SEMPRA™

INNOVATION, SUSTAINABILITY AND LEADERSHIP

Sempra's disciplined approach to capital allocation, innovation and operational excellence along with our high-performing culture position us well to continue our role as a leader in the energy transition. We are pleased to present our 13th annual sustainability report. In it, we continue to disclose our environmental, social and governance risks and opportunities using the leading disclosure frameworks, and we continue to enhance our disclosures under those frameworks. Looking to the future, we understand that our goals and underlying assumptions involve risks and uncertainties and are not guarantees. But we remain optimistic and determined.

Guided by our values – *do the right thing, champion people and shape the future* – Sempra can help solve some of our society's greatest and most pressing challenges.

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Sempra LNG, LLC, Sempra Mexico, Sempra Texas Utilities, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra LNG, LLC, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the California Public Utilities Commission.

Key awards and recognitions

Fortune Magazine's "World's Most Admired Companies"

Dow Jones Sustainability World Index

Dow Jones Sustainability North American Index

Bloomberg Gender-Equality Index

Human Rights Campaign's "Best Places to Work for LGBTQ Equality"

Center for Political Accountability-Zicklin Index - Trendsetter

Chief Executive of the Year at S&P Global Platts' Global Energy Awards

Deal of the Year at S&P Global Platts' Global Energy Awards

National Association of Corporate Directors' NXT Award for excellence in diversity and inclusion

Forbes' America's Best Employers for Diversity

Forbes' and Just Capital's JUST 100

Newsweek's America's Most Responsible Companies

Equileap's S&P 500 Top 25 for Gender Equality

VIQTORY 'Military Friendly Employer' Bronze Award

SANDAG iCommute Platinum Tier Diamond Award

The Diversity Inc. Top Company for ESG

National Organization on Disability's 'Leading Disability Employer' Recognition

3BL Media's '100 Best Corporate Citizens' List

The DiversityInc Top Utilities for Diversity - Leading Utility

Barron's '100 Most Sustainable Companies' List - Top Three in Utility Sector

Human Rights Campaign Foundation's 'Corporate Equality Index' Perfect Score

Women on Boards "W" Winning Company Award

Peru Golden Awards Best M&A Transaction - Local Market

Environmental Protection Agency's 'ENERGY STAR' distinction for Sempra Headquarters

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2020

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

MEMBER OF Dow Jones Sustainability Indices In collaboration with SAM

CENTER FOR POLITICAL ACCOUNTABILITY

Bloomberg Gender-Equality Index 2021

AMERICA'S MOST RESPONSIBLE COMPANIES 2021 Newsweek statista

HUMAN RIGHTS CAMPAIGN BEST PLACES TO WORK 2021 for LGBTQ Equality 100% CORPORATE EQUALITY INDEX

S&P GLOBAL PLATTS GLOBAL ENERGY AWARDS 2020 WINNER Deal of the Year

S&P GLOBAL PLATTS GLOBAL ENERGY AWARDS 2020 WINNER Chief Executive of the Year

AMERICA'S MOST JUST COMPANIES Forbes 2021

NACD NXT®

Forbes 2021 THE BEST EMPLOYERS FOR DIVERSITY POWERED BY STATISTA

INNOVATION, SUSTAINABILITY AND LEADERSHIP

Letter from our chairman and CEO

At Sempra, we are committed to making the critical, new infrastructure investments today that will support the net-zero energy systems of tomorrow.

Jeffrey W. Martin
Chairman and
Chief Executive Officer

INNOVATION, SUSTAINABILITY AND LEADERSHIP

As we publish our 13th corporate sustainability report, *Innovation, Sustainability and Leadership*, I am filled with optimism for what lies ahead. We are witnessing the power and perseverance of the human spirit as recovery around the world progresses. People from all walks of life have come together to support one another as we collectively confronted the challenges of this past year.

2020 put into sharp focus the vital role of energy. Critical energy infrastructure has delivered the power needed for hospitals, medical research centers, and manufacturing plants to operate and has supported the millions of people who have worked, studied or cared for their families from home.

2020 also bore witness to the talent and dedication of Sempra employees who have continued to safely *deliver energy with purpose* to more than 36 million consumers in North America, and many more around the world. They have displayed great leadership, resilience and an unwavering commitment to doing the right thing.

Delivering that energy safely and reliably every day is at our company's core and guides how we serve our customers and communities regardless of the moment. Our operating companies found innovative solutions and new ways to continue to work safely this past year when the world around us required it the most.

The perseverance on display during 2020 inspires confidence that the world can come together with a collective determination to address another global challenge: achieving carbon neutrality globally by mid-century.

Meeting this challenge will require mission-focused leadership, national and international collaboration and perhaps most importantly – innovation.

It will also require a dramatic change in our energy systems over the next 30 years. That change will include a universal focus on decarbonizing the industrial, transportation and power generation sectors. Energy grids will need to expand and zero-carbon electricity and increasingly green gases, such as hydrogen, will need to work in tandem. Over this same period, we will need to account for the global energy demand that is expected to increase exponentially as emerging economies develop and energy poverty is addressed.

I am confident that this can be done, and that the U.S. will lead by demonstrating a commitment to expanding electrification and renewable gases at home, while fostering innovation and supporting energy diversification, particularly in developing economies.

At Sempra, we will continue to play a leading role by investing in the critical new infrastructure that is needed to create the net-zero energy systems of tomorrow. Our demonstrated leadership over the last two decades in decarbonizing energy together with our disciplined approach to innovation and operational excellence has allowed us to create a strong position in large North American markets and uniquely positions us to be a leader in this energy transition. Through our infrastructure,
we strive to create enduring, sustainable value for all our stakeholders as we chart our path to achieve our goal of net-zero emissions by 2050 in both the energy we use in our operations and the energy being delivered to our customers.

Delivering long-term sustainable value extends beyond our position as a leader in the energy transition. This past year has demonstrated that we have the best workforce in the industry and that our high-performance culture continues to be our differentiator. As part of Sempra's unwavering commitment to its values, we remain committed to an inclusive workplace, where we embrace diverse views, backgrounds, and experiences. We will continue to demonstrate that commitment through concrete actions to advance that culture and maintain a workplace where everyone feels empowered to bring their authentic and best selves to work.

Guided by our values – *do the right thing, champion people and shape the future* – we can help solve some of our society's greatest and most pressing challenges.

At Sempra, this is our calling.

Ever forward together,

Jeffrey W. Martin
Chairman and Chief Executive Officer

A letter from our chief sustainability officer

I am pleased to share our 13th annual sustainability report entitled *Innovation, Sustainability and Leadership*. Every year, we look forward to this opportunity. By publishing these reports, it allows us to share how we create value by managing risks and capturing opportunities related to environmental stewardship, stakeholder engagement, responsible governance and a high-performance culture.

Importantly, our reporting is informed by leading global frameworks, including the Global Reporting Initiative (page 122), Sustainability Accounting Standards Board (page 114), Task Force on Climate Related Financial Disclosures (page 103) and United Nations Sustainable Development Goals (page 87), together with our stakeholder materiality assessment introduced in last year's report. In addition, this year we are piloting 22 of the World Economic Forum's Stakeholder Capitalism Metrics. We actively support continuing efforts to create greater transparency, consistency and comparability in environmental, social and governance (ESG) disclosures.

This is important because 2020 illuminated the growing relevance of ESG factors. Amid severe global and community health impacts, rapidly changing work environments, critical conversations about equity and justice, devastating weather events and other challenges, the 19,000 employees of the Sempra family of companies delivered on our commitments. Our dedicated workers energized our hospitals and data centers, fueled the nation's largest ports and logistics operations, warmed our homes and helped lift our communities. I could not be more proud of all our colleagues.

In this report, you will find examples of our high-performance culture and how our shared purpose and values drive continuous improvement in our performance, including:

Achieving world-class safety
Safety remains at the forefront of everything we do. This past year has been no different. As detailed on page 8, Sempra took swift action in response to the COVID-19 pandemic to help protect our employees, contractors and the communities we serve, putting in place comprehensive health and safety protocols across our family of companies. In fact, among other notable accomplishments in 2020 we improved our safety performance, with decreases in the employee recordable injury rate, at every operating company (see page 81 for more information.)

Championing people
We continue to advance our high-performance culture in alignment with our vision, mission and values (see page 57). Essential to this is fostering an inclusive environment and embracing diverse perspectives and backgrounds. This year, our sustainability report includes our action plan to continue our work to make meaningful progress towards this for all our employees, and the communities we serve. In addition, later this spring we will be disclosing our company's Equal Employment Opportunity 1 (EEO-1) data for the first time to share important progress we are making in and around diversity and workforce composition.

Enabling the energy transition and driving resilient operations

We recognize that climate challenges pose risks to the health, safety and prosperity of billions around the globe. Long before the phrase "energy transition" dominated headlines, Sempra's family of companies had been advancing programs to decarbonize, diversify and digitalize our energy infrastructure while continuing to deliver reliable and affordable energy to more consumers – 36 million – than any other U.S. utility company. In addition, on page 19, we share Sempra's enterprise-wide action plan to continue growing our company to meet the evolving needs of our customers, while making critical infrastructure investments with the aim of net-zero across all three scopes by 2050 – emitting no more greenhouse gases than we remove from the atmosphere (see page 22). In our company's own unique journey to net-zero, we expect that technology and innovation will be central to our success. But we also understand that our goals require bold leadership, deep collaboration across government, business and communities, and thoughtful, targeted investment. We are excited to tackle this challenge.

Importantly, at Sempra we know that sustainability is an ongoing practice – not a static report. To that end, in 2020 we introduced periodic supplemental reports in response to timely and topical interest from shareholders, employees and other stakeholders. These included:
- Shaping the future of clean transportation
- Natural gas and the energy transition
- LNG and the energy transition

Ultimately, we have long believed that delivering durable value depends on serving our stakeholders with purpose. Our clear vision and mission, high-performance culture, disciplined management of risks and opportunities, and authentic, active stakeholder engagement all underpin our performance. On behalf of all our employees across our family of companies, I appreciate your thoughtful interest in our sincere efforts to build a better, more impactful company.

Onward,

Lisa Alexander

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

Committed to safety and resilience during COVID-19

In 2020, we adjusted operations to respond rapidly and effectively to the COVID-19 pandemic. Representative examples include:

- Activated an enterprise-wide leadership team to share best practices and help our operating companies identify and mitigate risks as well as protect the health and safety of our employees and our communities.

- Retained a leading infectious disease expert to guide our COVID-19 response.

- Restricted access to offices and work locations.

- Suspended all non-essential business travel to minimize exposure for our employees, customers and general public.

- Increased facility sanitation and communicated proper hygiene and safety protocols to our workforce.

- Offered reimbursement for technology purchases to help those employees working from home do so comfortably and effectively.

- Expanded paid sick and emergency leave policies and developed dozens of new safety protocols.

- Created new communication streams for remote workers.

- Engaged with labor leaders to coordinate safe work protocols.

- Provided mental health support and stress management resources.

- Developed new child and elder care policies to support employees and their families.

- Developed a quarantine and notification protocol for possible COVID-19 positive cases.

- Facilitated on-site testing at work locations, as needed.

- Implemented work practice changes for our field employees in order to help minimize potential transmission, including more direct-to-worksite job reporting.

- Created innovative supply-chain solutions to provide items like sanitizer and face masks to employees when normal supplies were unavailable due to pandemic shortages.

- Established webinars on how to engage in a diverse work environment and resources to maintain both mental and physical health and wellbeing.

- Kept all employees informed via a comprehensive communications strategy and virtual town hall meetings.

- Offered flexible payment plans to our California utilities' customers.

- Suspended service disconnections at our California utilities to help maintain uninterrupted energy service.

- Aided Texas residential customers unable to pay their electric bills through Oncor's participation in the state's COVID-19 Electricity Relief Program (ERP).

- Offered flexible payment plans as well as free service for two months to eligible elderly clients and hospitals at IEnova's Ecogas Mexico, S. de R.L. de C.V. (Ecogas).

The COVID-19 pandemic has led to unprecedented challenges on a global scale. For Sempra, 2020 was a demonstration of how our approach allows us to manage our business effectively regardless of circumstances or market conditions. It is also a demonstration of our unwavering commitment to the health and safety of our employees and the communities we serve.

World-class safety

Nothing at Sempra is more important than the safety of our employees, our contractors and the communities we serve. This commitment is reflected in the strong safety actions we have taken in response to the COVID-19 pandemic. At the onset of the pandemic, Sempra activated an enterprise-wide leadership team to share best practices and help our operating companies identify and mitigate risks. Because our operations were deemed essential by governmental authorities, we activated business continuity plans and safety protocols aimed at continuing to work and deliver energy safely in California, Texas, Mexico and Louisiana.

Employees who can perform their job duties remotely, including those in corporate or administrative functions, have been working from home since the beginning of the pandemic. For our operating employees, comprehensive protocols and procedures have been put in place to help maintain their health and safety.

For instance, San Diego Gas & Electric Co. (SDG&E) created pandemic-related application tools to enable Employee Care Services (ECS) employees to quickly assess the risk of potential COVID-19 exposures to other employees or customers. This allowed them to reduce the time it takes to research and identify employee interactions, initiate appropriate follow-up, and assist in managing and tracking COVID-19 related cases and interactions. Both SDG&E and Southern California Gas Co. (SoCalGas) vehicle guidelines have also been updated to help ensure physical distancing whenever possible, mitigating the spread of the virus among employees. For a complete list of actions Sempra took in connection with COVID 19, please see page 8.

Championing people

Throughout the pandemic, we have provided support to our employees as they have had to adjust their professional and personal lives. These support services include enhanced medical benefits and mental health support. We have also updated our policies to provide additional leave options and reimbursements to help employees work effectively and comfortably from home. Across our family of companies, we have helped with family care responsibilities, including back-up child and elder care, online learning and educational resources for distance learning.

COVID-19 community support[1]

COVID OUTREACH AND SUPPORT + **MEALS, SUPPLIES DAYCARE** +

NONPROFIT HARDSHIP FUND + **WORKFORCE RELIEF HUNGER RELIEF** +

SD FOUNDATION COVID-19 FUND + **MEDICAL SUPPORT FOOD BANKS** +

MEDICAL EQUIPMENT HYGIENE KITS + **FOOD AID BAGS**

= $14.1 MILLION[1]

[1] *This figure includes donations from our South American businesses sold in 2020.*
[2] *Oncor does not sell electricity to residents and businesses; customers contract with Retail Electric Providers who in turn pay Oncor for electricity delivery.*

We also recognize the impact that the COVID-19 pandemic has had on the communities where we operate and where our employees live and work. In 2020, the Sempra family of companies donated over $14 million[1] directly to local community COVID-19 relief efforts. This includes the Sempra Foundation's $1.75 million Nonprofit Hardship Fund to provide emergency support to small and medium-sized charities serving immediate community needs, such as food banks and support for homebound seniors. Virtual volunteer activities allowed our employees to directly support community needs, such as food insecurity, senior services, workforce relief and support for foster children.

Resilient operations

2020 put into focus the vital role energy plays in society. Critical energy infrastructure delivers power to essential services, such as hospitals, medical research centers and manufacturing plants and supports the millions of people who have worked, studied or cared for their families from home. Sempra's talented and dedicated employees across our family of companies continued to safely deliver energy to the more than 36 million consumers we serve.

We also took action to maintain vital energy services for customers who could not pay their bills. SDG&E and SoCalGas suspended service disconnections for non-payment and offered financial support to customers in need through the California Alternate Rates for Energy (CARE) program, which offers a discount of up to 30%, to customers who qualify based on their household income or participation in a public assistance program. Approximately 30% of SoCalGas' and 22% of SDG&E's customer base were estimated to be eligible for this program as of December 2020. In Texas, through Oncor's active participation in the state's COVID-19 ERP, they helped more than 70,000 residential customers receive aid.[2] Additionally, IEnova, through Ecogas, offered free natural gas service to elderly customers, hospitals and clinics for two months.

About this report

This report describes Sempra's approach to and performance on material environmental, ESG issues. It is divided into five sections:

1 **Advancing the energy transition** outlines the role Sempra and our infrastructure expects to play as we chart our path to net-zero GHG emissions in our operational and energy use and in the products we deliver to our customers to achieve a net-zero future.

2 **Creating responsible governance** describes our governance and risk management practices and the role of our board of directors.

3 **Protecting the environment and advancing the circular economy** details our efforts related to biodiversity, land use, water, waste and supply chain management.

4 **Serving our stakeholders** provides an overview of how we engage with our shareholders and all our other stakeholders, including employees, contractors, customers and communities.

5 **Sustainability goals and KPIs** prioritizes Sempra's performance under our four sustainability pillars; the KPIs describe measurable achievements.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core and the GRI electric utilities sector supplement (pages 122-139). Additionally, this report aligns with the Sustainability Accounting Standards Board (SASB) to provide stakeholders with relevant information about how Sempra identifies, measures and manages the subset of ESG topics that most directly impact long-term enterprise value creation (pages 114-121).

We also continue to enhance our reporting under the Task Force on Climate-related Financial Disclosures (pages 103-113). Additionally, we report to the following standards and frameworks:

- United Nations Sustainable Development Goals (pages 87-89)
- Edison Electric Institute (EEI) and American Gas Association (AGA) combined ESG template (sempra.com)
- Certain World Economic Forum Stakeholder Capitalism Metrics (currently integrated indicators that align with the GRI Core option in the GRI content index on pages 122-139; we aim to adopt more metrics in the future)

In response to stakeholder feedback and interest, we are also including data that aligns with the U.S. Department of Labor's Equal Employment Opportunity Commission standards (EEO-1).* (page 102)

Sempra is a member of the SASB Alliance.

Data is as of 12/31/20. No report was provided to the EEOC in 2020 due to interruptions related to the COVID-19 pandemic. A link to the report filed in 2021 will be provided once it is submitted.

Reporting boundary

Sempra uses an enterprise-wide system to collect ESG data. Our operating companies also track ESG performance data. We use this data to monitor performance and track progress against our goals.

We report data from businesses and facilities that we own and operate. Sempra owns 70.2% of IEnova and we include 100% of the data for all facilities where IEnova owns at least 50% with one exception: For Energía Sierra Juárez, S. de R.L. de C.V (ESJ) we include 50% data based on IEnova's joint venture ownership share as of Dec. 31, 2020. We also report data for the following unconsolidated entities due to their significant impact and influence:

• Cameron LNG: We include 50.2% data based on our ownership share.[1]
• Oncor: Although we own approximately 80% of this business, we include 100% data.[2]

Some data for our operating companies is not yet available. We continue to work to enhance our disclosures in these and other areas.

We excluded 2019 and 2020 non-financial data from our South American businesses. These assets were sold in early 2020 and were considered discontinued operations during this period prior to their sale. We also exclude 2019 non-financial data from our U.S. midstream and renewable energy facilities that were sold in the first half of 2019. Other data exclusions or additions are noted throughout the report, including data that has been impacted by COVID-19.[2]

Data verification and report review

We collect and aggregate performance data and supporting documentation from our corporate headquarters and operating companies. Prior to aggregation, officers at the corporate or operating company level approve the data subsets.

Prior to publication, this report was reviewed by in-line executives across our family of companies; the Sempra Executive Sustainability Steering Committee; the ESG Disclosure Committee, comprised of senior executives across Sempra and its operating companies; and the Safety, Sustainability and Technology Committee of our board of directors. We also receive input from sustainability consultants on report content and areas of focus to help ensure alignment with current investor preferences and disclosure trends.

We conduct periodic internal audits to review data accuracy. We publicly report certain data to government agencies and obtain third-party verification of a subset of this data during the year following publication. Greenhouse gas (GHG) emissions for 2019 were verified in 2020 as follows: All scope 1 and 2 GHG emissions and scope 3 emissions from end-user combustion of natural gas for SDG&E and SoCalGas by Lloyd's Register Quality Assurance, Inc. and Cameron-Cole, LLC., respectively; and scope 1 and 2 emissions for Termoeléctrica de Mexicali by Cameron-Cole, LLC. Verification of 2020 GHG data will occur in 2021.[3]

[1] *For the following types of data, an ownership share factor is not applied: workforce, safety, compliance and environmental compliance. 100% data is disclosed for transparency in areas where applying an ownership share could misrepresent the information (including, but not limited to, injury rates, fines and penalties, and workforce diversity and training, etc.).*

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

[3] *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.*

Material topics and ESG goals

We regularly conduct a materiality assessment to identify and manage key ESG issues, set goals in these areas and communicate progress to our stakeholders. We completed our most recent materiality assessment in connection with our 2019 sustainability report, *Shaping the Future*. As part of the assessment, we:

- Analyzed international sustainability frameworks and standards, in addition to industry association priorities;
- Interviewed roughly 28 internal and external stakeholders to gain their perspectives on current and emerging priorities. These included non-governmental organizations, academia, regulators/government agencies, community members and members of the management teams of Sempra and its operating companies; and
- Assessed results against trends online and social media.

The key materiality issues identified during that assessment were: reliability; affordability; GHG emissions; energy transition; public safety; disaster preparedness and response; employee and contractor safety; infrastructure security; and climate risk and resilience.

As a result of this materiality assessment, we established four sustainability pillars and specific goals and Key Performance Indicators (KPIs) under each pillar:

- **Energy transition**
- **Resilient operations**
- **World-class safety**
- **Championing people**

For progress on these goals, refer to pages 73-86.

In last year's sustainability report we noted that, as we worked to complete our strategic realignment, we planned to set a new emissions target supported by climate science. We now announce that we have set an enterprise-wide goal to achieve net-zero GHG emissions across all emissions scopes by 2050.* Additional details on this net-zero goal, including interim goals, may be found on page 22.

For more information on how each of our operating companies are aligning under Sempra's four sustainability pillars, including goals and commitments, please see pages 93-101 in the appendix of this report.

Maintaining strong ESG disclosure

Sempra's annual corporate sustainability report serves as a consolidated view of our key ESG matters at a point in time.

Sempra's sustainability site (www.sempra.com/sustainability) allows us the opportunity to provide additional disclosures related to our sustainability efforts and priorities, including prior sustainability reports, various policies and position statements, responses to the CDP survey, additional disclosures such as the EEI/AGA template, and our sustainability report supplements, such as *Natural Gas and the Energy Transition*, *LNG: Supporting the Energy Transition*, and *Shaping the Future of Clean Transportation*, where we provide more in-depth content specific to our role in the energy transition.

* In line with California GHG emissions targets, our California utilities have announced an accelerated timeline and aim to achieve net-zero emissions across all scopes by 2045.

OUR BUSINESS

Business overview and strategy

Sempra is a California-based holding company with energy infrastructure investments in North America. Our businesses invest in, develop and operate energy infrastructure, and provide electric and gas services to customers through regulated public utilities.

Based in San Diego, the Sempra family of companies and its more than 19,000 employees deliver energy to over 36 million consumers.

Despite a challenging year, we executed on our strategic mission. We:

- Completed our multi-year capital rotation program, which included the sales of our South American businesses. Our portfolio is now repositioned in what we believe are the most attractive markets in North America.
- Achieved full commercial operations at Phase 1 of the Cameron LNG export facility in Hackberry, Louisiana, while securing strong, stable cash flows from Cameron LNG's tolling agreements.
- Reached a final investment decision for the development, construction and operation of Phase 1 of the Energía Costa Azul LNG export project in Baja California, Mexico.
- Announced the intention to form Sempra Infrastructure Partners through a set of integrated, strategic transactions, which we expect will directly support our commitment to help lead the global energy transition.

- Executed on the first year of our 2020-2024 five-year capital plan at SDG&E and SoCalGas, while continuing our strong focus on safe and reliable operations.
- Increased the five-year capital plan at Oncor to $12.2 billion for 2021-2025 when compared to the 2020-2024 plan.
- Delivered total shareholder return of 232% since 2010, exceeding the return of the S&P 500 Utilities Index during the same period.
- Achieved record financial results and exceeded our increased 2020 adjusted earnings-per-common-share (EPS) guidance range.[1]
- Donated nearly $52 million[2] from the Sempra family of companies to nonprofit organizations in the communities where we operate.

[1] *Represents a non-GAAP financial measure. (GAAP represents generally accepted accounting principles in the United States of America). See* pages 142-143 *for an explanation and reconciliation of non-GAAP financial measures. GAAP EPS exceeded our increased 2020 GAAP EPS guidance range.*

[2] *This figure includes charitable giving to fully charitable entities as well as nonprofit civic and community groups. Contributions from Oncor are also included.*

By investing in energy infrastructure in North America, we improve the energy systems that serve leading markets, while enabling the export of LNG to global markets for use in place of higher-carbon intensive fossil fuels.

Last year, we set broad goals around the energy transition, including:
• Delivering 20% renewable gas by 2030 at SoCalGas;
• 100% renewable or zero-carbon energy to California electric customers by 2045;
• Fulfilling 100% of renewable energy requests for interconnections at Oncor each year; and
• 40% reduction in fugitive emissions and zero emissions during planned pipeline maintenance by 2030.

We continue to measure ourselves against those goals (), but we knew we wanted to do more. To that end, we have set a target to reach net-zero emissions across all scopes by 2050, with an interim target of 50% in our California utility and Mexico (non-LNG) operations by 2030. In organizing our business to reduce scope 1, 2 and 3 emissions, inclusively, we are also working with applicable regulatory, governmental and other bodies to track the environmental benefits and offsets that accrue from our efforts to lower our emissions in aid of the goal to keep global warming below a 1.5-2 degree Celsius change. We define "net-zero" to mean growing and investing our capital with a view toward emitting no more greenhouse gases than we remove from the atmosphere by 2050.

There is a critical need to build a new global energy system by the middle of the century. Sempra is well positioned to take a leadership role in the required energy transition, while working to capture new opportunities to grow and scale our business in the service of others.

Simply put, being a leader in the energy transition is a natural extension of our North America-focused T&D platform, where we aim to:
• Maintain top-tier positions in what we believe are the most 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.

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. In combination, these sectors account for more than 32 gigatons of energy-related emissions. Decarbonizing these sectors means that grids will need to expand, along with zero-carbon electrons and molecules working in tandem.

Over the same period, global energy demand is expected to increase significantly, with 90% of the world's incremental electricity growth projected to be driven by emerging economies.
The global climate challenge falls into two broad categories:

1   **the need to continue to decarbonize the mature economies of the developed world;**

2   **the concurrent need to diversify and decarbonize emerging markets, while solving energy poverty.**

Companies and assets

Sempra companies'
19,000+ employees
serve over **36 million** consumers
in the United States and Mexico
assets valued **$66+ billion**

131 WIND TURBINES
with 407 megawatts of generation capacity, and an additional 108 megawatts under construction

4,490 ACRES OF PHOTOVOLTAIC SOLAR FACILITIES
with 529 megawatts of generation capacity[2]

1 LNG TERMINAL IN OPERATION ON U.S. GULF COAST
expected to support the export of 12 million tonnes per annum[1] (mtpa) of liquefied natural gas (LNG)

SDG&E is an electric and natural gas utility that works to provide safe, reliable and cleaner energy to ~3.7M consumers in San Diego and southern Orange counties.

SoCalGas has the largest customer base of any U.S. natural gas distribution utility, working to provide safe, reliable and affordable service to ~22M consumers.

IEnova develops, builds and operates energy infrastructure in Mexico, and is one of the largest private energy companies in the country.

Sempra LNG's mission is being North America's premier LNG infrastructure company by providing sustainable, safe and reliable access to U.S. natural gas for global markets. Sempra LNG develops, builds, operates and invests in natural gas liquefaction facilities.

Oncor is the largest regulated electric transmission and distribution company in Texas, working to provide safe and reliable service to ~10 million consumers.

installed, owns and operates
OVER 3,000 ELECTRIC VEHICLE CHARGERS AT MORE THAN 250
workplaces and multi-unit dwellings

[1] *Represents 100% of project, not Sempra's ownership share.*
[2] *Reflects capacity as of April 2021, which includes Border Solar and 100% capacity at ESJ (following IEnova's recent acquisition of the remaining 50% interest).*
[3] *Dependent upon California Public Utilities Commission (CPUC) approval*

165,374 MILES of electric transmission and distribution lines

123,324 MILES of natural gas pipeline

FIRST HYDROGEN BLENDING DEMONSTRATION PROGRAM IN CALIFORNIA[3]

ADVANCING THE ENERGY TRANSITION

Framework for the energy transition | the 3Ds

For two decades, the Sempra family of companies has been on a sustained path to decarbonize our business operations and the markets we serve with a view towards transitioning to net-zero – where we emit no more greenhouse gases than we remove from the atmosphere. Accomplishing this goal by 2050 will do our part to aid in keeping global warming below a 1.5-2 degree Celsius change.

While innovation and new technologies will be central to society's net-zero goal by 2050, we expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. Fully addressing climate change will require reducing emissions of all GHG emissions. We will also explore the opportunities we may have in the offset and environmental credit markets.

As we develop and promote new capabilities in decarbonization, diversification and digitalization, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders.

The 3Ds

Decarbonization: Reducing the carbon content of energy is central to interdicting and decarbonizing the industrial, transportation and power generation sectors. Over time, the electrons and molecules delivered to customers will need to become less carbon intensive.
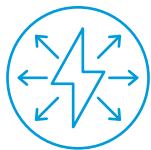
Diversification: Bringing new lower- to zero-carbon fuel choices to every market is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.

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

19

Energy Transition

Wind

Smart Grids

Carbon Capture and Storage

Drones

LNG Exports

Storage

Solar

Satellites

Low/zero Carbon Fuels

Decarbonization

Diversification

Digitalization

When applied to our own operations, the 3Ds framework is intended to support our goal of reaching net-zero GHG emissions by 2050, with proof points and goals across three time periods: 2021-2025, 2026-2030 and 2031-2050.

At Sempra, we are building a leading energy infrastructure platform in North America. In doing so, we will be ambitious. We believe we can shape the future – and to do so, we aim to:
• Build greater resilience and relevance into our business, and
• Create enduring, sustainable value for our shareholders and all other stakeholders.

We understand that a successful energy transition will require industry leadership and broad coordination and support from every level of government. Looking ahead, Sempra can drive a proactive business strategy focused on supporting the energy transition by investing in infrastructure that serves and decarbonizes the three most critical sectors of the economy – industrial, transportation and power generation. This involves extending our T&D strategy over the next five years with the goal to:
• Achieve target milestones for 2025;
• Shape the trajectory of our business activities to align with a bold vision for 2030; and
• Create a credible path toward reaching net-zero GHG emissions by 2050.

As we develop greater capabilities in and around the 3Ds, the effort will be accompanied by record-keeping and reporting on associated GHG emissions. This body of work is intended to align and inspire the efforts of our operating companies and together, support sustainable initiatives, business models and practices. Good and prudent governance at our operating companies will include periodic reporting on progress against goals, with appropriate financial and business controls.

In order to achieve 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.

We believe that reaching net-zero by mid-century is not only achievable, but that the U.S. will lead by demonstrating a commitment to electrification, renewable gases and electricity at home, while fostering innovation and supporting energy diversification in developing economies.

Additionally, Sempra will help lead this effort through investment in the infrastructure needed in three key areas to evolve our energy systems to achieve our climate objectives: decarbonization, diversification and digitalization.

With confidence in our ability to innovate and effectively operationalize energy infrastructure, we believe we can be a leader in the energy transition to global carbon-neutrality. That is why we set our goal to achieve net-zero scope 1, 2 and 3 GHG emissions by 2050. We have also set ambitious interim goals to mark our progress along the way.

NET-ZERO GOAL

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

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

2030

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

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

Interim value chain goals
By 2030 we aim to reduce scope 3 emissions, including upstream and downstream emissions for our California utility and Mexico (non-LNG) operations, by:
- Reducing the carbon content of energy delivered (decarbonization)
- Delivering 20% RNG by 2030
- Delivering 60% renewable or zero-carbon energy to California electric consumers by 2030 (part of the 100% commitment by 2045)
- Bringing new low- to zero-carbon fuel choices to market (diversification)
- Integrating cutting-edge analytics to benefit network operators as well as consumers (digitalization)

2050

Net-zero goal
By 2050, we aim to achieve net-zero scope 1, scope 2 and scope 3 GHG emissions
Sempra understands that being a leader in climate change includes measuring and reducing emissions across the energy value chain. That is why we are committing to the goal of achieving net-zero GHG emissions across all scopes by 2050.

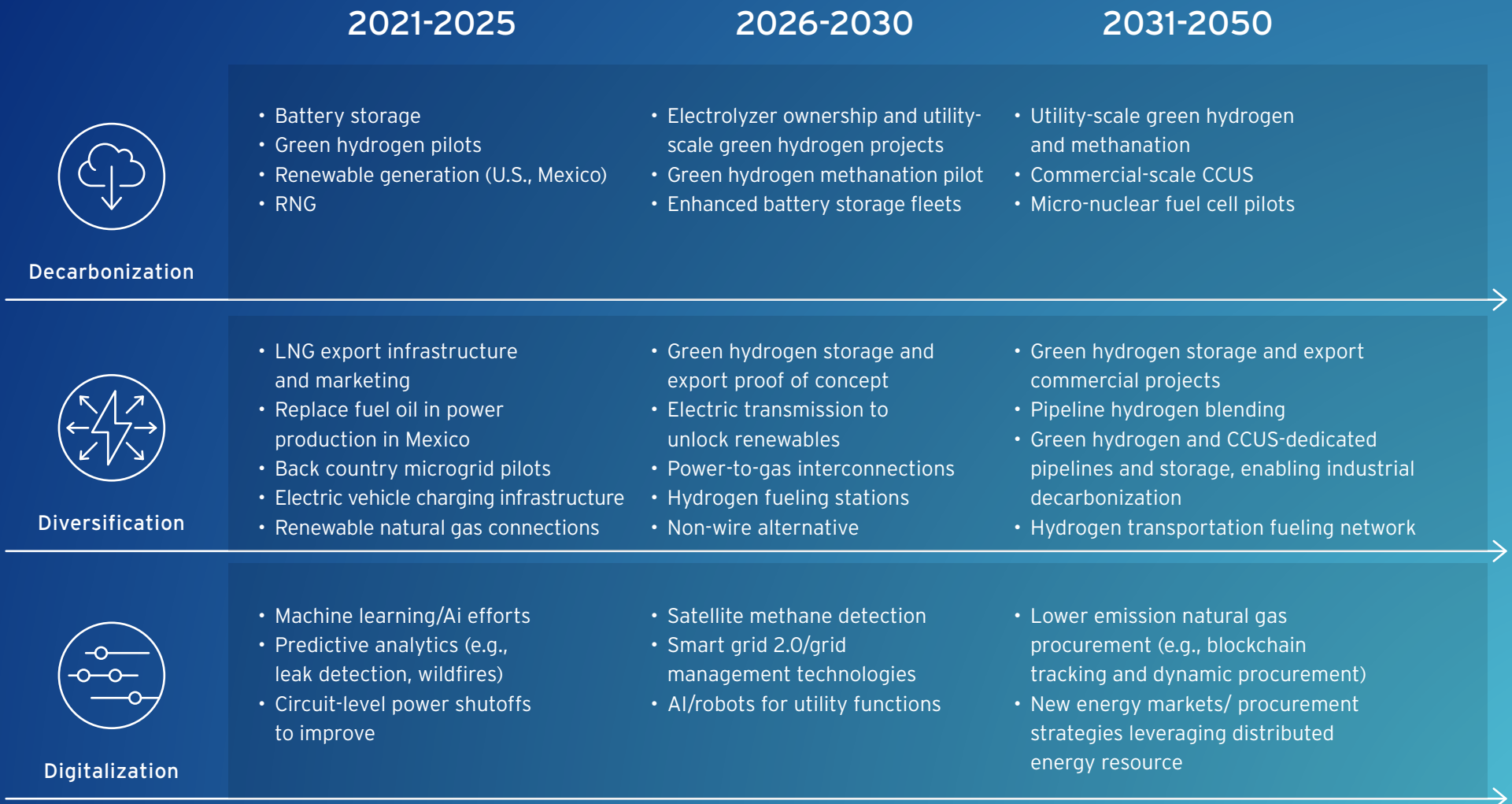Additional details may be found on .

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

Our long-term strategy to achieve net-zero GHG emissions across all scopes by 2050 demonstrates our strong position as a leader embedded within our investment thesis around the 3Ds: decarbonization, diversification and digitalization. The key investment opportunities highlighted in the following chart, over three time-bounded horizons, 2021 - 2025, 2026 - 2030 and 2031 – 2050, serve as illustrative examples.

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

CREATING RESPONSIBLE GOVERNANCE

Responsible governance

Sempra's 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.

People

Reporting

Accountability

Sempra Board

Sempra Management

Operating Company Boards

Vision

Mission

Values

Culture

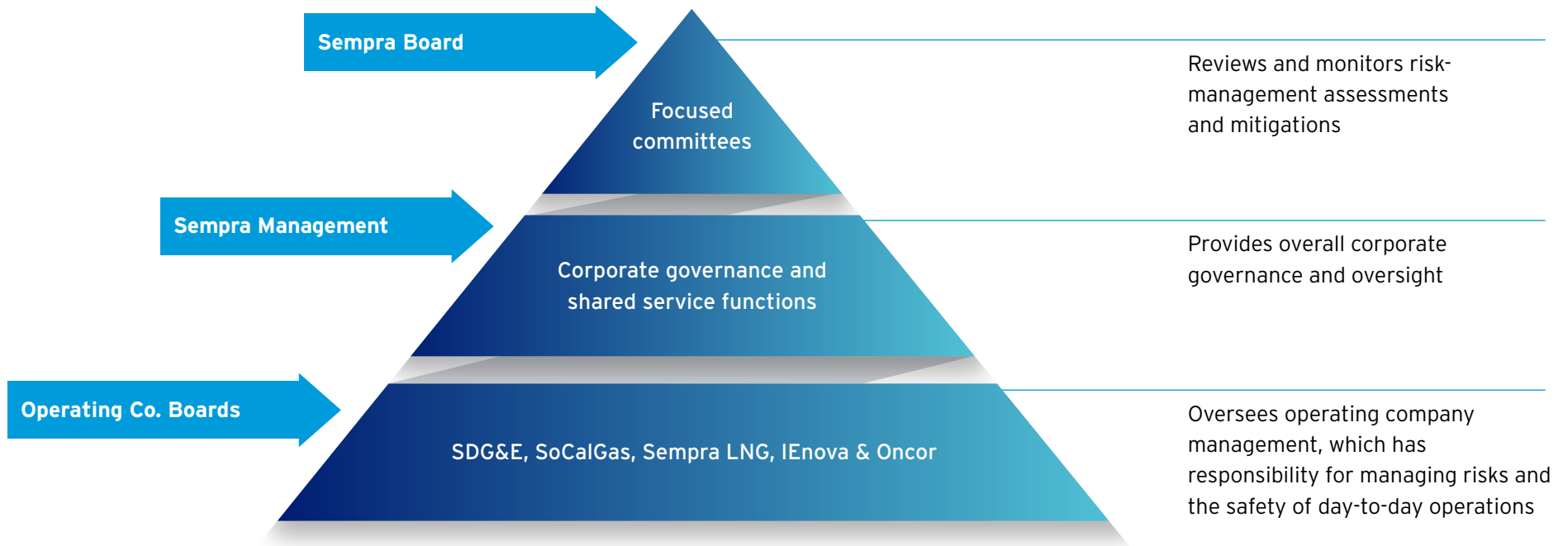**Priorities**
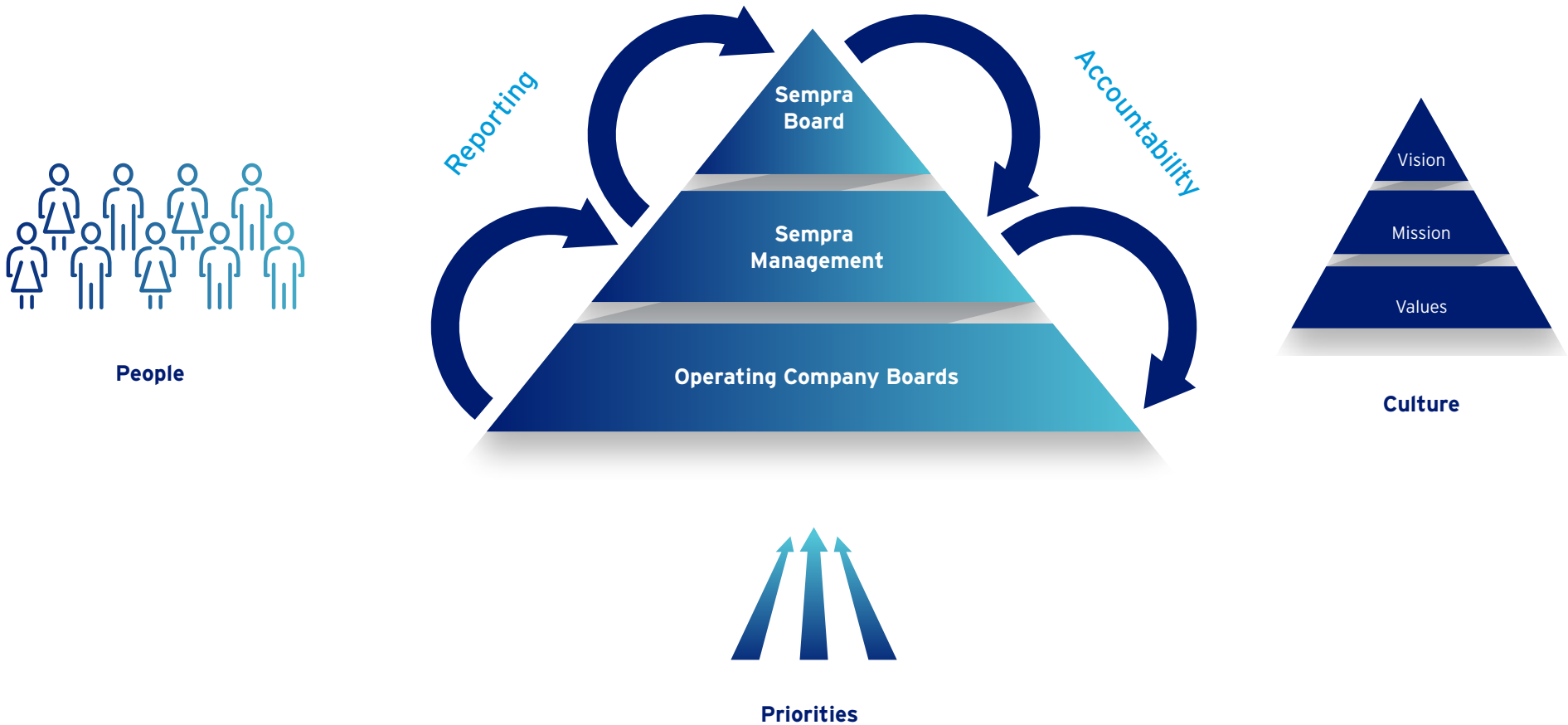
Enterprise risk management

The Sempra board monitors overall governance processes in an oversight capacity, while Sempra management provides policy guidance, governance and oversight of the operating companies. Each operating company is responsible for implementing these policies and managing its risks, safety and compliance issues.

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);
• Regulatory, legal and compliance (including reputation); and
• Financial.

More information on identified risks may be found in our 2020 Annual Report on Form 10-K, pages 34-64.

Each operating company is responsible for managing its risks with support from the Sempra Compliance and Enterprise Risk Committee. These relationships are outlined in the graphic shown here.

Sempra Board

Focused committees

Reviews and monitors risk-management assessments and mitigations

Sempra Management

Corporate governance and shared service functions

Provides overall corporate governance and oversight

Operating Co. Boards

SDG&E, SoCalGas, Sempra LNG, IEnova & Oncor

Oversees operating company management, which has responsibility for managing risks and the safety of day-to-day operations

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

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. Corporate policies provide additional details.

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, confidentiality and privacy; environmental protection; charitable activities; political participation; anti-trust and anti-bribery laws; and fair competition, conflicts of interest and securities trading. Pulse surveys, videos and other communications build and maintain awareness.

Risk assessments, auditing and monitoring – We assess risk based on its ability, probability and potential to have a significant adverse effect on our business. Our audit plan is updated throughout the year as risks change. Our enterprise-wide risk assessment is a key input to our annual audit plan, which is approved and overseen by the Audit Committee of our board of directors.

Reporting processes and procedures – Anyone may anonymously report an ethics and compliance concern or potential violation through our Ethics & Compliance Helpline. There were 330 reports made to the Helpline in 2020, with 116 substantiated as of January 2021. Every report is investigated. The Helpline process is outlined on page 52.

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

Audit Services reports its key findings directly to the Audit Committee of Sempra's board of directors. In 2020, 54% of its 94 audits were linked to Sempra's top six identified enterprise risks.

Cyber security-focused employee communications and town hall meetings, one-click reporting and other tracking and reporting tools help protect the company's information assets.

Environmental management systems are in place across our operations. The Environmental and Safety Compliance Management Program, used at our California utilities, helps to ensure compliance with environmental and safety laws and regulations and company standards. In Mexico, ISO-14001 is utilized at IEnova's primary facilities.

Business Resumption Plans outline how we will 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 third-party transactions.

In addition to these systems and representative processes, Sempra uses an enterprise-wide system to collect ESG data. Our operating companies also track ESG performance data. We use this data to monitor performance and track progress against our goals. (See pages 73-86 for detail on our goals.)

Sustainability and governance

Sempra Board committees are important delegates, monitoring specific areas of focus such as Safety, Sustainability and Technology (SST).

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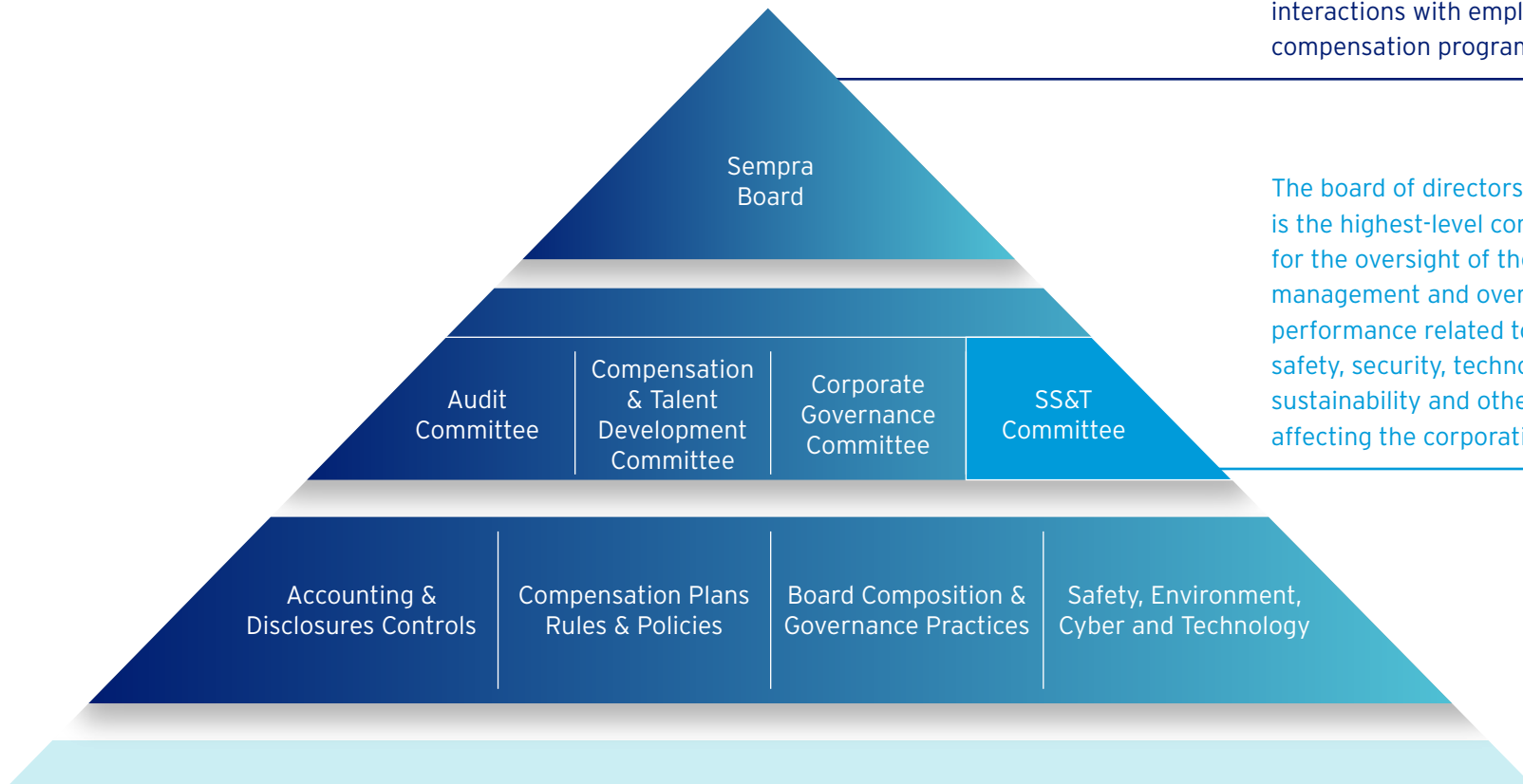
The board of directors' SS&T Committee is the highest-level committee responsible for the oversight of the corporation's risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, sustainability and other related matters affecting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

Sempra Board

| Audit Committee | Compensation & Talent Development Committee | Corporate Governance Committee | SS&T Committee |

| Accounting & Disclosures Controls | Compensation Plans Rules & Policies | Board Composition & Governance Practices | Safety, Environment, Cyber and Technology |

Every member of Sempra's **management team** is focused on long-term value creation as fundamental to our company's vision. These leaders set Sempra's sustainability strategy and help ensure operating company alignment.

A percentage of certain executive compensation is tied to ESG goals, such as safety, diversity, system reliability and emissions prevention. Employees at all levels of the company contribute to achieving these goals.

Sempra's **chief sustainability officer** serves as the link between the board and the sustainability function and helps implement our sustainability vision.

Our **corporate sustainability department** drives the company's sustainability strategy and reporting, communications, data collection and responses to surveys, ratings and rankings.

Operating company sustainability committees are officers and directors at our operating companies. Each operating company works to implement Sempra's sustainability strategy.

Our **corporate sustainability steering committee** includes officers from across our business. This group helps ensure Sempra's sustainability vision, narrative and goals are consistent with operational priorities, challenges and opportunities.

Sempra Management

Chief Sustainability Officer

Corporate Sustainability Department

Corporate Sustainability Steering Committee

Operating Company Sustainability Steering Committees

Board of directors

The Sempra board of directors oversees the management of Sempra, providing experienced and independent leadership.

The board establishes corporate governance policies that guide our operations. It reviews company-wide succession planning as well as business plans and performance. It also provides oversight of risk management including the strategic, financial, legal, operational, regulatory, climate, reputational and compliance risks facing the company. Throughout the year, the full board and its committees review and discuss specific risks in detail.

Our board recognizes that diversity takes many forms and brings many benefits. The board expects that each director will exercise diligent and constructive oversight of the company's business, culture and affairs in fulfilling his or her responsibilities. Each director should act to help foster an inclusive culture of integrity, collaboration, diversity, innovation and accountability. The board believes that its membership should reflect diversity and that membership of the board should be drawn from a pool of qualified candidates with diversity of skills, experience, gender and ethnicity.

The board has established five standing committees: the Audit Committee; the Compensation and Talent Development Committee; the Corporate Governance Committee; the SS&T Committee, which reviews our corporate sustainability report each year; and the Executive Committee.

In 2020, the board updated the charter of the SS&T Committee to strengthen and clarify the way in which the board oversees and considered sustainability and other ESG matters.[1] These changes included:
- Expanding to more fully describe the committee's areas of oversight to include health, safety, security (including cyber security), technology, climate change, sustainability and other related ESG matters affecting the company and its stakeholders;
- Adding language throughout the charter to more broadly reflect this oversight;
- Describing the committee's role in liaising with other board committees to make recommendations to management and the board;
- Adding language to clarify the committee's role in reviewing, evaluating and making recommendations to the board regarding technology applications that advance the company's health, safety, cyber security, climate change, sustainability and other ESG goals.

Board composition[2]

| Independent | People of color | Women | Tenure (years)[3] |

83%

33%

33%

7
<5

3
5-10

2
>10

(3 Latino, 1 African American)
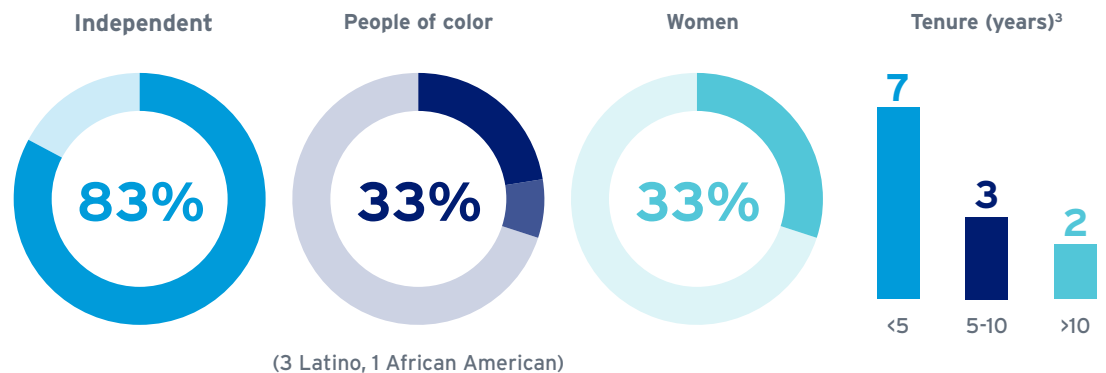
[1] *In 2021, the board further revised the SS&T Committee charter to update, clarify and further align across the standing committees with respect to sustainability and other ESG-related matters.*
[2] *The charts summarize the independence, diversity and tenure of our directors nominated to stand for election at the Annual Shareholders Meeting in May 2021.*
[3] *One board member has a tenure of more than 20 years.*

Sempra board of directors

Jeffrey Martin

William Jones

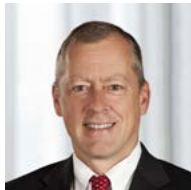Cynthia Walker

Alan Boeckmann

Cynthia Warner

Andres Conesa

Maria Contreras

Bethany Mayer
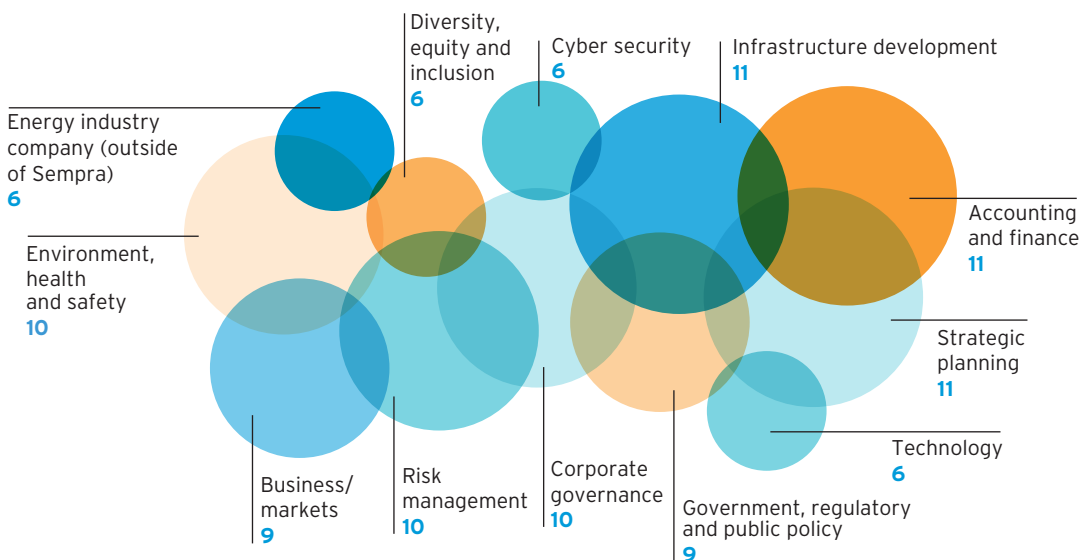
Mike Mears

Pablo Ferrero

Jim Yardley

Jack Taylor

Kathleen Brown

Board members' areas of expertise*

Diversity, equity and inclusion
6

Cyber security
6

Infrastructure development
11

Energy industry company (outside of Sempra)
6

Environment, health and safety
10

Accounting and finance
11

Strategic planning
11

Technology
6

Business/ markets
9

Risk management
10

Corporate governance
10

Government, regulatory and public policy
9

In 2020, Sempra management met with shareholders representing approximately 46% of our total outstanding shares (approximately half of our institutional share ownership) to discuss a range of issues including: business and strategy overview, board composition and refreshment, executive compensation, ESG matters, the company's COVID-19 response and diversity and inclusion. Additional information on these topics is available in our proxy statement.

The graph summarizes the number of nominated directors with expertise in each listed area.

Operating company alignment

We work to embed the principles of sustainability into every aspect of our business. This includes collaborating with and supporting sustainability at our operating companies as they develop their own sustainability goals and strategies in alignment with Sempra's sustainability framework.

SDG&E released its sustainability strategy in 2020, _Building a Better Future_. The strategy describes how the company is improving lives and communities with the goal of building the cleanest, safest and most reliable energy infrastructure company in the U.S.

SoCalGas enhanced its focus on sustainability and announced ASPIRE 2045, a sustainability strategy that includes a climate commitment to achieve net-zero GHG emissions in its operations and delivery of energy by 2045; and becoming the largest U.S. gas distribution utility to set this commitment.

Oncor's Sustainable Finance Committee, formed in 2020, was instrumental to developing the company's first sustainability bond, issued in 2021, focusing on minority- and women-owned business enterprise spend. Oncor also issued its first sustainability report in 2020.

IEnova is recognized as a leader in sustainability in Mexico due to its strong strategic approach. In 2020, the company updated its sustainability policy and climate strategy. IEnova has published an annual sustainability report since 2013 and expects to release its 2020 report by the end of May.

Sempra LNG has chartered an executive-sponsored sustainability steering committee, established a goal to reduce the GHG emissions intensity of its operations and is the only company in the LNG arena to publicly declare a GHG goal. Eight sustainability task forces are actively engaged on initiatives to enhance the sustainability of the business encompassing innovative design, construction and operations of its own infrastructure, as well as partnering with customers, suppliers, industry, government and employees to positively impact the sustainability of the entire LNG value chain. (sempralng.com/environment)

PROTECTING THE ENVIRONMENT AND ADVANCING THE CIRCULAR ECONOMY

Environmental compliance

Being an environmental steward goes beyond reducing carbon emissions. Our environmental policy describes our commitment to abide by applicable laws, regulations and permit requirements, and our work to reduce our impacts. Sempra's environmental policies and procedures are designed to manage and reduce environmental impacts and advance the circular economy. These procedures include water reuse, recycling and waste minimization, GHG and other air emissions reduction programs and air quality improvements.

Important components of our environmental management practices are employee and contractor education and training and regular reviews of our performance, including environmental audits at our facilities to identify any areas of potential improvement. Environmental management systems at our operating companies are critical to assessing and mitigating environmental risks associated with our operations. These systems identify compliance requirements and procedures, training opportunities for employees and audits our performance. For example, the Environmental and Safety Compliance Management Program, used at our California utilities, helps to ensure compliance with environmental and safety laws and regulations and company standards. In Mexico, our major operations have ISO 14001* certifications.

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.

The 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.

One way we track our environmental performance is through notices of violation (NOV) issued by government agencies for non-compliance with environmental regulations.

In 2020, 98% of all agency inspections resulted in no NOV. We received nine NOVs and paid $4,000 in fines and penalties, not including settlements.

Environmental compliance performance

	AGENCY INSPECTIONS	AGENCY INSPECTIONS WITH NO NOV ISSUED	NOTICES OF VIOLATION (NOV)[1]	INTERNAL COMPLIANCE ASSESSMENTS & AUDITS[2]	FINES & PENALTIES[3]
2020	451	98%	9	408	$4,000
2019	551	98%	10	447	$3,652
2018	425	96%	16	543	$12,250
2017	604	96%	24	386	$29,601

[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.

Greenhouse gas emissions

Scope 1, 2 and 3 GHG emissions[1]
(million metric tons of CO_2 equivalent)

Year	Value
2017[2]	61
2018[2]	74
2019[3]	71
2020[4]	73

Future targets

2030

2050   NET-ZERO EMISSIONS

■ Scope 1 emissions   ■ Scope 2 emissions   ■ Scope 3 emissions

2020 GHG emissions by scope and source[1,4]

Scope 1	Scope 2	Scope 3[5]
9.2%	**0.2%**	**90.6%**

73% STATIONARY COMBUSTION[6]

25% FUGITIVE EMISSIONS

1% PROCESS EMISSIONS[7]

1% FLEET VEHICLES

65% POWER LINE LOSSES[8]

35% FACILITY ELECTRICITY USE

98% END USER COMBUSTION OF NATURAL GAS

2% PURCHASED POWER DELIVERED TO CUSTOMERS

[1] Does not include Oncor. Does not include scope 2 emissions from Cameron LNG.

[2] Scope 3 emissions for 2017 do not include all pipeline operations in Mexico. 2018 was updated to include additional scope 3 emissions from pipelines in Mexico. We continue to work to build a comprehensive inventory of scope 3 emissions.

[3] 2019 emissions data updated following third party verification.

[4] 2020 emissions data subject to verification.

[5] We also track scope 3 emissions from employee travel, which comprised .0002% of scope 3 emissions in 2020.

[6] Primarily emissions from our natural gas power plants.

[7] Emissions from physical or chemical processes related to combustion.

[8] Emissions from the generation of electricity that we lose during transmission and distribution.

Reducing emissions and leaks

Throughout our operating companies we are upgrading our infrastructure and processes, and collaborating with suppliers, customers and peers to work to effectively measure, monitor and reduce emissions.

Our California utilities have been working to upgrade infrastructure and processes to reduce methane emissions for decades. According to California-based emission factors used for Senate Bill 1371 "Natural Gas Leakage Abatement" reporting in 2020, the emission rates for transmission and distribution systems ranged from 0.05 to 0.25% for SoCalGas and 0.04 to 0.27% for SDG&E; an average between the two systems of ~0.15%.

Our California utilities achieve these results in a variety of ways:
- They are among the leaders in the industry and are using the latest advanced monitoring technologies to conduct leakage surveys and monitor storage operations. These include drones, infrared fence-line monitoring, around-the-clock pressure monitoring of all wells in a 24-hour operations center, four-times-a-day patrols to examine every well, fiber optic cable and point sensors.
- First in the nation to aerially map methane emissions across their gas network to identify opportunities to reduce emissions.
- Modernizing equipment in metering and regulating facilities to utilize zero or lower emitting devices than previously available.
- Eliminated cast iron pipe from the system two decades ago and is prioritizing the replacement of pipe that does not meet current standards for the prevention of corrosion.
- Reducing natural gas vented during planned transmission pipeline maintenance.

In addition to our work within our own operations, we also work with suppliers to find ways to reduce their impacts. SDG&E and SoCalGas, for example, consider a supplier's sustainability when scoring Requests for Proposals (RFPs). Once a contract has been awarded, key suppliers are invited to participate in an annual sustainability assessment. For more on supplier environmental and social sustainability, please see .

Energy efficiency programs also 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 2020, customer energy efficiency at our California utilities saved approximately 333 gigawatt-hours* of electricity and approximately 41.2 million therms* of natural gas. Their 2021 goals, established by the CPUC, are 240 gigawatt-hours and 39.7 million therms. We also work to improve our use of energy in our own operations:
- With many employees working from home, SDG&E and SoCalGas reduced 2020 energy consumption in employee occupied facilities below their 2019 baselines.
- In 2021, SDG&E aims to reduce facility electricity consumption per square foot compared to 2020 while adding electric vehicle charging.
- SoCalGas aims to reduce electricity consumption 3% in 2021 compared to 2019.

Preliminary data

A zero-carbon future hinges on public policy support, technological breakthroughs, customer adoption and many sector-wide solutions. It also underpins SDG&E's integrated resource plan to balance varied resources and GHG emissions reduction goals without compromising reliability, flexibility and affordability. California's electric sector is on track to provide 60% of the electricity it delivers from renewable sources by 2030. The sector is also exploring ways to help ensure that 100% of our purchased electricity can come from renewables and zero-carbon sources by 2045. SDG&E delivered an average 42% renewable energy during the Renewable Portfolio Standard (RPS) compliance period between 2017 – 2020.

Collaboration

We know that we can't reduce value-chain emissions alone, that is why we are working in collaboration with others.

- In 2020 Sempra joined Our Nation's Energy Future (ONE Future), which is composed of more than 40 companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025.
- SoCalGas collaborates with a wide range of partnerships locally and globally to examine hydrogen blending into the gas grid. As part of the global HYREADY joint industry project, with over 16 international utilities, SoCalGas is supporting the development of engineering guidelines for transmission and distribution operators to support hydrogen injection into the gas grid. SoCalGas and SDG&E, as part of the California statewide effort to transport hydrogen through the gas network, are working alongside PG&E and Southwest Gas to conduct hydrogen blending research and lab testing to support demonstration opportunities with the potential to increase blending to 20%.
- Sempra and the Salk Institute for Biological Studies are partnering on a new project to advance plant-based carbon capture and sequestration research, education and implementation to help address the climate crisis.
- Sempra LNG applies strict practices and design standards around valves, equipment, piping and detection systems to help minimize methane emissions. Recognizing the need for continued collaboration and innovation, Sempra LNG is a member of the Collaboratory to Advance Methane Science (CAMS), an industry-led research forum working to identify further opportunities, solutions and technologies to reduce methane emissions across the LNG supply chain.
- SDG&E is executing a pilot program with key suppliers to improve their sustainability performance and address opportunities for emissions reductions.

Our California utilities have been working to upgrade infrastructure and processes to reduce methane emissions for decades.

Additional information on our methane emissions may be found at:

SoCalGas Natural Gas Leakage Abatement Rulemaking

SDG&E Natural Gas Leakage Abatement Rulemaking

SoCalGas Aspire 2045 Sustainability and Climate Commitment to Net-Zero

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.

There are several examples of our efforts to advance the circular economy, including waste reduction goals and targets, across the Sempra family of companies. SDG&E aims to divert 100% of green

waste, including green waste related to vegetation management, by 2030. It also reduces food waste through composting the pre-consumer food waste from on-site dining facilities and donating unused food to Feeding San Diego. Learn more in SDG&E's 2020 sustainability strategy, *Building a Better Future*. In Mexico, Ecogas, IEnova's natural gas distribution regulated utility, achieved their goal to reduce waste generated per employee compared to a 2019 baseline.

In 2020, we generated 6,069 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 complete the clean-up of historic manufactured gas sites and replace other energy infrastructure.

Managing and reducing our waste
In 2020, Sempra and its operating companies

generated and disposed of
109,098*
TONS
OF NON-HAZARDOUS WASTE

diverted
63,520
TONS
OF NON-HAZARDOUS
MATERIAL FROM LANDFILLS

generating more than
$8.2
MILLION
IN REVENUE

* Non-hazardous waste generated does not currently account for green waste from SDG&E's vegetation management operations. We are working to include this in 2021.

Biodiversity and land use

Across the Sempra family of companies, we are committed to integrating biodiversity preservation and enhancement considerations into our planning and decision-making processes. This commitment is underpinned by our biodiversity policy, which describes how we integrate biodiversity considerations into the planning, permitting, construction and operation of our infrastructure.

We partner with local groups, government agencies, academia and nongovernmental organizations at all stages of project development and operation to help ensure we avoid or minimize impacts to local wildlife. This outreach includes working with local partners including the San Diego Audubon Society, San Diego Zoo, Ventura Land Trust, U.S. Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service, Universidad Autónoma de Nuevo León and many others.

Our biodiversity efforts include robust avian protection programs, vegetation management and habitat enhancement and restoration and remediation. 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 for 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.

We endeavor to balance business needs with stewardship of sensitive habitats, abide by applicable laws and regulations related to biodiversity, and work to minimize impacts to wildlife, thereby consistently meeting or exceeding permit requirements.

41

One example of our approach to environmental compliance and stewardship comes from SDG&E. For more than 25 years, SDG&E has helped ensure compliance with endangered species regulations during its activities through its Subregional Natural Community Conservation Plan and Habitat Conservation Plan (collectively, the Subregional Plan). The Subregional Plan was ultimately approved in 1995 and SDG&E has been successfully operating under it since its issuance. The Subregional Plan has helped create company awareness about constructing and operating facilities in a way that avoids or minimizes impacts to the natural communities and wildlife within the San Diego region and has defined how mitigation would be pursued for any unavoidable impacts.

As we build and maintain critical energy infrastructure in North America, we remain committed to integrating biodiversity preservation and enhancement considerations into our planning and decision-making processes.

In 2020, all the utility's projects, facilities, and operations and maintenance activities were reviewed for potential impacts to state and federally listed endangered, threatened and candidate species. Potential direct or indirect impacts to the species or their habitats were:

- Avoided or minimized through operational protocols outlined in the SDG&E Subregional Plan;
- Mitigated through project-specific mitigation measures or applicant proposed measures approved by the CPUC and other regulatory agencies; and/or
- Mitigated through post-construction mitigation measures as outlined in the plans and permits approved by the regulatory and wildlife agencies for those projects, facilities and/or operations and maintenance activities.

As a result of SDG&E's conservation strategy, SDG&E's activities in 2020 resulted in no documented 'take' of any species listed under either the state or federal Endangered Species Act. Additional examples may be found on operating company websites, SDG&E, SoCalGas, Oncor, Sempra LNG, IEnova.

Water

Water is critical to our business. We are committed to using this resource in a responsible and sustainable way. This includes:
- Integrating climate-related water risks into our construction and business resumption plans;
- Using dry-cooling, 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.

Our water policy may be found at sempra.com. More information on our approach to water is 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.

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 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.

Operating company goals for the use of water include increasing recycled water used to at least 90% at all SDG&E's facilities by 2030 and reducing annual water consumption in employee occupied facilities (SDG&E and SoCalGas).

In 2020, our total water withdrawal increased by 4% to 28.1 billion gallons as a result of growth in our LNG operations. We returned 92% of the water withdrawn to the source.

Water withdrawal

26.0B gallons | 92.6%

1.9B gallons | 6.7%

0.2B gallons | 0.7%

Salt/brackish or seawater
(primarily used to support LNG operations)

Reclaimed or recycled water
(primarily used to support power generation operations)

Fresh water
(primarily used in employee occupied facilities)

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. We value suppliers who disclose their corporate sustainability results and set measurable goals that reduce environmental impact.

For example, in 2020, through their membership in the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), SDG&E and SoCalGas engaged with suppliers on sustainability. Major suppliers were invited to participate in a sustainability assessment that would help SDG&E and SoCalGas better understand and evaluate their environmental performance, policies and resource use. The assessment included questions on environmental compliance and management, GHG emissions, energy consumption, water use and waste management. Suppliers representing approximately 40% of total SDG&E and SoCalGas' supplier spend completed the assessment. The assessment results will help inform suppliers of opportunities to advance their sustainability efforts in the short- and long-term.

Additionally, SDG&E is changing its supplier evaluation criteria on bid events to include sustainability as a fundamental element of the bid review process. SDG&E plans to enhance its supply chain sustainability program by 2025 that continues to champion supplier diversity, resilience, environmental excellence and safety. SoCalGas has been incorporating sustainability in its bid review process for several years and, in 2020, began working with a supply chain consultant to create a road map for creating an improved supply chain sustainability plan.

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 by promoting an inclusive supplier base that represents our customers, stakeholders and the communities we serve. Our California utilities have 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 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. In 2020, our California utilities achieved another year of strong support for supplier diversity. SDG&E and SoCalGas purchased nearly 41.6% (or over $872 million) and 41.3% (or over $884 million), respectively, of goods and services from diverse suppliers, marking the eighth consecutive year that the company's supplier diversity spending has been above 40%, far exceeding the CPUC's goal of 21.5%. For more details refer to the 2020 SDG&E and SoCalGas Annual Supplier Diversity reports.

In Texas, Oncor is also dedicated to supporting small, minority and woman-owned businesses. In 2020, Oncor's supplier diversity accounted for 12% (or nearly $335 million) of its procurement spend and it issued $450 million principal amount of senior secured notes pursuant to its sustainable bond framework. Proceeds of the offering are intended to be used to finance or refinance expenditures with minority- and women-owned business suppliers.

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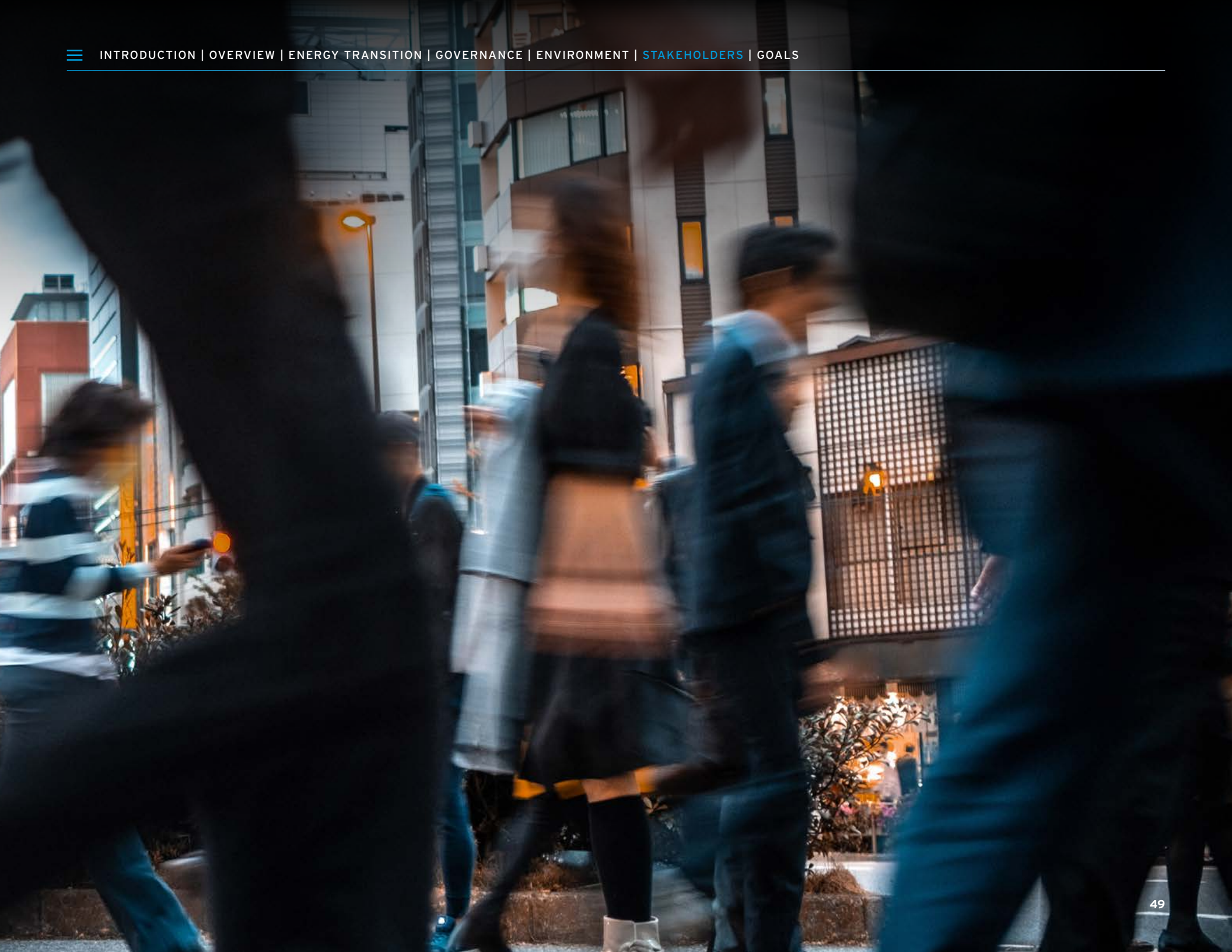
We look to our suppliers as partners in creating a culture and environment that fosters improvement and innovation across every area of our business. That means challenging the status quo, embracing supplier diversity and broadening our collaboration efforts with our suppliers and community-based organizations.

Suppliers participate in bid event

Suppliers respond to sustainability questions

Selected suppliers participate in EUISSCA annual supplier sustainability assessment

Graph based on the supplier selection process at our California utilities.

Supplier diversity highlights

SDG&E

Minority Business Enterprise (MBE) Spending
$455.4M (21.7%)

Women Business Enterprise (WBE) Spending
$285.9M (13.6%)

Service-Disabled Veteran Business Enterprise (DVBE) Spending
$120.5M (5.7%)

Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) Spending
$10.4M (0.5%)

SoCalGas

Minority Business Enterprise (MBE) Spending
$568M (26.5%)

Women Business Enterprise (WBE) Spending
$254.7M (11.9%)

Service-Disabled Veteran Business Enterprise (DVBE) Spending
$61M (2.9%)

Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) Spending
$829 Thousand (0.04%)

Oncor

Minority Business Enterprise (MBE) Spending
$113M (4.1%)

Minority Women Business Enterprise (MWBE) Spending
$53.5M (1.94%)

Women Business Enterprise (WBE) Spending
$167.5M (6.1%)

Sustainable Bonds Issued*
$450M

In addition to managing the environmental impact of suppliers of parts and services, we also work to manage and minimize the impacts of electricity and natural gas suppliers.

We look to our suppliers as partners in creating a culture and environment that fosters continuous 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 September 2020, Oncor issued $450 million principal amount of senior secured notes pursuant to its sustainable bond framework. Proceeds of the offering are intended to be used to finance or refinance expenditures with minority- and women-owned business suppliers.

SERVING OUR STAKEHOLDERS

Stakeholder engagement model

As part of our core value to do the right thing, we are guided by our ethics, our unwavering focus on safety and our willingness to stand for what is right. We believe we can shape the future – and to do so, we are aiming to build greater resilience and relevance into our business and create enduring, sustainable value for all our shareholders and all our other stakeholders, including our employees, our customers and the communities in which we operate.

Sempra's stakeholder engagement policy describes our approach to transparent, two-way communication, which is portrayed in the chart on the following page.

We engage with our stakeholders to listen, learn and find ways to improve.

PLAN AND PREPARE

ENGAGE, LISTEN AND ACT

FOLLOW UP, EVALUATE AND REPORT

Articulate purpose, identify stakeholders, determine methods of engagement, develop engagement plan and prepare for engagement

Invite stakeholders to engage, provide briefings and listen carefully, document the suggestions made, develop a plan that reflects stakeholder input and communicate intentions and actions

Monitor plan to help ensure commitments are met, communicate actions taken to stakeholders as the project progresses, continue to adjust along the way if needed and summarize and report results of engagement

Formal engagement processes include:

Our operating companies use a variety of methods to provide open communication with external audiences and stakeholders. This includes Energy Collaborative Communities, online portals that bring innovation and communication together, and established stakeholder groups called Community Advisory Councils (CACs). For example, in 2020, 110 members across SDG&E and SoCalGas' CACs held nearly 20 meetings to address 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 the City of San Diego franchise, among others.

Our ethics and compliance helpline serves as our formal grievance mechanism for stakeholders to share concerns or describe project impacts.

Our senior vice president of corporate affairs is the officer responsible for managing stakeholder engagement across the Sempra family of companies.

Ethics & Compliance Helpline

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.

Economic value for our communities

Sempra and its operating companies generate direct and indirect economic value in the communities where we operate. As an example of economic value, exports of LNG from Energía Costa Azul (ECA) LNG Phase 1 are expected to improve the trade balances of the U.S. and Mexico. Its construction is expected to create more than 10,000 direct and indirect jobs as a result of increased economic activity and social investments in both countries. Approximately 75 full-time jobs are expected to be added to the operations of ECA LNG.

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

OVER 36 MILLION ENERGY CONSUMERS

in California, Texas and Mexico

MORE THAN 19,000 EMPLOYEES

REGULATORS AND LEGISLATORS

from across the U.S. and Mexico. For information on how we engage with these stakeholders, please see page 69

SHAREHOLDERS

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

THOUSANDS OF SUPPLIERS

who support our businesses

Championing our employees

At Sempra, we strive to create a high-performance culture. When our more than 19,000 employees are trained, valued and challenged to take initiative, our business thrives.

We support our employees' freedom of association and right to collective bargaining. Approximately 34% of Sempra's employees are represented by labor unions.* We work with them to achieve results that benefit our employees, our business and the communities we serve. More information on the labor unions representing employees at each of our businesses may be found on page 34 of our 2020 Annual Report on Form 10-K.

* This figure includes Oncor employees represented by labor unions.

Committed to employee safety

Safety is the top priority in all we do. We are only satisfied when each employee and contractor returns home safely after every workday.

In our safety-focused culture, safety is much more than a "check-the-box" exercise. Everyone feels responsible for their own safety as well as the safety of others. This allows and encourages colleagues to speak up. It influences how a co-worker responds when someone says, "Wait a minute – let's stop the job and double-check," or "How can we prevent this from happening again?"

The Sempra board of directors oversees safety through the SS&T committee. Please see page 29. Operating company boards monitor safety performance, safety operations issues, key safety risk areas and current safety topics. Executive leadership is responsible for overseeing reported safety concerns and promoting a strong, positive safety culture and an environment of trust that includes empowering employees to identify risks and to "stop the job." Comprehensive safety management plans that follow international safety protocols are also integral to our approach. Please see page 98 for more details.

Building and reinforcing a safety culture

1 We have safety management systems in place 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 8.

In 2020, our safety performance improved. All operating companies achieved decreases in the employee recordable injury rate relative to 2019. SDG&E achieved company record low Occupational Safety and Health Administration (OSHA) recordable injury, lost-work-time incident rates, and days away, restricted or transfer rate. Oncor ended the year with no lost-time incidents. For more than 20 years, SoCalGas has held an annual safety congress as a forum for employees to share ideas and gather information about safety across all sectors of our business, and in 2020, the company successfully adapted this event to a virtual environment. At Sempra LNG, the construction activities for Cameron LNG Phase 1 concluded with a remarkable safety record of more than 89 million hours without a lost-time incident.

A "near-miss" is an incident in which a worker might have been hurt if the circumstances had been slightly different. Capturing information on near-misses and creating a culture where reporting close calls is encouraged is an important way to identify hazards and improve potentially unsafe conditions or processes. Our operating companies work to improve and strengthen the safety culture and encourage reporting of near-misses. In 2020 Oncor formalized their near-miss reporting process and SDG&E introduced a near-miss reporting application and had its highest near-miss and safety observation counts on record, indicating increased engagement and commitment to safe operations.

Our commitment to safety also extends to our contractor and supplier workforce. Our supplier code of conduct outlines our expectations that suppliers provide a safe working environment that supports 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 81 for safety performance data.

Driving a high-performance culture

Since Sempra's inception, we have prioritized an inclusive culture. Most recently, we aligned the Sempra companies under a refreshed set of values:

DO THE RIGHT THING
CHAMPION PEOPLE
SHAPE THE FUTURE

At the heart of our value of championing people is our commitment to invest in people and an inclusive environment because it elevates our performance and helps us to partner responsibly.

The killing of George Floyd in May 2020 brought acute attention to the fact that discrimination and injustice continue in our society. Corporations are expected to play a larger role in solving societal problems, including creating an inclusive environment. This injustice and sense of enhanced corporate responsibility have caused us to accelerate our efforts to drive substantive and enduring change for our Black and African American employees, and employees of all historically under-represented backgrounds.

To that end, we have taken several steps to improve equity in our workplace and in the communities we serve, starting with listening and learning. We now have held multiple enterprise-wide forums and department-level dialogues with thousands of employees at all levels of the organization. The themes that emerged from those conversations have guided our path forward and have informed our enterprise-wide action plan, which is centered on three core goals:

1. To increase the number of employees from under-represented communities in our workforce;

2. To increase the number of organizational leaders at all levels from under-represented communities; and

3. To create new enterprise-wide initiatives to support communities of color with (a) targeted volunteer and charitable giving programs and (b) re-invigorated diverse spending goals with our community partners.

Sempra's action plan is centered on five strategic pillars designed to advance our goals around greater economic prosperity and social justice. The five pillars are:

1. **Leading from the top**

2. **Accelerating engagement**

3. **Creating opportunity**

4. **Driving conscious inclusion**

5. **Partnering with communities**

1. Leading from the top

Sempra has demonstrated top-down and award-winning leadership in diversity and inclusion (D&I), further supported by our engagement with the CEO Action for Diversity & Inclusion and the Paradigm for Parity coalitions. Additional action and accountability steps including those outlined below will better ensure that an inclusive workforce is universally viewed as business imperatives and integral parts of our culture across the Sempra companies.

Current Programs
- Founding member of national CEO Action for Diversity and Inclusion
- Paradigm for Parity participating company supporting gender parity in the workforce
- Set aspirational goals for increased representation of women and people of color in leadership at each Sempra company
- Executive participation in employee D&I Council

New Initiatives
- Create diversity officer position reporting directly to the CEO
- Create a diversity officer or director at each of our operating companies
- Embed D&I into annual leadership goals and compensation structure

2. Accelerating engagement

The Sempra companies have made positive strides towards enhancing the employee experience, especially for women and people of color, our efforts here will focus on career development, continuing education and rotational assignments.

Current Programs
- Enterprise-wide employee D&I council
- 15 local D&I councils
- Annual enterprise-wide D&I summit
- Sponsor multiple lean in circles for aspiring women leaders
- Host D&I intranet site

New Initiatives
- Community Conversations and periodic enterprise-wide D&I topical webinars
- Pilot employee resource groups
- Launch accelerated leadership development program for under-represented groups

3. Creating opportunity

While the overall employee population across the Sempra companies is aligned broadly with California's workforce demographics, further debiasing selection and promotional practices and enhancing development opportunities will lead to increased representation of people of color at all organizational levels, particularly in leadership.

Current Programs
- Robust annual pay equity review process
- Enterprise-wide diversity mentorship program
- Company cross-functional succession planning process supports identification and elevation of diverse talent
- VALOR program for veterans transitioning to the civilian workforce
- Paid parental leave program to encourage more diverse workforce

New Initiatives
- Form enterprise-wide task force to align and further debias applicant review, selection and promotional practices
- Increase size of diversity mentorship program class each year and evaluate efficacy of sponsorship program for under-represented populations
- Establish metrics to reduce gaps in populations under-represented in leadership and the overall employee population

4. Driving conscious inclusion

While the Sempra companies began their journey toward a culture of conscious inclusion several years ago, additional training of our leaders and broader workforce can enhance our understanding of experiential differences, bring greater cultural awareness and psychological safety to our workplace, and further mitigate bias. We have cultivated long-term relationships with local and national experts in this field. Our future activities will continue to leverage and tap into these kinds of important resources as we look to broaden our commitment to in-house training on cultural awareness and the language of inclusiveness.

Current Programs
- Employee ambassador training on multiple diversity and inclusion topics
- Annual Day of Understanding focused on experiences of diverse communities
- D&I training on unconscious bias and other topics
- Conscious inclusion pilot program at SoCalGas
- Proud host of CEO Action Blind Spots bus tour at Sempra HQ

New Initiatives
- Update respect, anti-harassment and psychological safety training for virtual delivery
- Deliver micro-aggression, anti-racism and allyship trainings
- Train 100% of employees on recognizing and overcoming unconscious bias

5. Partnering with communities

The Sempra companies have a strong track record in community giving, volunteer support and supplier diversity, which can be collectively updated and amplified as part of our commitment to further help combat injustice with better access to support and economic opportunity. There is great opportunity for innovation in the way we engage the communities we serve.

Current Programs
- SoCalGas partnership with advisory community action council composed of diverse community leaders
- "Be that Girl" STEM initiative sponsored by SDG&E
- Strong supplier diversity programs at California utilities that exceed CPUC goals year after year
- Officer and director non-profit board placements with organizations focused on underserved communities
- Community relations focus on partnerships with underserved communities

New Initiatives
- Establish external advisory group
- Social justice giving campaign and SDG&E "Energy for Others" multi-year giving campaign
- Analyze and expand California utility supplier diversity spend with respect to Black and African American-owned businesses
- Increase requirement that outside advisors (law firms, banks, etc.) assign diverse individuals to Sempra work

Key D&I metrics

Women in our workforce (company-wide)

28% Total workforce

34% Management

30% Company leadership[1]

Workforce diversity (Sempra U.S. employees[3])

- 45% White
- 34% Hispanic
- 10% Asian
- 8% Black
- 2% Two or more races
- 1% Native Hawaiian or other Pacific Islander
- 1% Native American
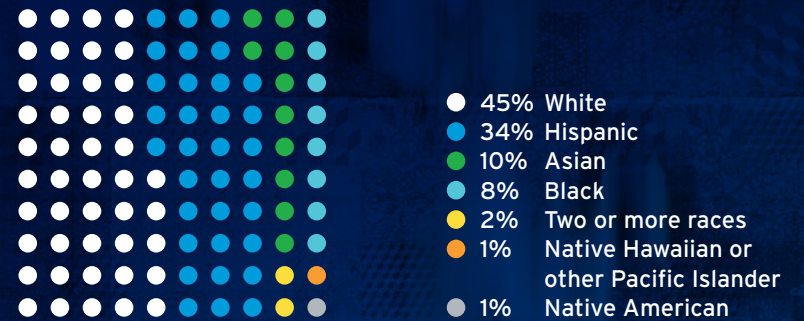
People of color in our workforce (Sempra U.S. employees)

55% Total workforce

53% Management

30% Company leadership[1]

Ratio of female to male base salary (Sempra U.S. employees[2])

	♀	♂	
Executive	0.87	1.00	Executive
Management	1.03	1.00	Management
Non-management-same jobs	0.99	1.00	Non-management-same jobs
Non-management-all jobs	0.91	1.00	Non-management-all jobs

[1] *Employees in positions that place them in the top 2% of the company.*
[2] *Does not include compensation data for Oncor.*

[3] *Due to rounding, percentages do not add up to 100.*

Recruiting, retaining and engaging our workforce

Sempra's companies' more than 19,000 employees power the lives of more than 36 million consumers in California, Texas and Mexico.

We work to recruit and retain talented and motivated employees. 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. Several factors are important to recruitment and retention, including our:

• Vision, mission and values. These provide a clear sense of purpose; how we do business; and what matters to us.
• Strong and consistent financial performance, attractive compensation and benefits, top-tier workforce and safe work locations. Additional details are at sempra.com/careers.
• Focus on employee development. We encourage employees to seek new challenges within the company or at our operating companies. We also train employees to help ensure they have the skills to meet the needs of our changing industry. Additional details are on pages 82 and 86.
• Work in our communities to promote STEM education that helps ensure a qualified and diverse pool of new candidates.

Every other year, our employees can express their level of engagement by completing a confidential survey, administered by a third party. Results from our most recent survey, administered in 2019, indicated employee engagement of 85%. 92% of respondents stated they agree or strongly agree with the statement "Overall, I am satisfied with this company as a place to work." In 2020, we set a goal to achieve a voluntary employee turnover rate of 5% or less on an annual basis.

In 2021 we will conduct our biennial employee engagement survey in addition to a separate wellness survey focused on physical, mental, emotional and financial health.

Our employees know that a career at Sempra is an opportunity to make an impact. Our human resources and organizational development teams provide the leadership and partnership necessary to achieve individual success while driving strategic business objectives.

Additionally, we encourage employees to pursue educational opportunities outside of work; our professional development assistance program provides up to $5,250* per year to cover the educational expenses of employees working toward a work-related degree or certificate. In 2020, Sempra contributed nearly $2.5 million to support the 811 employees who participated in this program.

For IEnova, the amount is up to US $5,000.

ACQUIRING

DEVELOPING

MOTIVATING

TRANSITIONING

RETAINING
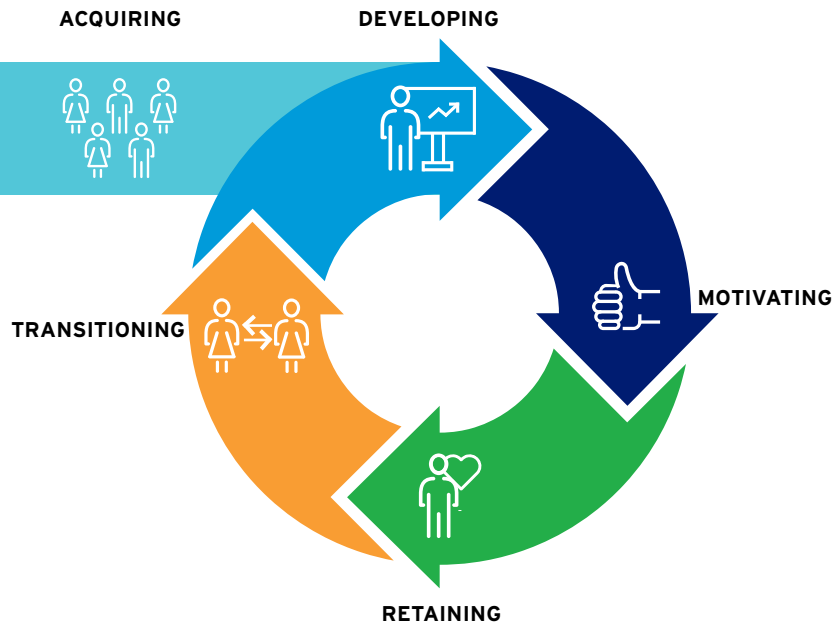
Acquiring: We strive to be a leader in acquiring a diverse, world-class talent pool to lead the organization into the future and to help ensure that Sempra's people continue to be its greatest asset.

Developing: We create success by providing opportunities and resources necessary 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, assessment 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.

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 superior 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 family of companies and we train employees to make sure they have 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.

Supporting customers and communities

Sempra's utilities in California, Texas and Mexico help meet the energy needs of residential, commercial and industrial customers. Through our LNG operations, we help meet the energy needs of customers and communities around the world.

Prioritizing public safety

At Sempra and our operating companies, nothing is more important than safety, and that includes the safety of our customers and communities. Our businesses manage the safe operation of their assets, with oversight provided by their boards of directors as well as the SS&T Committee (page 29) of Sempra's board of directors.

Protecting the public from dangerous contact with energy infrastructure is an important objective and an ongoing challenge. In 2020, there were 145 injuries and four fatalities alleged to involve company pipes, poles and wires, construction areas, motor vehicles and other facilities.

Representative public safety areas of focus

Customer education - public information campaigns such as "Dial 8-1-1 before you dig"

Pipeline testing - testing and replacing natural gas pipelines and upgrading valves to enable automatic or remote response

Electric upgrades - upgrading electrical cables, wires and other equipment

Outage mapping - installing smart-grid devices that can identify the location of an outage

Undergrounding - repositioning electric line underground

Wood-to-steel - converting power poles from wood to steel, improving wildfire resistance

Wildfire prevention and preparedness - including public safety power shutoffs

Physical and cyber security - assessing and mitigating vulnerabilities related to deliberate attacks on energy infrastructure or customer information systems

Enabling a just transition

A critical aspect of the global energy transition will be protecting energy affordability and reliability and enhancing energy access. By 2050, there will be an additional 2 billion people on our planet. Sempra's goals include providing access to energy to these people – as well as to those who do not have access to affordable, reliable energy today. If the energy transition is to be just, low-carbon energy must be available to all.

During the COVID-19 pandemic our California utilities are offering flexible payment plans and have suspended service disconnections.

To maintain affordability, utility customers expect innovative solutions that increase their energy savings while decreasing their monthly bills. At our California utilities, these include:

- Programs to help customers equip their homes with more efficient appliance, weather stripping and other upgrades;
- Classes at SDG&E's Energy Innovation Center 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; and
- 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 FERA.
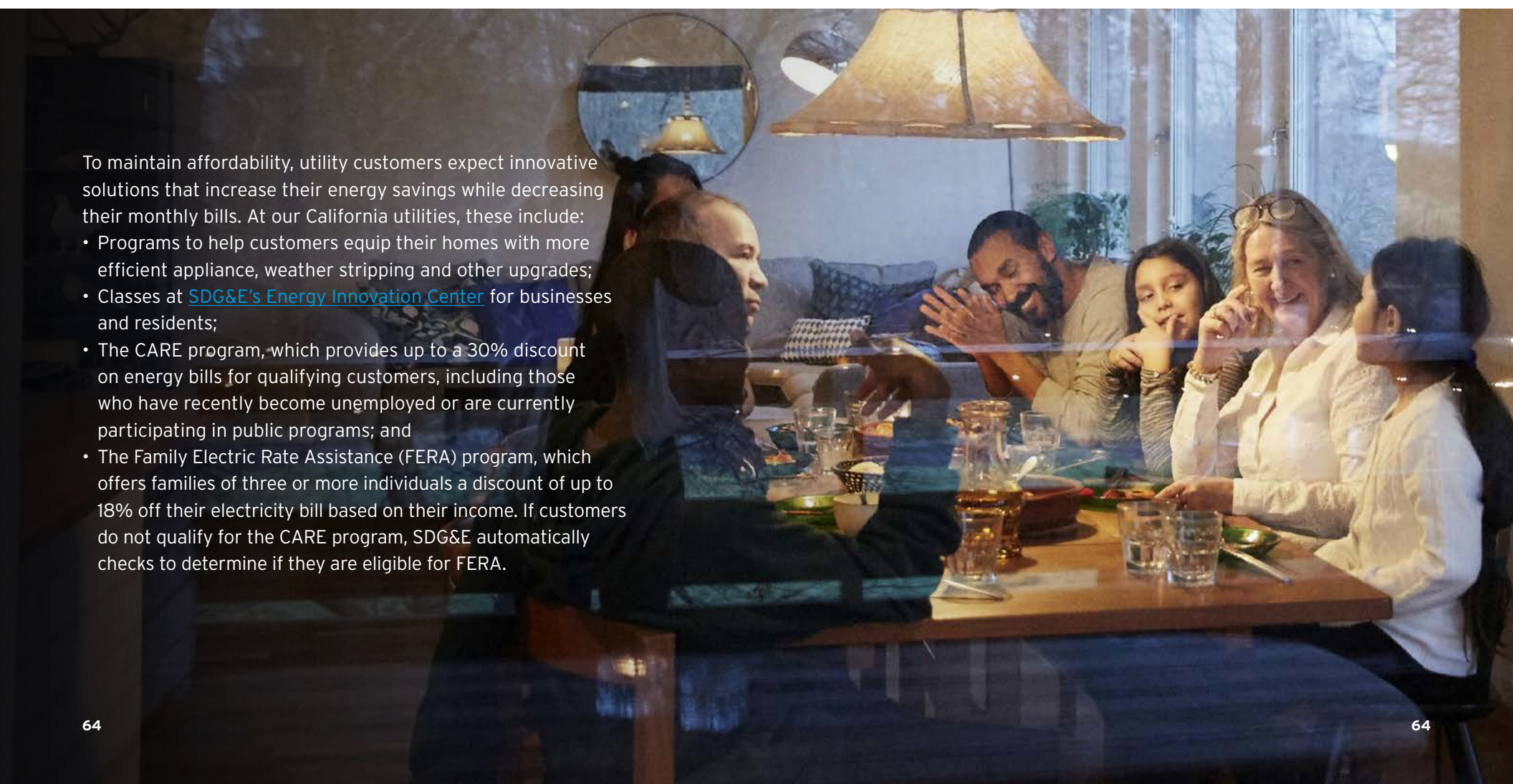
Building a resilient energy transition

In addition to affordability, the resiliency of our infrastructure is crucial in a world where the impacts of climate change are increasing.

Wildfire prevention and mitigation is a critical part of improving the resilience of our infrastructure, and SDG&E has long been considered an industry leader.

In response to changing weather conditions, SDG&E developed an in-house meteorology team to forecast fire danger and enable the company to undertake advanced preparations for severe weather events. The company built one of the first-of-its-kind networks of dense, utility-owned weather stations to provide detailed weather data across its service territory, which informs day-to-day operational decision-making at all levels of the company. Additionally – and as a last resort when conditions warrant – SDG&E pioneered the use of de-energization (i.e., Public Safety Power Shutoffs) to help protect public safety from major wildfires.

The company continues to innovate and improve wildfire mitigation initiatives to help keep its communities safe through situational awareness, prevention, communication and collaboration. Despite an unusually challenging year, SDG&E advanced its wildfire mitigation initiatives in 2020 and continues to do so in 2021, as highlighted in its 2021 Wildfire Mitigation Plan Update. Many of the initiatives described, such as hardening the overhead electric system, were undertaken without any precedent or road map for SDG&E to follow.

SDG&E openly shares its experience, lessons learned, and technological advancements in weather and wildfire mitigation with other investor-owned utilities, state agencies and stakeholders in the fire community, with the objective of improving wildfire prevention across California and the west.

As another example of our climate resilience efforts, SDG&E and SoCalGas recently modeled different sea-level rise scenarios (0.0, 0.5 and 2 meters) and analyzed the potential impacts on company infrastructure and communities.

For electric infrastructure, modeling showed that a significant number of assets and services may be exposed to coastal hazards related to sea-level rise. By mid-century (2050), direct impacts could occur from damage to substations near San Diego Bay and Mission Bay: If inundated, these substations could go out of service, potentially disrupting service to thousands of customers. Other direct impacts include increased maintenance or repair costs.

For natural gas infrastructure, potential impacts include increased maintenance or repair costs, or localized disruptions. Widespread natural gas disruptions are not expected due to limited projected exposure and low system-sensitivity when exposure does occur.

SDG&E is now engaged in a vulnerability assessment reviewing all assets for a multitude of climate hazards on several different time scales going out at least 50 years from today. This will be the most comprehensive assessment the utility has conducted to date and is designed to serve as a guiding document for how the utility addresses climate change risks moving forward.

Armed with this information, our California utilities can better plan for future capital projects and determine what work is necessary to improve infrastructure resilience to sea level rise.

Beyond the longer-term climate resilience work, our utilities work to deliver uninterrupted electricity and natural gas to their customers every day. When a service disruption occurs, they work to restore service quickly and safely. Reliability performance data can be found on .

For our infrastructure businesses, resilience of operations is equally critical. In 2020, several storms and hurricanes impacted Sempra LNG's operations. One storm in particular, Hurricane Laura, traversed directly over the Cameron LNG facility and associated pipeline assets. The major hurricane caused extensive damage to the communities in its path. To help ensure minimal impact to infrastructure and operations, Sempra LNG:

- Activated comprehensive disaster response plans, including coordination with all stakeholders on key issues like plant status and evacuations.
- Assembled and deployed a disaster response team to help Cameron LNG recover from hurricane impacts.
- Partnered with U.S. Navy and U.S. Army Corps of Engineers in clean-up efforts on barge and Calcasieu channel.
- Implemented a two-way communication to support the wellbeing of impacted employees.
- Created the Sempra LNG Employee Assistance Fund to provide tax-free grants to eligible employees.
- Donated more than $1 million for hurricane relief efforts in Southeast Texas and Louisiana communities.

As a result of lessons learned from the storms, Sempra LNG 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.

Giving back to our communities

Participating in and giving back to the communities we serve is an important part of how we do business. In 2020, Sempra completed a strategic review of its corporate citizenship program with a goal of aligning corporate citizenship activities with the company's vision, mission and values and putting systems and processes into place that will enable the aggregation of results and tracking of progress over time. The result was a corporate citizenship framework that has improved alignment across the Sempra family of companies, including its foundation and operating companies.

The framework anchors on the advancement of social progress by investing in three priorities: climate action, D&I and economic prosperity, priorities that will help advance social progress while helping us to achieve our mission to be North America's premier energy infrastructure company.

Climate action links to the United Nations' (U.N.) Sustainable Development Goal (SDG) 13 and our value of doing the right thing. D&I links to U.N. SDG 10 and our value of championing people. Economic prosperity links to U.N. SDG 8 and our value of shaping the future. For more insight on which SDGs we align with and how, please see pages 87-89 of this report.

The Sempra Foundation is also exploring the issue of energy access, investing in pilot projects throughout 2021 to learn more about this important need. Our intention is to fund innovative solutions within and at the intersection of these priority areas as we measure impact and track progress over time.

In 2020, Sempra, its operating companies and the Sempra Foundation made contributions of nearly $52 million to charities and other nonprofit civic and community groups. This included more than $14.1 million in support of community-based organizations engaged in the response to the COVID-19 pandemic[1]. For more detail on our COVID-19 support, please see page 8.

Prior to 2020, the Sempra Foundation matched employee gifts to arts/culture or education. In 2020, the Foundation reconfigured its programs and systems to accommodate a new offering called My Energy, which supports each employee's individual purpose and matches charitable gifts and/or volunteer time to any eligible 501(c)(3) charitable organization, including social services agencies, hospitals, health organizations and animal welfare causes, among others.

Participation in our employee giving program doubled in 2020 compared to 2019. In 2020, our employees supported more than

2,000 organizations with company-matched contributions totaling more than $3.6 million and gave over 16,400 hours in service to their communities.

Sempra and Sempra Foundation community giving[2]

Year	Amount
2017	$20.3
2018	$24.2
2019	$31.4
2020	$51.9

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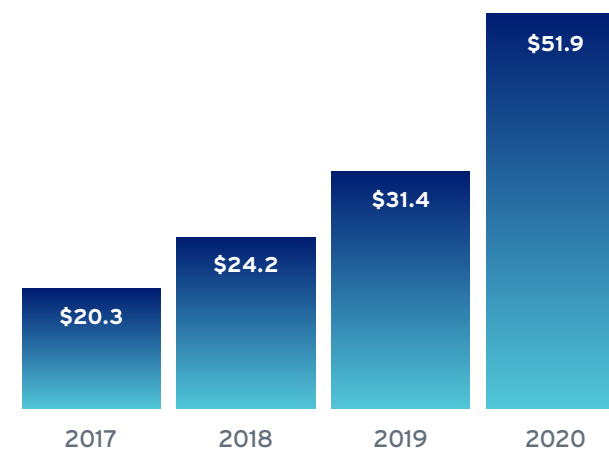
[1] *Includes donations from our South American businesses sold in 2020.*

[2] *2019 and 2020 figures include $7.5 million and $10 million, respectively, in one-time donations to donor advised funds. The 2019 number was updated from last year's report to include the donation to a donor advised fund.*

Sempra community investment priorities

CLIMATE ACTION
Value: do the right thing

From tree plantings and reforestation to carbon sequestration, we aim to invest in efforts that reduce emissions, promote new technologies, support climate resiliency and offer real promise to the challenge of climate change. [U.N. SDG 13]

DIVERSITY, EQUITY AND INCLUSION
Value: champion people

For decades we have embraced and leveraged the rich dimensions of diversity and our aim is to invest in efforts that advance inclusion and equity, address bias and capitalize on the value of differing perspectives, collaborative problem-solving and new approaches that can strengthen communities. [U.N. SDG 10]

ECONOMIC PROSPERITY
Value: shape the future

Energy knows no borders, and as we see it, economic growth in North America is closely linked to both clean energy and human energy. We aim to support efforts that support growth and prosperity in Mexico - from the southwest U.S. border region to Baja California and beyond to the communities where we operate. [U.N. SDG 8]

LOCAL SUPPORT
Vision: deliver energy with purpose

From our headquarters in San Diego to key locations in North America, we aim to engage our talented employees in helping community leaders and policymakers address issues and challenges where we live and work, while also supporting employees as they engage in and support the causes they care most about.

Engaging with regulators and policymakers

Our businesses participate in public meetings, provide written and verbal testimony and interact with regulators, as well as with policymakers, via phone, email or in-person meetings to share their perspective on rates and regulations. Strict rules of conduct govern how we engage with these stakeholders and how these interactions must be tracked and reported.

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, including the important role our infrastructure plays in lowering GHG emissions.

We believe that our direct lobbying activities align with the relevant policies of the legislative and regulatory jurisdictions in which we operate (such as California's goal to achieve economy-wide carbon neutrality by 2045 and 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.*

For example, we believe that our direct engagement regarding California legislation promoting the in-state production and distribution of biomethane as a practical step toward furthering the state's GHG and short-lived climate pollutant reduction goals aligns with the Paris Agreement because it could enable emissions reductions in transportation and agriculture, which are sources of nitrogen oxides and methane emissions, respectively. See our response to the CDP-Climate questionnaire for more detail on how our direct and indirect lobbying on topics related to the energy transition demonstrate the foregoing.

Our operating companies are also members of several trade associations focused on the important business and technical issues of our industry 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 also consistent with a transition to a lower carbon energy system and generally align with the Paris Agreement's goal to limit global temperature rise.

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.

For example, one of the trade associations we are a member of advances improved natural gas production practices by working to develop a metric for methane intensity so that such emissions can be measured, compared and reduced, which we believe aligns 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 any 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, dissenting from association positions, including not providing formal company participation or endorsement.**

Sempra makes corporate political contributions in the U.S. as permitted by law only from corporate shareholder funds. Our employees 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. The company and SEEPAC do not fund federal super PACs, officeholder accounts or independent expenditures to expressly advocate for the election or defeat of federal, state or local candidates.

SEEPAC spending plans and decisions are reviewed and approved by SEEPAC's board of directors and also 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. In 2020, Sempra was named a Trendsetter by the Center for Political Accountability, receiving a score of 95.7 out of 100 in its annual Zicklin Index for transparency and disclosure practices.

Protecting human rights

Our success as a business depends, in large part, on strong customer and community relationships. These relationships are based on respect for human rights.

Our human rights policy describes our commitment to minimize any adverse effects our infrastructure or operations may have on people and communities. Our senior vice president, corporate affairs and chief sustainability officer has responsibility for this policy, which aligns with the UN Universal Declaration of Human Rights.

As a company we support the following international human rights standards and principles:
• The Universal Declaration of Human Rights.
• 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 Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

As part of our compliance with our human rights policy, we describe recent human rights related challenges in this report.

Following a free and informed indigenous consultation that complied with international human rights treaties and standards, and with all Mexican laws and regulations, our Mexican subsidiary, IEnova, received approval from Mexico's Ministry of Energy to build a 30-inch natural gas pipeline in the state of Sonora. IEnova built the pipeline in compliance with laws and regulations, and considering applicable human rights recommendations.

In 2017, some members of a local tribe removed a 25-foot section of the pipeline where it passed through their village, Loma Bácum, taking the pipeline out of service. This group filed a complaint that was not conceded by the judge. IEnova is awaiting a final ruling on whether the company will be allowed to repair the pipeline. Mexico's federal government has engaged in negotiations with the tribe to find a definitive solution.

We work to prevent, mitigate and account for how we address potential adverse human rights risks and impacts from our activities, including adverse effects that our infrastructure or operations may have on people and communities.

We recognize that individuals from certain groups or populations, including Indigenous peoples, may be more vulnerable and at heightened risk of marginalization.

Sempra's headquarters is situated on the ancestral land of the Kumeyaay. San Diego County has more federally recognized Native American reservations (18) than any other county in the United States. There are four Indian Nations indigenous to the San Diego area: Kumeyaay, Luiseño, Cupeño and Cahuilla. SDG&E has a tribal relations group dedicated to supporting the indigenous people it serves.

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.

If an employee, business partner, supplier, customer or other stakeholder witnesses or learns of any incident that may involve a violation of our supplier 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. The Helpline process is outlined on page 52.

SUSTAINABILITY GOALS AND KPIS

Our sustainability pillars: goals and KPIs

Sempra's sustainability strategy is anchored under four key pillars established through our most recent materiality assessment, and house specific goals and key performance indicators (KPIs).

1. Enabling the energy transition

2. Driving resilient operations

3. Achieving world-class safety

4. Championing people

1. Enabling the energy transition

By 2050, we aim for:
Net-zero GHG emissions across scopes 1, 2 and 3[1]

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 California utility and Mexico (non-LNG) operational GHG emissions 50% compared to a 2019 baseline.

Deliver 20% renewable natural gas (SoCalGas)

Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas and IEnova efforts contribute to this goal)

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[1,2]

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)

Fulfill 100% of new renewable energy requests for interconnection (Oncor)

[1] *New goal set in 2020*
[2] *This goal is through 2025. Cameron LNG, the primary LNG operating asset, will achieve its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we will establish new goals.*

Each year, we aim to:

Enroll 90% of eligible utility customers in California alternative rates for energy (CARE) programs

Fulfill 100% of new renewable energy requests for interconnection, consistent with ERCOT requirements and regulations (Oncor)[3]

CARE enrollment rate

Megawatts of renewable energy connected by Oncor to Texas' grid

SDG&E   SoCalGas

2016   2017   2018   2019[1]   2020[2]
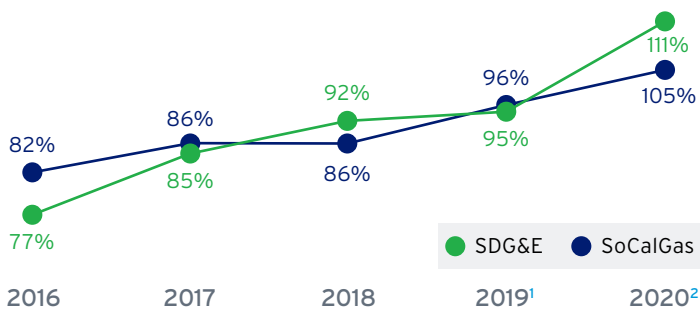
Protecting energy affordability facilitates a just energy transition.

2017   2018   2019   2020
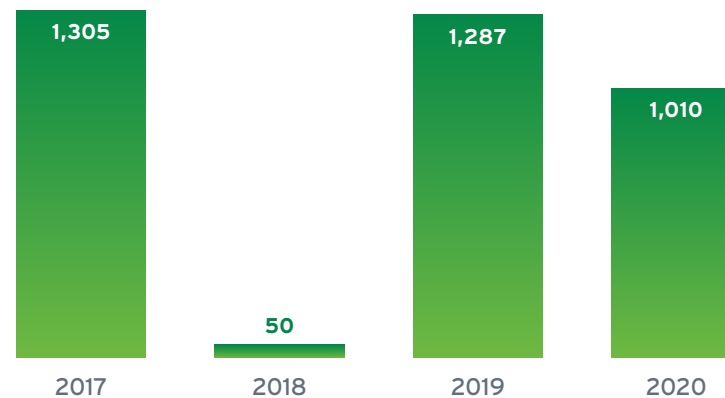
Oncor directly connects more than 11,000 megawatts of renewable power to the ERCOT grid; according to ERCOT statistics, this amount of power can serve approximately 2.2 million typical Texas homes.

[1] *2019 figures reported last year have been updated per final regulatory filings. 2020 figures are preliminary.*
[2] *In 2020, eligibility for CARE expanded and enrollment increased above 100% as a result of the COVID-19 pandemic's negative impact on socioeconomic conditions.*

[3] *Numbers for prior years were updated to reflect revised methodology.*

We aim to achieve a 40% reduction in fugitive emissions from our natural gas transmission and distribution systems by 2030[1]

Deliver 20% renewable natural gas by 2030 (SoCalGas)

40%
REDUCTION
IN FUGITIVE EMISSIONS

Through the implementation of best management practices, as of 2019, SoCalGas and SDG&E have collectively achieved a nearly 17% reduction in fugitive methane emissions from the baseline year.[2] For more information on how we are reducing methane emissions, see page 37.

On target to achieve goal of 5% RNG delivery by 2022[3] and 20% by 2030.[4] We will provide more precise information later this year.

[1] *2015 baseline, SDG&E, SoCalGas and IEnova contribute to this goal.*
[2] *The data for this goal will be finalized in June 2021 and reported in our 2021 sustainability report.*

[3] *We aim to provide 5% renewable natural gas to our "core service" as defined in SoCalGas' Tariff Rule No. 23, by 2022.*
[4] *We aim to provide 20% renewable natural gas to our "core service" as defined in SoCalGas' Tariff Rule No. 23, by 2030.*

We aim to deliver 100% renewable or zero-carbon energy to California electric customers by 2045

California requirements for delivery of renewable and zero-carbon energy[1,2]

Legend: ■ RPS ■ Zero-Carbon Energy
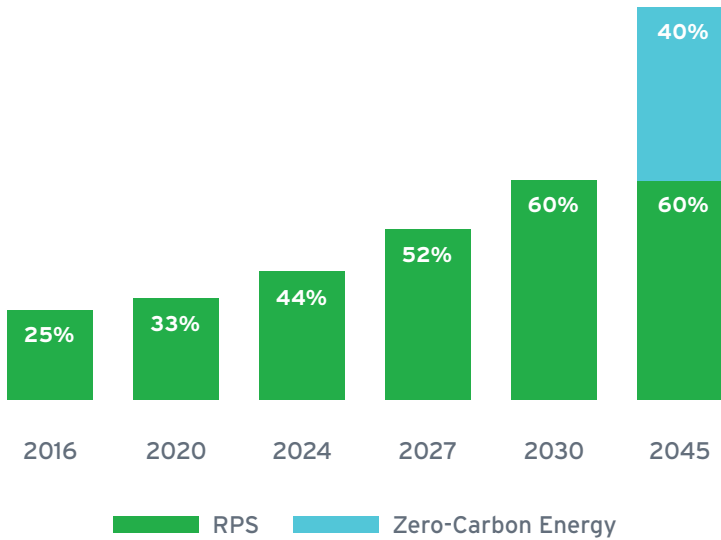
It is California state policy that, by 2045, 100% of the electricity that California utilities deliver to their customers will come from renewable or zero-carbon energy sources.

[1] *California Senate Bill 100% requires 60% of electricity procurement from renewable energy by 2030 and remaining 40% supplied by zero-carbon resources by 2045.*
[2] *SDG&E delivered an average 42% renewable energy during the RPS compliance period between 2017-2020.*

Zero natural gas vented during planned transmission pipeline work by 2030[3] (SDG&E and SoCalGas)

ZERO EMISSIONS
DURING PLANNED PIPELINE WORK BY 2030

During pipeline testing we capture natural gas that would otherwise be released into the atmosphere. SoCalGas has reduced these emissions more than 33% as compared to a 2015 baseline, preventing the release of more than 114,354 tons of CO_2e (303,193 MCF) in 2020.

[3] *Excludes emergency repairs. The word 'transmission' was added to further clarify the goal set last year.*

2. Driving resilient operations

Each year, we aim to:

Achieve electric reliability in top quartile

- Two goals listed under our Driving Resilient Operations pillar have been moved to the Enabling the Energy Transition pillar to more closely align with our business and sustainability strategy.
- We will be working to identify and include new goals under Driving Resilient Operations in future reports.

Reliability is crucial in a world where climate impacts are increasing. Across the Sempra family of companies, we work to increase the resilience and reliability of our energy systems. This includes modeling and planning for climate impacts including sea-level rise, wildfire risks, excessive hot or cold weather conditions and many other scenarios. More on how Sempra is building a resilient energy ecosystem can be found on page 65.

Oncor and SDG&E compile reliability data from North American utilities based on data obtained through public sources and through participation in industry benchmarking forums. In 2020, Oncor's system average interruption duration index (SAIDI) performance was within the top quartile for its benchmark. SDG&E received PA Consulting's Regional Reliability Award for the Western Region for the 15th consecutive year, demonstrating outstanding reliability performance and system resilience. Operating conditions and methodology for determining performance vary by location.

Each year, we aim to:

Achieve electric reliability in top quartile

Average outage duration, in minutes (SAIDI)
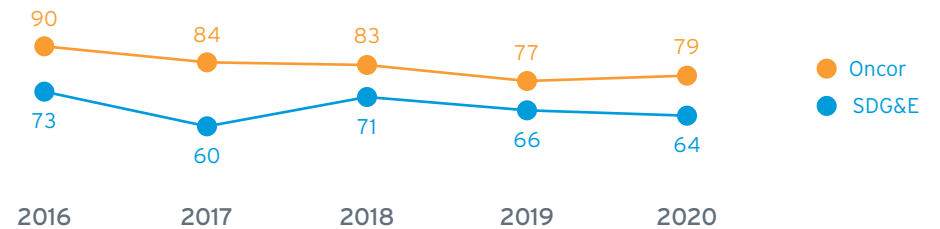
	2016	2017	2018	2019	2020
Oncor	90	84	83	77	79
SDG&E	73	60	71	66	64

● Oncor
● SDG&E

Average number of outages per customer (SAIFI)*

	2016	2017	2018	2019	2020
Oncor	0.97	0.98	0.89	0.83	1.25
SDG&E	0.62	0.51	0.62	0.59	0.62

● Oncor
● SDG&E
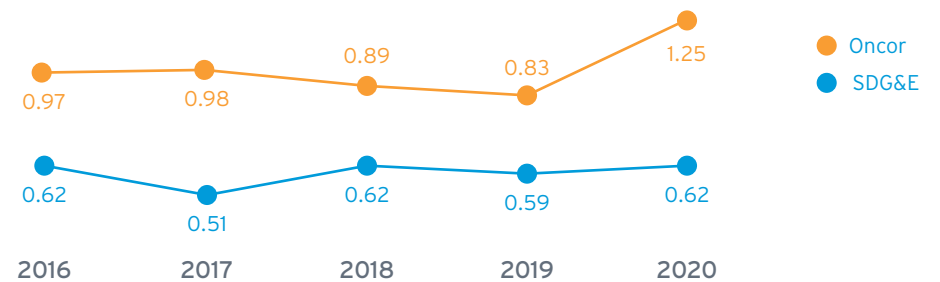
* System average interruption frequency index

3. Achieving world-class safety

Each year, we aim to:

Achieve zero employee and contractor fatalities

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

Participate in emergency planning processes in 100% of the communities we serve

Train 100% of critical employees in emergency management and response

Each year, we aim to:

Achieve zero employee and contractor fatalities

In 2020, there were no employee or contractor fatalities across the Sempra family of companies.

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

Employee safety incidents, per 100 full-time workers

	2016	2017	2018	2019	2020
Recordable injury rate	2.31	2.24	1.66	2.16	1.59
Lost work-time incident rate	0.73	0.66	0.49	0.55	0.41

—— Recordable injury rate —— Lost work-time incident rate
– – Trend (when averaged with four prior years) – – Trend (when averaged with four prior years)
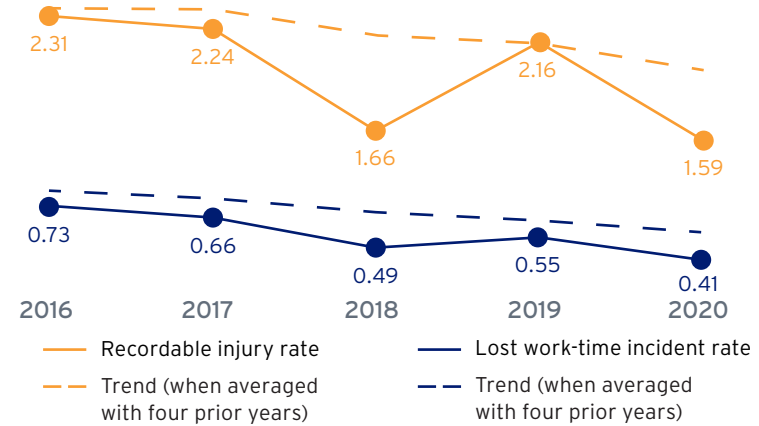
Contractor safety incidents, per 100 full-time workers*

	2018	2019	2020
Recordable injury rate	0.71	0.48	0.49
Lost work-time incident rate	0.22	0.10	0.16

—— Recordable injury rate —— Lost work-time incident rate
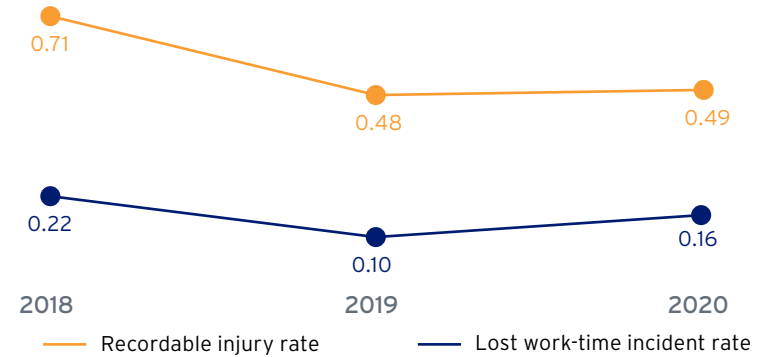
* We continue to improve the completeness of contractor safety data. Oncor is not included. 5-year rolling average data will be provided when available.

Each year, we aim to participate in emergency planning in 100% of the communities we serve

Our operating companies participate in community emergency planning processes, including mutual aid and training simulation exercises with first responders. Other actions in 2020 included meeting with state and regional partners to refine emergency protocols to support vulnerable communities. In addition, SDG&E met quarterly with the wildfire safety community advisory council and held wildfire webinars and safety fair for the general public.

Train 100% of critical employees in emergency management and response

2020

EMPLOYEES TRAINED 100% COMMUNITY PARTICIPATION

Our operating companies prepare for significant disasters or emergencies each year. They develop operational contingency plans and practice implementing them. In 2020 this included tabletop exercises to train employees on emergency response procedures and specific training for employees at SDG&E and SoCalGas that support the emergency operations centers, which have been activated since early March 2020.
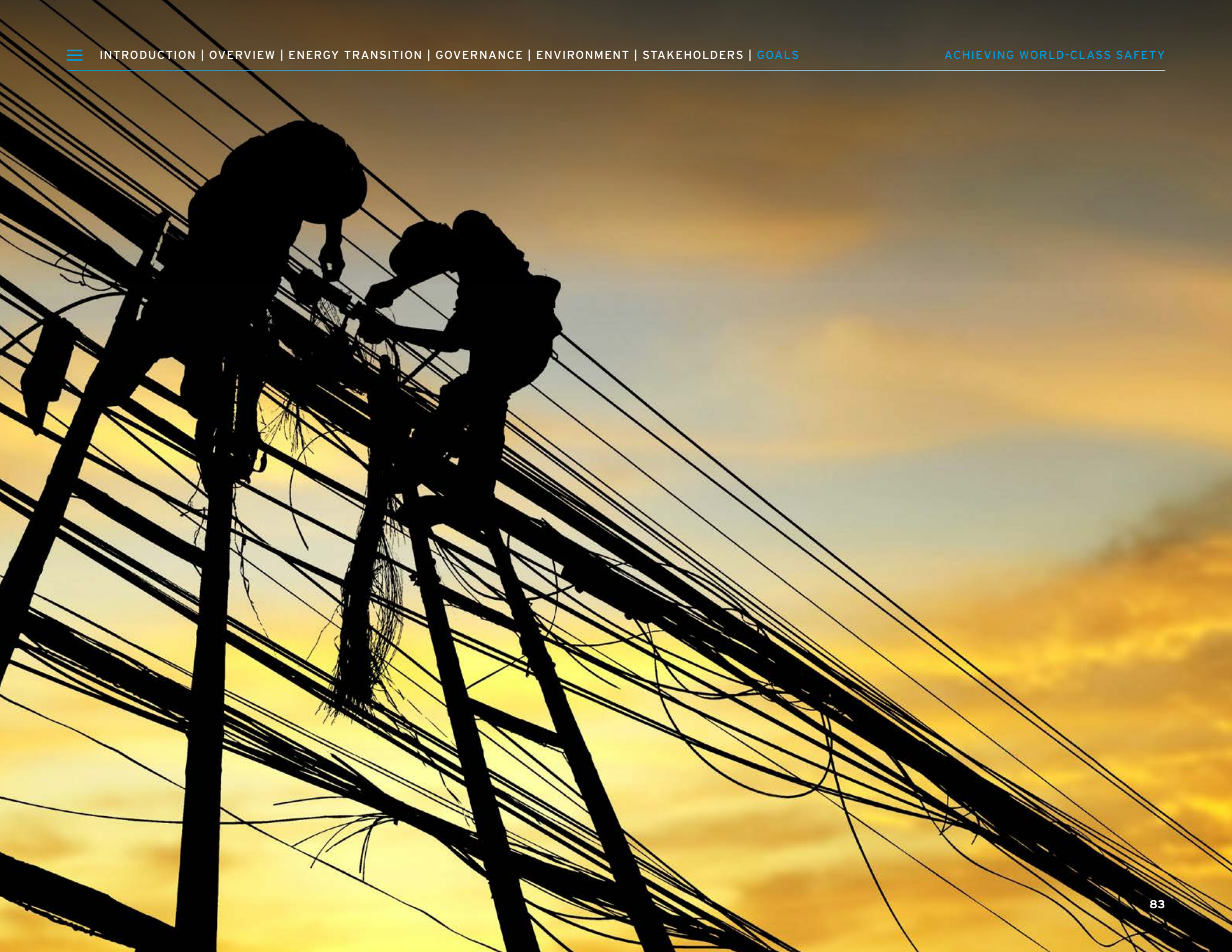
4. Championing people

Each year, we aim to:

Achieve a voluntary employee turnover rate of 5% or less

Achieve a company-wide employee engagement survey score in the top quartile

Provide 30+ training hours per employee

Achieve or maintain workforce diversity consistent with that of the communities where we operate

Each year, we aim to:

Achieve a voluntary employee turnover rate of 5% of less

Voluntary employee turnover rate

6%   8%   7%   6%   5%

2016[1]   2017   2018   2019[2]   2020[2]

We recognize that employees may decide to voluntarily leave the company for a wide range of reasons, including retirement. A voluntary turnover rate of approximately 5% indicates strong retention: our employees feel they belong at Sempra and they are challenged and engaged.

Achieve a company-wide employee engagement survey score in the top quartile

Employee engagement[3]

82%   83%   81%   78%   85%

69%   69%   72%   73%   72%

2011   2013   2015   2017   2019

■ Sempra employee engagement   —— External benchmark
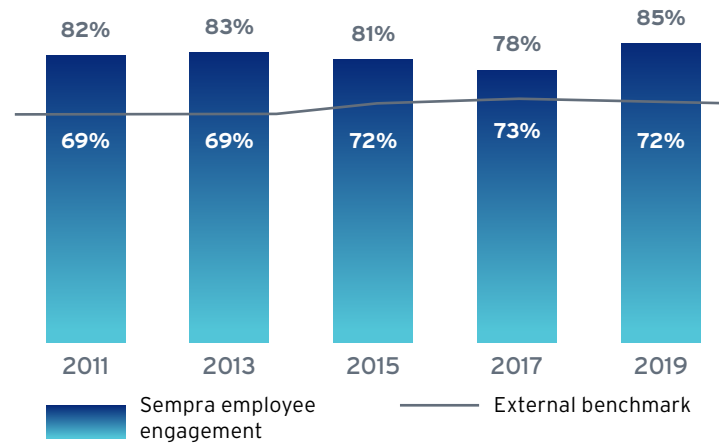
Employee engagement has remained at or above 78% since 2011. We strive for continuous improvement, analyzing survey results across a wide range of factors and taking action as a result. Our results are well above external benchmark comparisons.

[1] *Excludes international operations.*
[2] *Excludes data from our South American businesses sold in 2020.*

[3] *Based on employee responses to a subset of questions in an anonymous survey conducted every other year. The next survey is planned for 2021. Excludes data from Oncor and our South American businesses that were sold in 2020. In 2019, 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.*

Each year, we aim to provide 30+ training hours per employee

(30) HOURS OF TRAINING PER EMPLOYEE

Employees on average completed 25 hours of training in 2020.*

Achieve or maintain workforce diversity consistent with that of the communities where we operate

WE STRIVE TO REFLECT THE DIVERSITY OF OUR COMMUNITIES

Company-wide data demonstrates our consistent commitment to gender and ethnic diversity. Please see pages 57-60 for performance data and other information on how we work to create a high-performance culture.

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

U.N. Sustainable development goals

In 2015, the U.N. released its 2030
Development Agenda, which included 17
sustainable development goals and supporting
targets. The following pages detail how our
work contributes to these targets.

Our core business activities contribute to the U.N. sustainable development goals (SDGs), as follows:

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

7.1

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

OUR UTILITY INFRASTRUCTURE COMPANIES SERVE MORE THAN

36 million consumers

Time-of-use pricing encourages certain customers to shift their discretionary energy use to lower-cost time periods. Bill assistance programs help qualifying customers reduce their energy bills.

SDG&E is encouraging the implementation of microgrids that can react to changing environmental and system conditions – and disconnect and function independently during emergencies. SoCalGas is exploring the use of fuel cells to enhance electric reliability.

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. (pages 69-70)

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

ONCOR CONNECTS MORE THAN

60+ renewable energy generators

capable of producing 11,000 megawatts of energy to the Texas power grid.

SDG&E DELIVERED APPROX.

42% renewable energy*

100% must be renewable or zero-carbon by 2045.

SOCALGAS HAS COMMITTED TO DELIVER

20% RNG to its core customers by 2030

* Average renewable energy delivered during the RPS compliance period between 2017 – 2020

IENOVA CAN GENERATE MORE THAN

936 megawatts of wind and solar power

An additional 108 megawatts of renewable energy are under construction.

OUR SUBSIDIARY

PXiSE

developed and commercialized a technology that makes it easier to integrate renewable energy into the grid.

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.

We set and achieve energy efficiency goals. (page 38)

Our California utilities are building the infrastructure to support alternative-fueled vehicles, which can support more efficient energy systems. (page 17)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

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. (page 36)

We have a goal that our LNG operations will enable the delivery of more than 45 mtpa, enabling a shift away from higher-carbon sources of energy.

We have integrated energy storage, smart meters, electric vehicles, time-of-use pricing and customer engagement strategies into California utility operations. These activities improve energy efficiency and reduce environmental impact.

13.1

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

We identify, manage and disclose climate change risks. (page 103)

We track and disclose our GHG emissions. (page 36)

We improve efficiency (page 38) and climate resilience in our own operations. (page 65)

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. (pages 69-70)

SUSTAINABLE DEVELOPMENT GOALS

APPENDIX

Performance data

Business and governance	2017	2018[1]	2019[2]	2020[2]
Revenues (millions of dollars)	9,640	10,102	10,829	11,370
Earnings attributable to common shares (millions of dollars)	256	924	2,055	3,764
Earnings per diluted common share (dollars)	1.01	3.42	7.29	12.88
Total assets (as of 12/31) (millions of dollars)	50,454	60,638	65,665	66,623
Number of board directors (as of 12/31)	13	14	15	13
Number of independent board directors (as of 12/31)	12	13	13	11
Independent board directors that are women and/or minorities as of 12/31 (% of independent directors)	67	62	62	64
Ethics & Compliance Helpline calls[3]	287	354	375	330
Environment				
Renewable energy deliveries[4]	42	42	42	42
Electric volumes delivered (millions of kilowatt hours)	19,011	148,809	151,324	149,037
Natural gas volumes delivered (bcf)	1,008	925	950	970
LNG liquefied (million tons)[5]	0	0	1.7	7.7
Scope 1 GHG emissions (million metric tons CO_2e)	5.2	5.9[6]	5.5[6,7]	6.7[6,8]
Scope 2 GHG emissions (million metric tons CO_2e)	0.233	0.514[6]	0.146[6,7]	0.151[6,8,9]
Scope 3 GHG emissions (million metric tons CO_2e)[6,10]	55.1	67.4	64.8	66.1

[1] Relevant and available non-financial data for Oncor are included, as of 1/1/18.

[2] 2019 non-financial data for certain Midstream operations and renewable assets sold in 2019, and data for our South American businesses that we sold in 2020 are not included. Other exceptions are noted.

[3] U.S. data only in 2017. Starting in 2018, calls to international helplines are also included. Data for Oncor are not included.

[4] SDG&E delivered an average 42% renewable energy during the RPS compliance period between 2017 – 2020.

[5] Includes 100% liquefaction from the Cameron LNG facility, where Sempra has a 50.2% ownership share.

[6] Data for Oncor are not included.

[7] GHG emissions data for 2019 have been updated following an independent verification of the data.

[8] GHG emissions data for 2020 are unverified.

[9] Data for Cameron LNG are not included.

[10] Includes emissions from power purchased and delivered to electric utility customers, from end-user combustion of natural gas and employee air travel. 2018 value updated to include end-user combustion of natural gas for additional pipelines in Mexico.

Performance data

	2017	2018[1]	2019[2]	2020[2]
Environment (continued)				
Total water withdrawal (billions of gallons)[11]	28.9	28.0	26.9	28.1
Returned water (billions of gallons)[11]	26.5	25.4	24.9	26.0
Hazardous waste (tons)[12]	2,456	5,282	3,727	6,069
Agency inspections	604	425	551	451
Notices of violation (NOV)[13]	24	16	10	9
Inspections with no NOV issued (% of total inspections)	96	96	98	98
Fines and penalties (dollars)[14]	29,601	12,250	3,652	4,000
Internal compliance assessments and audits[15]	386	543	447	408
Our stakeholders				
Number of employees	16,000	20,838	18,134	19,104
Employee work-related fatalities	0	0	2	0
Employee recordable injury case rate (per 100 full-time workers)	2.24	1.66	2.16	1.59
Employee lost work-time case rate (per 100 full-time workers)	0.66	0.49	0.55	0.41
Contractor work-related fatalities[6]	0	1	0	0
Contractor recordable injury case rate (per 100 full-time workers)[6]	0.83	0.71	0.48	0.49
Women in workforce (% of total workforce)	30	26	28	28
Women in management (% of management employees)	34	31	35	34
People of color in workforce (% of U.S. employees)	59	53	54	55
People of color in management (% of U.S. management)	52	50	47	53
Community giving (millions of dollars)[16]	20.3	24.2	31.4	51.9

[11] *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 and natural gas pipeline testing at our California utilities.*

[12] *Hazardous waste generated is higher in 2018 due to SoCalGas pipeline relocation and decontamination projects and the inclusion of Oncor amounts.*

[13] *Self-reported violations are not included.*

[14] *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.*

[15] *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.*

[16] *Community giving includes charitable giving to fully charitable entities as well as nonprofit civic and community groups. 2019 and 2020 include $7.5 million and $10 million, respectively, in one-time donations to donor advised funds. The 2019 number was updated from last year's report to include the donation to a donor advised fund.*

Operating company alignment under the four pillars

Our operating companies align their respective strategic focus and
sustainability strategies under Sempra's four sustainability pillars.
Those pillars help to identify and manage key environmental, social,
and governance initiatives, set bold goals in each area, and focus their
communications to provide progress updates to stakeholders. Some of
those are highlighted over the next few pages.

Enabling the energy transition

Affordable lower-carbon energy in every market we serve

SDG&E

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

By 2022, we aim to:

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

By 2025, 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 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:

- Achieve net-zero GHG emissions across scopes 1, 2 and 3

SoCalGas

By 2025, we aim to:

- Deliver 5% renewable natural gas (by 2022).[1]
- Increase procurement of responsibly sourced gas.[2]
- Complete 5 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:

- Achieve net-zero GHG emissions across scopes 1, 2 and 3.

[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*

Oncor

- Oncor connects more than 60 renewable generators to the ERCOT grid that are capable of producing 11,000 MW of energy; more than 42% of ERCOT wind generation capacity is connected to the grid by Oncor facilities.
- In 2020, Oncor also negotiated agreements that enabled 100 percent renewable electricity usage at all Oncor facilities as of June 1, 2020 – up from the previous 26%.
- Planning to support more than 4,000 EVs by 2022-2024 is underway, and a Green Fleet Growth Planning Tool has been developed to help identify available substation and transformer capacityVZ and predict how population growth will impact capacity and planning opportunities through 2050

Sempra LNG

- Sempra LNG's infrastructure in North America will 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 intensities from its facilities, the electricity that it purchases and the upstream and downstream components of the LNG supply chain.

IEnova

- Identify and develop plans for carbon offset projects.
- Every year we aim to maintain electric generation carbon intensity well under 0.35 tCO_2e/MWh.

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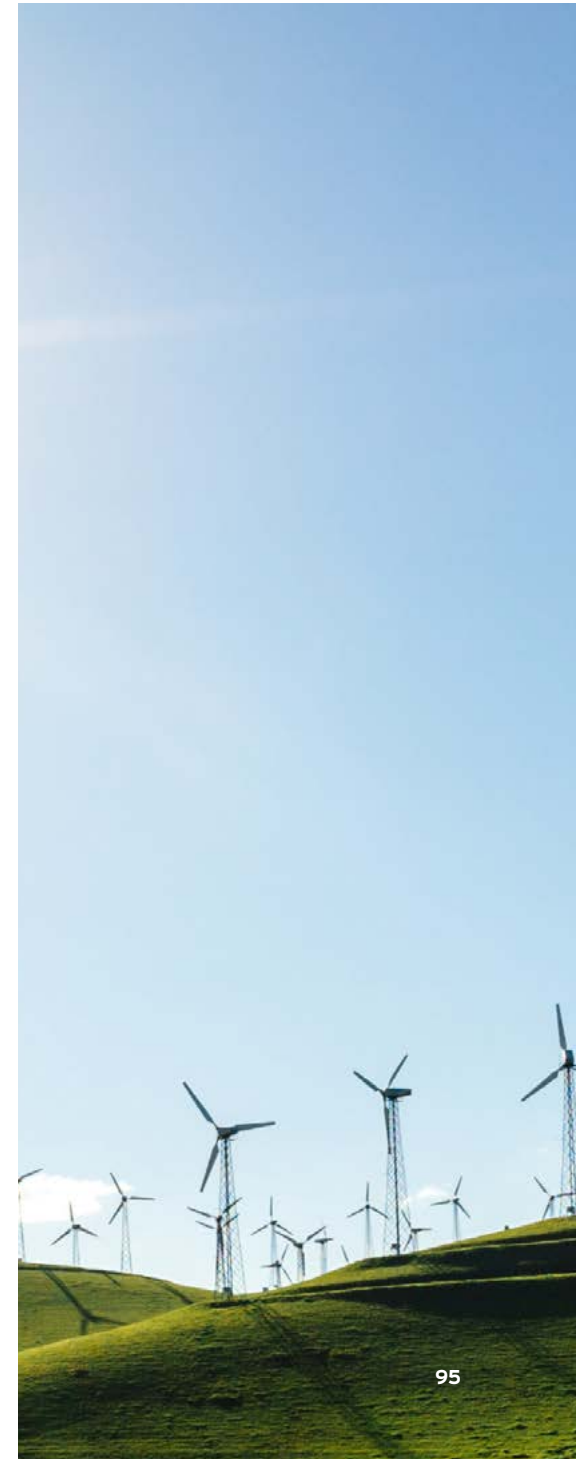
Driving resilient operations

To achieve consistent excellence in all we do

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, especially 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)

By 2035, we aim to:
- Operate a 100% ZEV fleet

By 2040, we aim to:
- Deploy 100% non-SF6 equipment, everywhere feasible

SoCalGas

By 2025, we aim to:
- Achieve 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]

By 2030, we aim to:
- Eliminate 100% of vented gas during planned transmission pipeline work (excluding emergency repairs).
- Achieve net-zero energy for 50% of SoCalGas' existing buildings.[1]
- Exceed California's goal to reduce fugitive methane emissions by 40% by 2030.

By 2035, we aim to:
- Operate a 100% zero emissions over-the-road fleet.
- Achieve net-zero energy for 100% of SoCalGas buildings.[1]

[1] This goal excludes compressor and transmission facilities.
[2] Dependent on functional application and availability of vehicle products.
[3] See SB 1371, available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1371.
[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.

Oncor

- For the industry's primary benchmark for reliability, System Average Interruption Duration Index (SAIDI-nonstorm), Oncor met its 2020 goal of achieving top-quartile industry performance and has set the same goal for 2021.
- Oncor improved significantly in 2020 compared to 2019. On average, Oncor's customers saw almost five minutes fewer of outages over the year –placing Oncor in the industry top quartile for reliability two years ahead of Oncor's previously announced target.

Sempra 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 hired a chief sustainability officer and created a sustainability committee made up of leaders including those involved in the sustainable development, design and operations of its infrastructure.
- Sempra LNG is the first company in the LNG arena to declare a GHG emissions intensity goal and created eight task force initiatives to drive our business towards sustainability and lower carbon intensity.
- Sempra LNG's design standards for infrastructure resiliency were proven as Cameron LNG experienced two Category 4 hurricanes in 2020 with no injuries and minimal damage to the newly constructed liquefaction facilities.
- With a culture of learning and continuous improvement, several enhanced approaches to emergency preparedness and response were implemented including a two-way communication platform to confirm the well-being of employees and active partnering by Cameron with its electricity supplier and the Calcasieu ship channel to further enhance the resilience of electric supply and facility access.

IEnova

By 2030 we aim to:

- Reduce 50% of fugitive emissions from a 2015 baseline.
- Maintain 97% reliability in our natural gas systems.
- Achieve more than 96% reliability (based on successful starts from a full stop).
- Achieve 97% availability for renewable generation (fleet level average).

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Achieving world-class safety

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

SDG&E

- SDG&E has been recognized as an industry leader in occupational safety, emergency management and wildfire mitigation operations.
- 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 improving 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.

SoCalGas

- As the nation's largest gas distribution utility, with over 7,800 employees serving 22 million customers, safety is foundational to our business.
- SoCalGas' Safety Management System (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.

Oncor

- Maintain superior safety performance. In 2020 there were zero lost-time incidents and Oncor achieved top-quartile industry performance on Days Away Restricted or Transferred (DART) metrics.
- Continue the Super Safe Kids program, an electric-safety education outreach program that has reached nearly 80,000 students across 24 Texas school districts.

Sempra LNG

- Achieved zero employee and contractor fatalities
- Improved employee and contractor OSHA recordable injury rates and lost work-time incident rates
- 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.

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.
- IEnova's results in health and safety are possible due to strong employee commitment. IEnova focuses on continuous improvement, allowing us to identify hazards and minimize risks.
- Continue the health and safety leaders training program, which aims to provide training in several specialty health and safety topics.
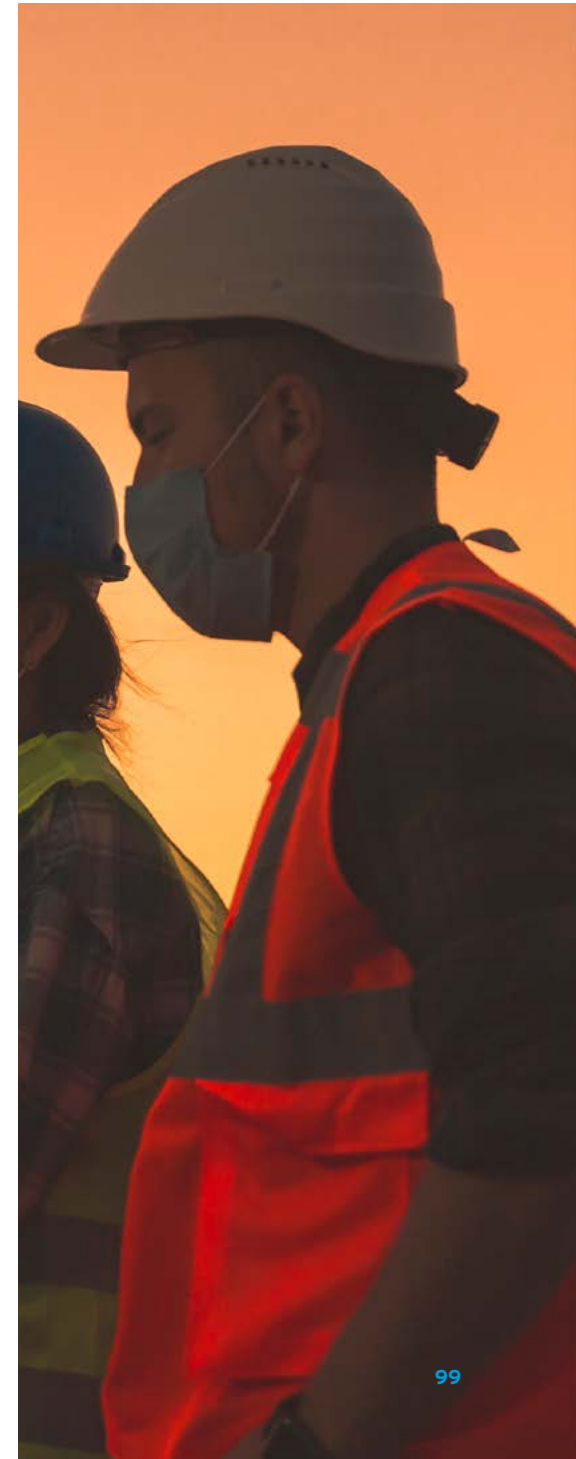
Championing people

To create an inspired workforce

SDG&E

- Each year, we aim to actively engage a growing network of external, community-based, nonprofit stakeholders that provides continuous 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**

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.
- We will continue to cultivate our workplace and communities to promote an inclusive and respectful environment that thrives on diversity.

Oncor

- Increased commitment to diversity, equity, and inclusion (DE&I) by hiring a Vice President for DE&I, a new officer-level position to lead Oncor's established officer-level steering committee and address DE&I activities across the company.
- Further explore opportunities with its new Sustainable Finance Committee, which oversaw the issuance of $450 million principal amount of senior secured notes pursuant to its sustainable bond framework. Proceeds of the offering are intended to be used to finance or refinance expenditures with minority- and women-owned business suppliers.

Sempra 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, empowering each person to bring their authentic self to work, resulting 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 Oil & Gas; 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.

IEnova

- We aim to maintain the Great Place to Work certification
- By 2025 we aim to develop a set of diversity indicators that will assist in the development of programs to further support employees.
- 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.
- As a result of an increased commitment to diversity, equity, and inclusion, in 2020 we received, and will work to maintain the Human Rights Campaign Equity Certification.
- 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.

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2020 Workforce data according to U.S. Equal Employment Opportunity Commission (EEOC) Job Categories[1, 2]

Job Category	
Ethnicity representation among total employees	
White	38.17%
Asian	12.13%
Hispanic or Latino	39.1%
Black or African American	6.79%
Other ethnicities[3]	3.81%
Women among total employees	31.16%
Ethnicity representation among executives and senior managers	
White	63.77%
Asian	13.04%
Hispanic or Latino	14.49%
Black or African American	8.7%
Other ethnicities[3]	0%
Women among executives and senior managers	36.23%

Job Category	
Ethnicity representation among first- and mid-level managers	
White	49.93%
Asian	9.45%
Hispanic or Latino	30.33%
Black or African American	6.8%
Other ethnicities[3]	3.5%
Women among first- and mid-level managers	25.79%
Ethnicity representation among professionals	
White	40.93%
Asian	19.33%
Hispanic or Latino	28.71%
Black or African American	6.93%
Other ethnicities[3]	4.11%
Women among professionals	42.4%

[1] Table contains diversity data broken down by EEOC categories. Data is as of 12/31/20.
No report was provided to the EEOC in 2020 due to interruptions related to the COVID-19 pandemic.
A link to the report filed in 2021 will be provided once submitted.
[2] Only includes employees of Sempra consolidated operations. Diversity data included
elsewhere in the report includes Oncor.
[3] Includes employees in the following EEOC classifications: Two or more races,
American Indian or Alaska Native and Native Hawaiian or Pacific Islander.

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 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 is engaged in the full range of environmental, social and governance issues, including climate and the energy transition. The board sets the direction for our company's long-term strategy and growth.

The board of directors' safety, sustainability and technology (SS&T) committee is the highest-level committee responsible for overseeing the corporation's risk management, compliance and oversight programs and performance related to environment, health, safety, security, technology, climate change, sustainability and other ESG matters affecting the corporation. Five non-employee board members serve on the committee, which is briefed by the company's compliance, technology, environmental, health, safety, security and sustainability officers and senior personnel.

The board through the SS&T committee, reviews business strategies to mitigate the impact of company operations on the environment, including GHG emissions and improving resilience of the company to physical and transition risks related to climate change, in addition to other sustainability matters.

During 2020, the committee held five meetings, in addition to a specific briefing focused on the company's corporate sustainability report and data contained therein, including ESG-related goals, environmental performance, GHG emissions, the company's approach to climate change and related risks and opportunities, as well as sustainability reporting trends and investor interest in environmental, social and governance issues.

Sustainability and governance
2021 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 corporate sustainability, including strategy and goal setting, including those closely linked to climate. The committee is chaired by the company's vice president of sustainability. In addition, the company's senior vice president of corporate affairs and chief sustainability officer; vice president of sustainability; 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. In combination, these sectors account for more than 32 gigatons of energy-related emissions. Decarbonizing these sectors means that grids will need to expand, along with zero-carbon electrons and molecules working in tandem.

Over the same period, global energy demand is expected to increase exponentially, with 90% of the world's incremental electricity growth projected to be driven by emerging economies.

Innovation and new technologies will be central to 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 all of our stakeholders.

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

Our efforts to reduce emissions over the short, medium and long-term are expected to include:

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
- Circular economy
- Carbon capture

Diversification
- Converting organic wastes in 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 using PXiSE's patented software 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
- Energy efficiency, time-of-use pricing and demand-side management programs, including partnering with "smart home" technology providers
- Blockchain tracking of lower-carbon intensity natural gas upstream

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

Risks

Transition (policy & legal, reputational, technology and market)
Our businesses are subject to rules and regulations aimed at limiting GHG emissions. Failure to comply with these requirements could subject us to substantial penalties and fines. We limit our exposure to regulatory risk by maintaining a lower-carbon portfolio of businesses and advocating for consistent energy policies.

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; 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 be in a position to recover all, or a portion of our investments. For SDG&E and SoCalGas, political headwinds and new technologies that could change the utilization of our natural gas and electric infrastructure include energy storage and distributed generation. Some California legislators and stakeholder, advocacy and activist groups have expressed a desire to further limit or eliminate reliance on natural gas as an energy source by advocating increased use of renewable energy and electrification in lieu of the use of natural gas. With utilities that deliver natural gas to customers, a substantial reduction or the elimination of natural gas as an energy source in California could have a material adverse effect on SDG&E's, SoCalGas' and Sempra's cash flows, financial condition and results of operations. At Sempra LNG, technological advances in alternative fuels and other alternative energy sources could someday reduce worldwide demand for natural gas, impacting results for this business.

Credit rating agencies routinely evaluate Sempra and its California utilities on a number of factors, including the increased risk of wildfires in California, perceived supportiveness of the regulatory environment affecting utility operations, including delays and difficulties in obtaining recovery, or the denial of recovery, for wildfire-related costs, ability to generate cash flows, level of indebtedness, overall financial strength, including credit metrics, diversification beyond the regulated utility business and the status of certain capital projects, as well as other factors beyond our control, such as the state of the economy and our industry. Downgrades and factors causing downgrades of one or both of our California utilities can have a material impact on Sempra's credit ratings.

Physical (acute and chronic)
Our operations are impacted by changes to the climate, which may include more frequent and more intense storms, winds, temperature extremes, droughts and floods as well as sea-level rise. We manage these risks by including climate projections in our planning process and evaluating different scenarios and their impacts. We also strengthen our infrastructure and update our operational protocols based on our assessment of these risks.

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

In 2020, California experienced some of the largest wildfires (measured by acres burned) in its history. Frequent and more severe drought conditions, inconsistent and extreme swings in precipitation, changes in vegetation caused by these precipitation swings or other factors, unseasonably warm temperatures, very low humidity and stronger winds have increased the duration of the wildfire season and the intensity and prevalence of wildfires in California, including in SDG&Es and SoCalGas' service territories, and have made these wildfires increasingly difficult to predict and contain.

We have experienced increased costs and difficulties in obtaining insurance coverage for wildfires that could arise. The insurance that has been obtained for wildfire liabilities may not be sufficient to cover all losses that we may incur or may not be available in sufficient amounts to meet the primary insurance required by the Wildfire Legislation. Uninsured losses may not be recoverable in customer rates. Increases in the cost of insurance may be challenged when we seek cost recovery. As a result of the strict liability standard applied to wildfires, recent losses recorded by insurance companies, and the risk of an increase in the number and size of wildfires, insurance for wildfire liabilities may not be available or may be available only at rates that are prohibitively expensive. In addition, even if insurance for wildfire liabilities is available, it may not be available in such amounts as are necessary to cover potential losses.

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 in the most 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 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 each market we serve, including California, Texas, Mexico and the LNG export market.

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

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

Our business strategy is focused on supporting the energy transition by investing in infrastructure that serves and decarbonizes the three most critical sectors of the economy – industrial, transportation and power generation. This involves extending our transmission and distribution strategy over the next five 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 California utility and Mexico (non-LNG) GHG emissions by 50 percent compared to a 2019 baseline; and
- Create a credible path toward reaching 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 a decade. This has involved capital expenditures in infrastructure that enables the clean energy transition.

CDP climate response (Section 3)

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 achieve 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 the most 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.

Sempra believes that reaching net-zero by mid-century is not only achievable, but that the U.S. will lead by demonstrating a commitment to electrification and renewable gases and electricity at home, while fostering innovation and supporting energy diversification in developing economies.

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

Additionally, Sempra has announced a goal to reach net-zero for scope 1, 2 and 3 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, the electrons and molecules we deliver to customers will become less carbon intensive.
- **Diversification:** Bringing new lower- to zero-carbon fuel choices to every market is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.
- **Digitalization:** Improving operational efficiency, safety and service will turn on the integration of real-time information and cutting-edge analytics, benefiting network operators.

Representative examples in each of these areas can be found on page 23 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 invested more than $2.0 billion since 2007 in wildfire mitigation efforts. 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, to mitigate this risk to the extent possible. This includes advanced situational awareness tools; aggressive infrastructure hardening and vegetation management; the most extensive utility-owned weather network in the nation; dedicated firefighting resources; and strong practices in construction, maintenance and operations, including proactive de-energization for safety.

Please see pages 65 and 66 of this report for more information on our efforts related to a resilient energy system.

Business overview and strategy
CDP climate response (Section 3)
Advancing the energy transition

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);
• Regulatory, legal and compliance (including reputation); 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 business 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 risk is assessed and evaluated at various levels within the organization, including by line managers, officers and senior management teams in each business.

Enterprise risk management
CDP climate response 2.1; 2.1a,b; 2.2, 2.2a

Describe the organization's processes for managing climate-related risks.

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 LNG 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.

Building a resilient energy transition
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 parent company level, the Sempra board and the compliance and enterprise risk committee provide oversight on all identified risk areas. Risk management teams at each operating company and the parent company 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.

Enterprise 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 establish new climate goals for the company related to our role in the energy transition.

Advancing the energy transition
Greenhouse gas emissions

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

2020 GHG emissions*****
Scope 1: 6.7 million metric tons CO_2e
Scope 2: .151 million metric tons CO_2e
Scope 3: 66.1 million metric tons CO_2e

Greenhouse gas emissions

* 2020 GHG emissions data subject to 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 across scopes 1, 2 and 3

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 California utility and Mexico (non-LNG) operational GHG emissions 50% compared to a 2019 baseline.
- Deliver 20% renewable natural gas (SoCalGas)
- Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas and IEnova efforts contribute to this goal)
- 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*
- 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)
- Fulfill 100% of new renewable energy requests for interconnection (Oncor)

Advancing the energy transition
Greenhouse gas emissions

This goal is through 2025. Cameron LNG, the primary LNG operating asset, will achieve its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we will establish new goals.

SASB standards

To simplify compare-to-company comparisons, the Sustainability Accounting Standards Board (SASB) has developed industry-specific performance metrics. Sempra's SASB metrics for electric utility, natural gas utility, and oil and gas midstream performance are outlined in the tables below. The is the first year we are reporting metrics for operations in Mexico and Texas.[1] We plan to continue to increase the scope of our reporting in future years. 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**	**IEnova**
IF-GU-240a.1	Average gas retail rate for residential customers (USD per MMBtu)	1.4	1.78	__
	Average gas retail rate for commercial customers (USD per MMBtu)	0.8	0.81	__
	Average gas retail rate for industrial customers (USD per MMBtu)	0.8	0.81	__
	Average gas retail rate for transportation services only (USD per MMBtu)	0.14	0.2	__
IF-GU-240a.2	Typical monthly gas bill for residential for 50 MMBtu of gas delivered per year (USD)	58.47	75.31	79.80
	Typical monthly gas bill for residential for 100 MMBtu of gas delivered per year (USD)	123.06	157.65	159.60
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment[2]	16,268	Gas disconnections not tracked separately	__
	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	84%	Gas disconnections not tracked separately	91%
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Supporting customers and communities		
	End-use efficiency			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	100	100	__
IF-GU-420a.2	Customer gas savings from efficiency measures by market (MMBtu)	3,688,261	430,000	__

[1] *Please see IEnova's sustainability report for additional SASB data.*
[2] *Disconnections for SDG&E and SoCalGas were suspended in 2020 due to COVID-19.*

Gas utilities standard (continued)

SASB code	Accounting metric			
	Integrity of gas delivery infrastructure	**SoCalGas**	**SDG&E**	**IEnova**
IF-GU-540a.1	Number of reportable pipeline incidents	10	1	0
	Number of corrective action orders	0	0	0
	Notices of probable violation	5	0	0
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	0	0	6%
	Percentage of distribution pipeline that is unprotected steel	15	0	0
IF-GU-540a.3	Percentage of gas transmission pipelines inspected	35%	38%	97%
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions		Greenhouse gas emissions	
	Workplace health and safety			
	Total recordable incident rate (per 100 full-time workers)	2.72	1.43	.30
	Fatality rate (per 100 full-time workers)	0	0	0
	Near-miss frequency rate (per 100 full-time workers)	1.24	2.32	3.62
	Activity metrics			
IF-GU-000-A[1]	Number of residential customers served	5,792,600	869,520	132,317
	Number of commercial customers served	248,720	28,690	3,851
	Number of industrial customers served	24,880	2,870[2]	275
IF-GU-000.B	Amount of natural gas delivered to residential customers (MMBtu)	232,190,032	30,271,594	2,081,028
	Amount of natural gas delivered to commercial customers (MMBtu)	102,521,119	18,589,615	1,175,636
	Amount of natural gas delivered to industrial customers (MMBtu)	265,765,345	31,000,000[2]	26,838,738
	Amount of natural gas transferred to a third party (MMBtu)	283,525,295	36,224,188	32,931
IF-GU-000.C	Length of gas transmission and distribution pipelines (km)	87,590	14,724	6,802

[1] *For additional information on customer categories and gas delivered please see our 2020 statistical report on sempra.com.*
[2] *Includes electric generation and transportation customers.*

Electric utilities standard

SASB code	Accounting metric	SDG&E	IEnova[1]	Oncor
	GHG emissions and energy resource planning			
IF-EU-110a.1	Gross global scope 1 emissions[2] (metric tons CO_2e)	1,416,282	1,179,638	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)	2,884,834	1,186,510	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	Advancing the energy transition		n/a
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards	1,483,230	n/a	n/a
	Percentage fulfillment of RPS target	100	n/a	n/a
	Air quality			
IF-EU-120a.1	NO_x (metric tons)	118	86	n/a
	SO_2 (metric tons)	7	6	n/a
	Particulate matter (metric tons)	23[3]	80	n/a
	Lead (metric tons)	0	0	n/a
	Mercury (metric tons)	0	0	n/a

[1] *IEnova operations include natural gas, wind and solar generation. As the company does not have electric utility operations, some indicators are not applicable.*
[2] *GHG emissions data for 2020 are unverified and subject to change pending the verification process. Includes emissions data for all SDG&E operations.*
[3] *Includes particulate matter emissions from the Palomar and Desert Star natural gas-fired power plants, emissions from other generation facilities are de minimis.*

Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	IEnova[1]	Oncor
	Water management			
F-EU-140a.1[2]	Total water withdrawn (thousand m^3)	2,414	4,869	n/a
	Total water consumed (thousand m^3)	1,598	3,544	n/a
F-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	1	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] *IEnova operations include natural gas, wind and solar generation. As the company does not have electric utility operations, some indicators are not applicable.*
[2] *Includes water withdrawal and consumption for power generation only.*

Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	IEnova[1]	Oncor
	Energy affordability			
IF-EU-240a.1	Average retail electric rate for residential customers (USD/kWh)	0.27	n/a	n/a
	Average retail electric rate for commercial customers (USD/kWh)	0.25	n/a	n/a
	Average retail electric rate for industrial customers (USD/kWh)	0.22	n/a	n/a
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh (USD)	147.93	n/a	n/a
	Typical monthly electric bill for residential customers for 1,000 kWh (USD)	322.35	n/a	n/a
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment	9,146	n/a	n/a
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	90%	n/a	n/a
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Supporting customers and communities	n/a	
	Workforce health and safety			
IF-EU-320a.1	Total recordable incident rate (per 100 full-time workers)	1.43	0.30	0.78
	Fatality rate (per 100 full-time workers)	0	0	0
	Near-miss frequency rate (per 100 full-time workers)	2.32	3.62	__
	End use efficiency & 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[2]	100	n/a	100
IF-EU-420a.3	Customer electricity savings from efficiency measures (GWh)	333[3]	n/a	296

[1] *IEnova operations include natural gas, wind and solar generation. As the company does not have electric utility operations, some indicators are not applicable.*
[2] *SDG&E's and Oncor's entire service territories are served by advanced meter infrastructure. Nearly all customers have advanced meters.*
[3] *Preliminary data.*

Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	IEnova*	Oncor
	Grid resilience			
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)	64.37	n/a	79.44
	System Average Interruption Frequency Index (SAIFI)	0.62	n/a	1.25
	Customer Average Interruption Duration Index (CAIDI)	103.9	n/a	63.55
	Activity metrics			
IF-EU-000.A	Number of residential customers served	1,317,080	n/a	3,167,338
	Number of commercial customers served	151,210	n/a	491,749
	Number of industrial customers served	370	n/a	10,626
IF-EU-000.B	Total electricity delivered to residential customers (MWh)	6,606,155	n/a	44,228,170
	Total electricity delivered to commercial customers (MWh)	5,872,843	n/a	45,273,880
	Total electricity delivered to industrial customers (MWh)	1,841,888	n/a	40,381,294
	Total electricity delivered to all other retail customers (MWh)	77,315	n/a	396,545
	Total electricity delivered to wholesale customers (MWh)	3,481,785	n/a	0
IF-EU-000.C	Length of transmission and distribution lines (km)	41,931	n/a	224,111
IF-EU-000.D	Total electricity generated (natural gas) (MWh)	3,123,577	2,788,872	n/a
	Total electricity generated (wind) (MWh)	0	1,305,067	n/a
	Total electricity generated (solar) (MWh)	0	635,537	n/a
IF-EU-000.E	Total wholesale electricity purchased (MWh)	14,647,000	19,540	n/a

IEnova operations include natural gas, wind and solar generation. As the company does not have electric utility operations, some indicators are not applicable.

Oil and gas midstream standard

SASB code	Accounting metric	
	GHG emissions	**IEnova**
EM-MD-110a.1	Gross global scope 1 emissions (metric tons CO_2e)	608,039
	Percentage covered under emissions-reporting regulations	100
	Percentage of gross global scope 1 emissions from methane	18
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)	650
	SO_2 (metric tons)	3
	Particulate matter (metric tons)	35
	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	1
EM-MD-160a.3	Terrestrial acreage disturbed	12,463
	Percentage of impacted area restored	2
EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills	0

Oil and gas midstream standard (continued)

SASB code	Accounting metric	IEnova
	Competitive behavior	
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 pipelines inspected	97
	Percentage of hazardous liquid 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	Business overview and strategy; 2020 Annual Report introduction, pg. 6
102-3	Location of headquarters	San Diego, CA
102-4	Location of operations	As of December 31, 2020 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."
102-6	Markets served	Business overview and strategy; 2020 Annual Report introduction, pg. 6
102-7	Scale of the organization	Business overview and strategy; Performance data; 2020 Statistical report pg. 2

Disclosure	Description	Response
102-8	Information on employees and other workers	Championing our employees Data related to our workforce is compiled through the annual corporate sustainability data collection process. Human resources information is also available in a system called MyInfo which houses a variety of data and information. Male - Female, by age: 20-29: 1,942-660; 30-39: 4,128-1,582; 40-49: 3,294-1,392; 50-59: 2,467-1,089; >60: 1,611-588 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 **Omissions:** Data for diverse supplier spend currently includes only U.S. utilities.
102-10	Significant changes to the organization and its supply chain	Business overview and strategy; Supply chain; 2020 Annual Report, pg. 2
102-11	Precautionary principle or approach	Enterprise risk management; 2020 Annual Report, pg. 44
102-12	External initiatives	These are referenced throughout the 2020 Corporate Sustainability Report.
102-13	Membership of associations	2020 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; Sustainability and governance; Enterprise risk management; Sustainability goals and KPIs; 2020 Annual Report, pg. 44
102-16	Values, principles, standards and norms of behavior	Sustainability and governance; Codes of conduct
102-17 WEF	Mechanisms for advice and concerns about ethics	Enterprise risk management; Stakeholder engagement model; Ethics & Compliance Helpline process
102-18	Governance structure	Sustainability and governance; 2021 Proxy statement, pg. 88; 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 model; 2021 Proxy statement, pg. 8
102-22 WEF	Composition of the highest governance body and its committees	2021 Proxy statement, pg. 8
102-23	Chair of the highest governance body	Sempra shareholder proposals have included the request that the company adopt a policy that our chairman of the board be independent and not a current or former executive of the company. The board of directors believes it is in the best interests of our shareholders for the board to retain the flexibility to determine, from time to time on an ongoing basis, whether the Chairman of the Board should be an independent director or whether board function would be improved by having a non-independent Chairman and an independent lead director. William D. Jones is the lead independent director, effective May 9, 2019. Sempra has established a strong lead director role, consistent with input from shareholders.
102-24	Nominating and selecting the highest governance body	Creating responsible governance; Corporate governance guidelines; 2021 Proxy statement pg. 89
102-25	Conflicts of interest	Corporate governance guidelines; 2021 Proxy statement pg. 66
102-26 WEF	Role of highest governance body in setting purpose, values and strategy	Creating responsible governance
102-27	Collective knowledge of highest governance body	Creating responsible governance; 2021 Proxy statement pg. 28
102-28	Evaluating the highest governance body's performance	Corporate governance committee charter
102-32	Highest governance body's role in sustainability reporting	Creating responsible governance
102-35	Remuneration policies	2021 Proxy statement, pg. 49
102-36	Process for determining remuneration	2021 Proxy statement, pg. 49
102-37	Stakeholders' involvement in remuneration	2021 Proxy statement, pg. 47
102-40	List of stakeholder groups	Stakeholder engagement model

Disclosure	Description	Response
102-41	Collective bargaining agreements	Championing our employees Field employees and some technical, administrative and clerical employees are represented by labor unions in their respective countries. Approximately 34% of Sempra's employees are represented by labor unions.* *This figure includes Oncor employees represented by labor unions.*
102-42	Identifying and selecting stakeholders	Serving our stakeholders
102-43 WEF	Approach to stakeholder engagement	Serving our stakeholders; Stakeholder engagement policy
102-44	Key topics and concerns raised	Enterprise risk management; Stakeholder engagement model; Stakeholder engagement policy
102-45	Entities included in the consolidated financial statements	Sempra's principal operating units are: - San Diego Gas & Electric Company - Southern California Gas Company - Sempra Texas Utilities* - Sempra Mexico - Sempra LNG* Information and data on all operating units mentioned above are included in this report. Our South American businesses were sold in 2020 and were considered discontinued operations, and are therefore not included in this report. Limitations are noted per metric within the response column or as footnotes throughout the report. * Sempra's ownership interest in Oncor and Cameron LNG are accounted for as an equity method investment.
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	Oncor's renewable energy interconnection requests for prior years were updated due to revised methodology. 2019 GHG emissions data were updated following an independent review. 2018 scope 3 emissions were updated to include additional sources of emissions. 2019 preliminary CARE program enrollment percentages were updated according to the final numbers filed to the CPUC. 2019 corporate giving total was adjusted to include donations to the Donor Advised Fund.
102-49	Changes in reporting	About this report

Disclosure	Description	Response
102-50	Reporting period	January 1, 2020, to December 31, 2020
102-51	Date of most recent report	May 2020, covering calendar year 2019
102-52	Reporting cycle	Annual
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	GHG emissions for 2019 were verified as follows: SDG&E and SoCalGas, by Lloyd's Register Quality Assurance, Inc. and Cameron-Cole, LLC., respectively; and Termoeléctrica de Mexicali, by Cameron-Cole, LLC. The verification process for 2020 GHG emissions will be completed later in 2021.
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Installed capacity (MW)* U.S. Mexico Natural Gas: 1,204 625 Wind: 407 Solar: 529 *Reflects capacity as of April 2021, including Border Solar (150 MW), which entered into operation in Q1 2021, and the remaining 50% interest in ESJ's wind project (77.5 MW) which was acquired in March 2021.*
EU2	Net energy output broken down by primary energy source and by regulatory regime	Energy output (MWh) U.S. Mexico Natural Gas: 3,123,577 2,707,094 Wind: 1,137,571 Solar: 626,655
EU3	Number of residential, industrial, institutional and commercial customer accounts	2020 Statistical report pgs. 20, 21, 28, 34, 35; 2020 Annual Report pgs. 14, 17, 21
EU4	Length of above and underground transmission and distribution lines by regulatory regime	Above ground (miles): 118,849 Underground (miles): 46,167 **Omissions:** Does not include Sharyland's transmission lines ** Due to timing of data collection totals vary slightly from end of year T&D line mileage.*

Disclosure	Description	Response
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 Appendix
103-2	The management approach and its components	Material topics and ESG goals; Enterprise risk management; Sustainability goals and KPIs

Specific standard disclosures

Disclosure	Description	Response
Category: Economic		
Economic Performance		
103-2	The management approach and its components	Our business
201-1 WEF	Direct economic value generated and distributed	Serving our stakeholders; Supporting customers and communities; 2020 Annual report pg. 7; Economic value for our communities
201-2	Financial implications and other risks and opportunities due to climate change	Advancing the energy transition; Creating responsible governance; Task force on climate-related financial disclosures; 2020 Form 10-K, pg. 34; CDP climate
201-3	Defined benefit plan obligations and other retirement plans	2020 Form 10-K - Employee benefit plans pg. F-91
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	Serving our stakeholders
203-2	Significant indirect economic impacts	Serving our stakeholders
Procurement practices		
103-2	The management approach and its components	Supply chain
204-1	Proportion of spending on local suppliers	Approximately 58% of total supplier spend in 2020 was with local suppliers. The definition for local may vary by business. For example, for our utilities in 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; 2020 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	Natural gas (BTU/kWh):	U.S. 8,021	Mexico 7,359
EU12	Transmission and distribution losses as a percentage of total energy	Transmission losses: Distribution losses:	SDG&E 1.36% 2.04%	Oncor* 1.95% 5.91%
				Preliminary data
Anti-corruption				
103-2	The management approach and its components	Code of business conduct; Anti-bribery and anti-corruption policy; Enterprise risk management; Protecting 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	Creating responsible 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 2020.		

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 2020.
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; 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): 153,666 Total natural gas throughput (billion cubic feet): 970
302-3	Energy intensity	CDP climate
302-4	Reduction of energy consumption	Reducing emissions and leaks; CDP climate; Greenhouse gas emissions **Omissions:** Only data from electricity reduction at SDG&E and SoCalGas employee-occupied facilities is included.

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 | 19 | | | Ground water | 94 | | | Seawater | | 98,596 | | Produced water | | 85 | | Third-party water | 620 | 7,068 | | | 733 | 105,749 | **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) | 85 | | Seawater | 99,182 | | Third-party water | 1,479 | | | 100,747 | **Omissions:** Partially reported, not all data available.

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; IEnova sustainability report **Omissions:** Partially reported, not all data available.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Critically endangered 2 Endangered 12 Vulnerable 8 Near threatened 4 Least concern 28 **Omissions:** Partially reported, not all data available.
Emissions		
103-2	The management approach and its components	Advancing the energy transition; Greenhouse gas emissions; Reducing emissions and leaks; CDP climate
305-1 WEF	Direct (Scope 1) GHG emissions	Greenhouse gas emissions; Reducing emissions and leaks; CDP climate
305-2 WEF	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions; Reducing emissions and leaks; CDP climate
305-3 WEF	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions; Reducing emissions and leaks; CDP climate
305-4	GHG emissions intensity	Greenhouse gas emissions; Reducing emissions and leaks; CDP climate
305-5	Reduction of GHG emissions	Advancing the energy transition; Greenhouse gas emissions; Reducing emissions and leaks; CDP climate

Disclosure	Description	Response		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	NOx emissions from power generation (metric tons)	196	
		SO_2 emissions from power generation (metric tons)	12	

Effluents and waste

103-2	The management approach and its components	Protecting the environment and advancing the circular economy; Environmental policy; Waste and recycling		

306-2	Waste by type and disposal method		Non-hazardous	Hazardous
		Reused	8	0
		Recycled	34,612	456
		Composted	7,933	0
		Recovered	0	924
		Incinerated	243	321
		Deep-well injection	1,343	0
		Landfill	45,578	4,302
		On-site storage	0	0
		Other methods	19,381	66
		Total	109,098	6,069

306-3	Significant spills	Sempra did not experience any significant spills in 2020.

Environmental compliance

103-2	The management approach and its components	Creating responsible governance; Environmental compliance
307-1	Non-compliance with environmental laws and regulations	Environmental compliance

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

Disclosure	Description	Response
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. At IEnova, 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	Reducing emissions and leaks; 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

Category: Social

Employment

103-2	The management approach and its components	Championing our employees
401-1 WEF	New employee hires and employee turnover	Employee turnover: 5.7%; Voluntary turnover: 4.7%
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: 28% Eligible to retire in 10 years: 39%
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 minimizes 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	Championing our employees Approximately 34% 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.

Disclosure	Description	Response
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 license to operate in the communities where we do business. Championing our employees
403-1	Workers representation in formal joint management–worker health and safety committees	Championing our employees **Omissions:** Percentage of workers represented by committees.
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Championing our employees
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	Recruiting, retaining and engaging our workforce
404-1 WEF	Average hours of training per year per employee	Average hours of training and development per FTE in 2020 was 25. Our methodology for calculating training hours was adjusted in 2020 to exclude compliance and other mandatory trainings. **Omissions:** Partially reported.
404-2	Programs for upgrading employee skills and transition assistance programs	Recruiting, retaining and engaging our workforce
404-3	Percentage of employees receiving regular performance reviews and career development reviews	Championing our employees 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	Driving a high-performance culture
405-1 WEF	Diversity of governance bodies and employees	Creating responsible governance; Key D&I metrics; 2021 Proxy statement pg. 3 **Omissions:** Partially reported.
405-2 WEF	Ratio of basic salary and remuneration of women to men	Key D&I metrics

Sub-category: Human rights

Disclosure	Description	Response
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.
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	Protecting 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	Protecting human rights; Human rights policy; Stakeholder engagement policy
411-1	Incidents of violations involving rights of indigenous peoples	Protecting human rights; Human rights policy; Stakeholder engagement policy
Human rights assessment		
103-2	The management approach and its components	Code of business conduct; Human rights policy
412-1	Operations that have been subject to human rights reviews and/or impact assessments	Human rights policy
Sub-category: Society		
Local communities		
103-2	The management approach and its components	Supporting customers and communities; Stakeholder engagement policy

Disclosure	Description	Response
413-1	Operations with local community engagement, impact assessments and development programs	Supporting customers and communities; 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
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	Engaging with regulators and policymakers 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	Prioritizing public 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 judgements, settlements and pending legal cases of diseases	Prioritizing public safety

Marketing and labeling: This topic did not meet our threshold for materiality

Disclosure	Description	Response
Customer privacy		
103-2	The management approach and its components	Sempra and its operating companies disclose their privacy policies on their websites.
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	Creating responsible governance; Protecting the environment and advancing a circular economy; 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 9,146 16,268 **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: 0.62; Oncor: 1.25
EU29	Average power outage duration	Average outage duration (in minutes) (SAIDI): SDG&E: 64.37; Oncor: 79.44
EU30	Average plant availability factor by energy source and by regulatory regime	Natural Gas: United States: 89% Mexico: 90%

Appendix: 103-1*

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; Supplier 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

* These are the top material issues identified during our materiality assessment performed in 2019.
The GRI Index additionally includes other topics that are of importance to our business and stakeholders.

Forward-looking statements

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," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "target," "outlook," "maintain," "continue," 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 costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances or revocations of permits and other authorizations, renewals of franchises, and other actions by (i) the Comisión Federal

de Electricidad, California Public Utilities Commission (CPUC), U.S. Department of Energy, 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 major 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 of partners or other third parties; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, and arbitrations, including, among others, those related to the natural gas leak at Southern California Gas Company's (SoCalGas) Aliso Canyon natural gas storage facility; the impact of the COVID-19 pandemic on our capital projects, regulatory approval processes, supply chain, liquidity and execution of operations; 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 substantial debt service obligations; moves to reduce or eliminate reliance on natural gas and the impact of volatility of oil prices on our businesses and development projects; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), 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, limitations on the withdrawal of natural gas from storage facilities, and equipment failures; cyber security threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, failure of foreign governments and state-owned entities to honor their contracts, and property disputes; 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 Direct Access and Community Choice Aggregation, 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 and interest and inflation rates and commodity prices and our ability to effectively hedge these risks; 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 the company's website, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, and Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC.

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 2020:
- $(233) million from impacts associated with Aliso Canyon natural gas storage facility litigation and regulatory matters at SoCalGas
- $(100) million equity losses at RBS Sempra Commodities LLP, which represent an estimate of our obligations to settle pending tax matters and related legal costs at our equity method investment at Parent and Other
- $1,747 million gain on the sale of our South American businesses

Sempra Adjusted Earnings, Weighted-Average Common Shares Outstanding–Adjusted and Adjusted EPS are non-GAAP financial measures (GAAP represents generally accepted accounting principles in the United States of America). Because of the significance and/or nature of the excluded items, management believes that these non-GAAP financial measures provide 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, Weighted-Average Common Shares Outstanding–GAAP 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]	Earnings
		Year ended December 31, 2020	
Sempra GAAP Earnings			$ 3,764
Excluded items:			
Impacts associated with Aliso Canyon litigation and regulatory matters	$307	$(74)	233
Losses from investment in RBS Sempra Commodities LLP	100	—	100
Gain on sale of South American businesses	(2,899)	1,152	(1,747)
Sempra Adjusted Earnings			$ 2,350
Diluted EPS:			
Weighted-average common shares outstanding, diluted–GAAP			292,252
Sempra GAAP EPS			$ 12.88
Sempra Adjusted Earnings			$ 2,350
Add back dividends for dilutive series A preferred stock			104
Sempra Adjusted Earnings for Adjusted EPS			$ 2,454
Weighted-average common shares outstanding, diluted–Adjusted[2]			305,669
Sempra Adjusted EPS			$8.03

[1] Income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We did not record an income tax benefit for the equity losses from our investment in RBS Sempra Commodities LLP in 2020 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.

[2] In the year ended December 31, 2020, because the assumed conversion of the series A preferred stock is dilutive for Adjusted Earnings, 13,417 series A preferred stock shares are added back to the denominator used to calculate Adjusted EPS.

Reconciliation of Sempra 2020 Adjusted EPS Guidance Range to Sempra 2020 GAAP EPS Guidance Range (Unaudited)

Sempra 2020 Adjusted EPS Guidance Range of $7.20 to $7.80 excludes items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

- $(233) million from impacts associated with Aliso Canyon natural gas storage facility litigation and regulatory matters at SoCalGas
- $(100) million equity losses at RBS Sempra Commodities LLP, which represent an estimate of our obligations to settle pending tax matters and related legal costs at our equity method investment at Parent and Other
- $1,747 million gain on the sale of our South American businesses

Sempra 2020 Adjusted EPS Guidance Range is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Sempra 2020 Adjusted EPS Guidance Range should not be considered an alternative to Sempra 2020 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 2020 Adjusted EPS Guidance Range to Sempra 2020 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 2020	
Sempra GAAP EPS Guidance Range	$12.02 to	$12.62
Excluded items:		
Impacts associated with Aliso Canyon litigation and regulatory matters	0.80	0.80
Losses from investment in RBS Sempra Commodities LLP	0.34	0.34
Gain on sale of South American businesses	(5.96)	(5.96)
Sempra Adjusted EPS Guidance Range	$7.20 to	$7.80
Weighted-average common shares outstanding, diluted (millions)*		293

*   *Weighted-average common shares outstanding does not include the dilutive effect of mandatory convertible preferred stock, as they are assumed to be antidilutive for full-year 2020. If such mandatory convertible preferred stock were dilutive for the full year, the 2020 GAAP EPS Guidance Range would differ from the range presented above.*

Content index

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