect to Black and African American-owned businesses. For example, SoCalGas increased spend with Black and African American-owned businesses by 49%. Read more about our commitment to supplier diversity on page 73.
- Increased requirement that outside advisors (law firms, banks, etc.) assign diverse individuals to Sempra work. Sempra requests outside counsel, many of which are large law firms that are not minority owned, to track the time that women, people of color and LGBTQ staff spend on its legal matters and incentivizes firms that employ diverse talent.

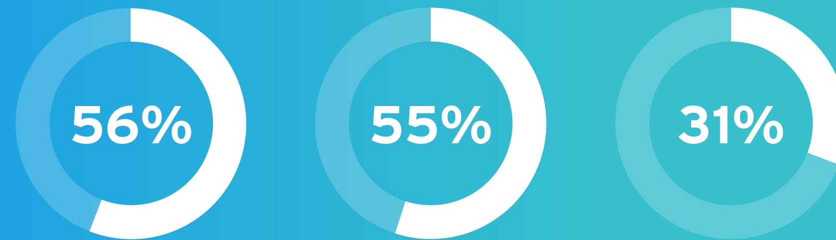
Key D&I metrics[1]

Women in our workforce (company-wide)



Total workforce | Management employees | Company leadership[3]

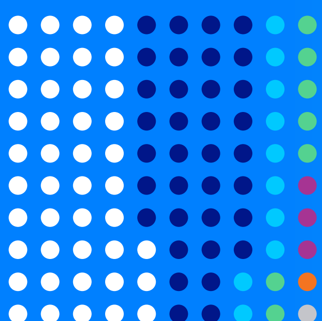
People of color in our workforce (U.S. employees)[2]



Total workforce | Management employees | Company leadership[3]

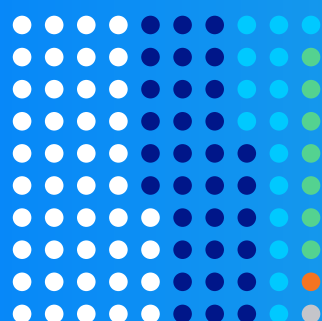
Workforce diversity (U.S. employees[2,4])

Total workforce



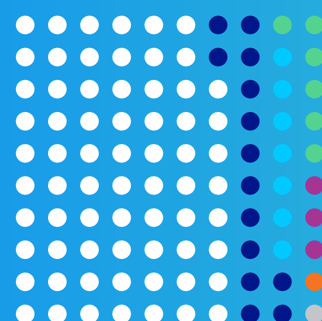
- 43% White
- 35% Hispanic
- 10% Asian
- 7% Black
- 3% Two or more races
- <1% Native Hawaiian or other Pacific Islander
- <1% Native American

Management employees



- 44% White
- 28% Hispanic
- 15% Asian
- 7% Black
- 4% Two or more races
- <1% Native Hawaiian or other Pacific Islander
- <1% Native American

Company leadership[3]



- 68% White
- 14% Hispanic
- 7% Asian
- 6% Black
- 3% Two or more races
- <1% Native Hawaiian or other Pacific Islander
- <1% Native American

Ratio of female to male base salary (U.S. employees)[5]

	F	M
Executive	0.83	1.00
Management	1.02	1.00
Non-management-same jobs	0.99	1.00
Non-management-all jobs	0.92	1.00

[1] *For data reported to the U.S. Equal Employment Opportunity Commission (EEOC) please see https://www.sempra.com/sustainability-content-library.*
[2] *Race and ethnicity as defined by the U.S. EEOC includes race and ethnic categories that are not applicable to our employees in Mexico and therefore those employees are not reflected in this data.*
[3] *Company leadership includes Directors and Officers.*
[4] *Due to rounding, percentages do not add up to 100. Employees with unknown race or ethnicity also account for a small percentage of these figures.*
[5] *See page 12 for reporting boundary.*

Supplier diversity

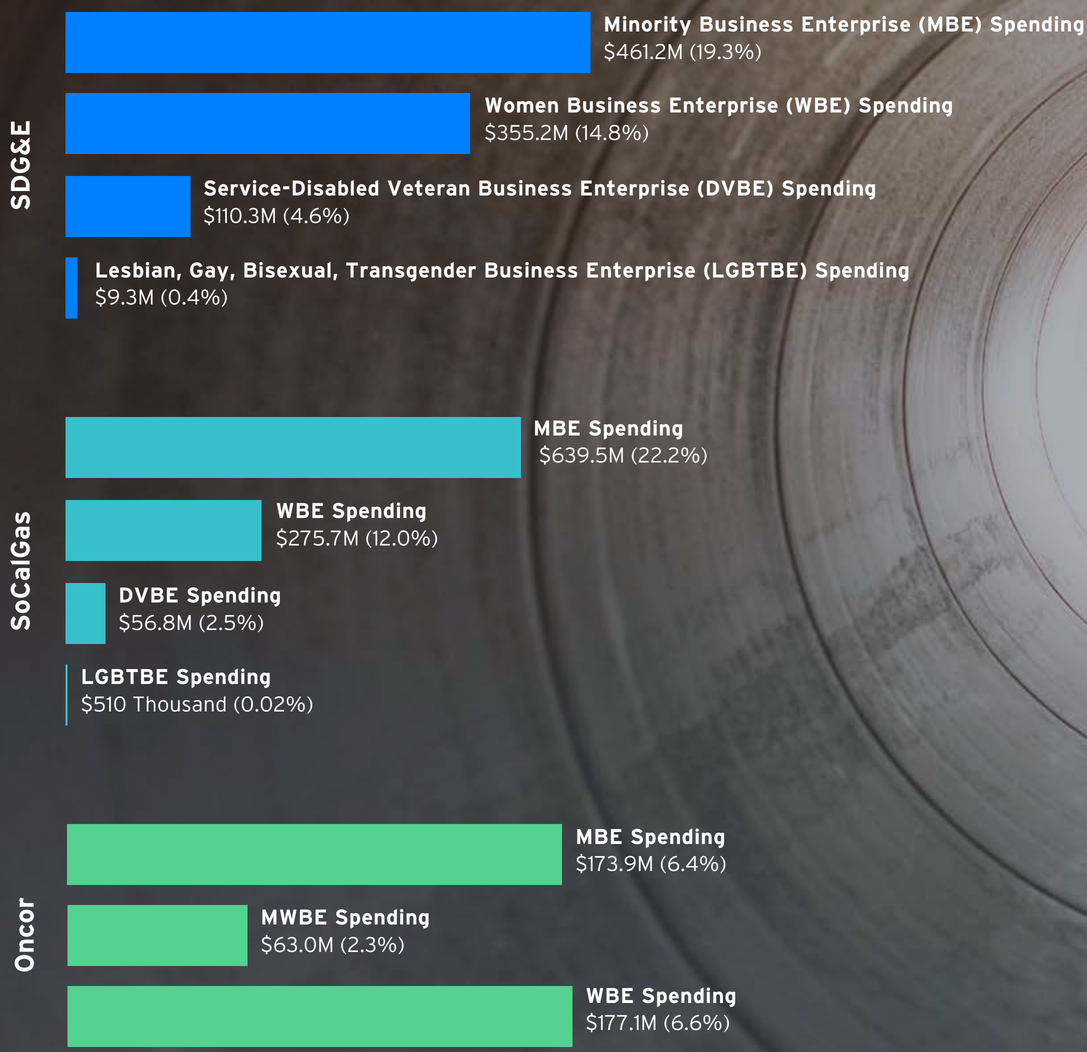
Our companies are also committed to supplier diversity as a core business value and an integral strategy that fosters innovation, cost-effectiveness and competition in our supply chain. We promote an inclusive supplier base that represents our customers, stakeholders and the communities we serve. Sempra California has a long history of partnering with Diverse Business Enterprises (DBEs) to supply them with goods and services they need to serve their customers. By building a diverse supply chain, they help create an inclusive culture – and can often achieve better business outcomes.

Supplier DBE categories we support include minority, minority women, women, service-disabled veteran and lesbian, gay, bisexual and transgender. In 2021, Sempra California achieved high levels of spending with DBEs. SDG&E and SoCalGas collectively purchased 39.1% (or $936 million) and 42.4% (or over $973 million), respectively, of goods and services from diverse suppliers, far exceeding the CPUC's goal of 21.5%.

For more details refer to the 2021 SDG&E and SoCalGas Annual Supplier Diversity reports. In Texas, Oncor is also dedicated to supporting small, minority and woman-owned businesses. In 2021, Oncor's diverse suppliers accounted for 13% (or over $351 million) of its procurement spend.

We look to our suppliers as partners in creating a culture and environment that fosters improvement and innovation across every area of our business. That means challenging the status quo, embracing supplier diversity and broadening our collaboration efforts with our suppliers and community-based organizations. In addition to managing the environmental impact of suppliers of parts and services, we also work to manage and reduce the impacts of electricity and gas suppliers.

Supplier diversity highlights



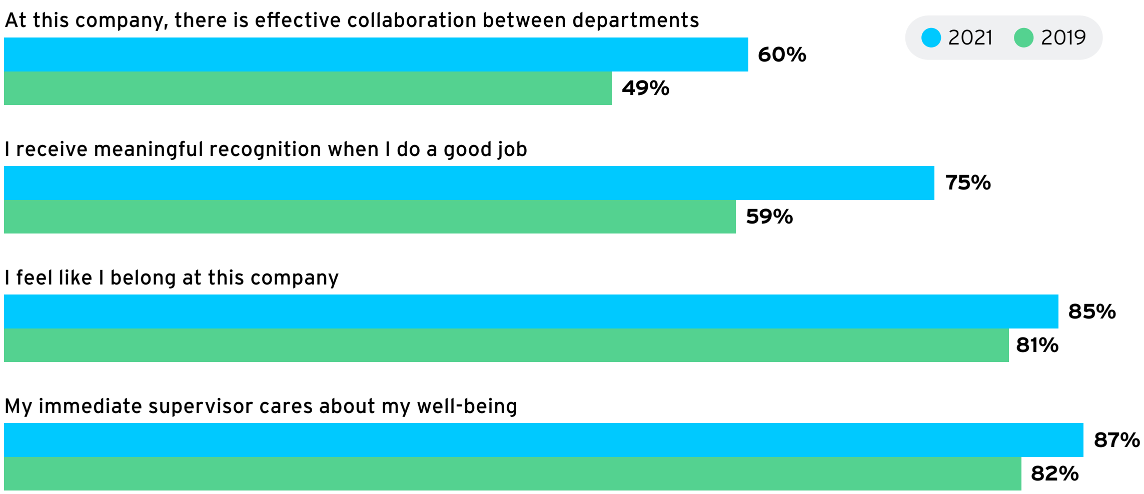
Human capital development

The energy industry is a dynamic space where some of the brightest and most innovative people come to do challenging work that makes a difference. Our companies' approximately 20,000 employees power the lives of nearly 40 million consumers in California, Texas and Mexico.

In line with our dedication to fostering a high-performance culture, Sempra is committed to continuous learning and improvement. An example of this dedication is our biannual Employee Engagement Survey. The most recent survey launched in August 2021, and intended to evaluate employees' experience and overall satisfaction at work, including their needs, sense of well-being and belonging and more.

In 2021, employee engagement at the Sempra companies was at a company historical high of 87%[1] since we began to track engagement over 10 years ago, while the supervisor effectiveness index was 82% - both higher than U.S. averages. Sempra's results demonstrate significant growth and improvement across many of the areas surveyed and align with our goal to achieve company-wide employee engagement survey scores in the top quartile. Specific improvements include responses to the following questions:

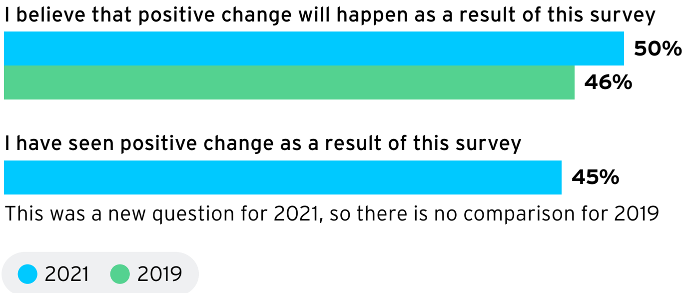
Employee engagement survey results[2]



[1] This engagement score is an average of the favorable scores for the four questions that make up the engagement index: 1."Overall, I am satisfied with this company as a place to work:" 2."I would gladly refer a good friend or family member to this company for employment;" 3."I am proud to work for this company;" and 4."I rarely think about looking for a new job with another company."

[2] Please see page 12 for reporting boundary.

Despite these areas of notable improvements, we still have work to do in demonstrating to our employees that the employee engagement survey leads to positive change that will improve the business and their overall employee experience. While results have improved since 2019, responses to the following questions reveal that we can do a better job of showing actionable change:



Oncor has partnered with workplace survey firm Gallup to conduct a company-wide employee engagement assessment, with the initial survey completed in November 2021. Results from the initial survey will be used to develop an action plan focused on facilitating a company-wide engagement conversation, advancing innovations and processes and strengthening relationships – all of which also are expected to serve to improve business outcomes and employee retention.

Advancing our high-performance culture and creating intentional and targeted positive change from these surveys requires leaders from across the company to create concrete action plans and work with their teams to communicate progress on an ongoing basis. Our goal is for every employee to feel valued, respected and enabled to reach their full potential.

Supporting employees through COVID-19

The COVID-19 pandemic has impacted how we think, live and work. Through it all, our employees have demonstrated unwavering resiliency, innovating and adapting to maintain our high-performance culture. Since the onset of the pandemic, employees who can perform their job duties remotely, including those in corporate and administrative functions, have been working from home. For our field employees, who represent the majority of our workforce, comprehensive protocols and procedures were put in place to help maintain their health and safety as they have continued to help us deliver power for essential services, such as to hospitals, medical research centers and manufacturing plants, and support millions of people who have worked, studied or cared for their families from home.

As we look ahead, we are building on lessons learned from our time away from the office to reimagine our workplace using a new hybrid model. This approach enables employees to work both onsite and remotely, which we expect to support work-life balance. Safety is a priority and this hybrid model allows us to keep our employees physically safer because of the reduced workforce onsite on any given day. It also lends itself to greater psychological safety, reduced stress, greater flexibility and enhanced engagement and interaction. In addition, our reimagined workplace advances our culture of diversity and inclusion, keeping employees better connected to our mission, by reminding them of the diverse mosaic of our workforce and by re-energizing them as they see and experience first-hand our values – do the right thing, champion people and shape the future – in action.

For an overview of Sempra's response to the COVID-19 pandemic, please see page 66.

Our goal is for every employee to feel valued, respected and enabled to reach their full potential.

Talent development pipeline

Acquiring: We strive to be a leader in acquiring a diverse, world-class talent pool to lead the organization into the future and to help ensure that Sempra's people continue to be its greatest asset. We do this through a multi-faceted approach that includes but is not limited to the use of a technology tool that helps us identify highly qualified candidates by distributing jobs to our diverse job site network, inclusive of veteran, women, Hispanic, African American, Asian, differently abled and LGBTQ job candidates. This tool supports Office of Federal Contract Compliance Programs recruiting needs and compliance efforts. We also utilize a writing analysis application that uses AI to identify gender bias in job postings. Once a wide net has been cast and a large, diverse pool of candidates are identified, we deploy interviewing strategies that also support the hiring of diverse, top-tier talent.

Developing: We work to create success by providing opportunities and resources to expand employees' knowledge and skills while promoting an environment that supports individual and organizational success.

The company offers a leadership development framework with paths available for emerging, moderately experienced and seasoned leaders. The framework includes path-specific coursework, suggested readings, assessments and a situation interview-based competency exam. We also encourage employees to play an active role in their career development. Opportunities include:

- Creating a career development plan that includes short and long-term goals and discussing this plan with their manager. If desired, employees may meet with an organizational development coach to get additional guidance on their career path.

- Keeping their career accomplishments and interests up to date on the company intranet so they can be matched with available opportunities as they arise.
- Exploring online or in-person training opportunities to strengthen their skills in areas critical to the company's continued success, including leading change, inspiring trust, building talent, acting strategically and exercising good judgment.

As part of our commitment to support employees' continuous learning, in early 2022 we launched Sempra University to help accelerate career development, set employees up for success and increase critical understanding of the energy industry and Sempra's role as a leader in the energy transition.

Additionally, we encourage employees to pursue educational opportunities outside of work; our professional development assistance program provides up to $5,250[1] per year to cover the educational expenses of employees working toward a work-related degree or certificate. In 2021, Sempra contributed approximately $2.7 million to support the more than 900 employees who participated in this program.

Motivating: We foster an environment where quality leadership, clear organizational and individual goals and performance-based rewards support employees in their efforts to perform to the best of their capabilities and in the best interests of Sempra.

Retaining: We believe that retention starts with the right fit between the individual, the job and the company. It continues with solid reward programs, career challenges and strong leadership to make Sempra a great place to work.

Transitioning: We promote an agile workforce by supporting organizational changes and career transitions effectively, efficiently and with respect. We encourage employees to seek new challenges within the Sempra family of companies and we train employees to help them develop the skills to meet the needs of our changing industry. We also offer entry-level financial, IT and engineering rotational programs to show employees how they might apply their skills in different areas of the company.

[1] *For IEnova in 2021 the amount was up to $5,000.*

Psychological and emotional well-being

Throughout the COVID-19 pandemic, Sempra and our operating companies have made the mental and emotional health of employees a priority. All employees have access to an employee assistance program (EAP) — a comprehensive, professional and confidential service that offers a wide range of resources to meet the diverse needs of all our employees and their eligible dependents. Our EAP includes access to licensed counselors and specialists who can support everyday complexities as well as more challenging issues. Many services are provided at no cost.

Sempra's employee assistance program helps employees who need support with:

- Substance abuse
- Depression
- Anxiety
- Stress
- Financial issues
- Legal issues
- Coping with change
- Bereavement or grief
- Low self-esteem
- Isolation
- Relationships
- Parenting
- Dependent/elder care
- Mindfulness
- Sleep

As part of our commitment to continuous improvement, in 2021 we deployed a survey on mental and emotional well-being to check in with our employees, many of whom were still working entirely from home. As a result of this survey, we reviewed our EAP and identified ways in which we can provide an even better experience and greater support to meet the needs of our growing and diverse workforce. A new EAP was launched in March of 2022.

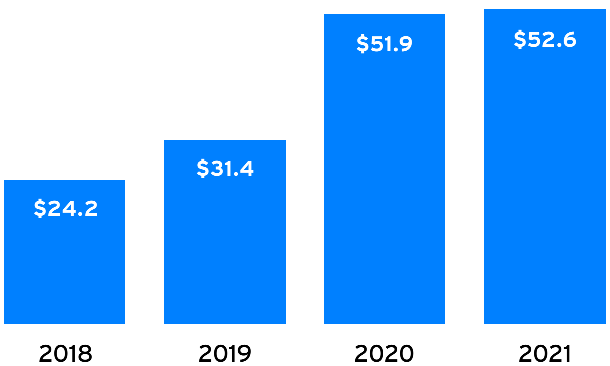
In 2021 we also launched a new pet program for employees. The program includes pet insurance, discounts on products and services and resources for pet owners.

Community engagement

Investing in the communities we serve is an important part of how we do business. Since aligning our corporate citizenship activities with our vision, mission and values, we have been focused on three key priorities: climate action, D&I and economic prosperity. These priorities are aimed at advancing social progress while helping us to achieve our mission to be North America's premier energy infrastructure company.

In 2021, the Sempra family of companies made $52.6 million in community contributions, $17 million of it set aside for future community investments. Nearly three-quarters of charitable contributions supported diverse, underserved communities in collaboration with over 1,650 nonprofit organizations.

Sempra and Sempra Foundation community giving[1,2]



[1] 2019-2021 figures include one-time donations to donor-advised funds. (2019: $7.5 million, 2020: $10 million and 2021: $17 million)
[2] These figures do not include in-kind donations.

Community investment priorities

Climate action

Value: do the right thing

From tree plantings and carbon sequestration to habitat restoration and biodiversity, we are investing in efforts designed to reduce emissions, promote new technologies, support climate resiliency, and offer real promise to the challenge of climate change.

Diversity & inclusion

Value: champion people

By investing in training, education and cultural competency, we aim to increase representation and participation in communities – including engagement in civic affairs, advocacy and decision-making, helping to create greater equity within underrepresented communities.

Economic prosperity

Value: shape the future

From skills training and workforce readiness, to supporting the growth of diverse businesses in underinvested communities, we are providing access to tools, resources and mentoring intended to help create and sustain prosperity.

Energy access

Vision: deliver energy with purpose

The Sempra Foundation is helping to address the issue of energy access for those living in energy poverty. Whether driven by poverty, availability or affordability, energy is critical to a just and prosperous world. In 2021 we invested over $1.5 million in four energy access projects that are helping build an equitable and vibrant future for those living in energy poverty. Our investments in solar projects have benefited five organizations and two indigenous communities in the U.S.-Mexico border region as well as various residential neighborhoods in different tribal communities of California. Our efforts have also enabled the distribution of almost 2,400 cleaner cookstoves in 28 communities across five states in Mexico, replacing three-stone stoves that openly burn firewood and create indoor air pollution. In another project, we working to bring renewable energy to the El Dora Colonia in Hildago County, Texas, located along the U.S border with Mexico.

Employee community involvement

From our headquarters in San Diego to other key locations in North America, our employees are united by the opportunity we have to improve lives and make a difference in communities. In 2021, our employees supported more than 2,500 organizations with donations of time and money, contributing $2.5 million and 28,000 hours of volunteer time. The financial impact doubled to nearly $5 million after employee charitable contributions received a match from the Sempra Foundation.

In 2021, Sempra launched an impact measurement platform to better understand how we can report on the aggregated outcomes and impacts that might result from strategic investments in our priority areas.[1] As of March 2022, over $8.5 million in strategic grants have been evaluated for impact measurement, and while final 2021 results won't be available until later this year, actual and projected impacts are strong.

Over 2 million people are being supported:

- Economic impact[2] – projecting over $2 million in economic savings for families over time
- Environmental impact[3] – projecting emission reductions equivalent to removing nearly 210,000 average passenger vehicles from the roads for a full year
- Social impact[4] – projecting nearly 1.5 million positive outcomes for families in food security, health, education, safety, community well-being and economic empowerment

[1] *Impact is measured in the ways lives are improved or in the contributions that are made to society. Impacts are calculated using a "contribution claim" approach designed to ensure that figures represent Sempra's accurate claim (or share) of nonprofit partners' impacts. Community partners self-report projections and final outcomes to Sempra's reporting partner True Impact, an organization that provides guidance, requires backup documentation and conducts program-level reviews of all nonprofit reports to help ensure accuracy.*

[2] *Economic savings are primarily calculated from the delivery and installation of clean fuels, new equipment and technologies installed in communities in Mexico and California over the lifetime of the equipment.*

[3] *Environmental impacts are calculated over the lifetime of the species or equipment using the EPA's Greenhouse Gas Equivalencies Calculator and represent an aggregated result of solar installations, cleaner cookstoves, mangrove conservation and restoration, tree planting programs and other carbon sequestration initiatives.*

[4] *Social impacts are calculated from nearly 150 community programs that benefited individuals, families and communities, and represent an aggregated result of STEM education initiatives, career development training, food assistance programs, safety education and civic leadership mentorships.*

A just energy transition

As the world continues to work toward the goals set forth in the Paris Agreement, managing the impacts and risks to people – as well as the opportunities – generated by the transition to a low-carbon economy will be crucial. We believe a just transition to a lower-carbon energy system will help create an economy that provides workers with decent jobs, while protecting communities. Many areas of the world are still affected by energy poverty, where people are unable to secure adequate heating or cooling of their homes, prepare food for their families or keep the lights on.

By 2050, there are projected to be an additional 2 billion people on our planet. Sempra's goals include supporting access to energy for these people – as well as for those who do not have access to affordable, reliable energy today. If the energy transition is to be just, low-carbon energy must be available to all.

At Sempra, we know we have a critical role to play in advancing a just energy transition. However, companies cannot address the challenges alone. Sempra is partnering with key stakeholders, including community leaders, local tribes and state and local governments, on issues including human rights, diversity, equity and inclusion, energy access, affordability and safety. Together, we are working collaboratively towards implementing a just, fair and inclusive transition within the energy sector. Our efforts align with the following UN SDGs:
UN SDG 7 – Affordable and clean energy
UN SDG 8 – Decent work and economic growth
UN SDG 10 – Reduced inequalities
UN SDG 13 – Climate action

Read more about Sempra's alignment with the UN SDGs on pages 27-39.

The intersection of innovation, sound policy and capital investments are expected to accelerate a just energy transition. It will require expanding on existing and new technologies in energy efficiency, electrification, renewable natural gas, renewable electricity, fuel cells, hydrogen and carbon management, while protecting reliability and affordability.

For decades, our gas pipeline infrastructure has served as the backbone of affordable and reliable energy in parts of California. It provides flexible fuel delivery, long-term storage and resilient energy for our customers, while enabling increased electrification. Pairing clean molecules with clean electrons, as described on page 57 across our networks builds reliability and stability. Disruptive events such as extreme weather also underscore the importance of the gas delivery system to maintain uninterrupted service to customers and critical facilities. Essential service providers such as hospitals, military bases and data server farms rely on gas to maintain public safety. Some hospitals have implemented a combination of fuel cell systems connected to the gas grid for back-up power in the event of an electrical outage, allowing them to continue to provide care.

To maintain affordability, utility customers have access to innovative solutions that increase their energy savings while decreasing their monthly bills. At Sempra California, these include:

- Programs to help customers equip their homes with more efficient appliances, weather stripping and other upgrades
- SDG&E's Energy Innovation Center, which offers in-person and virtual learning opportunities for businesses and residents
- The CARE program, which provides up to a 30% discount on energy bills for qualifying customers, including those who have recently become unemployed or are currently participating in public programs
- The Family Electric Rate Assistance (FERA) program, which offers families of three or more individuals a discount of up to 18% off their electricity bill based on their income. If customers do not qualify for the CARE program, SDG&E automatically checks to determine if they are eligible for the FERA program

Human rights

Across our companies, we believe that we have a responsibility to protect and respect human rights, while also mitigating and remediating negative impacts to people, whether that is our employees, partners, or members of the communities in which we operate. The SS&T committee of Sempra's board of directors is charged with oversight of our human rights initiatives, including Sempra's human rights policy, and our vice president of corporate sustainability is responsible for implementing the human rights policy, which aligns with the Universal Declaration of Human Rights.

Additionally, we support the following international human rights standards and principles:

- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The Convention on the Elimination of All Forms of Discrimination Against Women
- The Convention on the Rights of the Child
- The UN Guiding Principles on Business and Human Rights
- The Declaration on the Rights of Indigenous Peoples
- The Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises

Sempra's human rights policy commits the company to periodic human rights assessments. In 2021, Sempra reaffirmed our strong commitment to human rights through the update of our human rights policy and initiation of an updated corporate human rights assessment. We retained a leading consultant in the human rights space, BSR (Business for Social Responsibility), to conduct this assessment covering Sempra and our operating companies. This assessment helped identify and prioritize salient human rights issues with the additional goal of assessing and strengthening their current level of management across the Sempra family of companies. Sempra, in collaboration with its operating companies, will review the assessment and look to integrate key findings, where possible, to further strengthen its human rights due diligence processes.

This effort included interviews with internal and external stakeholders, as well as thorough review of related company policies and procedures. The assessment, which concluded in early 2022, resulted in:

- An overview of Sempra's corporate human rights risk profile, including identification and prioritization of Sempra's salient human rights risks and impacts;
- Elevated understanding of human rights at Sempra to help avoid negative impacts in the future;
- Practical management recommendations for individual human rights issues to comprehensively address the actual and potential human rights impacts identified; and
- A strong foundation for cross-functional action to assess, prevent, mitigate and remediate these priority salient human rights risks.

Sempra's salient human rights issues include indigenous rights, attacks on human rights defenders, public health and safety, climate change and occupational health and safety. We are working actively across our family of companies to strengthen management of these issues in order to mitigate any future potential adverse impacts that our infrastructure or operations may have on people and communities.

Supplier compliance with our human rights policy is also important. Our supplier code of conduct details our expectations for compliance with a range of policies including those related to human rights, child labor, forced labor and corruption.

Supporting indigenous communities

We recognize that individuals from certain groups or populations, including indigenous peoples, face heightened risk of marginalization. Sempra's headquarters is located on the ancestral land of the Kumeyaay. There are four indigenous bands in the San Diego area: Kumeyaay, Luiseño, Cupeño and Cahuilla. San Diego County has more federally recognized Native American reservations (18) than any other county in the United States. SDG&E has a tribal relations team dedicated to supporting the indigenous people within its service territory.

SoCalGas has a team of dedicated specialists within its public affairs team that engage with 56 federally recognized tribes within its service territory. When maintenance and operations work is required on reservation lands, cultural resource specialists within SoCalGas' environmental services department work with tribal historic preservation officers to enable the work in a manner that respects Native American interests and concerns on their lands. In 2021, SoCalGas invested in programs to assist in food and basic needs, health services, workforce education and training and economic prosperity with Native American, Alaska Native and Hawaiian Native populations. Across the Sempra companies, our focus remains on increasing safety, reliability, resiliency and sustainability on tribal lands.

In Mexico, we are currently developing a social project for the Kumeyaay in Baja California, consisting of a botanical garden in the Guadalupe Valley. In Sonora, we built a solar-power based water purification plant for the Mayo community. For the Yaquis, we distributed food and medical supplies for COVID-19 relief and gave scholarships for university students. Also, we paid for renovations for the Yaqui ceremonial center in Belem through Fundacion IEnova.

Sempra Ethics & Compliance

Helpline process

If an employee, business partner, supplier, customer or other stakeholder witnesses or learns of any incident that they believe may involve a violation of our code of conduct, they can report it, anonymously if desired, via the company's Ethics & Compliance Helpline, available 24 hours a day, seven days a week. This helpline serves as our de facto grievance mechanism.

1

Investigation:
An investigation is begun after a concern is raised about a potential ethics, compliance or policy violation. The assigned investigator gathers and analyzes the relevant information.

2

Findings and recommendations:
Relevant decision makers review the investigator's findings and decide what corrective actions to take, if any. The findings are shared with the person who raised the concern, the person reported in the concern and other key stakeholders. Any recommended corrective actions are communicated to those who need to know.

3

Incorporation of lessons learned:
Lessons learned from the investigation are anonymized, evaluated and incorporated, when appropriate, into training and learning opportunities.

Employees, contractors, customers and suppliers may report a compliance or ethics-related concern anonymously and without fear of retaliation through our Ethics and Compliance Helpline, available 24 hours a day, seven days a week.

SempraEthics.com

Chief Ethics Officer:
Ethics@Sempra.com
Ethics & Investigations Team:
EthicsHelpline@Sempra.com

From the U.S:
800-793-7723
from Mexico:
001-770-582-5249

Every report is investigated

Governance

Sempra's demonstrated history of delivering long-term sustainable value to our shareholders and other stakeholders begins with our foundation of sound corporate governance and oversight by our board of directors. Led by Sempra's chairman and CEO and a strong lead independent director role, our board brings together diverse perspectives and a broad range of relevant skills and industry experience.

High standards of integrity, ethics and values drive everything we do at Sempra. Our governance processes sit within a robust ecosystem that is strengthened by our stakeholder commitment, shared accountability in achieving our strategic priorities and culture of continuous improvement.

Sempra's chief sustainability officer serves as the link between the SST committee of Sempra's board of directors and the sustainability function and helps implement our sustainability vision. Our corporate sustainability steering committee, which includes officers from across our business, helps ensure that Sempra's sustainability narrative and goals are consistent with operational priorities, challenges and opportunities. Sempra's corporate sustainability department works to implement our sustainability strategy and reporting, communications, data collection and responses to surveys, ratings and rankings.

At our operating companies,[1] sustainability committees consisting of officers and directors work to align their ESG priorities with Sempra's sustainability strategy.

[1] *Excluding Oncor.*

Board of directors

At Sempra, our vision is to deliver energy with purpose. Fulfilling this vision starts with responsible governance and our board of directors. Sempra's board oversees the management of our company, providing experienced and independent leadership.

The board, among other things:

- Selects our chief executive officer and oversees his or her performance and that of other senior management in the operation of the company;
- Reviews and monitors strategic, financial and operating plans and budgets and their development and implementation by management;
- Assesses and monitors risks to the company's business and evaluates and oversees risk management strategies;
- Reviews and approves significant corporate actions;
- Fosters the company's values-driven culture and reviews and monitors processes designed to maintain the company's integrity, including financial statements, compliance with law and ethics and relationships with shareholders, employees, customers, suppliers and other stakeholders;
- Plans for management succession; and
- Nominates directors, evaluates board effectiveness, appoints board committee members and oversees effective corporate governance.

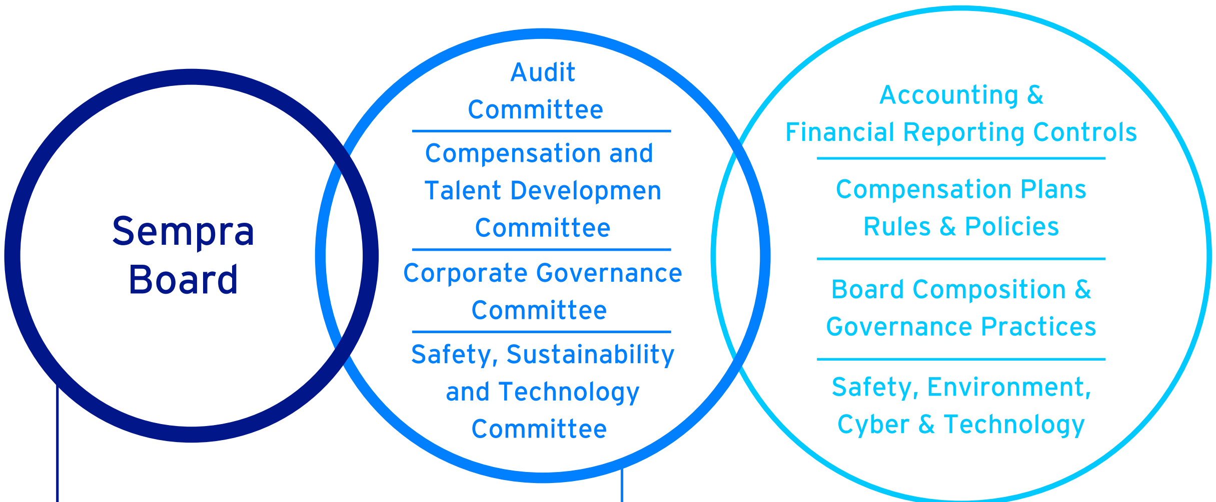
The board recognizes the importance of risks and opportunities related to environmental stewardship, safety, stakeholder engagement and responsible governance and believes a focus on these factors is consistent with our vision, mission and values and can help our company achieve better business outcomes.

Our board collectively possesses a broad and deep range of skills that enables effective oversight of strategy and risk management, including as it relates to our ESG priorities. Our directors come from a variety of backgrounds including as executives of global companies, government service and public policy, financial institution leadership and others, both within and outside of our industry. These diverse backgrounds provide a multidimensional perspective to the board's evaluation and oversight of key ESG matters. Further, a number of our directors have had direct exposure to, and in many cases direct oversight or decision-making responsibility for key environmental, human capital, cybersecurity, regulatory and government affairs matters. Finally, the insights our directors bring from their leadership on other public company boards is highly valuable in deepening our board's understanding of cross-cutting ESG matters, which often are evolving as the business and market context and regulatory environment continues to shift for Sempra and other companies globally. These diverse backgrounds, experiences and insights guide the board as it effectively oversees management.

The board monitors overall governance processes and delegates specific areas of focus to standing committees. For example, the board's SS&T committee is responsible for the oversight of the company's risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, human rights, sustainability and related ESG matters. The board updated the SS&T committee's charter in 2020 and 2021 to strengthen and clarify the way this committee oversees and considers sustainability and other related matters. In addition, the board's Compensation and Talent Development (C&TD) committee is responsible for the oversight of the company's programs and initiatives related to human capital matters, including our commitment to fostering a diverse and inclusive workplace. These committees and the full board continue to strongly focus on key ESG topics such as our high-performance culture, which includes our focus on safety, employee development and diversity and inclusion, the energy transition and our disclosures and transparency about these matters.

The SS&T committee is entirely composed of independent directors under the independence standards established by the New York Stock Exchange. This committee's responsibilities include, among others, assisting the board:

- In overseeing the company's risk management and oversight programs and performance related to environmental, health, safety, security (including cybersecurity), technology, climate change, sustainability and other related ESG matters (including human rights) affecting the company;
- In overseeing matters relating to environmental, health and safety laws, regulations and other ESG developments at the global, national, regional and local levels and evaluating ways to address these matters as part of the company's immediate and longer-term business strategies and operations;
- In reviewing and monitoring the company's Human Rights Policy and related implementation efforts, including the company's response to domestic and international developments in human rights that affect the company's business;
- In reviewing management's implementation of risk management protocols with respect to cybersecurity issues, and overseeing matters relating to technology developments that advance the company's environmental, health, safety, security (including cybersecurity), climate change, sustainability and other related ESG goals;
- In reviewing with management and, where appropriate, making recommendations to management and the Board of Directors regarding the company's policies, practices and strategies with respect to environmental, health, safety, security (including cybersecurity), technology, climate change, sustainability and other related ESG matters.



The board influences the tone and safety culture of the organization through, among other things, the questions they ask, the focus they place on key organizational issues, the messages they give during direct interactions with employees and overall compensation programs.

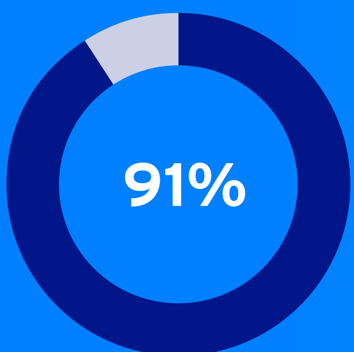
The board of directors' SS&T Committee is the highest- level committee responsible for the oversight of the corporation's risk management and oversight programs and performance related to environmental, health, safety, security (including cybersecurity), technology, climate change, sustainability and other related ESG matters (including human rights) affecting the corporation.

Board Composition

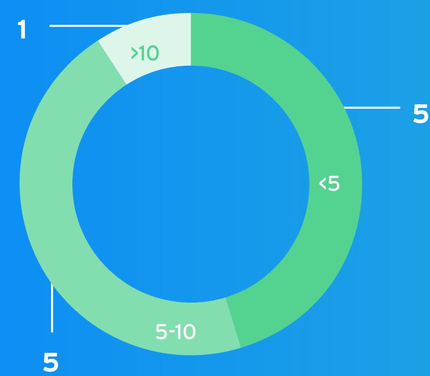
Our board recognizes that diversity takes many forms and brings many benefits, and is focused on fostering an inclusive culture of integrity, collaboration, innovation and accountability. The board believes that its membership should reflect diversity and be drawn from a pool of qualified candidates with different skills, experience, gender and ethnicity.

Board composition[1]

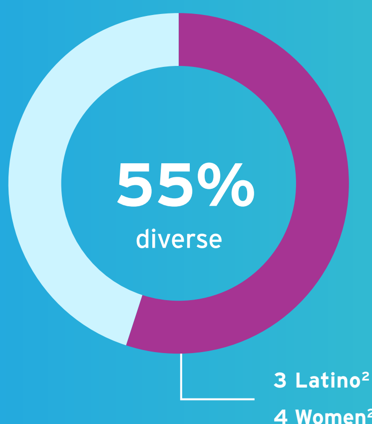
Independent



Board tenure (Years)

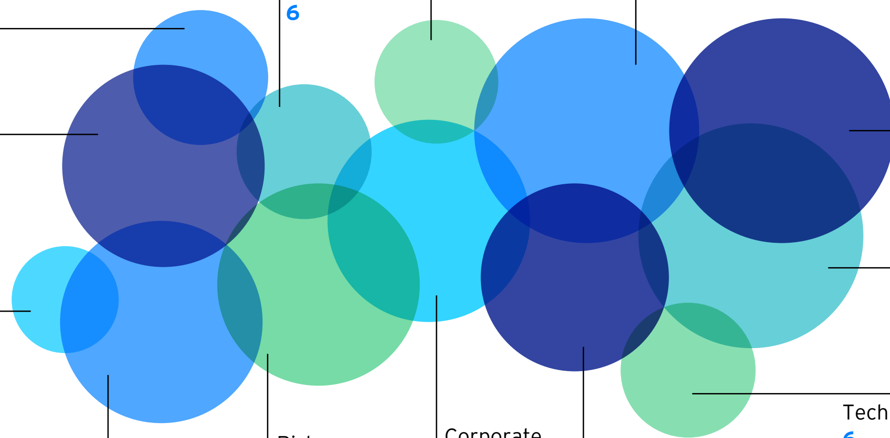


Board diversity



[1] These charts summarize the diversity, tenure and independence of our directors nominated to stand for election at the annual shareholders meeting in May 2022.
[2] One director is a Latina woman.

Board members' areas of expertise[1]



In total, our outreach to shareholders in our 2021 engagement cycle, including our spring 2021, summer 2021, December 2021 and January 2022 engagements, represented approximately 59%[2] of our total outstanding shares of common stock, and we engaged with holders of approximately 57%[2] of our outstanding shares of common stock (a significant majority of our institutional share ownership) by holding telephonic or video conference meetings to discuss a range of issues including: business and strategy, board composition, leadership and refreshment, executive compensation and ESG matters (including a shareholder proposal included in our 2021 proxy statement regarding climate-related lobbying activity, the company's COVID-19 response and diversity and inclusion).

Additional information on these topics is available in our proxy statement. These conversations are an important way to gather feedback that informs our policies and programs in a variety of areas, such as environmental practices, sustainability efforts, executive compensation and governance.

[1] *Includes directors nominated to stand for election at the annual shareholders meeting in May 2022.*
[2] *Includes engagement with Newport Trust Company, the independent fiduciary for the Sempra Energy Common Stock Fund. Newport Trust Company exercises its discretion on all matters to vote shares held in the Sempra Energy Common Stock Fund under Sempra, SDG&E and SoCalGas' 401(k) employee savings plans for which it receives no voting instructions. Newport Trust Company also votes shares held in the Sempra Energy Common Stock Fund for which it receives timely voting instructions from the underlying shareholder in accordance with such instructions. We engaged with Newport Trust Company on behalf of the holders of shares held in the Sempra Energy Common Stock Fund during our 2021 engagement cycle, and we included the number of shares Newport Trust Company voted at our 2021 annual shareholders meeting (including shares voted on both a discretionary and shareholder-directed basis) in calculating these percentages, which was approximately 8,300,000.*

ESG goals and executive compensation

Every member of Sempra's management team is focused on long-term value creation as fundamental to our company's vision. These leaders set our sustainability strategy and help ensure operating company alignment. A percentage of certain executive compensation is tied to ESG goals selected by the Compensation & Talent Development committee, such as goals related to safety, diversity, system reliability and emissions reduction. Employees at all levels of the company contribute to achieving these goals.

ESG categories are equally weighted and performance results are determined at the discretion of the C&TD committee of Sempra's board of directors. In 2021, the committee considered accomplishments against the performance factors described below.[1]

[1] The social category is limited to U.S. companies (i.e., IEnova is excluded). The environmental and governance categories apply to IEnova.

Environmental

Performance factors

Establish high-level energy transition plan framework to achieve our aim of net-zero emissions by 2050

Performance highlights

- Developed and announced an aim to have net-zero GHG emissions by 2050, including interim operational and value chain targets and action plans around decarbonization, diversification and digitalization
- SDG&E and SoCalGas developed and announced their respective aims to have net-zero GHG emissions by 2045
- Worked with industry leaders, academics and environmental organizations to advance innovation and develop technical protocols in support of the enterprise action plan

Social

Performance factors

Enhance our high-performance workforce culture by advancing diversity and inclusion and promote community engagement and citizenship

Performance highlights

- Implemented and completed leadership training for all U.S.-based officers on discussing topics involving race and gender
- Expanded the use of diverse interview panels to mitigate the risk of selection bias
- More than doubled participation of women and people of color in enterprise mentorship program and launched programs at SDG&E and SoCalGas that pair mentees with officers
- Created and distributed diversity and inclusion snapshot to employees to increase transparency about our workforce population
- Increased overall employee engagement to 87% in the 2021 employee engagement survey from 85% in the 2019 survey, with an 85% positive response on "I feel like I belong at this company"
- Launched charitable giving priorities that support diverse and underserved communities in the areas of climate action, diversity and inclusion, economic prosperity and energy access
- Continued to enhance supplier diversity programs, with SDG&E and SoCalGas each spending over $900 million with diverse suppliers and increasing their expenditures relative to 2020 with African American suppliers

Governance

Performance factors

- Maintain 80% or higher customer satisfaction at SoCalGas and SDG&E
- Expand training for directors

Performance highlights

- SoCalGas' performance was slightly above target and SDG&E's performance was slightly below target
- All operating company directors completed corporate governance training led by the National Association of Corporate Directors as well as internal company-specific governance training

Risk management

Risks are inherent in our business operations, including, among others, health, safety and operational risks, human capital risks, regulatory and compliance risks, cybersecurity risks, climate and other environmental risks, business and financial risks and reputational risks. Sempra's management has developed an integrated risk management framework to assess and monitor risks across the company's operations. Sempra's board has ultimate responsibility for risk oversight under this framework. Consistent with this approach, the corporate governance guidelines adopted by Sempra's board that set forth various policies for the company's governance provide that the specific functions of the board of directors include assessing and monitoring risks and risk management strategies.

The board believes that risk oversight stretches beyond any one committee. As a result, the board has diversified its risk oversight responsibilities across its membership, housing categories of risk oversight within standing board committees by topic and forming ad hoc committees to manage and oversee certain specific risks as needed. For example, the responsibilities of the SS&T committee include oversight of a variety of sustainability matters, including climate change, diversity and inclusion, human rights developments and other environmental and social issues affecting the company's business. This committee, the members of which are all independent directors, also oversees the company's overall health and safety policies, reinforcing our company's strong commitment to robust safety practices. Additionally, this committee oversees cybersecurity and other information technology risks and keeps abreast of technology advancements important to our business and other current events or developments that could impact our cyber risk. Any risk oversight that does not fall within the responsibility of a particular committee remains with the full board. The committee chairs periodically report to the full board regarding their respective committees' risk oversight roles.

The board and its appropriate committees periodically review and evaluate the material risks we face. In addition, a review of what are believed to be Sempra's most material risks and mitigation strategies for these risks is presented by senior management to the full board annually. The board also reviews and monitors strategic, financial and operating plans and goals intended to support sustainable long-term growth and each of our principal operating companies is responsible for identifying and moderating risk in a manner consistent with these plans and goals. The board fulfills its risk oversight function by, among other things, reviewing reports provided to the board and to appropriate board committees, discussing material risks and opportunities with management, appointing outside experts, selecting director candidates with diverse experience and qualifications, forming ad hoc committees to manage and oversee certain specific risks as needed, and staying informed about developments in our industry and other current events that may impact the company. Based on the foregoing, the board and its committees establish new or monitor and, as needed, amend existing risk oversight and control mechanisms, policies and practices. In addition, the company has a robust internal audit function that reports directly to the Audit committee.

The board and its committees seek to manage risk by establishing policies and practices that apply to various aspects of our business, including, among others:

- Utility investment plans consistent with state policy objectives and regulatory review and approval of significant investments
- Non-utility investment policies, including requiring contractual commitments from third parties to purchase a substantial portion of the capacity or output of major non-utility projects before commencing construction on the projects, subject to exceptions
- The appropriate capital structure for our businesses
- An employee compensation program that encourages and rewards sustainable growth in our business and is within an acceptable risk profile
- Commitment policies that require board review and/or approval above certain dollar thresholds
- Reviews of the company's high-performing culture with a focus on key areas of our operations, such as safety, sustainability, diversity and inclusion of our workforce and customer service
- With respect to investments in which we do not operate or control the applicable entity, careful selection of business partners and representation on the entity's board or equivalent governing body when possible

Management systems and processes help us manage risk and operate efficiently and effectively. Our compliance program is based on five elements:

- Leadership oversight and accountability
- Codes of conduct, policies and procedures
- Education, communication and awareness
- Risk assessments, auditing and monitoring
- Reporting processes and procedures

Sempra's management team implements policies and processes at the Sempra level and provides policy guidance, governance and oversight of our operating companies. Each operating company is responsible for implementing these policies and managing risk, safety and compliance.

More information on identified risks may be found in our 2021 Annual Report on Form 10-K.

Each operating company is responsible for managing its risks with support from the Sempra Compliance and Enterprise Risk Committee. Sempra's chief sustainability officer serves on this committee, helping to link the company's sustainability strategies and practices to each enterprise risk area.

Leadership oversight and accountability – Through their words and actions, we expect our leaders to demonstrate integrity, honesty and respect.

Codes of conduct, policies and procedures – Our Code of Business Conduct is the foundation of our compliance program and our guide for maintaining a workplace that follows legal and ethical standards in compliance with federal, state and local laws and regulations and is in line with our company's values and ethical standards. Corporate policies provide additional details. Our Supplier Code of Conduct is based on the same standards that apply to all employees of the Sempra companies. We expect our suppliers to embrace our commitment to do the right thing and conduct their businesses in compliance with all laws, rules and regulations. For any cases of suppliers found to be out of compliance with our supplier code of conduct, we reevaluate our business relationship with these suppliers, which could include the creation of corrective action plans or termination of contracts.

Education, communication and awareness – All employees complete three mandatory ethics and compliance training courses each year. An additional 16 compliance-related courses may be assigned based on an employee's work location and responsibilities. This training covers a wide range of topics including, but not limited to, safety; discrimination and harassment-free workplace; information management; privacy; environmental protection; charitable activities; political participation; anti-trust and unfair competition; anti-bribery and anti-corruption; conflicts of interest; and securities trading. Pulse surveys, videos and other communications build and maintain awareness. All employees who are directly or indirectly involved in activities that could involve contact with a government official, and/or who have access to, or control of, funds or accounts relating to such activities are required to complete anti-corruption and anti-bribery training and certifications, which are provided on a periodic basis.

Risk assessments, auditing and monitoring – We periodically assess compliance risks based on the potential impact and frequency of a hypothetical occurrence of noncompliance. Compliance programs are informed by the results of our compliance risk assessment and are regularly monitored. Compliance program owners collaborate and interact with internal and external auditors.

Reporting processes and procedures – Sempra maintains an ethics and compliance helpline through which employees and third parties can report suspected violations of our code of conduct, including any cases of corruption or anti-competitive behavior as well as other concerns. There were 409 reports made to the helpline in 2021, representing a case volume per 100 employees of 2.2%. 53% of reports were made anonymously and 107 were substantiated as of January 2022.[1] Every report is investigated.

Ethics & Compliance Helpline

Reports related to discrimination and harassment	16%
Reports related to employee relations	40%
Reports related to other matters	44%
Total reports received	**409**

[1] *Includes calls received through Sempra's Ethics and Compliance Helpline and Mexico's Contigo line.*

Management systems and processes help us track our performance and protect the company from exposure to unnecessary risk. Representative systems and processes include:

- Sempra's audit services department reports its key findings directly to the Audit Committee of Sempra's board of directors. In 2021, 68% of its 91 audits were linked to Sempra's top ten identified enterprise risks.
- Environmental management systems are in place across our operations. The Environmental and Safety Compliance Management Program, used at Sempra California, helps ensure compliance with environmental and safety laws and regulations and company standards. ISO-14001 is utilized at Sempra Infrastructure's primary facilities in Mexico.
- Business resumption plans outline how to recover and resume operations following a natural or human-caused disaster or other unforeseen disruption.
- A lobbying activity tracking system helps us manage political activity and meet local, state and federal political reporting requirements.
- A Continuous Monitoring System supplements our anti-corruption and anti-bribery training and policies and tracks our third parties with government interaction. No incidents of corruption or bribery were identified in 2021. See our policy here.

Cybersecurity

As an energy infrastructure company responsible for the delivery of energy to millions of customers, Sempra understands the important role that robust cybersecurity practices play in delivering that energy in a safe and reliable manner. In addition to the nearly 40 million consumers we serve, our companies' service territories include one of the nation's busiest ports, some of the largest cities and critical military bases, as well as countless defense contractors and small businesses.

Over the past several years, adversaries have deployed an increasingly sophisticated set of tools and strategies to conduct cybersecurity attacks on the energy sector. These include advanced malware, complex phishing attacks, identification of non-public vulnerabilities and ransomware, among others.

Sempra has robust management systems in place to help protect company and customer information from cyberattacks. Our board of directors maintains oversight over cybersecurity issues, while our director of cybersecurity risk and compliance is responsible for overseeing implementation of cybersecurity policies and programs across Sempra and its companies. A dedicated cybersecurity team leads the development, delivery and maintenance of a cybersecurity program designed to prevent or reduce the impact to the company from unauthorized use, disclosure, modification, damage or loss of Sempra's information, assets and supporting infrastructure.

Cybersecurity risks can impact the company in a number of ways:

- Disruption of energy flow systems
- Data corruption or unavailability
- Theft or destruction of systems/data
- Exposure of sensitive company and/or customer data
- Compliance and regulatory impact
- Reputational impact
- Loss of revenue

To mitigate these risks, we utilize an extensive system of rigorous security protocols, including perimeter defenses, internal defenses, sensitive data protections, operational technology cybersecurity protections and obsolete information technology infrastructure and application replacement.

We rely on federal, state and local government partnerships for intelligence feeds, along with peer utility industry relationships and private services for industrial control systems cybersecurity threat intelligence. We also obtain cybersecurity threat intelligence from sources such as Information Sharing and Analysis Centers, the Federal Bureau of Investigations, the Federal Energy Regulatory Commission, the Department of Energy, the Department of Homeland Security, the Cybersecurity and Infrastructure Security Agency, the Transportation Security Administration and various U.S. intelligence community agencies.

Sempra's dedicated cybersecurity team offers cybersecurity-focused communications and town hall meetings, an advocacy program, anti-phishing campaigns and other monitoring and reporting tools to help protect the company's information assets. The team also participates in department staff meetings, safety stand-downs and safety congresses to provide training on cybersecurity issues.

Our employees know they have a major role to play in protecting company information and pledge annually to be aware of cybersecurity issues and abide by the company's cybersecurity guidelines. Escalation of security events identified by employees are handled through notification to Sempra's information security operations center. This process is advertised and communicated through internal cybersecurity communications and events.

Political engagement

Sempra's governance structure includes policies and practices for political engagement, necessitating the active involvement and oversight of our board of directors, specifically the Corporate Governance Committee of the board. Sempra and our operating companies engage in direct and indirect lobbying activities at the federal, state and local levels of government consistent with our commitment to creating long-term, sustainable value. Among other topics, we are focused on advocating for the important role our infrastructure plays in lowering GHG emissions, helping decarbonize and electrify the markets we serve.

Our direct lobbying activities align with relevant policies within the legislative and regulatory jurisdictions in which we operate, such as California's goal to achieve economy-wide carbon neutrality by 2045, the U.S. Environmental Protection Agency's methane rules, and important global multi-lateral collaborations, including the Paris Agreement's goals of limiting average global warming to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C.[1]

[1] *The Paris Agreement, adopted in 2015, is an agreement under which 196 countries agreed to collaborate on long-term strategies focused on financial, technical and capacity-building programs with a stated goal to hold the increase in the global average temperature to well below 2°C, with a stretch target of 1.5°C, above pre-industrial levels.*

Trade association alignment

Sempra and our operating companies are also members of trade associations focused on energy industry issues and the interests of our stakeholders. As a general matter, these associations enable us to learn the views of others, obtain feedback and, ultimately, voice our perspectives on proposed legislation and regulations in an educated and thoughtful manner. Some of these associations engage in lobbying activities. We believe that our indirect lobbying activities through these associations are consistent with a transition to a lower-carbon energy system and generally align with the Paris Agreement's goal to limit global temperature rise.

Trade association policies generally reflect a compromise of the membership, so at times the policy positions and lobbying activities of these associations may not fully align with Sempra's positions on a particular issue, including the Paris Agreement's goal to limit global temperature rise, in which case we work to mitigate risks associated with such misalignment.

Specifically, we seek to do this in three primary ways:

1. Education of the association staff and key members.
2. Ongoing engagement with the association to try to move consensus positions.
3. If needed, dissension from association positions, including not providing formal company participation or endorsement.

We have also enhanced our disclosure about our trade associations and their alignment with the Paris Agreement and Sempra's climate position. To assist in this endeavor, we developed a standardized trade association template in consultation with shareholders and other key stakeholders. This template was sent to trade associations in which we participate with annual dues or membership fees over $20,000 that have lobbying expenditures. More detail on this assessment and a copy of this disclosure form can be found on pages 126-133.

Political contributions

Sempra makes corporate political contributions in the U.S. as permitted by law only from corporate shareholder funds. Our employees can also take an active role in the political environment through the voluntary Sempra state and federal Employees Political Action Committees (collectively, SEEPAC). Corporate and SEEPAC political contributions are made to candidates, political parties, political action committees and ballot measures. SEEPAC spending plans and decisions are reviewed and approved by SEEPAC's board of directors and receive political reporting and compliance clearance before checks are issued. All corporate political contributions, SEEPAC contributions and business and trade association memberships of $20,000 or more are posted on sempra.com, along with any indirect lobbying expenditures reported to us by the organizations. In 2021, Sempra was named a Trendsetter by the Center for Political Accountability for the sixth consecutive year, receiving a score of 95.7 out of 100 in its annual Zicklin Index for transparency and disclosure practices.

"At Sempra, we have an optimistic view about our ability to make a difference. As the owner and operator of one of North America's largest energy networks, we have a critical role to play in advancing energy security, future economic growth, and the development of a lower-carbon society. This is not an either-or discussion. **A better future depends on all the above.**"

Jeffrey W. Martin
Chairman and Chief Executive Officer

Appendix

Performance data[1]

	2018	2019	2020	2021
Business and governance				
Revenues (millions of dollars)	10,102	10,829	11,370	12,857
Earnings attributable to common shares (millions of dollars)	924	2,055	3,764	1,254
Earnings per diluted common share (dollars)	3.42	7.29	12.88	4.01
Total assets (as of 12/31) (millions of dollars)	60,638	65,665	66,623	72,045
Number of board directors (as of 12/31)	14	15	13	12
Number of independent board directors (as of 12/31)	13	13	11	10
Independent board directors that are women and/or minorities as of 12/31 (% of independent directors)	62	62	64	60
Ethics & Compliance Helpline calls	354	375	330	409
Environment				
Renewable energy deliveries (%)[2]	42	42	42	55
Electric volumes delivered (millions of kilowatt hours)	148,809	151,324	149,037	152,271
Natural gas volumes delivered (bcf)	925	950	970	969
LNG liquefied (million tons)[3]	0	1.7	7.7	12.2
Scope 1 GHG emissions (million metric tons CO_2e)	5.9	5.5	6.7[4]	6.8[5]
Scope 2 GHG emissions (million metric tons CO_2e)	0.514[6]	0.146[6]	0.151[4,6]	0.376[5]
Scope 3 GHG emissions (million metric tons CO_2e)[7]	67.4	64.8	65.3	66.2[5]

[1] See page 12 for reporting boundary.
[2] SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to LSEs and customer load departure to local CCAs.
[3] Includes total data from the Cameron LNG facility, where Sempra had a 50.2% ownership share prior to its 2021 sale of a noncontrolling interest in Sempra Infrastructure Partners.
[4] GHG emissions data for 2020 have been updated following third-party verification.
[5] GHG emissions data for 2021 are subject to third-party verification.
[6] Data for Cameron LNG are not included.
[7] Includes emissions from power purchased and delivered to electric utility customers, from end-user combustion of natural gas and employee air travel.

Performance data[1]

	2018	2019	2020	2021
Environment (continued)				
Total water withdrawal (billions of gallons)[8]	28.0	26.9	28.1	27.8
Returned water (billions of gallons)[8]	25.4	24.9	26.0	25.7
Hazardous waste (tons)	5,282	3,727	6,069	6,260
Agency inspections	425	551	451	410
Notices of violation (NOV)[9]	16	10	9	16
Inspections with no NOV issued (% of total inspections)	96	98	98	96
Fines and penalties (dollars)[10]	12,250	3,652	4,000	1,100
Internal compliance assessments and audits[11]	543	447	408	379
Our stakeholders				
Number of employees	20,838	18,134	19,104	19,927
Employee work-related fatalities	0	2	0	1
Employee recordable injury case rate (per 100 full-time workers)	1.66	2.16	1.59	1.52
Employee lost work-time incident rate (per 100 full-time workers)	0.49	0.55	0.41	0.41
Contractor work-related fatalities	1	0	0	0
Contractor recordable injury case rate (per 100 full-time workers)	0.71	0.48	0.49	0.62
Contractor lost work-time rate (per 100 full-time workers)	0.22	0.10	0.16	0.22
Women in workforce (% of total workforce)	26	28	28	28
Women in management (% of management employees)	31	35	34	35
People of color in workforce (% of U.S. employees)	53	54	55	56
People of color in management (% of U.S. management)	50	47	53	55
Community giving (millions of dollars)[12]	24.2	31.4	51.9	52.6

[8] While we continue to improve data collection related to water use, these numbers do not yet account for all aspects of our operations, including water used at Oncor.

[9] Self-reported violations are not included.

[10] Does not include settlements. The amount of fines and penalties paid varies from year-to-year depending on the nature of the violation and the timing of its resolution.

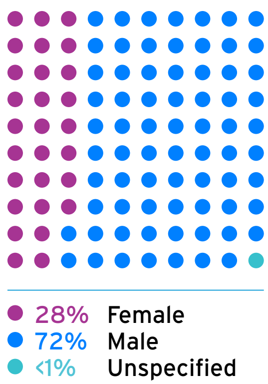
[11] The number of internal compliance self assessments and audits may vary from year-to-year due to adjustment of inspection cycles as determined by risk assessments.

[12] 2019-2021 figures include one-time donations to donor-advised funds. (2019: $7.5 million, 2020: $10 million and 2021: $17 million). These figures do not include in-kind donations

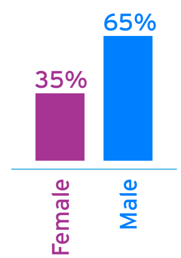
Workforce data: Gender representation[1]

2021 Workforce diversity as of 12.31.21

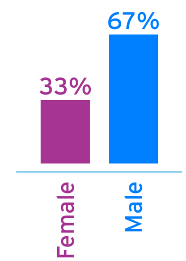
ALL EMPLOYEES



MANAGEMENT EMPLOYEES[2]

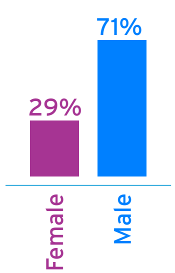


COMPANY LEADERSHIP[3]

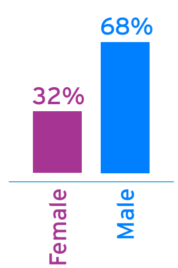


Movements in 2021

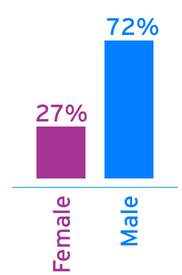
HIRES



PROMOTIONS



TURNOVER[4,5]

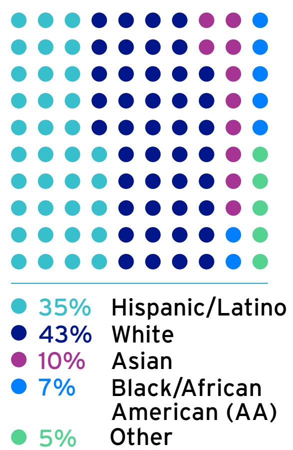


[1] Percentage totals are +/-1% due to rounding
[2] Management includes all salaried employees
[3] Company leadership includes directors and officers.
[4] Turnover includes voluntary and involuntary terminations.
[5] Separations where gender was not specified represent approximately 0.1% of turnover.

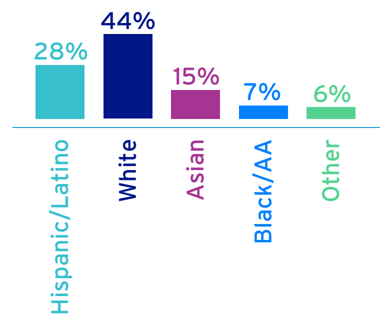
Workforce data: Race and ethnic representation[1,2,3]

2021 Workforce diversity as of 12.31.21

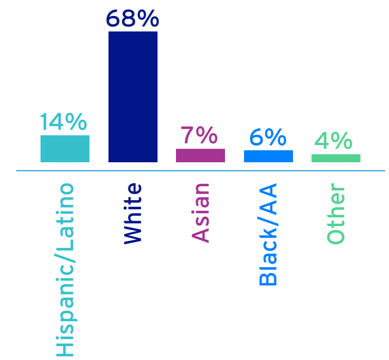
ALL EMPLOYEES



MANAGEMENT EMPLOYEES[4]

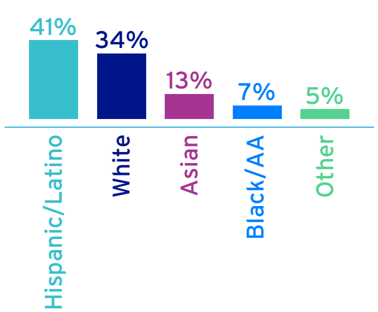


COMPANY LEADERSHIP[5]

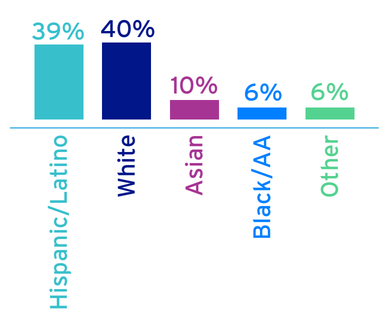


Movements in 2021

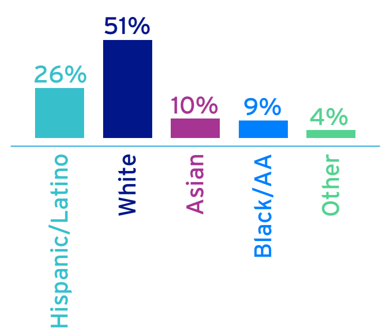
HIRES



PROMOTIONS



TURNOVER[6]

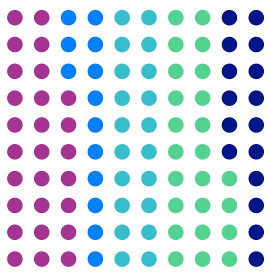


1 Percentage totals are +/- 1% due to rounding.
2 Race and ethnicity as defined by the U.S. EEOC includes race and ethnic categories that are not applicable to our employees based in Mexico. Employees in Mexico are therefore not reflected in this section.
3 Other includes American Indian/Alaskan, Hawaiian/Pacific Islander and two or more races.
4 Includes all salaried employees.
5 Company leadership includes directors and officers.
6 Turnover includes voluntary and involuntary terminations.

Workforce data: Tenure representation[1]

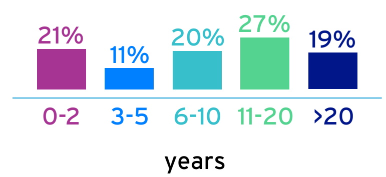
2021 Workforce diversity as of 12.31.21[1]

ALL EMPLOYEES

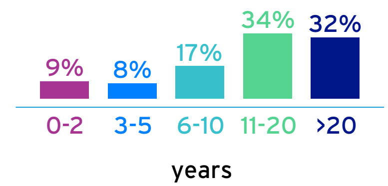


- 27% 0-2 years
- 13% 3-5 years
- 20% 6-10 years
- 24% 11-20 years
- 16% >20 years

MANAGEMENT EMPLOYEES[2]

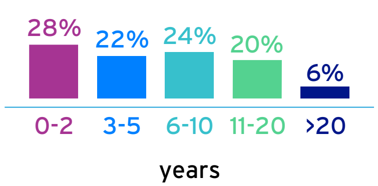


COMPANY LEADERSHIP[3]

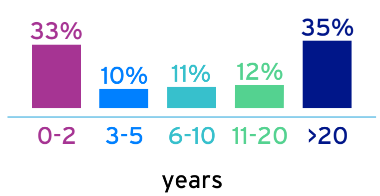


Movements in 2021

PROMOTIONS



TURNOVER[4]



[1] Percentage totals are +/-1% due to rounding.
[2] Includes all salaried employees.
[3] Employees in positions that place them in the top 2% of the company.
[4] Turnover includes voluntary and involuntary terminations.

Operating company sustainability strategy alignment

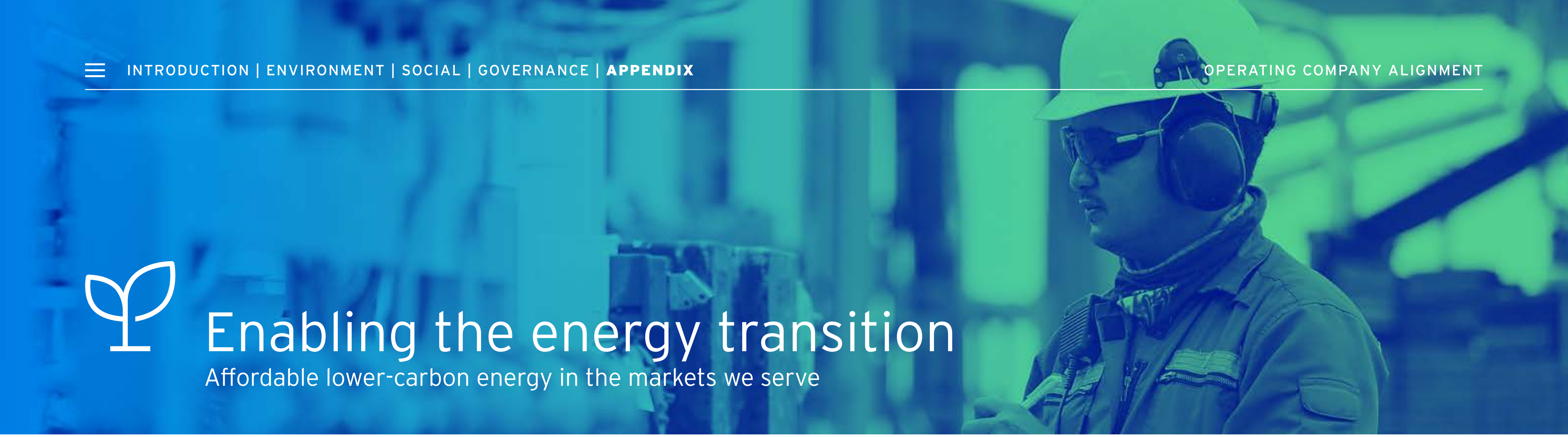
We aim to embed the principles of sustainability into every aspect of our business. This includes collaborating with and supporting our operating companies as they develop their own sustainability goals and strategies in alignment with Sempra's corporate sustainability strategies and framework. Sempra's four sustainability pillars help to identify and manage key ESG topics, set bold goals in each area and provide progress updates to shareholders and other stakeholders. Some of those are highlighted over the next few pages.

Sempra California | SDG&E continues to show its commitment to its sustainability goals by releasing a progress report on its sustainability strategy, Building a Better Future, in October 2021. The progress report highlights SDG&E's accomplishments over the past year in helping to create a clean, resilient and equitable future, and also outlines new and accelerated goals for the company to reach its aim to have net-zero emissions by 2045. In April 2022, SDG&E published The Path to Net Zero: A Decarbonization Roadmap for California, laying out SDG&E's recommendations for California and San Diego to achieve net-zero emissions by 2045.

Sempra California | SoCalGas enhanced its focus on sustainability and released ASPIRE 2045, a sustainability strategy to further integrate sustainability across its business. The strategy includes its aim to have net-zero GHG emissions by 2045, making the company the largest U.S. gas distribution utility in North America to set this goal. It also released a study, The Role of Clean Fuels and Gas Infrastructure in Achieving California's Net Zero Goal, which examines California's options for moving to a net zero energy system.

Sempra Texas | Oncor entered into a $2.0 billion unsecured revolving Credit Facility in November 2021 that includes sustainability-linked performance metrics related to specific environmental and employee health and safety objectives and released its second sustainability report in August 2021.

Sempra Infrastructure | LNG is building on the sustainability efforts of our LNG and Mexico businesses. Sempra LNG's executive sponsored sustainability committee worked on several key task force initiatives and the company was successful in meeting its GHG emissions intensity goal for 2021. Operations in Mexico also have a strong history of sustainability reporting as IEnova, which released its eighth sustainability report in 2021. These efforts are expected to continue to grow with Sempra Infrastructure's inaugural sustainability strategy planned to be issued in 2022. Learn more here.



Enabling the energy transition

Affordable lower-carbon energy in the markets we serve

Sempra California | SDG&E

- Support California's goal to transition to zero-emission vehicles by accelerating our strategic collaboration with key stakeholders to deliver an ambitious region-wide clean transportation infrastructure goal, address air pollution and solidify the region's position as a leader on the global transportation map; we aim to continue to shape constructive policies and legislation to help ensure customer adoption and facilitate an equitable transition.

By 2022, we aim to:

- Plan and pilot a Virtual Power Plant to further expand and leverage distribution-level demand response as a means to reduce GHG emissions, advance resource adequacy and enhance grid resiliency

By 2023, we aim to:

- Place two green hydrogen projects into service to offer long duration energy storage, increase system resiliency and reduce carbon intensity

By 2030, we aim to:

- Collaborate with industry leaders and implement at least one breakthrough solution that mitigates direct emissions from gas-fired generation

By 2045, we aim to:

- Have net-zero GHG emissions

Sempra California | SoCalGas

By 2025, we aim to:

- Deliver 5% renewable natural gas (by end of 2022)[1]
- Increase procurement of responsibly sourced gas[2]
- Complete five hydrogen pilot projects
- Establish statewide hydrogen blending standards

By 2030, we aim to:

- Develop hydrogen infrastructure solutions for the 2028 Olympics
- Establish a hydrogen industrial cluster with industry partners
- Deliver 20% renewable natural gas[3]

By 2045, we aim to:

- Have net-zero GHG emissions

[1] Specifically, we aim to provide 5% RNG to our core customers by 2022. "Core service" is defined in SoCalGas' Tariff Rule No. 23 and includes all residential and some small commercial customers.

[2] "Responsibly sourced gas" is natural gas procured from suppliers that proactively manage methane emissions across their entire gas supply chain.

[3] Specifically, we aim to provide 20% RNG to our "core customers," as defined in SoCalGas' Tariff Rule No. 23, by 2030.

Sempra Texas | Oncor

- Oncor connects 67 renewable generators to the ERCOT grid that are capable of producing approximately 12,000 MW of energy; more than 34% of ERCOT wind generation capacity is connected to the grid by Oncor facilities
- In 2020, Oncor also negotiated agreements that provide for 100% renewable electricity at all Oncor facilities as of June 1, 2020 – up from the previous 26%
- A Green Fleet Growth Planning Tool has been developed to help identify available substation and transformer capacity and predict how population growth will impact capacity and planning opportunities through 2050

Sempra Infrastructure | LNG

- Sempra LNG's infrastructure in North America is expected to play a key role in the global energy transition by displacing more carbon-intensive forms of energy
- The company has several sustainability initiatives focused on lowering the carbon intensity of its facilities, the electricity that it purchases and the upstream and downstream components of the LNG supply chain
- Each year, we aim to operate existing LNG infrastructure at a GHG emissions intensity 20% less than 2020 baseline. For 2021, Sempra LNG exceeded that goal with a GHG emissions intensity of 28% less than baseline
- Cameron LNG implemented several key initiatives to help reduce GHG emissions at the facility:
  - Operational enhancements to reduce flaring
  - Enhanced methane monitoring to reduce leaks
  - Development of a Reliability Centered Maintenance Program to mitigate conditions that result in flaring and fugitive emissions
  - Requiring N2-inerted LNG vessels to undergo gasification process before cool-down

Sempra Infrastructure | IEnova

- IEnova aims to identify and develop plans for carbon offset projects. During 2021, we identified forestry projects in Mexico that could generate carbon offsets, and these projects could be considered for Mexico's emissions trading system
- Every year we aim to maintain electric generation carbon intensity well under 0.35 tCO_2e/MWh. In 2021 the electric generation carbon intensity value was 0.25 tCO_2e/MWh

Driving resilient operations

To achieve consistent excellence in all we do

Sempra California | SDG&E

Each year, we aim to:

- Plant at least 10,000 trees, support local biodiversity with the "Right Tree, Right Place" program and intelligent water use

By 2025, we aim to:

- Develop a new supply chain sustainability program

By 2030, we aim to:

- Divert 100% of our organic green waste, including green waste related to vegetation management, from entering landfills
- Increase recycled water use to at least 90% at all our facilities
- Electrify 100% of our light duty fleet
- Transition 30% of our overall fleet to zero emission vehicles (ZEV)
- Reduce the environmental impacts of our facilities:
  - Divert 100% of facilities-related waste from landfills
  - Reduce facilities' freshwater use by 50% (2010 baseline)
  - Achieve zero net energy for all owned facilities (current usage ~5.5 MW)
  - Enable green miles via on-site charging with ~2,000 EV charge points
  - Earn U.S. Green Building Council Leadership in Energy and Environmental Design (USGBC LEED®) (Silver+) certifications for all new construction

By 2035, we aim to:

- Operate a 100% ZEV fleet

By 2040, we aim to:

- Deploy 100% non-SF6 equipment, everywhere feasible

Sempra California | SoCalGas

By 2025, we aim to:

- Have net-zero energy for 100% of SoCalGas' newly constructed buildings and major renovations of buildings over 10,000 square feet[1]
- Replace 50% of SoCalGas' over- the-road fleet with electric, hybrid, renewable gas and fuel cell electric vehicles[2]
- Exceed the state requirements to demonstrate a reduction of fugitive methane emissions of 20% by 2025[3]
- Reduce methane emissions intensity of our distribution system to 0.22% or less of total gas delivered, contributing to the collective goal of ONE Future members[4]

[1] *This goal excludes compressor and transmission facilities.*
[2] *Dependent on functional application and availability of vehicle products.*
[3] *See Senate Bill 1371.*
[4] *The ONE Future Coalition is a group of 38 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025.*

Sempra California | SoCalGas (continued)

By 2030, we aim to:

- Eliminate 100% of vented gas during planned transmission pipeline work (excluding emergency repairs)
- Have net-zero energy for 50% of SoCalGas' existing buildings[1]
- Exceed California's goal to reduce fugitive methane emissions by 40% by 2030 from a 2015 baseline.

By 2035, we aim to:

- Operate a 100% zero emissions over-the-road fleet
- Have net-zero energy for 100% of SoCalGas buildings[1]

Sempra Texas | Oncor

Oncor is very close to meeting its goal of achieving top quartile reliability on the industry's primary benchmark for reliability, System Average Interruption Duration Index (SAIDI-nonstorm). Oncor's performance in this area continues to improve, and the target remains to be in the Top Quartile by the 2022 benchmarking cycle.

Sempra Infrastructure | LNG

- Despite COVID-19, Sempra LNG's resiliency was demonstrated as it delivered its best safety and financial performance in 2020
- In 2020, Sempra LNG appointed a chief sustainability officer and formed a sustainability committee comprised of multidisciplinary leaders across the organization. The committee developed eight Task Forces, which seek to address challenges and capitalize on opportunities to improve our sustainability performance
- Sempra LNG is one of the first companies in the LNG arena to declare a GHG emissions intensity goal
- Sempra LNG's design standards for infrastructure resiliency were demonstrated as Cameron LNG experienced two Category 4 hurricanes in 2020 with no injuries and minimal damage to the newly constructed liquefaction facility
- As a direct result of lessons learned from past events, Sempra LNG enhanced its emergency preparedness and response procedures by deploying a two-way communications platform that allowed the Crisis Management Team to communicate with employees to help ensure their wellbeing in emergency situations
- To improve the resiliency of the facility, Cameron LNG formed a partnership with its electricity supplier and the Calcasieu ship channel to further enhance the resilience of electric supply and facility access

Sempra Infrastructure | IEnova

By 2030, we aim to:

- Reduce 50% of fugitive emissions[2] from a 2019 baseline
- Maintain 97% reliability in our natural gas distribution systems. Achieved in 2021 and in progress for 2022
- Maintain 98% reliability in our natural gas transportation systems. Achieved in 2021 and in progress for 2022
- Achieve more than 96% reliability (based on successful starts from a full stop). Achieved in 2021 and in progress for 2022
- Achieve 97% availability for renewable generation (fleet level average). Achieved 92.4% in 2021 and in progress for 2022

[1] *Excludes compressor and transmission facilities.*
[2] *Gas transport assets in Mexico*

Achieving world-class safety

For our customers, employees, contractors and the communities we serve

Sempra California | SDG&E

- SDG&E has been recognized as an industry leader in occupational safety, emergency management and wildfire mitigation operations
  - SDG&E has implemented a Safety Management System (SMS) that creates a systematic enterprise wide framework designed to manage and reduce risks and hazards and enable continued improvement in safety performance through deliberate, integrated and documented processes. This system integrates, aligns and enhances each of SDG&E's current and future safety initiatives
- Our approach to safety is strategic, deliberate and holistic. Safety is a top priority and is monitored by safety committees and safety performance metrics tracked as outlined by SMAP – Safety Model Assessment Proceeding by the CPUC
- The proactive safety culture is strong at SDG&E, and we never stop working to improve in our efforts to protect employees, contractors and the public
- We are also pursuing certification for the California OSHA Voluntary Protection Program for several of our facilities

Sempra California | SoCalGas

- As the nation's largest gas distribution utility, with over 8,100 employees serving approximately 22 million, safety is foundational to our business
- SoCalGas' SMS framework embeds safety in everything we do. SMS enhances our safe operations, strengthens our safety culture and improves our overall safety performance within our workplace and communities
- We are expanding our safety structure with increased leadership commitment, risk management and continued improvement – driving organizational adoption and integration of a robust safety management program, reinforcing workforce safety through employee and contractor trainings, and raising awareness through preparedness trainings as first responders in emergency management and response
- As part of continuing to improve employee, contractor and public safety values and culture, SoCalGas aims to:
  - Train 100% of identified employees in emergency management and incident response each year
  - Require 100% of approved pipeline construction contractors to have a formal safety management system program as part of contract requirements starting 2023

Sempra California | SoCalGas (continued)

- Enhance damage prevention program to decrease the rate of third-party pipeline damages 40% by 2030 compared to a 2020 baseline
- Aim to achieve zero employee and contractor fatalities each year

Sempra Texas | Oncor

- After experiencing its best-ever safety performance in 2020 with zero lost-time incidents (LTIs), Oncor continued its excellent safety record in 2021, with top decile industry performance for both LTIs, excluding COVID-19 related LTI's, and preventable vehicle accidents (PVAs)
- Continue the Super Safe Kids program, an electric-safety education outreach program that has reached more than 85,000 students across 26 Texas school districts

Sempra Infrastructure | LNG

- Achieved zero employee and contractor fatalities
- Improved employee and contractor OSHA recordable injury rates and lost work-time incident rate (LTIR)
- Cameron LNG was awarded the Perfect Record Award from the National Safety Council for achieving over 89 Million hours without an occupational injury or illness involving days away from work through the construction period from April 2014 through November 2020
- Participated in emergency planning processes in 100% of the communities where it operates
- Trained 100% of critical employees in emergency management and response
- Implemented an innovative safety software solution enabling the analysis of leading safety indicators and development of proactive incident prevention plans

Sempra Infrastructure | IEnova

- Every five years we aim to decrease the total recordable incident rate by 50% from a 2014 baseline.
- By 2030 we aim to certify 100% of facilities under ISO 45001. At the end of 2021, 59% of facilities were certified
- IEnova's results in health and safety are possible due to strong employee commitment. IEnova focuses on continued improvement, allowing us to identify hazards and mitigate risks. During 2021, 45% of our employees were involved in committees related to health and safety
- Continue the health and safety leaders training program, which aims to provide training in several specialty health and safety topics

Championing people

To create an inspired workforce

Sempra California | SDG&E

- At SDG&E, our sustainability strategy is centered on people—our employees, our customers, our suppliers and our stakeholders
- Each year, we aim to actively engage a growing network of external, community-based, nonprofit stakeholders that provides constructive feedback and partners with us on meeting the needs of diverse, underserved and disadvantaged communities through sustainability initiatives
- Advancing our commitment to engage, act, measure and report our performance related to diversity and inclusion with a sense of urgency and greater transparency. Emphasizing five key pillars to track progress:

  1. **Leading from the top**
  2. **Accelerating employee engagement**
  3. **Creating opportunity**
  4. **Driving conscious inclusion**
  5. **Partnering with the communities we serve**

Sempra California | SoCalGas

- We put our employees and the communities we serve first
- Our employees are our most valuable resource. We place the highest priority on their wellness, safety and empowerment
- We invest in our communities through purposeful charitable giving, partnerships and volunteerism
- With a workforce composed of 70% people of color, SoCalGas employs a diverse population that reflects the communities we serve. For us, doing the right thing means creating a culture in which everyone is seen, heard and has a sense of belonging
- We aim to continue to cultivate our workplace and communities to promote an inclusive and respectful environment that thrives on diversity
- SoCalGas aims to advance a diverse and inclusive culture to achieve measurable social impact by:
  - Taking actions to be a leader in the utility industry in racial and ethnic diversity representation in leadership roles by 2025
  - Taking actions to be a leader in the utility industry in the representation of women in leadership roles and overall workforce by 2025
  - Planning to invest $50M to positively impact diverse and underserved communities over the next five years
  - Helping diverse businesses meet contractual requirements to work with SoCalGas by increasing supplier participation in Technical Assistance Programs (TAPs) by 30% by 2025
  - Increasing SoCalGas' total annual Diverse Business Enterprise spend to 45% by 2025

Sempra Texas | Oncor

- Oncor has continued its commitment to diversity, equity and inclusion (DEI) that starts with its chief executive officer and senior leadership team. Under the leadership of the company's vice president for DEI and an officer-level steering committee, Oncor launched five Employee Resource Groups for Black, Asian, LGBTQIA+, Hispanic and Women communities, which provide voluntary, employee-led networks. The first series of small group discussions regarding racial equity were completed and a study focused on the development and experiences of women at Oncor was conducted. The company also implemented a pilot Diversity Interview Panels program for certain positions mid-level and above, which aims to help reduce the effects of implicit bias in the interview process and help ensure diverse perspectives are represented. The goal is to expand the program across the entire enterprise.
- In September 2021, Oncor released its Eligible Projects Spend Report following the company's first sustainability bond, issued in 2020. The bond issuance raised more than $443 million in net proceeds, used to finance or refinance expenditures with minority- and women-owned business suppliers. As of the date of the report, an amount equal to or in excess of the net proceeds from the issuance of the Sustainability Bonds has been allocated/disbursed to Oncor's spend with minority-and women-owned business suppliers during the full year 2020 and the months of May-December 2019. According to a third party economic impact study issued for each of 2020 and the 2019 period, the estimated economic impact on an aggregate basis included $831 million in production contribution to the economy (cumulative output of all businesses engaged directly or indirectly because of such spending), 5,037 total jobs supported within Oncor's supply chain and in the broader economy and $285 million in total wages and benefits earned through supported jobs for the periods covered by such spending

Sempra Infrastructure | LNG

- Developed the "Sempra LNG Way," with nine guiding principles for its business. The guiding principle on people and culture states: *We champion people by investing in their growth, celebrating accomplishments and exemplifying our values every day.*
- Our demonstrated commitment to diversity and inclusion is at the core of our culture, and aims to empower each person to bring their authentic self to work, in order to result in creative solutions and a sense of belonging
- At Sempra LNG, we aim to foster a diverse and inclusive workplace that is high performing and a role model in the LNG and broader Oil & Gas industries. As an example, we created the "GROW" program which stands for "Growing Responsibilities and Opportunities for Women" and focuses on education, networking, career development and hiring/ promotional practices. Women hold only 20% of vice president roles in the Oil & Gas industry; Sempra LNG exceeds that industry level and aims higher. More broadly, Sempra LNG chartered a D&I council in its growing Houston office in 2020 and implemented a variety of career development and mentoring programs with a focus on diversity, equity and inclusion

Sempra Infrastructure | IEnova

- We aim to maintain the Great Place to Work certification. Achieved and we will work through 2022 to maintain the certification
- By 2025 we aim to develop a set of diversity indicators that will assist in the development of programs to further support employees. In progress
- IEnova always places people first, employees are our most valuable resource. We aim to provide them with the necessary tools so that they can thrive, both personally and professionally in a safe environment. Our priority is to offer a great place to work for our people which includes the new work model (hybrid & flexible), well-being and mental health care
- As a result of an increased commitment to diversity, equity and inclusion, for the second consecutive year we were certified on Human Rights Campaign Equity in 2021, and we will work to maintain it for the following years
- In 2020 we implemented the leadership in times of challenge program. Several virtual sessions were provided on tools to address challenges that arise in managing teams remotely
- Develop and implement the "SI Way/Lo que nos distingue" with ten guiding principles for its business. The SI Way is expected to reflect our strategy and values

Trade association alignment

Sempra and our operating companies belong to trade associations to connect with industry peers to share perspectives around shared topics, advocate for our stakeholders and conduct various stakeholder engagement activities. Our memberships in trade associations support our business interests, including as they pertain to our sustainable business practices. Safety, diversity and inclusion, taxes and credits, and climate are examples of topics addressed in part through our trade associations.

We may not agree with all of the positions of our industry, trade or policy organizations. However, we believe our position provides us an opportunity to promote meaningful, uniform disclosure standards for trade associations engaged in energy policy matters. We encourage the associations to disclose their climate positions and related lobbying activities and, in turn, to support companies' evaluations of how those positions and lobbying activities align with their own.

Scope and methodology

In 2021, we engaged investors, other companies in our sector and stakeholders to develop a standardized disclosure template to be used by trade associations to help enable more consistent and useful climate-related lobbying disclosure by companies such as Sempra. The template asks the trade associations to describe their climate position and alignment with the goal set forth in the Paris Agreement to limit the global temperature increase to no more than 2 degrees Celsius with an ambition set at 1.5 degrees Celsius, and to disclose information on climate lobbying practices and expenditures (see page 133 for the template).

We sent the template to 23 trade associations to which Sempra made payments of $20,000 or more in dues or membership fees and a portion of these fees was related to lobbying expenditures in this area.[1] We then compared each trade association's stated positions with the Paris Agreement's aims and developed a view about whether each trade association's stated positions aligned with those aims and our company's stated aims for net-zero emissions.

For purposes of the tabular disclosure below showing each trade association's response to the template, the general description of the association and its climate position is stated in the manner articulated by the applicable trade association with minor and non-substantive revisions primarily for brevity, and the determination of alignment was made by Sempra or its applicable operating company that is the member of each trade association.

[1] *The number of trade associations that meet this threshold may change from year to year. We intend this analysis to be completed for any new trade associations we join that meet this threshold.*

Key takeaways

We found many of our trade association's positions and lobbying activities are aligned with the aims of the Paris Agreement. In some instances, our trade associations' policy positions and lobbying activities may not fully align with our positions on issues, including the Paris Agreement's goals and other sustainability topics. For those trade associations where we determined we are only partially aligned on issues relating to climate, to mitigate any misalignment, we expect to engage further with these trade associations to understand their positions better, work to influence change and finally, assess whether our membership should continue. Additionally, as we work to mitigate any misalignment related to climate, it is essential to consider other factors relevant to company interests, such as safety or diversity and inclusion. We believe that having a seat at the table with our trade associations allows us to communicate our views and influence the dialogue and activities in a manner that aligns with our commitment to sustainability and the long-term interests of our shareholders and other stakeholders, including around transparency and reporting.

In future reports, we may look to provide updated information on alignment with climate change aims and, where there is any misalignment, information on mitigating efforts.

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
American Council for Capital Formation (ACCF)	Board member	ACCF believes that government policies should be transparent and enable capital investment needed to develop affordable, reliable and sustainable energy for consumers. It recognizes that addressing the challenge of climate change is critical and must be balanced with the need for energy to maintain global economic growth.	Partially aligned
American Gas Association (AGA)	Board member	AGA represents companies delivering natural gas safely, reliably and in an environmentally responsible way to help improve the quality of life for their customers every day. AGA's mission is to provide clear value to its membership and serve as the indispensable, leading voice and facilitator on its behalf in promoting the safe, reliable and efficient delivery of natural gas to homes and businesses across the nation. AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure and advanced technologies that maintain reliable, resilient and affordable energy service choices for consumers.	Aligned
American Petroleum Institute (API)	Board member	API represents all segments of America's oil and natural gas industry. Its nearly 600 members produce, process and distribute most of the nation's energy. API's mission is to promote safety across the industry and influence public policy supporting a strong, viable U.S. oil and natural gas industry. API and its members are committed to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. API supports global action that drives greenhouse gas emissions reductions and economic development. API will lead by providing platforms for industry action to: • Reduce greenhouse gas emissions through industry-led solutions and • Actively work on policies that address the risks of climate change while meeting the global need for affordable, reliable and sustainable energy.	Partially aligned
Bioenergy Association of California	Board member	Bioenergy Association of California's mission is to promote sustainable bioenergy development and associated activities in California. Its work supports California climate policies, which are aligned with the Paris Agreement.	Aligned
California Business Roundtable	Board member	The California Business Roundtable is a nonpartisan organization comprised of the senior executive leadership of the major employers throughout the state – with a combined workforce of more than half a million employees. For more than thirty-five years the Roundtable has identified the issues critical to a healthy business climate and provided the leadership needed to strengthen California's economy and create jobs. It supports the State's climate goals and advocate for policies to achieve the goals affordably and reliably.	Aligned

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
California Carbon Capture Coalition	Board member	The Carbon Capture Coalition is a nonpartisan collaboration of more than 90 companies, unions, conservation and environmental policy organizations, building federal policy support to enable economywide, commercial-scale deployment of carbon management technologies. This includes carbon capture, removal, transport, utilization and storage from industrial facilities, power plants and ambient air. It supports achieving the State's climate goals and recognize those goals can only be achieved with carbon capture technology.	Aligned
California Energy Storage Alliance (CESA)	Member	The mission of CESA is to make energy storage a mainstream resource to advance a more affordable, efficient, reliable, safe and sustainable electric power system for all Californians.	Aligned
California Hydrogen Business Council (CHBC)	Board member	CHBC is committed to advancing the commercialization of hydrogen and fuel cells in the energy and transportation sectors to achieve California's climate, air quality and decarbonization goals. It does not have a specific statement on climate; however, CHBC is committed to advancing the commercialization of hydrogen and fuel cells in the energy and transportation sectors to achieve California's climate, air quality and decarbonization goals.	Aligned
California NGV Coalition (CNGVC)	Board member	CNGVC is the industry's premier advocacy and education organization in California. It works to ensure this technology reaches its full potential to succeed in the marketplace and advance California's air quality and climate goals. It focuses on advancing the use of the lowest carbon fuels available to achieve climate milestones.	Aligned
Carbon Neutral Coalition (CNC)	Board member	CNC's mission is to put Texas on a path to becoming carbon neutral by 2050 while maintaining a robust economy that provides a good standard of living and affordable energy, products and services. CNC believes the energy industry can lead the way toward carbon neutrality, create jobs, increase efforts to reduce carbon emissions and continue to provide reliable, affordable energy.	Aligned
Civil Justice Association of California (CJAC)	Board member	A trusted source of expertise in legal reform and advocacy for almost half a century, CJAC's mission is to confront legislation and laws that create unfair burdens on California businesses, employees and communities.	Partially aligned
Coalition for Renewable Natural Gas, INC	Board member	RNG Coalition advocates and educates for sustainable development, deployment and utilization of renewable natural gas so that present and future generations will have access to domestic, renewable, clean fuel and energy. RNG captures emissions from society's waste streams and redeems its energy value and therefore has the lowest lifecycle carbon intensity of any clean energy resource readily available today.	Aligned

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
Council of Americas (COA)	Member	COA is an international business organization whose members share a shared commitment to economic and social development, open markets, the rule of law and democracy throughout the Western Hemisphere. The Council's membership consists of leading international companies representing a broad spectrum of sectors, including banking and finance, consulting services, consumer products, energy and mining, manufacturing, media, technology and transportation. The Council has indicated that it does not have a position on, nor does it lobby on, global climate change matters.	Further review needed
Edison Electric Institute (EEI)	Board member, participate on various committees	EEI represents all U.S. investor-owned electric utility companies. EEI provides public policy leadership, strategic business intelligence and essential conferences and forums. EEI's member companies are leading a clean energy transformation. They are working to get the energy their members [?] provide as clean as they can as fast as possible, without compromising on the reliability or affordability essential to the customers and communities they serve. Thanks mainly to the leadership of EEI's member companies, carbon emissions from the electric power sector are at their lowest level since 1978—and will continue to fall. We have an extraordinary opportunity before us to tackle climate change, and EEI's member companies are well-positioned to be part of the climate change solution. We are committed to reducing carbon emissions in our sector and helping other sectors—particularly the transportation and industrial sectors—transition to clean, efficient electric energy.	Aligned
Greater Houston Partnership	Board member	The Greater Houston Partnership is dedicated to strengthening Houston's position as the world's energy capital. The economic vitality and growth of the region's economy is inextricably tied to the energy industry, and the industry is changing rapidly. In 2020, the Partnership prioritized efforts that will position Houston to lead the global energy transition to a more efficient and sustainable, low-carbon future and to accommodate global demand growth. The Partnership is committed to working alongside the business community, stakeholders, elected officials and others to identify solutions to take on the dual challenge of meeting the world's increasing energy needs while lowering the world's carbon footprint.	Partially aligned
Interstate Natural Gas Association of America (INGAA)	Member	Member INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. INGAA is comprised of 26 members, representing the vast majority of the interstate natural gas transmission pipeline companies in the U.S. and Canada. In January 2021 INGAA members issued a climate policy statement. In November 2021, INGAA released updated commitments on reducing greenhouse gas emissions. These commitments outline specific actions and considerations for reducing methane and carbon dioxide emissions; highlight INGAA members' support of the development of new emissions reduction technologies and practices; and encourage information-sharing related to reducing emissions across the natural gas transmission and storage sector.	Partially aligned

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
Louisiana Association of Business and Industry (LABI)	Member	LABI serves its broad membership by working towards the singular goal of fostering a climate for economic growth through consistently championing the principles of the free enterprise system. LABI sets the standard for advocacy, providing policymakers with the information and perspective necessary to advance sound public policy that supports strong economic growth. The LABI Energy and Environmental Council contains many principles that support timely compliance with the Federal Clean Air Act, support for a diverse energy strategy, and support for a consistent and fair regulatory climate, among other items. One relevant provision states that the association "supports environmental legislation and regulations that balance environmental concerns with economic realities and are workable, practical, equitable and consistent."	Partially aligned
Louisiana Mid-Continent Oil and Gas Association (LMOGA)	Member	LMOGA's mission is to promote and represent the oil and gas industry operating in Louisiana and the Gulf of Mexico by extending the representation of its members to the Louisiana Legislature, state and federal regulatory agencies, the Louisiana congressional delegation, the media and the general public. LMOGA has stated that the risks of climate change are real, and the solutions to these risks must also be real. Creative solutions to the climate challenge should leverage Louisiana's natural areas of strength and present opportunities for economic growth for Louisianans.	Partially aligned
Orange County Business Council (OCBC)	Board member	OCBC represents and promotes the business community, working with government and academia to enhance Orange County's economic development and prosperity. OCBC does not participate in federal advocacy practices but supports sustainability and renewable clean energy options that provide choices for businesses in the region.	Aligned
Texas Association of Business (TAB)	Board member	TAB is the Texas State Chamber, representing companies of every size and industry. TAB works bipartisanly to protect Texas's pro-business climate, delivering solutions to the challenges affecting Texas employers. Its core principles are to ensure a light regulatory environment and tax structure for businesses of every size and industry; maximize employers' opportunity to grow jobs, increase wages and give back to their communities; build a sustainable and inclusive workforce by enhancing the education system and encouraging second chance hiring; support business growth through sensible immigration and trade policies as well as economic development incentives; and fortify infrastructure including energy, transportation, water and broadband.	Partially aligned

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
Texas Oil and Gas Association (TXOGA)	Member	TXOGA is a statewide trade association representing every facet of the Texas oil and gas industry, including small independents and major producers. TXOGA's climate policy statues that to further achieve climate progress, GHG emission-reduction efforts are a global responsibility with participation from all sectors and industries. TXOGA supports public policy that recognizes oil and natural gas are indispensable, facilitates GHG emissions reductions, and balances economic, environmental, energy and national security needs while promoting innovation. The association believes in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. TXOGA supports a market-based approach to GHG emissions reductions across the U.S. economy and believes that advanced technology and innovation offer the best solutions for managing climate risks and reducing GHG emissions.	Partially aligned
US Chamber of Commerce	Board member	The U.S. Chamber of Commerce is the world's largest business organization. The U.S. Chamber has advocated for policies that help businesses create jobs and grow our economy. The Chamber believes that there is much common ground on which all sides of this discussion could come together to address climate change with policies that are practical, flexible, predictable and durable. The Chamber believes in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. The Chamber supports a market-based approach to GHG emissions reductions across the U.S. economy, and believes that advanced technology and innovation offer the best solutions for managing climate risks and reducing GHG emissions.	Aligned
Western States and Tribal Nations Natural Gas Initiative (WSTN)	Member	WSTN is a narrowly focused organization organized to develop markets for the Rockies natural gas basins. It has not developed a specific position on climate; however, its focus is on the role natural gas can play in the energy transition toward lower carbon fuels and how Rockies producers can lead the way on responsibly sourced gas and reduce carbon content along the natural gas value chain. It is part of the WSTN message that U.S. natural gas exports are proven to accelerate other nations' realization of rapid emissions reductions while generating decades of economic development for our rural communities and sovereign tribal nations in the western U.S.	Partially aligned

Trade association questions

1. Trade association name.

2. Please describe your organization's mission.

3. How much did you spend on lobbying in the last full fiscal year ($USD)?

4. Public commitment/position statement on climate? Yes or No?
   - If no, please explain.

5. Does your public commitment/position statement address (directly or indirectly) the Paris Agreement's goals of limiting average global warming to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C? Yes or No?
   - If yes, please include specific position statement as well as a link to your position statement.
   - If no, please explain.

6. Do you lobby on issues related to climate? Yes or No?
   - If yes, What specific issues related to climate and/or energy did you lobby on in the last full fiscal year?

7. Is your lobbying consistent with your public climate position? Yes or No?
   - If no, or if there are exceptions, please explain.

8. What processes do you have in place to ensure that your lobbying activities align with your climate position?

9. How much of your lobbying expenditures related to energy and/or climate in the last full fiscal year ($USD)

These questions were developed based on topics covered in ESG questionnaires, frameworks and ratings analyses, including GRI, DJSI, CDP, Climate Action 100, ISS, FTSE4Good, Vigeo, MSCI and the Transition Pathway Initiative

Task force on climate-related financial disclosures

Sempra is committed to providing our stakeholders with information on our approach to – and performance on – climate-related issues. A summary of our response to the Task Force on Climate-related Financial Disclosures (TCFD)-recommended disclosures is below. Additional information, including greater detail on climate-related risks and opportunities and their impacts can be found throughout this report, in our 10-K and also in our response to CDP's annual climate change survey.

Governance

Describe the board's oversight of climate-related risks and opportunities	Sempra's board of directors monitors overall governance processes and delegates specific areas of focus to standing committees. For example, the board's Safety, Sustainability and Technology (SS&T) committee is responsible for the oversight of our risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, human rights, sustainability and related ESG matters. The board updated the SS&T committee's charter in 2020 and 2021 to strengthen and clarify the way this committee oversees and considers sustainability and other related matters. The board, primarily through its SS&T committee, also takes an active role in providing oversight of Sempra's strategies to help enable a just energy transition in the markets we serve, including our aim to have net-zero GHG emissions by 2050. This includes reviewing business risks and opportunities in the context of local, national and global energy, economic and climate trends, as well as overseeing the company's strategies and capabilities relating to safety and reliability; decarbonization of key market sectors, including power generation, industry and transportation; digitization of energy systems, including use of robotics and artificial intelligence; and diversification of energy systems, including the integration of distributed energy resources. The board also oversees Sempra's efforts to reduce the impact of company operations on the environment. We understand that a successful energy transition will require industry leadership, technological advancements that are economically and technically feasible, and broad coordination and support from every level of government, among other things. Following review by the SS&T committee, in 2021 Sempra issued our energy transition action plan, defining representative capabilities and investment opportunities to advance our aim to have net-zero GHG emissions by mid-century. A portion of named executive officer compensation is linked to achieving milestones in this area. Governance 2022 Proxy statement CDP climate response

Describe management's role in assessing and managing climate-related risks and opportunities.

Climate and related implications are woven into the fabric of corporate strategic planning. With significant environmental regulation and exposure to both climate related risks and opportunities, we believe it is critical that these issues are monitored at the highest levels of management within the company. One way we help to ensure this oversight is through a sustainability steering committee composed of executives from all of our operating companies. The committee provides guidance on our approach to ESG matters, including strategy and goal setting, including those closely linked to climate. The committee is chaired by Sempra's director of sustainability. In addition, the company's senior vice president of corporate affairs and chief sustainability officer and corporate sustainability department all work with leaders across the organization to manage sustainability at the company, including climate-related topics.

Sustainability and governance

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

Opportunities

Products and services

Over the next 30 years, energy systems will need to change dramatically to meet local, regional and global climate goals. This includes a universal focus on decarbonizing the industrial, transportation and power generation sectors. Decarbonizing these sectors means that grids will need to expand, along with zero-carbon electrons and molecules working in tandem.

Innovation and new technologies will be central to achieving society's net-zero goal by 2050, and we expect that investments in three key capabilities are needed: decarbonization, diversification and digitalization. As we develop and promote these capabilities, we believe it will create long-term, sustainable value for our shareholders and all of our other stakeholders.

Our efforts to reduce emissions over the short, medium and long-term are expected to include work to advance the following initiatives and technologies:

Decarbonization
- Blending blue and green hydrogen into the natural gas distribution system
- Developing upstream "preferred source" programs for the procurement of natural gas produced at a lower carbon intensity
- Expanding the use of renewable natural gas (RNG) through a pilot program, which allows customers to opt in to purchase lower emissions natural gas
- Increasing the production and use of alternative lower-carbon fuels in existing infrastructure
- Advancing a circular economy
- Carbon capture and sequestration

Diversification
- Converting organic wastes from landfills, wastewater, farms and dead trees and vegetation removed for wildfire mitigation to RNG
- Expanding the use of hydrogen from natural gas (blue hydrogen) for transportation uses
- Developing utility-scale microgrids for improved reliability and more efficient use of lower-carbon sources of energy, including energy storage
- Vehicle-to-grid energy storage projects
- Virtual power plants that use grid balancing to optimize EVs, home solar and other energy resources

Digitalization
- Monitoring natural gas operations with drones, fiber optic cable and point sensors
- Integrating new energy technologies to decarbonize the grid while maintaining reliability
- Energy efficiency, time-of-use pricing and demand-side management programs, including partnering with "smart home" technology providers
- Blockchain or digital ledger tracking of energy intensity. For example, in upstream natural gas production and transport
- Telematics for fleet
- Grid-aligned charging

See pages 46-53 for examples of our progress on our pathway to net-zero.

Risks – Transition

Policy and legal

Short term

Sempra's operating companies can face civil liability and criminal penalties, enforcement actions, financial fines and increases in operating costs if they fail to comply with federal and state air pollution limits and other environmental regulations, such as California's Renewable Portfolio Standard and Senate Bill (SB) 100, which address requirements for renewable and zero-carbon energy.

Medium and long-term

New environmental regulations, more aggressive emissions requirements, new investment standards and penalties for noncompliance could come into place in the medium- and long-term. In connection with any such requirements, there is a risk that Sempra could be required to, among other things, pursue new emission reduction strategies or procure new energy and/or capital resources.

Additionally, while the United States has committed to pursue a 50 – 52% reduction in emissions from a 2005 baseline economy-wide, this target could be changed in future legislative or executive action. Further, states and local governments continue to pursue their own climate policies that may be more aggressive than this target or result in disparate emission reduction strategy requirements. Anticipating these future changes, Sempra is already undertaking numerous actions to work to decarbonize and be a leader in the clean energy transition (as detailed in the discussion about climate-related opportunities above) and we have established our own climate-related aspirations. Our ability to achieve these aspirations is dependent on, among many other factors that in some cases we do not control, supportive energy laws and policies in the jurisdictions in which we operate.

Further, potential risks regarding new land-use restrictions, legal and regulatory changes (including in Mexico, where some of our energy infrastructure businesses operate) and lack of availability for land suitable for wind or solar projects could arise in the medium- and long-term that could complicate the introduction of new wind or solar projects and/or the use of energy supplied by these projects.

Technology

Short term

Sempra is working to meet short-term decarbonization objectives with its current slate of renewable energy projects and engagement in renewable energy technology development. While there are always risks associated with new technology development, including, among other things, that new technology development to enable decarbonization is slower and/or more costly than expected or turns out to be not economically or technically feasible or that technologies in development do not work as expected, Sempra is engaged in robust technological development initiatives to try to mitigate this challenge. For example, SoCalGas is conducting hydrogen blending research and lab testing to support demonstration opportunities with the potential to increase blending up to 20%, and the utility aims to complete up to five hydrogen pilot projects by 2025 to further develop hydrogen pipeline infrastructure, hydrogen fuel cell technology and hydrogen fueling infrastructure.

Medium to long-term
Climate change policy and public sentiment has encouraged the development of low- and zero-carbon energy resources and related new technologies such as the push toward electrification and energy storage. Emerging technologies may not be directly compatible with some existing infrastructure; may require us to make expenditures, which could be significant; may not provide the climate or environmental benefits that are initially expected; and/or could possibly result in the obsolescence of certain facilities or assets. Our future success will depend, in part, on our ability to anticipate and successfully adapt to political and technological change; to offer services that meet customer needs and industry standards; and to be in a position to recover all or a portion of our investments. For SDG&E and SoCalGas, political headwinds and new technologies such as energy storage and distributed generation could change the utilization of our natural gas and electric infrastructure.

Risks of technological stagnation in the medium- and long-term are not unique to Sempra but rather reflect broader challenges faced within the energy and infrastructure sectors. To deliver 100% renewable electricity by 2050, carbon-free dispatchable resources will be needed to remove the remaining carbon from the system if and when zero-carbon generation is achieved. If economically and technically feasible technologies do not arrive in a timely and reliable manner, meeting the requirements of California SB 100 and achieving Sempra's aspirations of net-zero GHG emissions by 2050 may be at risk. Further, slower- or less effective-than-expected advances in energy technology overall could challenge robust decarbonization ambitions, and expansion of non-dispatchable generation could introduce difficulty load-balancing if advances in grid technology or demand management tools stagnate

Market
Short, medium and long-term
Electric utilities in California are experiencing increasing deployment of distributed energy resources, such as solar generation, energy storage, energy efficiency and demand response technologies and California's environmental policy objectives are accelerating the pace and scope of these changes. This growth of distributed energy resources will require modernization of the electric distribution grid to, among other things, accommodate increasing two-way flows of electricity and increase the grid's capacity to interconnect these resources. In addition, enabling California's clean energy goals will require sustained investments in grid modernization, renewable integration projects, energy efficiency programs, energy storage options and electric vehicle infrastructure. The CPUC is conducting proceedings to evaluate various projects and pilots; implement changes to the planning and operation of the electric distribution grid to prepare for higher penetration of distributed energy resources; consider future grid modernization and grid investments; evaluate if traditional grid investments can be deferred by distributed energy resources; determine what, if any, compensation would be feasible and appropriate; and clarify the role of the electric distribution grid operator. These proceedings and the broader changes in California's electricity industry could result in new regulations, policies and/or operational changes that could materially adversely affect our businesses. Core market risks identified

in the short-term, such as increased deployment of distributed energy resources, are also present in the medium- and long-term. In the medium-term, the entire sector may see shifting public attitudes on the use of natural gas, which could reduce demand for natural gas distribution.

In California, certain legislators and stakeholders have expressed a desire to further limit or eliminate reliance on natural gas by advocating increased use of renewable electricity and electrification. Reducing methane emissions also has become a major focus for certain U.S. legislators and the current U.S. Administration. Certain California state agencies and city governments have proposed policies or passed ordinances to prohibit or restrict the use and consumption of natural gas in new buildings, appliances and other applications. These policies and ordinances and any other similar regulatory action could have the effect of reducing natural gas use over time. The CPUC has initiated an Order Instituting Rulemaking (OIR), among other things, to implement a long-term planning strategy to manage the state's transition away from natural gas-fueled technologies in an effort to meet California's decarbonization goals. The California Air Resources Board, California's primary regulator for GHG emissions reduction programs, continues to pursue plans for reducing GHG emissions in line with California's climate goals that include proposals to reduce natural gas demand, including more aggressive energy efficiency programs, increased renewable electric generation and replacement of natural gas appliances with electric appliances. A substantial reduction in, or the elimination of, natural gas as an energy source in California could have a material adverse effect on SoCalGas', SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects, including impairment of some or all of SoCalGas' and SDG&E's natural gas infrastructure assets if they were not permitted to be repurposed for alternative fuels, required to be depreciated on an accelerated basis or become stranded, without adequate recovery of and on the investments. We are exposed to risks related to our LNG export projects at various stages of construction and development. Each project faces numerous risks and must overcome significant hurdles. The overall success of each project is dependent on a number of factors, including global energy markets.

Reputation
Sempra and its stakeholders are aware of the effects of climate change and seek ways to limit its impact. This atmosphere of heightened climate-related concern might impact our reputation. We try to mitigate this risk by focusing on safe and efficient operations; setting and working to achieve goals, including lower-carbon energy goals; and working to develop new energy resources and technologies, including renewable natural gas, hydrogen and energy storage.

As Sempra focuses on the energy transition, we are working to make clean energy accessible and affordable for customers throughout our operating areas and also maintain grid reliability.

At Sempra California, customers are offered:

a. Programs to help customers equip their homes with more efficient appliance, weather stripping and other upgrades;
b. Classes at SDG&E's Energy Innovation Center for businesses and residents;
c. The CARE program, which provides up to a 30% discount on energy bills for qualifying customers, including those who have recently become unemployed or are currently participating in public programs; and
d. The FERA program, which offers families of three or more individuals a discount of up to 18% off their electricity bill based on their income. If customers do not qualify for the CARE program, SDG&E automatically checks to determine if they are eligible for FERA.

Improving access to energy and working to ensure affordability is a company priority. However, in the medium- and long-term, failure to continue sufficient progress on decarbonization goals or support affordable access to clean energy could present a reputational risk to Sempra.

Risks – Physical

Short term (1-3 years)

Acute

In a warmer climate future, Sempra's operations are more likely to be impacted by severe weather events, such as more frequent and intense storms, more powerful winds, droughts, floods and wildfire events. Acute weather events can damage infrastructure and equipment, degrade transportation infrastructure, impede normal business operations, subject us to liability and increase costs to insure Sempra's assets. For instance, frequent and more severe drought conditions, inconsistent and extreme swings in precipitation, changes in vegetation, unseasonably warm temperatures, very low humidity, stronger winds and other factors have increased the duration of the wildfire season and the intensity and prevalence of wildfires in California, including in SDG&E's and SoCalGas' service territories, and have made these wildfires increasingly difficult to prevent and contain. As a result of the strict liability standard applied to electric IOU-caused wildfires in California, substantial recent losses recorded by insurance companies, and the risk of an increase in the number and size of wildfires, obtaining insurance coverage for wildfires that could be caused by SDG&E or SoCalGas, particularly SDG&E, has become increasingly difficult and costly. If these conditions continue or worsen, insurance for wildfire liabilities may become unavailable or may become prohibitively expensive and we may be challenged or unsuccessful when we seek recovery of increases in the cost of insurance through the regulatory process. In addition, insurance for wildfire liabilities may not be sufficient to cover all losses we may incur, or it may not be available in sufficient amounts to meet the $1 billion of primary insurance required by the Wildfire Legislation. We are unable to predict whether we would be able to recover in rates or from the Wildfire Fund the amount of any uninsured losses. A loss that is not fully insured, is not sufficiently covered by the Wildfire Fund and/or cannot be recovered in customer rates, such as the CPUC decision denying SDG&E's recovery of costs related to wildfires in its service territory in 2007, could materially adversely affect Sempra's and one or both of SDG&E's and SoCalGas' results of operations, financial condition, cash flows and/or prospects.

Chronic
Beyond the shifts in climate patterns that have contributed to a longer and more intense wildfire season in California, chronic impacts of climate change are more likely to be realized in the long-term.

Medium term (4 – 10 years)
Acute
As detailed in the short-term review, wildfire events, increased flooding and more frequent and intense storms are likely to also be risks to Sempra's operations in the medium- and long-term. However, these events are likely to occur more frequently and grow in intensity as time progresses.

Chronic
Beyond the longer-term shifts in climate patterns that have contributed to a longer and more intense wildfire season in California, chronic impacts of climate change are more likely to be realized in the long-term.

Long term (11+ years)
Acute
As detailed in the short-term review, wildfire events, increased flooding and more frequent and intense storms are likely to also be risks to Sempra's operations in the medium- and long-term. However, these events will likely occur more frequently and grow in intensity as time progresses.

Chronic
Rising sea levels pose a threat to our energy infrastructure located in coastal areas. Through SDG&E and SoCalGas and Sempra Infrastructure operations, we have a concentration of operations and infrastructure in coastal areas of California and Northern Baja California, Mexico. Sea level rise may be compounded by other causes of flooding that we already experience — extreme high tides and storm surges — that are expected to cause the greatest impacts. Coastal flooding may also lead to

further beach and bluff erosion as well as runoff and drainage problems from intense storms. If these effects were to occur, extended service losses and operational challenges could result. The gas system could also experience some impacts from climate change, including in the form of increased repair/maintenance needs or localized disruptions. Widespread disruptions to natural gas infrastructure would not be expected due to limited project exposure to climate hazards, and low system sensitivity when hazards do occur. Other indirect impacts could be experienced by nearby communities if critical customers served by the substations, such as sewage pumping stations, hospitals, airports and ports, are affected by outages. For other asset types, potential direct impacts are expected in the form of increased maintenance and repair costs. In addition to rising sea levels, rising mean temperatures could lead to increased demand for electricity for home cooling and could stress generation capacity. Further, these chronic physical changes could also lead to decreased biodiversity and significant shifts in economic productivity, which could impact customers' economic well-being in Sempra's operating areas.

Climate-resilient energy networks
CDP climate response 2.2a, 2.3a, 2.4a 2020 10-K, pgs. 34-64

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Climate-related risks and opportunities play a significant role in the company's overall strategy and planning for the future.

Strategy

At Sempra, we are focused on investing in, developing and operating transmission and distribution (T+D) infrastructure, among other areas, in attractive markets in North America. Our mission is to be North America's premier energy infrastructure company, which, in our view, requires full integration of sustainable development and climate considerations into our business strategy, operations and long-term investments. Being a leader in the energy transition to support aspirations of net-zero GHG emissions by mid-century is a natural extension of our North America-focused transmission and distribution platform.

We are helping to advance the global energy transition by enabling the delivery of lower-carbon energy solutions in the markets we serve, including California, Texas, Mexico and the LNG export market.

For decades, our company has worked to reduce carbon emissions, develop and operate energy infrastructure in new markets, and innovated across every aspect of our business to better serve our customers.

Our business strategy is focused on supporting the energy transition by investing in infrastructure that serves and decarbonizes three critical sectors of the economy – industrial, transportation and power generation. This involves extending our transmission and distribution strategy in the coming years to:

- Achieve target milestones for 2025 related to decarbonization, diversification and digitalization;
- Shape the trajectory of our business activities to align with a bold vision for 2030, with a goal to reduce our Sempra California and Mexico (non-LNG) GHG emissions by 50 percent compared to a 2019 baseline; and
- Create a credible path toward reaching our aim to have net-zero GHG emissions by 2050.

Financial planning

Capital expenditures have been significantly impacted by climate-related risks and opportunities. Sempra has been focused on a low-carbon approach, developing low-carbon infrastructure and reducing emissions across our portfolio for more than two decades. This has involved capital expenditures in infrastructure that helps to enable the clean energy transition.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In order to have net-zero by the middle of the century, it will be critical to plan and build a new global energy system; one that accounts for global population growth and rising living standards. Sempra believes it is well positioned to be a leader in that transition as a result of our North America-focused T+D platform, where we:

- Maintain top-tier positions in attractive markets in North America;
- Invest in critical T+D infrastructure;
- Advance global energy diversity; and
- Leverage core competencies in innovation, operational excellence and stakeholder engagement.

Additionally, Sempra has announced its aim to have net-zero GHG emissions by 2050 and expects to advance this effort through investment in the infrastructure and research and development needed in three key areas to evolve our energy systems to achieve our climate objectives:

- **Decarbonization:** Reducing the carbon content of energy is central to interdicting and decarbonizing the industrial, transportation and power generation sectors. Over time, it is our goal that the electrons and molecules we deliver to customers will become less carbon intensive.
- **Diversification:** Bringing new lower- to zero-carbon fuel choices to markets 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.

Representative examples in each of these areas and information on our progress can be found on page 43 of this report.

We are also preparing for climate-related impacts based on other climate outcomes throughout our operations and working to improve the resilience of our operations. With operations that can be impacted by the physical risks of climate change, our utilities have worked to update infrastructure and operations to mitigate these risks. Climate-related scenario analysis studies provide a pathway and framework to address areas of operations particularly at risk. As one example, SDG&E has developed a world class wildfire mitigation program and has hardened over 4,000 miles of power lines against wildfires and inspected more than 37,000 power poles in high-fire threat districts. SDG&E has been highly impacted in terms of the risk related to increasing drought conditions and the potential for wildfires. This risk has influenced the way that SDG&E operates, so that its actions and investments serve to mitigate this risk. This includes advanced situational awareness tools; aggressive infrastructure hardening and vegetation management; one of the most extensive utility-owned weather networks in the nation; dedicated firefighting resources; and strong practices in construction, maintenance and operations, including proactive de-energization for safety. Please see page 54 of this report for more information on our efforts related to a resilient energy system.

About our business
Advancing the energy transition
Climate-resilient energy networks
CDP climate response

Risk management

Describe the organization's processes for identifying and assessing climate-related risks.

Sempra works to manage a broad and complex set of risks commonly associated with the energy industry, as well as risks specific to our company. We evaluate risks for frequency and impact across a range of factors, including:

- Health, safety and environmental;
- Operational and reliability (including security and cyber security and human capital);
- Regulatory, legal and compliance (including reputation); and
- Business and Financial.

A changing climate has regulatory, operational and reputational impacts on our business. Management of climate-related risks is integrated into the company's overall approach to risk, is assessed throughout the year and covers our own operations, in addition to downstream and upstream impacts. Each operating company is responsible for managing its risks with support from the Sempra compliance and enterprise risk committee. These teams lead an established enterprise risk management program to assess risks using risk maps and other tools that help identify and monitor business risk exposure. To evaluate these risks, we look at different scenarios including the impact of regulatory frameworks and the introduction of technologies that could lead to market changes. We also consider different scenarios related to changes in the physical environment, including models of sea-level rise and extreme weather events.

Issues are identified by their ability to impact each of our company's core businesses through impacts on operational costs, costs to customers or reputation. For example, to identify issues related to regulatory schemes, we conduct sensitivity analyses allowing us to estimate the level of risk associated with different scenarios. We also monitor climate-related risks, increasingly volatile weather, impacts on insurance markets, corporate and emergency preparedness, increasing legal and regulatory pressures for reform, as well as public and investor concerns. This serves to identify issues to be monitored on an ongoing basis. Internally developed scoring matrices are consistently used across the enterprise. The substantive impact of each identified material risk is assessed and evaluated at various levels within the organization, including by line managers, officers and senior management teams in each business.

Risk management
CDP climate response 2.1; 2.1a,b; 2.2, 2.2a

Some climate-related risks are shorter term, such as preparing for a wildfire season exacerbated by extreme drought. Others are medium term, such as meeting a regulatory target to promote safety, increase operational efficiencies or avoid penalties or fines. Others, such as the potential impact of sea- level rise, are longer term. We consider these and other risks as we plan capital expenditures. At SDG&E, we employ full-time meteorologists, prepare for adverse weather and related impacts, and conduct and review studies to assess the degree to which climate change poses a threat to infrastructure, employees and customers. We routinely plan for impacts to a variety of stakeholders; and review, monitor and adjust insurance coverage as necessary and to the extent the market permits, sharing and transferring risk when and where possible, in addition to other risk mitigation activities.

As an example, as a result of lessons learned from recent storms, Sempra Infrastructure is implementing an improved communication platform for employees, launching a new disaster preparedness and crisis management IT solution, and conducting drills to enhance response preparedness. Cameron LNG is also working with the electricity supplier in the area to enhance the resilience of the electric grid.

Climate-resilient energy infrastructure
CDP climate response 2.1; 2.1a,b; 2.2, 2.2a

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

Management of climate-related risks is integrated into the company's overall approach to risk, is assessed throughout the year and covers our own operations, in addition to downstream and upstream impacts. At the Sempra level, the Sempra board and the compliance and enterprise risk committee provide oversight on all identified material risk areas. Risk management teams at each operating company and at Sempra lead an established enterprise risk management program to assess risks using risk maps and other tools that help identify and monitor business risk exposure. To evaluate these risks, we look at different scenarios including the impact of regulatory frameworks and the introduction of technologies that could lead to market changes. We also consider different scenarios related to changes in the physical environment, including models of sea-level rise and extreme weather events.

Risk management
CDP climate response 2.2, 2.2a

Metrics and targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sempra's annual corporate sustainability report includes year-over-year performance in many areas related to climate change, such as GHG emissions, environmental compliance and water use. In our 2020 sustainability report, we established new climate goals for the company related to our role in the energy transition. In this report we discuss the progress we have made in 2021 with investments in decarbonization, diversification and digitalization of energy networks. Advancing the energy transition Greenhouse gas emissions
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	2021 GHG emissions* Scope 1: 6.8 million metric tons CO_2e Scope 2: 0.376 million metric tons CO_2e Scope 3: 66.2 million metric tons CO_2e Greenhouse gas emissions

** 2021 GHG emissions data subject to third-party verification.*

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

By 2050, we aim for:
Net-zero GHG emissions

By 2045, we aim to:
Deliver 100% renewable or zero-carbon energy to electric utility customers (SDG&E)

By 2030, we aim to:
- Reduce our Sempra California and Mexico (non-LNG) operational GHG emissions 50% compared to a 2019 baseline
- Deliver 20% renewable natural gas to "core customers" (as defined in SoCalGas' Tariff Rule No. 23) (SoCalGas)
- Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas and Mexico efforts contribute to this goal)[1]
- Eliminate 100% of natural gas 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 20% less than our 2020 baseline[2]
- Actively partner with companies and institutions across the LNG supply chain to reduce scope 2 and 3 emissions
- Enroll 90% of eligible customers in alternative rates for energy programs (SDG&E and SoCalGas)
- Each year, Oncor aims to fulfill 100% of renewable energy interconnection requests

Advancing the energy transition
Greenhouse gas emissions

[1] Baseline year for Mexico is 2019.
[2] This goal is through 2025. Cameron LNG, the primary LNG operating asset, had its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we expect to establish new goals.

SASB standards

The Value Reporting Foundation's SASB standards lend insight into the subset of sustainability issues that are most closely tied to an organization's ability to create long-term value for investors. Sempra's SASB metrics for electric utility, natural gas utility and oil and gas midstream performance are outlined in the tables below. In early 2021 Sempra became a member of the SASB alliance, further demonstrating our support for the organization and its mission.

Gas utilities standard

SASB code	Accounting metric			
	Energy affordability	**SoCalGas**	**SDG&E**	**Mexico**
IF-GU-240a.1	Average retail gas rate for residential customers (USD per MMBtu)	$1.58	$1.98	$22.67
	Average retail gas rate for commercial customers (USD per MMBtu)	$1.13	$1.08	$14.38
	Average retail gas rate for industrial customers (USD per MMBtu)	$1.13	$1.08	$11.22
	Average retail gas rate for transportation services only (USD per MMBtu)	$0.17	$0.16	$1.02
IF-GU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu delivered per year (USD)	$66.87	$83.85	$95
	Typical monthly gas bill for residential customers for 100 MMBtu delivered per year (USD)	$138.65	$175.44	$190
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment[1]	0	0	67,388
	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	n/a	n/a	90%
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory		A just energy transition	
	End-use efficiency			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	100%	100%	0%
IF-GU-420a.2	Customer gas savings from efficiency measures by market (MMBtu)	4,200,442	400,000	0

[1] *Disconnections for SDG&E and SoCalGas were suspended due to COVID-19.*

Gas utilities standard (continued)

SASB code	Accounting metric			
	Integrity of gas delivery infrastructure	**SoCalGas**	**SDG&E**	**Mexico**
IF-GU-540a.1	Number of reportable pipeline incidents	5	0	0
	Number of corrective action orders	0	0	0
	Notices of probable violation	0	0	0
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	0%	0%	2%
	Percentage of distribution pipeline that is unprotected steel	100%	0%	0%
IF-GU-540a.3	Percentage of gas transmission pipelines inspected	32%	66%	n/a
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Reducing methane emissions		
	Workplace health and safety			
	Total recordable incident rate (per 100 full-time workers)	2.3	1.7	0.5[1]
	Fatality rate (per 100 full-time workers)	0	0.02	0
	Near-miss frequency rate (per 100 full-time workers)	1.6	5.5	6.35[1]
	Activity metrics			
IF-GU-000-A[2]	Number of residential customers served	5,823,610	874,460	138,404
	Number of commercial customers served	248,560	29,060	3,992
	Number of industrial customers served	24,660	–	275
IF-GU-000.B	Amount of natural gas delivered to residential customers (MMBtu)	232,839,877	29,484,838	2,064,658
	Amount of natural gas delivered to commercial customers (MMBtu)	112,898,861	19,620,213	1,339,420
	Amount of natural gas delivered to industrial customers (MMBtu)	268,549,727	–	31,360,247
	Amount of natural gas transferred to a third party (MMBtu)	295,995,118	34,548,210	5,289
IF-GU-000.C	Length of gas transmission and distribution pipelines (km)	166,277	25,621	4,574

[1] *For Mexico safety data includes employees and contractors.*
[2] *For additional information on customer categories and gas delivered please see our 2021 statistical report on sempra.com.*

Electric utilities standard

SASB code	Accounting metric			
	GHG emissions and energy resource planning	**SDG&E**	**Mexico**[2]	**Oncor**
IF-EU-110a.1	Gross global scope 1 emissions[1] (metric tons CO_2e)	1,308,602	1,365,981	n/a
	Percentage covered under emissions-limiting regulations	100%	0%	n/a
	Percentage covered under emissions-reporting regulations	100%	100%	n/a
IF-EU-110a.2	GHG emissions associated with power deliveries (metric tons CO_2e)	1,136,514	1,373,867	n/a
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Enabling the energy transition		n/a
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards	1,355,230	n/a	n/a
	Percentage fulfillment of RPS target	On track[3]	n/a	n/a
	Air quality			
IF-EU-120a.1	NO_x (metric tons)	110	135	n/a
	SO_2 (metric tons)	6	6	n/a
	Particulate matter (metric tons)	36	78	n/a
	Lead (metric tons)	0	0	n/a
	Mercury (metric tons)	0	0	n/a

[1] GHG emissions data for 2021 are unverified and subject to change pending the third-party verification process. Includes emissions data for all SDG&E operations.
[2] Operations in Mexico include natural gas, wind and solar generation. Some electric utility indicators are not applicable.
[3] SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to LSEs and customer load departure to local CCAs.

Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	Mexico[1]	Oncor
	Water management			
F-EU-140a.1[2]	Total water withdrawn (thousand m^3)	2,173	5,046	n/a
	Total water consumed (thousand m^3)	1,528	4,182	n/a
F-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	0	0	n/a
F-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water		n/a
	Coal ash management (n/a)			
F-EU-150a.1	Coal combustion residuals (metric tons)	n/a	n/a	n/a
F-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	n/a	n/a	n/a

[1] *Operations in Mexico include natural gas, wind and solar generation. Some electric utility indicators are not applicable.*

Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	Mexico[1]	Oncor
	Energy affordability			
IF-EU-240a.1	Average retail electric rate for residential customers (USD/kWh)	$0.32	n/a	n/a
	Average retail electric rate for commercial customers (USD/kWh)	$0.29	n/a	n/a
	Average retail electric rate for industrial customers (USD/kWh)	$0.26	n/a	n/a
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh (USD)	$183.15	n/a	n/a
	Typical monthly electric bill for residential customers for 1,000 kWh (USD)	$399.21	n/a	n/a
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment[2]	0	n/a	n/a
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	n/a	n/a	n/a
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of supporting customers and electricity,including the economic conditions of the service territory communities	A just energy transition		n/a
	Workforce health and safety			
IF-EU-320a.1	Total recordable incident rate (per 100 full-time workers)[3]	1.72	0.50[4]	0.95[3]
	Fatality rate (per 100 full-time workers)	0.02	0	0
	Near-miss frequency rate (per 100 full-time workers)	5.5	6.35[4]	2.6
	End use efficiency and demand			
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are decoupled	100%	n/a	n/a
IF-EU-420a.2	Percentage of electric load served by smart grid technology[5]	100%	n/a	100%
IF-EU-420a.3	Customer electricity savings from efficiency measures (GWh)	466	n/a	304

[1] *Operations in Mexico include natural gas, wind and solar generation. Some electric utility indicators are not applicable.*
[2] *Disconnections for SDG&E and SoCalGas were suspended due to COVID-19.*
[3] *Data includes employees and contractors.*
[4] *Does not include COVID-19 cases.*
[5] *SDG&E and Oncor's entire service territories are served by advanced meter infrastructure. Nearly all customers have advanced meters.*

Electric utilities standard (continued)

SASB code	Accounting metric			
	Grid resilience	**SDG&E**	**Mexico**[1]	**Oncor**
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cyber security standards or regulations	0	—	—
IF-EU-550a.2	System Average Interruption Duration Index (SAIDI)	69.85	n/a	78.49
	System Average Interruption Frequency Index (SAIFI)	0.66	n/a	1.27
	Customer Average Interruption Duration Index (CAIDI)	105.09	n/a	61.8
	Activity metrics			
IF-EU-000.A	Number of residential customers served	1,282,331	n/a	–
	Number of commercial customers served	72,216	n/a	–
	Number of industrial customers served	683	n/a	–
IF-EU-000.B	Total electricity delivered to residential customers (MWh)	5,657,323	n/a	44,773,886[2]
	Total electricity delivered to commercial customers (MWh)	4,128,464	n/a	46,766,208[2]
	Total electricity delivered to industrial customers (MWh)	1,397,951	n/a	43,599,388[2]
	Total electricity delivered to all other retail customers (MWh)	114,852	n/a	382,906[2]
	Total electricity delivered to wholesale customers (MWh)	5,916,263	n/a	–
IF-EU-000.C	Length of transmission and distribution lines (km)	41,806	n/a	226,419
IF-EU-000.D	Total electricity generated (natural gas) (MWh)	2,850,603	3,245,717	n/a
	Total electricity generated (wind) (MWh)	0	1,171,737	n/a
	Total electricity generated (solar) (MWh)	0	1,381,357	n/a
IF-EU-000.E	Total wholesale electricity purchased (MWh)	11,298,500	0	n/a

[1] *Operations in Mexico include natural gas, wind and solar generation. As there are no electric utility operations, some indicators are not applicable.*
[2] *Data is preliminary.*

Oil and gas midstream standard

SASB code	Accounting metric	
	GHG emissions	**Mexico**
EM-MD-110a.1	Gross global scope 1 emissions (metric tons CO_2e)	582,146
	Percentage covered under emissions-reporting regulations	100%
	Percentage of gross global scope 1 emissions from methane	1%
EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Sustainability report
	Air quality	
EM-MD-120a.1	NO_x (metric tons)	631
	SO_2 (metric tons)	3.6
	Particulate matter (metric tons)	34.5
	Lead (metric tons)	0
	Mercury (metric tons)	0
	Ecological impacts	
EM-MD-160a.1	Description of environmental management policies and practices for active operations	Sustainability report
EM-MD-160a.2	Percentage of land owned, leased and/or operated within areas of protected conservation status or endangered species habitat	8%
EM-MD-160a.3	Terrestrial acreage disturbed	1,631
	Percentage of impacted area restored	0%
EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills	0

Oil and gas midstream standard (continued)

SASB code	Accounting metric	
	Competitive behavior	**Mexico**
EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations (USD)	0
	Operational safety, emergency preparedness & response	
EM-MD-540a.1	Number of reportable pipeline incidents	0
EM-MD-540a.2	Percentage of natural gas transmission pipelines inspected	95%
	Percentage of natural gas distribution pipelines inspected	100%

Global Reporting Initiative (GRI) index

This report has been prepared in accordance with the GRI Standards: Core option. We cover additional standard disclosures where data is available. Additionally, in 2020 we started integrating the World Economic Forum (WEF) International Business Council Stakeholder Capitalism Metrics, where they align with our GRI Core option reporting. The disclosures that align with WEF are marked below. We aim to report on additional WEF metrics in the future.

General standard disclosures

Disclosure	Description	Response
102-1	Name of the organization	Sempra
102-2	Activities, brand, products and services	About our business; 2021 Annual report introduction, pg. 6
102-3	Location of headquarters	San Diego, CA
102-4	Location of operations	As of December 31, 2021 we have operations in the United States and Mexico.
102-5	Ownership and legal form	Sempra is an investor-owned corporation. Common shares trade on the New York Stock Exchange under the symbol "SRE" and the Mexican Stock Exchange under the symbol "SRE.MX".
102-6	Markets served	About our business; 2021 Annual report introduction, pg. 6
102-7	Scale of the organization	About our business; Performance data; 2021 Statistical report pg. 2

Disclosure	Description	Response
102-8	Information on employees and other workers	Championing people; Workforce data Data related to our workforce is compiled through the annual corporate sustainability data collection process. Human resources also utilizes a data system which houses a variety of data and information. Male - Female, by age: 20-29: 2,196-714; 30-39: 4,513-1,679; 40-49: 3,530-1,522; 50-59: 2,480-1,116; >60: 1,522-151 Company policy limits the use of non-employees (including temporary workers, consultants and contractors) to a maximum of one year of service (2,080 hours) unless special approval is received. At times, temporary contract-based support may be needed. But if the need is longer-term, it may be more appropriate and beneficial – for both the company and the individual – to provide full-time employment and benefits. **Omissions:** Employees by employment type and by gender. ***** Due to timing of data collection, totals vary slightly from end-of-year employee headcount.**
102-9	Supply chain	Supply chain; Supplier diversity **Omissions:** Data for diverse supplier spend currently includes only U.S. utilities.
102-10	Significant changes to the organization and its supply chain	About our business; Supply chain; 2021 Annual report, pg. 2
102-11	Precautionary principle or approach	Risk management; 2021 Annual Report, pg. 36
102-12	External initiatives	These are referenced throughout the 2021 Corporate Sustainability Report.
102-13	Membership of associations	2021 Sempra trade organization and business memberships
102-14	Statement from senior decision-maker	Letter from our chairman and CEO
102-15 WEF	Key impacts, risks and opportunities	Advancing the energy transition; Governance; Risk management; Goals and KPIs; 2021 Annual report
102-16	Values, principles, standards and norms of behavior	Governance; Codes of conduct
102-17 WEF	Mechanisms for advice and concerns about ethics	Risk management; Stakeholder engagement; Grievance mechanism
102-18	Governance structure	Governance; 2022 Proxy statement, pg. 72; Board committee charters

Disclosure	Description	Response
102-20	Executive-level responsibility for economic, environmental and social topics	Lisa Larroque Alexander, Senior Vice President, Corporate Affairs, and Chief Sustainability Officer. Alexander reports directly to Jeffrey Martin, Chairman and CEO of Sempra.
102-21 WEF	Consulting stakeholders on economic, environmental and social topics	Material topics and ESG goals; Stakeholder engagement; 2022 Proxy statement, pg. 10
102-22 WEF	Composition of the highest governance body and its committees	2022 Proxy statement, pg. 10
102-23	Chair of the highest governance body	Jeffrey W. Martin serves as both Sempra's Chief Executive Officer and our Chairman of the Board. During periods in which we do not have an independent Chairman of the Board, our Corporate Governance Guidelines require the independent directors to select annually an independent director to serve as the Lead Independent Director (which is referred to as the "Lead Director" in our bylaws). If a Lead Independent Director is appointed, the role has broad powers and responsibilities. 2022 Proxy statement, pg. 10
102-24	Nominating and selecting the highest governance body	Governance; Corporate governance guidelines; 2022 Proxy statement pg. 73
102-25	Conflicts of interest	Corporate governance guidelines; 2022 Proxy statement pg. 53
102-26 WEF	Role of highest governance body in setting purpose, values and strategy	Governance
102-27	Collective knowledge of highest governance body	Governance; 2022 Proxy statement pg. 25
102-28	Evaluating the highest governance body's performance	Corporate governance committee charter
102-32	Highest governance body's role in sustainability reporting	Governance
102-35	Remuneration policies	2022 Proxy statement, pg. 39
102-36	Process for determining remuneration	2022 Proxy statement, pg. 39
102-37	Stakeholders' involvement in remuneration	2022 Proxy statement, pg. 38
102-40	List of stakeholder groups	Stakeholder engagement

Disclosure	Description	Response
102-41	Collective bargaining agreements	Social Field employees and some technical, administrative and clerical employees are represented by labor unions in their respective countries. Approximately 33% of Sempra's employees are represented by labor unions.* ** This figure includes Oncor employees represented by labor unions.*
102-42	Identifying and selecting stakeholders	Stakeholder engagement
102-43 WEF	Approach to stakeholder engagement	Stakeholder engagement; Stakeholder engagement policy; Human rights policy
102-44	Key topics and concerns raised	Risk management; Stakeholder engagement; Stakeholder engagement policy
102-45	Entities included in the consolidated financial statements	Sempra's reportable segments are: - San Diego Gas & Electric Company - Southern California Gas Company - Sempra Texas Utilities[1,2] - Sempra Infrastructure[1] Information and data on all reportable segments mentioned above are included in this report. Our South American businesses were sold in 2020 and were considered discontinued operations starting in 2019, and therefore are not included in this report unless specifically noted. Limitations are noted per metric within the response column or as footnotes throughout the report.
102-46	Defining report content and topic boundaries	About this report
102-47 WEF	List of material topics	Material topics and ESG goals
102-48	Restatements of information	2020 GHG emissions data were updated following an independent third-party verification. Scope 3 emissions for 2018-2020 were updated due to changes in methodology related to end user combustion of natural gas. 2020 preliminary CARE program enrollment percentages were updated to reflect final numbers.
102-49	Changes in reporting	About this report
102-50	Reporting period	January 1, 2021, to December 31, 2021
102-51	Date of most recent report	April 2021, covering calendar year 2020
102-52	Reporting cycle	Annual

[1] *Sempra's ownership interest in Oncor, Sharyland Utilities, L.L.C., Cameron LNG and certain other entities in our Sempra Infrastructure segment are accounted for as an equity method investment.*
[2] *Our 80.25% indirect noncontrolling interest in Oncor and our 50% indirect noncontrolling interest in Sharyland Utilities, L.L.C.*

Disclosure	Description	Response
102-53	Contact point for questions regarding the report	Ian Stewart, Director, Corporate Sustainability sustainability@sempra.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	GRI Index
102-56	External assurance	2020 Scope 1 and 2 GHG emissions for SDG&E and SoCalGas were verified at a reasonable level of assurance by Cameron-Cole, LLC and Lloyd's Register Quality Assurance, respectively. Verification of 2021 GHG data will occur in 2022. 2021 Scope 1, 2 and 3 GHG emissions for Mexico and scope 1 emissions for U.S. LNG operations were verified at a limited level of assurance by Deloitte & Touche LLP.
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Installed capacity (MW) U.S. / Mexico Natural Gas: 1,841 / 625 Wind: 515 (Mexico) Solar: 529 (Mexico)
EU2	Net energy output broken down by primary energy source and by regulatory regime	Energy output (MWh) U.S. / Mexico Natural Gas: 2,850,603 / 3,164,324 Wind: 1,197,250 (Mexico) Solar: 673,504 (Mexico)

Disclosure	Description	Response
EU3	Number of residential, industrial, institutional and commercial customer accounts	2021 Statistical report pgs. 20, 21, 28, 34, 35, 38; 2021 Form 10-K pgs. 14, 17, 22
EU4	Length of above and underground transmission and distribution lines by regulatory regime	Above ground (miles)[1]: 166,514 Underground (miles)[1]: 47,413
EU5	Allocation of CO_2e emissions allowances or equivalent, broken down by carbon trading framework	Operating companies SDG&E and SoCalGas participate in California's cap-and-trade program. For more information see: https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program.
103-1	Explanation of the material topic and its boundary	See GRI Appendix
103-2	The management approach and its components	Material topics and ESG goals; Risk management; Goals and KPIs

[1] *Due to timing of data collection totals vary slightly from end of year T+D line mileage.*

Specific standard disclosures

Disclosure	Description	Response
Category: Economic		
Economic Performance		
103-2	The management approach and its components	About our business
201-1 WEF	Direct economic value generated and distributed	Stakeholder engagement; Safety; 2021 Annual report, pg. 5; Community engagement
201-2	Financial implications and other risks and opportunities due to climate change	Advancing the energy transition; Governance; Task force on climate-related financial disclosures; 2021 Form 10-K, pg. 36; CDP climate
201-3	Defined benefit plan obligations and other retirement plans	2021 Form 10-K - Employee benefit plans pg. F-89
Market Presence: This topic did not meet our threshold for materiality		
Indirect economic impacts		
103-2	The management approach and its components	Energy is vital to the communities we serve. We engage with customers and community leaders to identify and discuss potential infrastructure needs and impacts and learn about ways to mitigate them.
203-1 WEF	Infrastructure investments and services supported	Stakeholder engagement
203-2	Significant indirect economic impacts	Stakeholder engagement
Procurement practices		
103-2	The management approach and its components	Supply chain
204-1	Proportion of spending on local suppliers	Approximately 55.9% of total supplier spend in 2021 was with local suppliers. The definition for local may vary by business. For example, for Sempra California, local is defined as suppliers headquartered in California. **Omissions:** Partially reported - only data from our U.S. operations are included.

Disclosure	Description	Response
EU Sector topic: availability and reliability		
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	SDG&E long-term procurement plan; 2021 Form 10-K, pg. 14, 20
EU Sector topic: system efficiency		
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	U.S. / Mexico Natural gas (BTU/kWh): 7,647 / 7,285
EU12	Transmission and distribution losses as a percentage of total energy	SDG&E / Oncor[1] Transmission losses: 1.33% / 1.99% Distribution losses: 3.45% / 5.83%
Anti-corruption		
103-2	The management approach and its components	Code of business conduct; Anti-bribery and anti-corruption policy; Risk management; Human rights
205-1	Operations assessed for risks related to corruption	All operating companies are analyzed for risks associated with corruption.
205-2 WEF	Communication and training about anti-corruption policies and procedures	Governance; Code of business conduct To emphasize the importance of ethics and compliance, we require all employees to complete a training curriculum each year, customized according to their position and responsibilities. The courses address topics such as insider trading; Sarbanes-Oxley regulations; anti-corruption, including local laws and the Foreign Corrupt Practices Act; Federal Energy Regulatory Commission Standards of Conduct; CPUC affiliate-compliance rules; safety; harassment free workplace; and workplace violence.
205-3 WEF	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in 2021.

[1] *Preliminary data*

Disclosure	Description	Response
Anti-competitive behavior: This topic did not meet our threshold for materiality, but we are providing some information because of its importance to some stakeholders		
103-2	The management approach and its components	Code of business conduct Federal and state antitrust laws were enacted to promote competition, preserve our private enterprise system and protect the public, including companies like Sempra and its subsidiaries, from predatory conduct and unfair competition. It is the long-established policy of Sempra and its subsidiaries to comply with all laws applicable to their conduct and, specifically, with the antitrust laws.
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	There were no legal actions taken for anti-competitive behavior in 2021.
Category: Environmental		
Materials: This topic did not meet our threshold for materiality		
Energy		
103-2	The management approach and its components	Material topics and ESG goals; About our business; Advancing the energy transition
302-1	Energy consumption within the organization	CDP climate
302-2	Energy consumption outside of the organization	As an energy utility we work to safely and reliably deliver electricity and natural gas. Kilowatt-hour sales (millions of hours): 158,163 Total natural gas throughput (billion cubic feet): 969
302-3	Energy intensity	CDP climate
302-4	Reduction of energy consumption	GHG emissions; CDP climate

Disclosure	Description	Response
Water		
103-2	The management approach and its components	Water; Water policy; CDP water
303-1	Interactions with water as a shared resource	Water; Water policy; CDP water
303-2	Management of water discharge-related impacts	Water; Water policy; CDP water
303-3 WEF	Water withdrawal	Water; CDP water All numbers in megaliters: (Fresh water / Other water) Surface water: 0.02 / Ground water: 92 / Seawater: / 97,321 Produced water: / 263 Third-party water: 534 / 6,990 Total: 626 / 104,574 **Omissions:** We continue to improve data collection around our water use, but these numbers do not yet account for all of our operations. Does not include Oncor.
303-4 WEF	Water discharge	Water; CDP water All numbers in megaliters: Surface water: 0 Groundwater (fresh water): 125 Seawater: 97,859 Third-party water: 864 Total: 98,848 **Omissions:** Does not include Oncor.

Disclosure	Description	Response
Biodiversity		
103-2	The management approach and its components	Biodiversity and land use; Biodiversity policy
304-1 WEF	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Biodiversity and land use **Omissions:** Partially reported, not all data available.
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity and land use **Omissions:** Partially reported, not all data available.
304-3	Habitats protected or restored	Biodiversity and land use; SDG&E preservation properties **Omissions:** Partially reported, not all data available.
304-4	UCN Red List species and national conservation list species with habitats in areas affected by operations	Critically endangered 26 Endangered 3 Vulnerable 9 Near threatened 15 Least concern 2 **Omissions:** Partially reported, not all data available.
Emissions		
305-1 WEF	Direct (Scope 1) GHG emissions	GHG emissions; CDP climate
305-2 WEF	Energy indirect (Scope 2) GHG emissions	GHG emissions; CDP climate
305-3 WEF	Other indirect (Scope 3) GHG emissions	GHG emissions; CDP climate
305-5	Reduction of GHG emissions	Advancing the energy transition; GHG emissions; CDP climate
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	NOx emissions from power generation (metric tons) 245 SO_2 emissions from power generation (metric tons) 12 With our aim to have net zero GHG emissions by 2050 and achieve a 50% reduction in scope 1 and 2 GHG emissions by 2030 for Sempra California and Mexico (non-LNG) operations, we also expect other air emissions to decrease.

Disclosure	Description	Response
Effluents and waste		
103-2	The management approach and its components	Environmental policy; Environmental management; Waste and recycling
306-2	Waste by type and disposal method	Non-hazardous / Hazardous Reused: 0 / 0 Recycled: 35,671 / 477 Composted: 5,443 / 0 Recovered: 3,656 / 171 Incinerated: 75 / 399 Deep-well injection: 1,896 / 0 Landfill: 65,417 / 1,654 On-site storage: 0 / 0 Other methods: 17,887 / 3,568 Total: 130,045 / 6,269
306-3	Significant spills	Sempra operating companies did not experience any significant spills in 2021.
Environmental compliance		
103-2	The management approach and its components	Governance; Environmental management
307-1	Non-compliance with environmental laws and regulations	Environmental management
Transport: This topic did not meet our threshold for materiality		
Supplier environmental assessment		
103-2	The management approach and its components	Supply chain; Supplier code of conduct
308-1	New suppliers that were screened using environmental criteria	Supply chain SDG&E and SoCalGas consider a supplier's sustainability when scoring Requests for Proposals (RFP's). Once a contract has been awarded, key suppliers are invited to participate in an annual sustainability assessment. In Mexico, critical suppliers are assessed on a number of aspects through a sustainability survey, including environmental criteria. **Omissions:** Partially reported.
308-2	Negative environmental impacts in the supply chain and actions taken	GHG emissions; Supply chain We are unaware of any actual or potential negative social impacts in our supply chain.
Environmental grievance mechanisms: This topic did not meet our threshold for materiality		

Disclosure	Description	Response
Category: Social		
Employment		
103-2	The management approach and its components	Social
401-1 WEF	New employee hires and employee turnover	Employee turnover: 8.1%; Voluntary turnover: 7.0%
EU15	Percentage of employees eligible to retire in the next 5 and 10 years, broken down by job category and region	Eligible to retire in 5 years: 18% Eligible to retire in 10 years: 37%
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	We expect our suppliers to provide a safe working environment that supports accident prevention and is designed to mitigate exposure to health risks. It is the supplier's responsibility to know and understand the health and safety laws and regulations impacting the goods and services they provide.
Labor/Management relations		
103-2	The management approach and its components	High-performance culture; Human capital development Approximately 33% of Sempra employees are represented by a labor union under various collective bargaining agreements.* We value our association with the unions that represent our employees and work collaboratively with them to achieve results that are beneficial to employees, customers and the Sempra family of companies. ** This figure includes Oncor employees represented by labor unions.*
402-1	Minimum notice periods regarding operational changes	For our largest union (at SoCalGas) any operational changes that relate to a mandatory subject of bargaining must be negotiated with the union. For technology changes, we must notify the union of the change in advance, but a time period is not specified.
Occupational health and safety		
103-2	The management approach and its components	Operating safely is the right thing to do. Safety is the foundation of our company; crucial to employee attraction and retention; and vital to maintaining our licenses, permits and other approvals to operate in the communities where we do business. Safety
403-1	Workers representation in formal joint management-worker health and safety committees	Safety **Omissions:** Percentage of workers represented by committees.

Disclosure	Description	Response
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Achieving world-class safety; Safety
403-4	Health and safety topics covered in formal agreements with trade unions	Collective bargaining agreements generally cover wages, benefits, working conditions and other terms and conditions of employment.
Training and education		
103-2	The management approach and its components	Human capital development
404-1 WEF	Average hours of training per year per employee	Average hours of training and development per FTE in 2021 was 18.This does not include compliance and other mandatory trainings. **Omissions:** Partially reported.
404-2	Programs for upgrading employee skills and transition assistance programs	Human capital development
404-3	Percentage of employees receiving regular performance reviews and career development reviews	Human capital development All employees receive regular performance reviews. All permanent employees receive an annual performance review discussing employee strengths, weaknesses and career development opportunities.
Diversity and equal opportunity		
103-2	The management approach and its components	High-performance culture
405-1 WEF	Diversity of governance bodies and employees	Governance; Key D&I metrics; Workforce data; 2022 Proxy statement pg. 3
405-2 WEF	Ratio of basic salary and remuneration of women to men	Key D&I metrics
Sub-category: Human rights		
Non-discrimination: This topic did not meet our threshold for materiality.		
Freedom of association and collective bargaining		
103-2	The management approach and its components	Supplier code of conduct
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supplier code of conduct No operations or suppliers identified.

Disclosure	Description	Response
Child labor: Although this topic did not meet our threshold for materiality, we are providing some information because of its importance to some stakeholders.		
103-2	The management approach and its components	Human rights; Human rights policy Throughout all of our operations, and across all stakeholder groups, Sempra respects human rights.
Forced or compulsory labor: This topic did not meet our threshold for materiality.		
Security practices: This topic did not meet our threshold for materiality.		
Rights of indigenous peoples		
103-2	The management approach and its components	Human rights; Human rights policy; Stakeholder engagement policy
411-1	Incidents of violations involving rights of indigenous peoples	Human rights; Human rights policy; Stakeholder engagement policy
Human rights assessment		
103-2	The management approach and its components	Human rights; Human rights policy
412-1	Operations that have been subject to human rights reviews and/or impact assessments	Human rights; Human rights policy
Sub-category: Society		
Local communities		
103-2	The management approach and its components	Community engagement; Stakeholder engagement policy
413-1	Operations with local community engagement, impact assessments and development programs	Community engagement; Stakeholder engagement policy **Omissions:** Partially reported, not all data available.
Supplier social assessment		
103-2	The management approach and its components	Supplier code of conduct; Supply chain

Disclosure	Description	Response
414-1	New suppliers that were screened using social criteria	Supply chain All suppliers are expected to comply with Sempra's supplier code of conduct and all applicable employment laws and regulations.
414-2	Negative social impacts in the supply chain and actions taken	We are unaware of any actual or potential negative social impacts in our supply chain.
Public Policy		
103-2	The management approach and its components	Political engagement Sempra believes that public policy engagement is an important and appropriate role for companies, as long as it is conducted in a legal and transparent manner. In the U.S., there are federal, state and local lobbying registration and disclosure laws with which Sempra and its business units comply, and the company has a robust training and reporting program in place to help ensure compliance.
415-1	Political contributions	Political engagement and contributions
Sub-category: Product responsibility		
Customer health and safety		
103-2	The management approach and its components	Safety
416-1	Assessment of the health and safety impacts of product and service categories	Sempra's subsidiaries provide gas and electric services to customers. Impacts of both of these products are assessed.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents identified.
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	Safety

Disclosure	Description	Response
Marketing and labeling: This topic did not meet our threshold for materiality		
Customer privacy		
103-2	The management approach and its components	Sempra and its operating companies disclose their privacy policies on their websites. https://www.sempra.com/privacy https://www.socalgas.com/privacy-policy; https://www.socalgas.com/privacy-notice https://www.sdge.com/more-information/our-company/customer-privacy/about-privacy-notice https://www.oncor.com/content/oncorwww/us/en/home/privacy-policy.html
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints identified.
Socioeconomic compliance		
103-2	The management approach and its components	Governance; Environmental management; Code of business conduct
419-1	Non-compliance with laws and regulations in the social and economic area	We have not identified any non-compliance with laws and/or regulations.
EU sector topic: Access		
EU26	Percentage of population unserved in licensed distribution or services areas	We provide service to substantially all consumers who live within our service territories.
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Number of residential disconnections for non-payment is provided for Sempra's electric and/or natural gas utilities.* SDG&E: –; SoCalGas: –; Ecogas: 67,388 **Omissions:** partially reported. ** Residential disconnections at SoCalGas and SDG&E have been suspended due to the COVID-19 pandemic.*
EU28	Power outage frequency	Average number of outages per customer, per year (SAIFI): SDG&E: 0.66; Oncor: 1.27
EU29	Average power outage duration	Average outage duration (in minutes) (SAIDI): SDG&E: 69.9; Oncor: 78.49
EU30	Average plant availability factor by energy source and by regulatory regime	Natural Gas: United States: 89% Mexico: 92%

Appendix: 103-1[1]

Material issue for Sempra	Corresponding GRI Standards topic	Boundary within Sempra	Boundary outside of Sempra
Affordability	Economic performance; Indirect economic impacts; Local communities; Access (EU)	All utilities	Customers; Communities; Investors and shareholders; Regulators; Elected officials
Climate risk & resilience	Environmental compliance; Energy; Water; Sup-plier environmental assessment; Local communities; Training and education; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials; Suppliers, contractors, business partners
Disaster preparedness & response	Local communities; Training and education; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials; Suppliers, contractors, business partners
Employee & contractor safety	Employment; Occupational health and safety; Labor/management relations; Training and education	All	Customers; Communities; Investors and shareholders; Regulators; elected officials; Suppliers, contractors, business partners
Energy transition	Training and education; Employment; Emissions; Supplier environmental assessment; Local communities; Public policy	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials
GHG emissions	Emissions; Energy; Products and services; Environmental compliance	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials; Suppliers, contractors, business partners
Infrastructure security	Customer health and safety; Customer privacy	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials
Public safety	Local communities; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators; Elected officials
Reliability	Availability and reliability (EU); System efficiency (EU)	All utilities	Customers; Communities; Investors and shareholders; Regulators; Elected officials

The GRI Index also includes other topics that are of importance to our business and stakeholders.

[1] *These are the top material ESG issues identified during our ESG materiality assessment performed in 2019.*

Forward-looking statements and other information

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 in any forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this report. 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," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "opportunity," "target," "outlook," "maintain," "continue," "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 described in any forward-looking statements 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) states, counties, cities and other jurisdictions in the U.S., Mexico and other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) the ability to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) the ability to realize anticipated benefits from any of these efforts if completed and (iv) obtaining the consent or approval of partners or other third parties, including governmental entities and regulatory bodies; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, arbitrations and property disputes, including those related to the natural gas leak at Southern California Gas Company's (SoCalGas) Aliso Canyon natural gas storage facility; changes to laws, including proposed changes to the Mexican constitution that could materially limit access to the electric generation market and changes to Mexico's trade rules that could materially limit our ability to import, export, transport and store hydrocarbons; failure of foreign governments and state-owned entities 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, legislation and rulemaking, as well as related goals set, and actions taken, by 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 business; 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 property damage or personal injuries, fines and penalties, some of which may not be covered by insurance, may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and 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, including potential vaccination mandates, on capital projects, regulatory approvals and the execution of our operations; cybersecurity threats 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-party vendors and other parties with which we conduct business, all of which may become more pronounced in the event of geopolitical events and other uncertainties, such as the conflict in Ukraine; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the 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; volatility in foreign currency exchange, inflation and interest rates and commodity prices, including inflationary pressures in the U.S., and our ability to effectively hedge these risks and with respect to inflation and interest rates, the impact on SDG&E's and SoCalGas' cost of capital and the affordability of customer rates; changes in tax and trade policies, laws and regulations, including tariffs and revisions to international trade agreements that may increase our costs, reduce our competitiveness, or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are 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.

This report may include market, demographic and industry data and forecasts that are based on or derived from independent industry publications, publicly available information, government data and other similar information from third parties. We do not guarantee the accuracy or completeness of any of this information, and we have not independently verified any of the information provided by these third-party sources. In addition, market, demographic and industry data and forecasts involve estimates, assumptions and other uncertainties and are subject to change based on various factors, including those discussed above. Accordingly, you should not place undue reliance on any of this information. This report may also contain links to third-party websites that are not hosted or managed by Sempra or its family of companies. We are not responsible for, nor do we recommend, endorse or support, any information contained on any such third-party websites.

Reconciliation of Sempra adjusted earnings to Sempra GAAP earnings (unaudited)

Sempra Adjusted Earnings and Adjusted Earnings Per Common Share (EPS) exclude items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

In 2021:

- ($1,148) million from impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- ($44) million impact from foreign currency and inflation and associated undesignated derivatives
- ($47) million net unrealized losses on commodity derivatives
- ($30) million in charges associated with hedge termination costs and a write-off of unamortized debt issuance costs from the early redemptions of debt at Sempra infrastructure in October 2021
- ($92) million in charges associated with make-whole premiums and a write-off of unamortized discount and debt issuance costs from the early redemptions of debt a Parent and other in December 2021
- ($72) million net income tax expense related to the utilization of a deferred income tax asset upon completing the sale of a 20% noncontrolling interest in SI partners to KKR in October 2021
- $50 million equity earnings from investment in RBS Sempra Commodities LLP, which represents a reduction to an estimate of our obligations to settle pending value added tax (VAT) matters and related legal costs at our equity method investment at Parent and other

Sempra adjusted earnings and adjusted EPS are non-GAAP financial measures (GAAP represents generally accepted accounting principles in the United States of America). These non-GAAP financial measures exclude significant items that are generally not related to our ongoing business activities and/or are infrequent in nature. These non-GAAP financial measures also exclude the impact from foreign currency and inflation effects and associated undesignated derivatives and unrealized gains and losses on commodity derivatives, which we expect to occur in future periods, and which can vary significantly from one period to the next. Exclusion of these items is useful to management and investors because it provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra GAAP earnings and GAAP EPS, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

Reconciliation of Sempra Adjusted Earnings to Sempra GAAP Earnings (Unaudited)

(Dollars in millions, except per share amounts; shares in thousands)	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	Earnings
	Year ended December 31, 2021 (unaudited)			
Sempra GAAP Earnings				$1,254
Excluded items:				
Impacts associated with Aliso Canyon litigation and regulatory matters	$1,593	$(445)	$—	1,148
Impact from foreign currency and inflation and associated undesignated derivatives	44	4	(4)	44
Net unrealized losses on commodity derivatives	23	(18)	42	47
Costs associated with early redemptions of debt	180	(51)	(7)	122
Net income tax expense related to the utilization of a deferred income tax asset	—	72	—	72
Earnings from investment in RBS Sempra Commodities LLP	(50)	—	—	(50)
Sempra Adjusted Earnings				$2,637
Diluted EPS:				
Weighted average common shares outstanding, diluted				313,036
Sempra GAAP EPS				$4.01
Sempra Adjusted EPS				$8.43

[1] *Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We did not record an income tax expense for the equity earnings from our investment in RBS Sempra Commodities LLP because, even though a portion of the liabilities may be deductible under United Kingdom tax law, it is not probable that the deduction will reduce United Kingdom taxes.*

Reconciliation of Sempra 2021 Adjusted EPS Guidance Range to Sempra 2021 GAAP EPS Guidance Range (Unaudited)

Sempra 2021 Adjusted EPS Guidance Range of $7.75 to $8.35 excludes items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

- $(1,148) million from impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- $(44) million impact from foreign currency and inflation and associated undesignated derivatives
- $(47) million net unrealized losses on commodity derivatives
- $(30) million in charges associated with hedge termination costs and a write-off of unamortized debt issuance costs from the early redemptions of debt at Sempra Infrastructure in October 2021
- $(92) million in charges associated with make-whole premiums and a write-off of unamortized discount and debt issuance costs from the early redemptions of debt at Parent and other in December 2021
- $(72) million net income tax expense related to the utilization of a deferred income tax asset upon completing the sale of a 20% noncontrolling interest in SI Partners to KKR in October 2021
- $50 million equity earnings from investment in RBS Sempra Commodities LLP, which represents a reduction to an estimate of our obligations to settle pending VAT matters and related legal costs at our equity method investment at Parent and other

Sempra 2021 Adjusted EPS Guidance is a non-GAAP financial measure. This non-GAAP financial measure excludes significant items that are generally not related to our ongoing business activities and/or infrequent in nature. This non-GAAP financial measure also excludes the impact from foreign currency and inflation effects and associated undesignated derivatives and unrealized gains and losses on commodity derivatives, which we expect to occur in future periods, and which can vary significantly from one period to the next. Exclusion of these items is useful to management and investors because it provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Sempra 2021 Adjusted EPS Guidance Range should not be considered an alternative to Sempra 2021 GAAP EPS Guidance Range. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles Sempra 2021 Adjusted EPS Guidance Range to Sempra 2021 GAAP EPS Guidance Range, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

Reconciliation of Adjusted EPS Guidance Range to GAAP EPS Guidance Range

	Full-Year 2021		
Sempra GAAP EPS Guidance Range[1]	$3.36	to	$3.96
Excluded items:			
Impacts associated with Aliso Canyon litigation	3.64		3.64
Impact from foreign currency and inflation and associated undesignated derivatives	0.14		0.14
Net unrealized losses on commodity derivatives	0.15		0.15
Costs associated with early redemptions of debt	0.39		0.39
Net income tax expense related to the utilization of a deferred income tax asset	0.23		0.23
Earnings from investment in RBS Sempra Commodities LLP	(0.16)		(0.16)
Sempra Adjusted EPS Guidance Range	$7.75	to	$8.35
Weighted average common shares outstanding, diluted (millions)[2,3]			315

[1] Sempra's prior GAAP EPS Guidance Range for full-year 2021 has been updated to reflect the impacts associated with Aliso Canyon litigation, impact from foreign currency and inflation and associated undesignated derivatives and net unrealized losses on commodity derivatives for the year ended December 31, 2021.

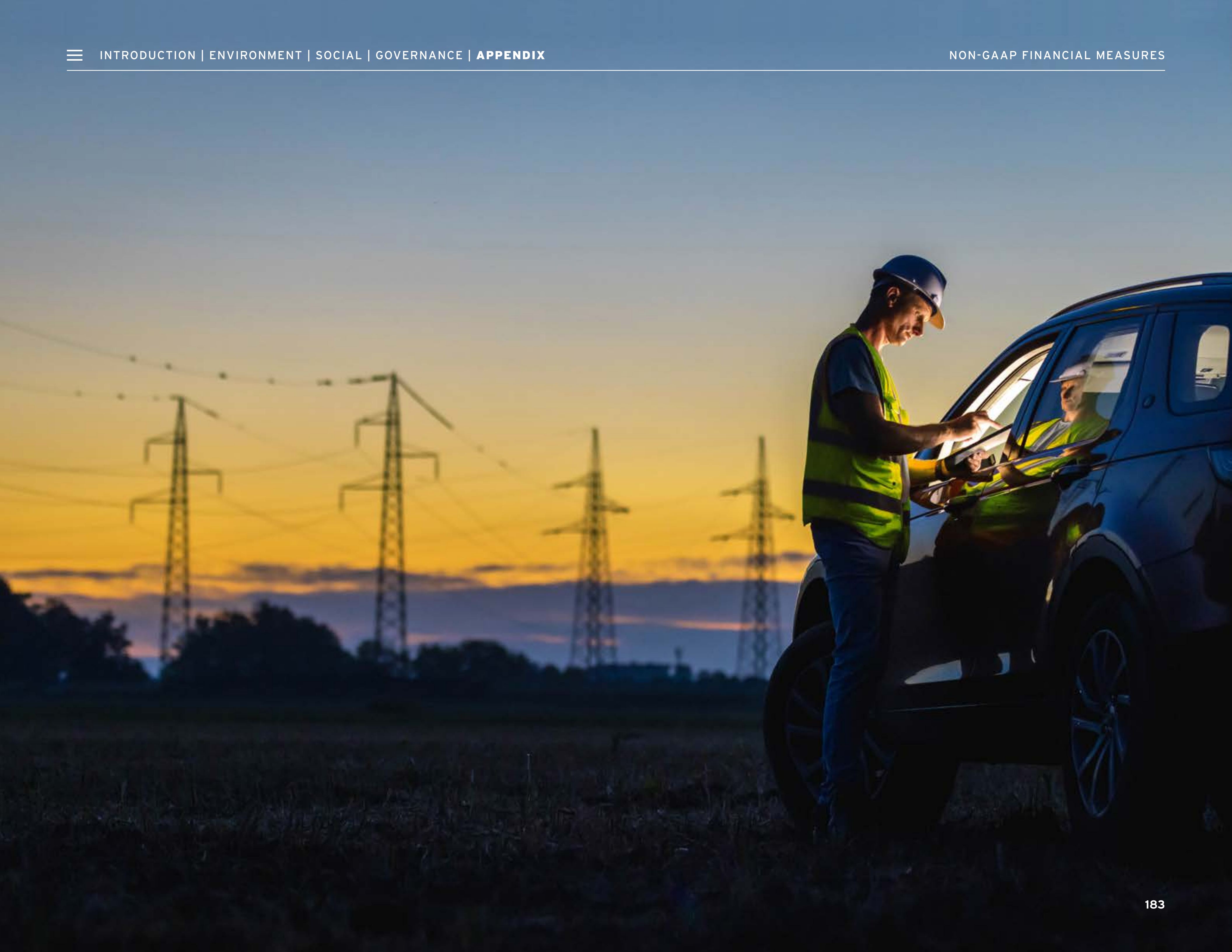
[2] Weighted-average common shares outstanding reflects the conversion of the series A preferred stock that converted on January 15, 2021 and series B preferred stock that converted on July 15, 2021.

[3] Includes the impact of the Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) exchange offer.

Reconciliation of Capital Deployed (Unaudited)

(Dollars in millions)	2021	
Sempra		
Expenditures for property, plant and equipment	$5,015	
Expenditures for investments and acquisitions	633	
Total Capital Expenditures, Investments and Acquisitions (On Balance Sheet)	5,648	
Excluded items:		
Acquisition of additional 50-percent interest in ESJ	(65)	
Total Adjusted Capital Expenditures and Investments (On Balance Sheet)	5,583	A
Oncor Electric Delivery Company LLC		
Capital expenditures (100%)	2,497	
Total Capital Expenditures (Off Balance Sheet)	2,497	
Sharyland Utilities		
Capital expenditures (100%)	6	
Total Capital Expenditures (Off Balance Sheet)	6	
Sempra Texas - Proportionate Ownership Share of Unconsolidated Entities		
80.25% of Oncor Electric Delivery Company LLC capital expenditures	2,004	
50% of Sharyland Utilities capital expenditures	3	
Less:		
Sempra Texas investments and acquisitions (On Balance Sheet)	(566)	
Capital Expenditures, Investments and Acquisitions - Sempra Texas (Off Balance Sheet)	1,441	
Capital Expenditures - Unconsolidated Joint Ventures at Sempra Infrastructure (Off Balance Sheet)[1]	29	
Total Capital Expenditures, Investments and Acquisitions of Unconsolidated Entities (Off Balance Sheet)	1,470	B
Total Capital Deployed A+B	$7,053	

[1] *Represents proportionate ownership share and is net of capital contributions from Sempra.*



Glossary

3Ds	Decarbonization, diversification and digitalization
AGA	American Gas Association
BESS	Battery Energy Storage System
BEV	Full battery electric vehicle
CAIDI	Customer Average Interruption Duration Index
Cameron LNG	Cameron LNG Holdings, LLC
BSR	Business for Social Responsibility
C&TD	Compensation and Talent Development Committee
CAC	Community Advisory Council
CARB	California Air Resources Board
CARE	California Alternative Rates for Energy Program
CCA	Community Choice Aggregation
CDCA	California Desert Conservation Area
CDP	Carbon Disclosure Project
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
COVID-19	Coronavirus disease 2019
CPUC	California Public Utilities Commission
DBE	Diverse Business Enterprises
DE&I	Diversity, Equity & Inclusion
DOE	U.S. Department of Energy
DVBE	Service-Disabled Veteran Business Enterprise
EEI	Edison Electric Institute
EEO-1	U.S. Department of Labor's Equal Employment Opportunity Commission
EOC	Emergency Operations Center
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas, Inc., the independent system operator and the regional coordinator of various electricity systems within Texas
ERR	Eligible renewable energy resource
ESG	Environmental, Social and Governance
FEMA	Federal Emergency Management Agency
FERA	Family Electric Rate Assistance
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IEnova	Infraestructura Energética Nova, S.A.B. de C.V., renamed Infraestructura Energética Nova, S.A.P.I. de C.V. on November 1, 2021
ILO	International Labor Organization
IT	Information Technology
KKR	KKR Pinnacle Investor L.P. (as successor-in-interest to KKR Pinnacle Aggregator L.P.), an affiliate of Kohlberg Kravis Roberts & Co. L.P.
KPI	Key Performance Indicator
kW	Kilowatt
kWh	Kilowatt hour
LGBTBE	Lesbian, gay, bisexual, transgender Business Enterprise
LNG	Liquefied natural gas
LSE	Load Serving Entity
MBE	Minority Business Enterprise
MMBtu	Million British thermal units (of natural gas)
MOU	Memorandum of Understanding

Mtpa	Million tonnes per annum
MW	Megawatt
MWBE	Minority Women Business Enterprise
MWh	Megawatt hour
NEM	Net energy metering
NOV	Notice of violation
O&M	Operation and maintenance expense
OECD	Organization for Economic Co-operation and Development
OIR	Order Instituting Rulemaking
Oncor	Oncor Electric Delivery Company LLC
Paris Climate Agreement	International treaty on climate change, adopted in 2015
PHEV	Plug-in hybrid vehicle
PPE	Personal protective equipment
PVA	Preventable vehicle accident
RBS Sempra Commodities	RBS Sempra Commodities LLP
REC	Renewable energy certificate
RNG	Renewable Natural Gas
RPS	Renewables Portfolio Standard
S&P	S&P Global Ratings, a division of S&P Global Inc.
SAIDI	System average interruption duration index
SAIFI	System average interruption frequency index
SANDAG	The San Diego Association of Governments
SASB	Sustainability Accounting Standards Board
SB	California Senate Bill
SDG	Sustainable Development Goal
SDG&E	San Diego Gas & Electric Company
SEC	U.S. Securities and Exchange Commission
SEEPAC	Sempra Energy Employee Political Action Committee
Sempra	Sempra Energy doing business as Sempra, together with its consolidated entities unless otherwise stated or indicated by the context
Sempra California	San Diego Gas & Electric Company and Southern California Gas Company, collectively
Sempra Infrastructure	Sempra Infrastructure LLC
Sempra Texas	Sempra's 80.25% interest in Oncor and indirect 50% interest in Sharyland
SoCalGas	Southern California Gas Company
SS&T	Safety, Sustainability and Technology Committee of Sempra's board of directors
STEM	Science, Technology, Engineering and Mathematics
T+D	Transmission and distribution
TCFD	Task Force on Climate-Related Financial Disclosures
U.S. GAAP	Generally accepted accounting principles in the United States of America
UN	United Nations
USGBC	U.S. Green Building Council Leadership
WBE	Women Business Enterprise
WEF	World Economic Forum
Wildfire Fund	The fund established pursuant to AB 1054
Wildfire Legislation	AB 1054 and AB 111
ZEV	Zero emission vehicles

Content index

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