



Jeffrey W. Martin
Chairman and CEO

Dear fellow shareholders:

Over the last two years, we have seen the world undergo changes at a scale unseen in more than a century. The global pandemic has changed the nature of how we lead our lives and redefined the meaning of health and safety for each of us. The recent crisis in Ukraine is also disturbing and unsettling and creates a sense of profound sadness for everyone.

As we reassess almost every aspect of our lives, we are also seeking new opportunities, striving to find a greater sense of balance at home and at work, and ultimately envisioning a new normal – namely a world with greater peace and stability.

The extraordinary changes we have experienced over the last two years also spurred a dramatic shift in business perspectives – both for our company and the overall energy industry.

I want to share what we are doing at Sempra to be a leader in today's dynamic world and how the changes we are experiencing underscore the critical role that energy infrastructure plays in supporting economic growth here in North America and abroad. I also want to reinforce how these changes underpin our core strategies, including elevating our focus on sustainable business practices, growing investments in new technologies, and maintaining our emphasis on strong capital discipline – all with a view toward delivering greater value to our company's shareholders.

At Sempra, this past year also provided an opportunity to look forward with greater clarity and passion to our *Leading 2025* strategy – our strategic initiative to drive sustained performance and long-term value for all our stakeholders in the communities we serve. The unprecedented global focus on climate change has compelled companies and countries to recommit themselves to a cleaner, safer and healthier planet. It is no longer enough for businesses to simply serve customers well. We must demonstrate genuine progress and accountability in everything we do to advance more sustainable business practices.

The central purpose of our company is to play a critical role in building the 21st century energy networks to advance electrification and promote energy diversification, resiliency, and affordable access to cleaner forms of energy. But to be clear, our goal is not to just be a participant in this transition to a cleaner energy system – *we are committed to help lead it.*

As we look ahead, we fully expect the speed of change to accelerate. We believe global energy markets are going to evolve dramatically over the next 30 years – with energy investments centering on cleaner forms of electrification and decarbonization strategies across all sectors of the economy.

Against the background of this shifting energy landscape, we are well-positioned to attract significant investment opportunities through our three integrated growth platforms: Sempra California, Sempra Texas and Sempra Infrastructure. We are committed to finding new and better ways to serve our customers, with a near-term focus on four critical success factors:

- Sustainability as the centerpiece of our corporate strategy
- Leadership in technology and innovation
- Financial strength to deliver across different market cycles
- Energy diversification to capture new opportunities

Leading 2025

Sustainability Is Core to Our Strategy

Centering our corporate strategy around sustainable business practices brings a sharper focus on the new and emerging role of energy networks in meeting the competing demands of energy security, future economic growth, and the development of a lower-carbon society. Today, we are investing in critical new infrastructure to expand electrification in the markets we serve. We believe doing so supports moving cleaner sources of energy onto the grid and is an essential part of powering new solutions to society's climate challenges, as well as building a healthy economy and better quality of life for our communities. Building a carbon-neutral society requires new ways of thinking, collaboration and innovation, as well as disciplined decision-making. For example, when making decisions around capital allocation, we focus on investing in assets that we believe should produce good and prudent returns and further de-risk our portfolio while also contributing to sustainable business practices.

In fact, in our *Sustainable Financing Framework*, published in 2021, we outline the parameters under which we can finance sustainable projects that are aligned with our business and environmental, social and governance (ESG) strategy. Sempra's *Sustainable Financing Framework* further demonstrates our role in shaping a sustainable future and paving the way for future ESG financing opportunities.

Likewise, we are focused on responsible energy solutions as we build more resilient energy grids that are adaptable to a changing environment. For two decades, the Sempra family of companies has been on a deliberate path to decarbonize our business operations as well as the markets we serve. Our U.S. utility companies are investing in hydrogen technology, renewable natural gas and electric vehicle infrastructure, while also integrating more renewables onto the grid. Our North American energy infrastructure includes a growing portfolio of clean energy development projects designed to improve safety and help ensure greater reliability of our services. In addition, our liquified natural gas facilities help reduce reliance on oil in electricity production in Mexico, while also supporting global markets that are transitioning away from coal and oil to lower-carbon energy options like natural gas.

Leadership in Technology and Innovation

As our company grows, technology will increasingly play a critical role in improving the overall quality and affordability of our services. Our *Leading 2025* initiative includes investing in strategic research and development opportunities, cutting-edge digital service platforms, and enhanced cybersecurity programs, to fortify safety and reliability. A leading indicator of digital transformation success can be measured by an organization's ability to build and harness the predictive and analytical power of data for the benefit of its customers. That is why we are digitizing our business activities to improve the safe and reliable delivery of cleaner and more intermittent energy sources, while also lowering the cost of our services.

At our Sempra California platform, where we serve close to 26 million customers, we are rolling out next-generation technologies to deliver world-class safety and operational efficiencies. Like other sectors, our utilities are looking to digitize their end-to-end operations from energy delivery to supply chain management so they can rapidly adapt to changing market dynamics.

San Diego Gas & Electric Co. (SDG&E) is a recognized market leader in wildfire safety and climate resilience, the adoption of smart-grid technologies and the integration of advanced energy storage. Moreover, the company has pioneered zero-emissions microgrids, artificial intelligence models for weather forecasting and vegetation management, drone inspections of electric infrastructure and longer-duration flow batteries.

Similarly, Southern California Gas Co. (SoCalGas) is on the cutting edge of clean energy technology, operational safety and energy efficiency. The company was the first gas utility in the nation to install an advanced meter system that captures hourly gas consumption information from our customers and introduce renewable natural gas from landfill waste into the gas system. Additionally, SoCalGas is a recognized industry leader in hydrogen projects with the country's first power-to-hydrogen gas demonstration project. Today, SoCalGas is testing the blending of hydrogen into natural gas pipelines as the company works to help build the foundation for California's future hydrogen economy.

Within Sempra Texas, Oncor Electric Delivery Co. LLC (Oncor), which operates the state's largest transmission and distribution (T&D) system, is committed to developing and harnessing new technologies. The company has invested billions in infrastructure advancements to create a state-of-the-art power grid to deliver safe, reliable energy to nearly 13 million Texans. By leveraging the power of predictive analytics, the Oncor grid can identify, monitor and resolve interruptions before they happen.

Sempra Infrastructure is also at the forefront of energy innovation. The company is developing one of the world's first carbon sequestration hubs that would not only advance decarbonization of its own infrastructure, but also has the potential to do that for other industrial facilities along the Gulf Coast region. Sempra Infrastructure is also exploring new, smart cross-border infrastructure to advance clean power and energy networks.

Financial Strength

At Sempra, we have consistently delivered value to our shareholders. Our disciplined capital allocation approach supports our financial goals and remains centered on our commitment to investing in safety, reliability and other ESG priorities. One of the roles of the capital markets is to pull future risk forward – and that is why we are constantly reassessing how we allocate capital to create the most value for our owners. This also informs our core financial strategy, which narrowly targets investments in critical T&D infrastructure in highly attractive markets where we have improved visibility into earnings with reduced financial, commodity and operating risks.

We are committed to building a top-tier T&D infrastructure platform, executing on our robust capital plan, growing our earnings and cash flows and continuing to protect the strength of our balance sheet. With our utilities strategically located in leading markets in North America – including California, the fifth-largest economy in the world, and Texas, the fastest-growing state in the U.S. and ninth-largest economy in the world – we see a portfolio of exciting opportunities for future growth.

Energy Diversification

In 2020, we completed our multi-year capital rotation program, narrowing Sempra's focus to strategic markets in North America with attractive fundamentals. We continue to target T&D-like investments that are expected to carry higher value and lower risk as a result of regulated rates of return and long-term contracted cash flows. Thus, we now have several strategic advantages that enable us to hold a top-tier position in some of the leading markets in North America:

- We operate in some of the largest economies in the world – California has the highest gross domestic product in North America; Texas is second and Mexico is fifth.
- We operate T&D infrastructure that provides access to world-class solar and wind resources, powering some of North America's leading energy-producing basins and reliably serving some of North America's largest ports.

- We own 11 of 25 U.S.-Mexico cross-border pipeline interconnections, which exported a record amount of natural gas from the U.S. to Mexico in 2021.
- Our cross-border transmission capacity connects U.S. markets to some of the leading solar and wind resources in Northern Mexico.

Importantly, 2021 marked the formation of Sempra Infrastructure, combining two world-class infrastructure businesses into a single platform positioned to capture new opportunities to support the continued integration of North American energy markets. Focused on delivering energy for a better world, the company is already connecting customers across the globe to cleaner energy technologies and more modern infrastructure. The newly combined platform further simplifies our business model, improves scale, and creates an investment-grade balance sheet that allows Sempra Infrastructure to self-fund its growth.

High-Performance Culture

Our mission is to be North America's premier energy infrastructure company, an endeavor which would not be possible without our employees. Our 20,000 employees have risen time and time again to the challenges of the pandemic, while staying focused on serving our communities safely and *delivering energy with purpose*.

Our employees display excellence and dependability and continuously make significant contributions to our success. I am privileged to work with so many extraordinary people and truly believe that we have the most talented workforce in the industry.

The key tenets of our high-performance culture include an unwavering focus on safety in everything we do, a commitment to leadership and employee development, and a continued dedication to advancing diverse perspectives while creating an inclusive environment for our workforce and communities. Safety is foundational and differentiates us from our peers – as evidenced by our strong wildfire

mitigation program here in California, as well as our recent exceptional safety records at Cameron LNG Phase 1 and ECA LNG Phase 1.

This past year, we also increased transparency around diversity and inclusion by sharing diversity statistics across our enterprise. We believe we are a stronger company when every employee feels empowered to bring their best selves to work, and we are continuously evaluating how we can create a true sense of belonging for all our employees and communities.

We encourage our employees to be service-oriented and to use our values as their guidepost:

- *Do the right thing*
- *Champion people*
- *Shape the future*

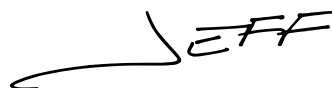
Our culture is central to our success in bringing stakeholders together in support of delivering long-term, sustainable value for our shareholders – and improves our competitive position as we look ahead.

Embarking on a new year, we are clear-eyed about the very real challenges facing us – and the need to thoughtfully help lead a just and orderly energy transition for our customers, our industry and our society. At Sempra, we will not be deterred by the obstacles we may encounter. Instead, we are 20,000 strong who embrace a common purpose and understand that the most challenging path is often the most rewarding.

And that is the path we have chosen.

The opportunities ahead of us are cause for excitement, unify our endeavors, and strongly influence our optimism for the future. On behalf of my Sempra colleagues, thank you for placing your confidence in us and investing in Sempra.

Boldly forward together,



Jeffrey W. Martin
Chairman and CEO