

2022  
Corporate  
Sustainability  
Report

25 years  
advancing  
sustainable  
business  
practices



25



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Cameron LNG, ECA, IEnova, Oncor, Port Arthur LNG, SI Partners and Sharyland Utilities are not the same companies as the California utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission.

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We are pleased to present our 15th annual sustainability report, highlighting our sustainable business practices as we aspire to build North America's premier energy infrastructure company. In it, we disclose our environmental, social and governance risks and opportunities.

Guided by our values—*do the right thing, champion people and shape the future*—at Sempra, we are committed to advancing sustainable business practices to deliver energy with purpose.

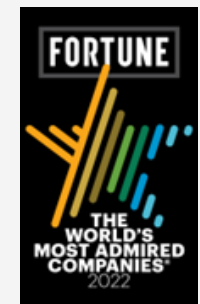
# 2022 recognition and awards

## Sempra

- Investor's Business Daily 100 Best ESG Companies; #1 Utility; #13 overall
- Fortune 'World's Most Admired Companies'
- Newsweek 'America's Most Responsible Companies'
- Center for Political Accountability–Zicklin Index Trendsetter in Political Disclosure Practices and Accountability
- Global Listed Infrastructure Organization (GLIO/ GRESB) ESG A Medal Ranking
- Wall Street Journal The Management Top 250
- Dow Jones Sustainability North America Index
- Forbes Global 2000 ranked #439; ranked #301 for market value
- Forbes Best Employers for Diversity
- Fortune 500 ranked #288
- Forbes Best Employers for New Graduates
- Forbes America's Best-in-State Employers
- JUST Capital 2022 Workforce Equity and Mobility Ranking Top 100
- Bloomberg Gender-Equality Index
- Human Rights Campaign Foundation Best Places to Work for LGBTQ+ Equality
- National Organization on Disability Leading Disability Employer
- FTSE Russell Index FTSE4Good Index Series
- Top Workplaces–The San Diego Union Tribune
- U.S. Chamber of Commerce Foundation's Citizen Awards Best Community Improvement Program (awarded to Sempra Foundation)
- Association of Fundraising Professionals San Diego Outstanding Philanthropic Business of the Year
- Public Affairs Council Outstanding Corporate PAC Award
- Signal AI 500 Global Reputation Index
- Labrador Transparency Awards ranked 88 (250 S&P list)
- S&P Global Platts Energy Awards Finalist CEO of the Year–Jeffrey Martin
- S&P Global Platts Energy Awards Finalist Rising Star–Sandeep Mor
- S&P Global Platts Energy Awards Finalist Deal of the Year–Sempra



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



## Sempra California | SDG&E

- PA Consulting ReliabilityOne Awards “Best in the West” and Outstanding Grid Sustainability Award
- Fire Safe Council of San Diego County Partner of the Year
- S&P Platts Finalist Infrastructure Project of the Year
- EEI Edison Award Finalist Cleveland National Forest Fire Hardening & Safety Project
- Fast Company List of World Changing Ideas–Honorable Mention for Community Impact Platform in AI and Data, Climate and Large Company categories; Finalist in the Enduring Impact category
- US CIO 100 Award Community Impact Platform
- Innovation in Education Awards Classroom of the Future
- Arbor Day Foundation Tree Line USA Utility Award
- American Planning Association (San Diego) Environmental Planning Excellence Award for A2Z
- San Diego Union Tribune Top Workplaces
- Computerworld Best Places to Work in IT
- E Source Utility Ad Award for Solar, Storage, Electric Vehicles and Electrification Campaign category
- Expanding Excellence Awards Best CIS Implementation, Finalist for Digital Engagement
- SAP Innovation Award Finalist to SAP 50th Anniversary Legend Award
- SoCal CIO ORBIE Award–Ben Gordon

## Sempra California | SoCalGas

- Reuters Business Transformation Award
- Reuters Responsible Business Awards Finalist DE&I Award; Business Transformation Award
- Greater Los Angeles African American Chamber of Commerce GLAAACC Executive of the Year Award
- Southern California Minority Supplier Development Council CEO Diversity Champion
- U.S. Green Building Council, Los Angeles–Sustainable Innovation Award (Energy and Operational Carbon) [H2] Innovation Experience
- SEAL Awards–SEAL Sustainable Innovation Award [H2] Innovation Experience
- S&P Platts Finalist Corporate Impact–Sustained Commitment
- Utility Analytics Institute Top 25 Analytics Thought Leader
- Smart Energy International Global Power and Energy Elites Data & Analytics Award

- National Association of Minority Contractors Major Corporate Partner of the Year
- Computerworld 100 Best Places to Work in IT
- Advanced Clean Transportation Expo Leading Private Fleet Award
- Management & Strategy Institute MSI Award for Leading Practices in Continuous Improvement
- Inland Empire Economic Partnership Business Partner of the Year
- California State Polytechnic University Pomona Induction to Founder’s Society and Kellogg Voorhis Legacy Society
- Alhambra Chamber of Commerce Corporate Citizen of the Year
- Common Ground Alliance President’s Corporate Award of Excellence
- SAP Innovation Award Finalist to SAP 50th Anniversary Legend Award
- American Advertising Federation 4x ADDY awards
- American Gas Association 2022 John B. McGowan, Sr. Research Award
- Telly Awards 4x silver awards; 3x silver awards
- Constitutional Rights Foundation Bill of Rights Award
- Chinese-American Elected Official Installation & Awards Business of the Year
- Hemet/San Jacinto Valley Chamber of Commerce Large Business of the Year
- Asian Business Association Inland Empire Support Award
- Tulare Kings Hispanic Chamber of Commerce Corporation of the Year
- Greater San Fernando Valley Chamber Captain of Industry for the Utilities Industry
- Ventura County Leadership Academy Business Leader of the Year
- Corona and Chino Valley Chamber of Commerce SoCalGas Business Advocate of the Year Award
- The Midnight Mission Golden Heart Award
- Mexican American Opportunity Fund Corporate Aztec Award
- Girl Scouts of San Geronimo Council Recognition Award
- Jurupa Valley Reach Out Recognition Award

## Sempra Texas | Oncor

- EEI Emergency Response Award
- Women’s Enterprise USA–Corporate Buyer of the Year
- Minority Business News USA–Corporate Buyer of the Year
- Dallas/Fort Worth Minority Supplier Development Council–Buyer of the Year
- Women’s Business Council, Southwest–Corporate Volunteer of the Year
- PR News Social Impact Awards Honorable Mention–Respect the Box PSA
- Chartwell People’s Choice Video Award Runner Up–Respect the Box PSA
- American Heart Association:
  - Executives With Heart Award
  - Circle of Excellence Award
  - Business Partner Campaign Award
  - Live the Mission Award
- United Way of Midland–Business United Circle Award

## Sempra Infrastructure

- National Safety Council Perfect Record Award–Port Arthur LNG
- Coalition to Restore Coastal Louisiana Stewardship Awards Hurricane Laura Award–Cameron LNG
- Forbes CEO Next List Justin Bird
- Greater Houston Women’s Chamber of Commerce Role Model Carolyn Benton
- Houston Business Journal’s Women Who Mean Business Honoree/Outstanding Business Carolyn Benton
- The Texas Lawbook and the Association of Corporate Counsel’s Houston Chapter–Finalist for Houston Corporate Counsel Award for Achievement in DE&I Carolyn Benton
- Mexico’s Great Places to Work Ranked 8th within the 500 to 5,000 employee category
- Centro Mexicano para la Filantropía 8th year recognized as a socially responsible company
- Merco ESG Awards #1 in the ESG Construction and Infrastructure Sector
- Fundación Cima Companies committed to Health–Ecogas
- Bloomberg 500 Most Influential People in Latin America–Tania Ortiz Mena
- Expansión Magazine 100 Most Powerful Women in Businesses–Tania Ortiz Mena
- Oil & Gas Magazine Leader of the Year–Tania Ortiz Mena
- T21 Magazine 100 Most Influential–Tania Ortiz Mena
- Merco Corporate Reputation Monitor Top 100 Business Leaders–Tania Ortiz Mena



# 25 years advancing sustainable business practices

## Letter from our chairman and CEO

This year marks Sempra's 25th anniversary—a milestone we approach with optimism as we harness the power of 20,000 talented employees to help meet the growing demand for safe, reliable and cleaner energy.

**Jeffrey W. Martin**

*Chairman and Chief Executive Officer*





## To our stakeholders,

This year marks Sempra's 25th anniversary—a milestone we approach with optimism as we look to harness the power of nearly 20,000 talented employees to help meet the growing demand for safe, reliable and cleaner energy.

Sustainable business practices are central to our mission to be North America's premier energy infrastructure company. I am incredibly proud of the strong foundation we have built. Our company has long been committed to sustainability and the service of others, which is symbolized in the humanistic logo that accompanies our brand. This commitment to service and the betterment of our community is key to our corporate culture and a constant reminder that we stand tallest when we are successful in finding new and better ways to serve customers, while enabling shareholders and other stakeholders to thrive. It is from Sempra's rich tradition of serving others that we understand our role in society and how we can work to meet the expectations of a growing list of stakeholders. While much has changed over the last quarter-century, our vision—*delivering energy with purpose*—has remained constant as we embrace each new challenge as an opportunity to create innovative, forward-looking solutions.

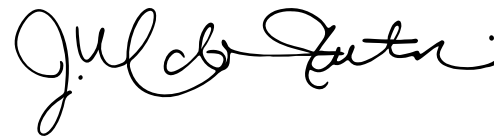
Our legacy of setting bold targets and following through on our commitments has been fundamental to our success over the last 25 years. In the first ten years following Sempra's formation in 1998, we completed our first central-station renewable energy project, divested all coal-fired power generation and created our Office of Corporate Diversity. In our second decade, we issued our first sustainability report and laid the groundwork for sustainable governance with the creation of the board of director's committee on Safety, Sustainability and Technology. Today, we are continuing to make exciting progress towards building the premier energy infrastructure company in North America.

In our view, energy infrastructure is a great enabler of prosperity, health and well-being for billions of people around the world. That is why Sempra is pursuing the dual opportunities of advancing decarbonization and helping to deliver energy security globally, all while improving the resiliency of our energy network. Over the next five years, we have a capital plan of \$40 billion dedicated to investments in critical new infrastructure that can help deliver a more secure, lower-carbon future to which we all aspire.<sup>1</sup>

The progress mentioned in this report is only made possible by the hard work and dedication of our talented employees and our extended workforce of small and diverse businesses who remain focused on our mission and are grounded in our shared values of *do the right thing, champion people and shape the future*.

At Sempra, we believe that when we embrace different experiences and perspectives, great things can happen, especially as we look to help bring about a just energy transition. And so, it is with pride in our past and a vision for what lies ahead, that gives us the confidence to advance a better future for all.

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



**Jeffrey W. Martin**  
Chairman and Chief Executive Officer

<sup>1</sup> Refers to Sempra's 2023-2027 capital plan which includes \$12.9 billion of Sempra's proportionate ownership share of amounts expected to be funded by unconsolidated entities and excludes \$11.2 billion of projected CapEx attributable to non-controlling interest.

# Letter from our chief sustainability officer



As we celebrate our 25-year anniversary, it is hard to imagine a time at Sempra when sustainability and financial success were not equal partners, driving value for our shareholders and other stakeholders today and creating a brighter tomorrow for generations to come. Our performance can be credited to thousands of employees embracing the sustainable business practices at the center of our business strategy, and all working toward a shared vision of *delivering energy with purpose*.

Sempra's sustainable business practices start at the top with sound governance by our board of directors and cascades throughout our

business, driving our high-performance culture. These practices help mitigate risk and advance opportunities across our three growth platforms—Sempra California, Sempra Texas and Sempra Infrastructure. Under our four sustainability pillars of achieving world-class safety, championing people, driving resilient operations and enabling the energy transition, our enterprise-wide 2022 progress included:

- Continuing our safety-centric culture leading to an 18% decrease in employee lost work-time incidents from 2021 (pages [20](#), [35](#)).
- Supporting programs and causes related to climate action, energy access and more with nearly \$40 million in charitable donations from the Sempra family of companies, including \$4.4 million from the Sempra Foundation (page [43](#)).
- Advancing the transition to a lower-carbon energy network by investing \$7.5 billion in critical energy infrastructure (page [11](#)).

As a company, we believe that our role in a just energy transition generates positive impacts within the communities where we operate. Our 2022 investments in the diversification, digitalization and decarbonization of energy delivery systems are described within our energy action plan (pages [51-54](#)) and include:

- At Sempra California, SDG&E advanced net-zero initiatives by adding 95 megawatts of utility-owned energy storage, and SoCalGas reduced fugitive methane emissions by 37% since 2015 (pages [66](#), [72](#)).

- At Sempra Texas, Oncor connected over three gigawatts of new renewable capacity to the ERCOT grid (page [16](#)).
- At Sempra Infrastructure, the company generated nearly three million megawatt hours of renewable energy helping avoid almost 1.3 million tons of CO<sub>2</sub>e emissions (pages [92](#), [106](#)).

Sempra's progress is shaped by the feedback of our valued stakeholders. Each year, we aim to improve our reporting and this year's report is no different. You will find new resources, including sustainability highlights for each of our businesses, additional data tables, enhancements to our trade association climate lobbying disclosures and more. These additions reflect our high-performance culture and willingness to openly listen to and learn from others, including an orientation towards continuous improvement and greater transparency.

Our first 25 years was just a start. It is with deep optimism and enthusiasm that our nearly 20,000 employees look ahead, driving sustainable business practices that create value for our owners and advance a better future for all.

Onward,

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

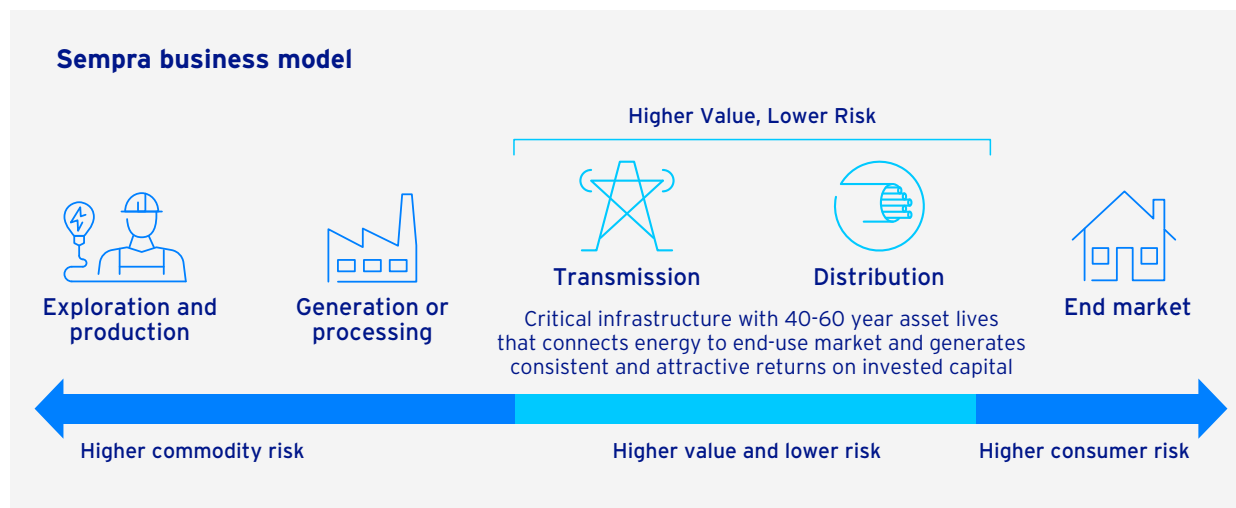
# About Sempra

Sempra is a leading North American energy infrastructure company that helps meet the daily energy needs of the regions we serve. As the owner of one of the largest energy networks on the continent, Sempra is helping to electrify and decarbonize some of the world’s most significant economic markets, including California, Texas, Mexico and the liquefied natural gas (LNG) export market. The company is also consistently recognized as a leader in sustainable business practices and for its long-standing commitment to building a high-performance culture focused on safety and operational excellence, leadership and workforce development, and diversity and inclusion. For example, Investor’s Business Daily named Sempra the top-ranked utility in the U.S. for environmental, social and governance (ESG) scores and financial performance. Sempra was also included on the Dow Jones Sustainability North America Index for the 12th consecutive year.

As the global community transitions to a lower carbon economy, we recognize resilient energy infrastructure and networks are critical to the reliable delivery of energy. For years, Sempra has been integrating climate risk into our business strategy and has been on a sustained path to decarbonize our own operations and support decarbonization in the markets our

businesses serve. While additional technological advancements are needed to meet society’s climate goals, Sempra’s energy transition action plan and strategic outlook is rooted in three key capabilities—decarbonization, diversification and digitalization (the 3Ds)—that we believe will allow us to respond with agility to the evolving energy transition and be prepared to shift as technologies and solutions are commercialized. We are preparing today to capitalize on future innovations, helping us to achieve our aim to have net-zero greenhouse gas (GHG) emissions by 2050.<sup>1</sup> Read about our 2022 progress on pages [48-54](#).

We believe energy infrastructure is a great enabler of prosperity, health and well-being for billions of people around the globe as the world continues to work toward the goals set forth in the Paris Agreement, as affirmed and emphasized during the United Nations 27th Conference of the Parties (COP). That is why Sempra is pursuing the dual opportunities of advancing decarbonization and helping to provide energy security globally, with a focus on climate-resilient energy networks in the markets we serve, as well as addressing concerns around affordability to help enable a just, fair and inclusive energy transition that supports workers and communities while accelerating climate action.



<sup>1</sup> For this purpose, we expect that achievement of net-zero GHG emissions will be determined based on company operations in 2050 and GHG emissions will be calculated according to widely accepted emissions reporting guidelines or mandates at that time. Our current emissions inventory includes both consolidated operations and the Cameron LNG (proportionate ownership share) and TAG Norte Holding joint ventures, which are unconsolidated equity method investments. Where applicable, we try to work with our business partners to manage environmental impacts, including GHG emissions. Our net-zero aim does not include Oncor, which sets its own goals due to certain ring-fencing measures that limit Sempra’s ability to direct the management or activities of Oncor. In line with California GHG emissions targets, Sempra California has announced a slightly accelerated timeline and aims to have net-zero GHG emissions by 2045.

## Companies and assets

Sempra's businesses are building infrastructure to deliver cleaner forms of energy to some of the leading economies in North America across our three growth platforms of Sempra California, Sempra Texas and Sempra Infrastructure. While each of the companies within our growth platforms is a separate legal entity that controls its own day-to-day operations and has its own management and board of directors, they all share a vision to deliver energy with purpose. Our three growth platforms include:

### Sempra California

SDG&E and SoCalGas (Sempra California) are energy delivery companies that provide safe, reliable and increasingly cleaner energy to roughly 25 million consumers in Southern and Central California. With a focus on grid resiliency, reducing emissions and integrating more renewable energy onto its networks, they are also supporting California's climate and clean air goals. California is known for advancing new technologies and innovation, a spirit embraced at our California utilities such as research in hydrogen, battery storage, predictive technology and other tools designed to reduce the impact of severe weather events and support the state's ambitious climate goals.

### Sempra Texas<sup>1</sup>

Sempra Texas includes Oncor, a regulated electric transmission and distribution utility headquartered in Dallas that safely delivers reliable electricity to a population of approximately 13 million Texans. With more than 141,000 miles of transmission and distribution lines, Oncor is the largest pure-play transmission and distribution company in Texas, connecting communities across the state to Texas' diverse energy supplies.

### Sempra Infrastructure<sup>2</sup>

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

<sup>1</sup> Sempra Texas is comprised of our equity method investments in Oncor Holdings and Sharyland Holdings. Oncor Holdings is an indirect, wholly owned entity of Sempra that owns an 80.25% interest in Oncor. Sempra owns an indirect 50% interest in Sharyland Holdings, which owns a 100% interest in Sharyland Utilities.

<sup>2</sup> Sempra indirectly owns a 70% interest in Sempra Infrastructure Partners, which, together with its operating company subsidiaries, primarily makes up the Sempra Infrastructure platform.



# 2022 Year in Numbers

**20,000**

active employees serving some of the leading markets in North America in top-tier positions to 40 million consumers

**20%**

of a component of executive annual performance-based bonus plan is tied to safety, environmental, social and governance performance measures<sup>1</sup>

**~\$440M**

in bill savings for lower income customers<sup>2</sup>

**30 Mtpa**

of LNG capacity in operation or under construction<sup>3</sup>

**\$78.5B**

valuation of consolidated assets

**\$1.75B**

in green bonds issued in support of clean energy capital investments<sup>4</sup>

**\$40M**

in community giving (Sempra and Sempra Foundation)<sup>5</sup>

**20**

hydrogen R&D collaborations and demonstration projects<sup>6</sup>

**~300,000**

miles of transmission and distribution infrastructure<sup>7</sup>

**~\$7.5B**

invested in critical infrastructure<sup>8</sup>

**34%**

women in leadership<sup>9</sup>

**0.7%**

of water withdrawal from freshwater sources

**\$2.9B**

FY 2022 adjusted earnings<sup>10</sup>

**3 GW+**

of renewable power connected to the ERCOT grid by Oncor

**59%**

people of color in our U.S. workforce

**\$2.4B**

spent with diverse suppliers<sup>11</sup>

<sup>1</sup> Applicable to Sempra's named executive officers under the 2022 performance-based annual cash bonus plan. Please see Sempra's proxy statement for its 2023 annual shareholders meeting for more information about Sempra's executive compensation program.

<sup>2</sup> Represents customer bill savings in 2022 through participation in the alternative rates for energy program at SDG&E and SoCalGas.

<sup>3</sup> Represents 100% of estimated nameplate capacity of projects in which Sempra has an ownership interest, not Sempra's ownership share. This includes construction and operation of the Port Arthur LNG Phase 1 project, where SI Partners reached a final investment decision for the development in March 2023. The ability to complete major development and construction projects is subject to a number of risks and uncertainties.

<sup>4</sup> Includes \$600 million at SoCalGas (in 2022); \$750 million at SDG&E (in 2021); \$400 million at Oncor (in 2022).

<sup>5</sup> Includes \$4.4 million in contributions from Sempra Foundation.

<sup>6</sup> Projects are in development and depend upon regulatory approval and various other risks and uncertainties.

<sup>7</sup> Consists of electric transmission and distribution lines and natural gas pipelines.

<sup>8</sup> These investments help to bring cleaner energy sources onto the grid, help strengthen community resilience against extreme weather events and help to increase safety and reliability. Represents a non-GAAP financial measure. See Appendix for more information.

<sup>9</sup> Company leadership includes director-level employees and officers.

<sup>10</sup> See Appendix for information about adjusted earnings, which represents a non-GAAP financial measure. GAAP earnings for FY 2022 were \$2,094 million.

<sup>11</sup> Reflects 2022 diverse supplier spend at SDG&E, SoCalGas and Oncor.

# About this report

Sempra's annual corporate sustainability report serves as a consolidated view of key non-financial risks and opportunities related to environmental, social and governance matters. This report describes Sempra's approach to, and performance on, key sustainability topics to provide stakeholders with relevant information on a subset of environmental, social and governance topics that may impact long-term enterprise value creation. This report has been prepared in accordance and alignment with:

- The Global Reporting Initiative (GRI) Universal Standards (pages [99-102](#))
- The International Financial Reporting Standards (IFRS) Foundation's Sustainability Accounting Standards Board (SASB) guidelines (pages [103-107](#))
- The Task Force on Climate-related Financial Disclosures (TCFD) guidelines (pages [108-116](#))
- The United Nations Sustainable Development Goals (UN SDGs) (pages [119-120](#))
- The World Economic Forum Stakeholder Capitalism Metrics–Core (pages [99-102](#))

Sempra also provides additional resources in our [sustainability resource library](#) on our website.

- CDP (formerly the Carbon Disclosure Project) Climate and Water questionnaire with survey responses
- Sempra's Sustainable Financing Framework
- The Edison Electric Institute (EEI) and American Gas Association (AGA) ESG template
- Company policies and position statements on human rights, biodiversity, water, discrimination, anti-corruption and others
- Prior sustainability reports

We recognize that additional reporting standards and requirements are being considered including the Task Force on Nature-related Financial Disclosures (TNFD) and the U.S. Securities and Exchange Commission's (SEC) proposed

rules on climate, cybersecurity and human capital disclosures. We continue to monitor these and other reporting developments.

## Reporting boundaries

Sempra uses an enterprise-wide system to track and collect certain sustainability-related data and metrics at its businesses. We use this data to monitor performance and track progress toward our goals and continue to work to enhance and increase the scope of our disclosures.

Unless otherwise specified, this report summarizes relevant information as of December 31, 2022, or for the calendar year that ended December 31, 2022. We include data for our consolidated operations and unconsolidated entities in which we hold an interest as follows:

- **Sempra California:** Data for SDG&E and SoCalGas, wholly owned by Sempra, is included at 100%.
- **Sempra Texas:** Although Sempra indirectly owns 80.25% of Oncor, we include 100% of its sustainability data except in the areas described in this section. Certain ring-fencing measures limit our ability to direct the management or activities of Oncor, which has its own board of directors that oversees management of its operations and sets its own company policies. As a result, Oncor sets its own environmental, social and governance-related goals and policies and maintains its own governance structure separate and apart from Sempra. Therefore, unless expressly stated otherwise, discussions of policies, programs and goals throughout this report do not include Oncor, which has its own similar, but separate, policies and programs. Information in this report related to the following topics and/or data does not include Oncor: GHG emissions data and goals; contractor safety; board of directors; Sempra ethics and compliance programs and helpline data; political lobbying; trade association reporting; stakeholder engagement policy; community advisory councils; high performance culture action plan; Sempra University trainings; professional development assistance program; employee benefits; employee community involvement and giving; environmental policy; supplier code of conduct; biodiversity policy; water

policy and data; ratio of female to male employee base salary; and Sempra engagement survey results. Sempra also has an indirect, 50% interest in Sharyland Utilities, which owns and operates approximately 64 miles of electric transmission lines in south Texas, including a direct current line connecting Mexico and assets in McAllen, Texas. Data from Sharyland Utilities are not included in this report.

- **Sempra Infrastructure:** Sempra owned a 70% interest in Sempra Infrastructure Partners, LP (SI Partners) at December 31, 2022, following its sale of a 20% non-controlling interest (NCI) in SI Partners to KKR in October 2021 and sale of a 10% NCI in SI Partners to ADIA in June 2022. In this report, we include 100% of data where SI Partners had at least a 50% ownership interest and the entity was consolidated at December 31, 2022 (such as Los Ramones Norte Pipeline), except that we report 50.2% of data for the Cameron LNG facility based on SI Partners' proportionate ownership share of this facility (other than as noted in the next sentence) and we include 100% of data for the TAG Norte Holding joint venture, both of which are unconsolidated equity method investments. The following data for Sempra Infrastructure are not included in this report: ethnicity data for employees in Mexico; ratio of female to male employee base salary in Mexico; scope 2 emissions data for the Cameron LNG facility for 2019 and 2020; scope 3 emissions related to LNG and midstream operations and diverse supplier spending.

Non-financial data for 2019 and 2020 does not include data for the South American, midstream and renewables businesses we sold in 2019 and 2020.

References in this report to "Sempra," "we," "our," "us," "our companies," "our growth platforms," "our businesses," "our employees," and similar phrases refer to the entities included in the reporting boundary for the applicable topic, as described above. In all other instances, these phrases refer to Sempra and its consolidated entities, collectively, unless otherwise stated or indicated by the context.



## Material topics and sustainability goals

Sempra conducts periodic materiality<sup>1</sup> assessments to identify and manage key environmental, social and governance-related risks and opportunities.

As part of our most recent materiality assessment in 2019, we:

- Analyzed international sustainability frameworks and standards;
- Interviewed internal and external stakeholders to gain perspectives on current and emerging priorities; and
- Assessed results against macro policy and other societal trends.

The material environmental, social and governance issues identified through that assessment were: public safety; employee and contractor safety; disaster preparedness and response; reliability; affordability; GHG emissions; energy transition; infrastructure security; and climate risk and resilience. As a result of the assessment, we established four sustainability pillars and specific goals and key sustainability performance indicators (KPIs) under each pillar:

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

As corporate sustainability practices evolve, we anticipate the relevance of specific topics may rise and fall due to shifts in policy and legislation and stakeholder input. Sempra engages with investors and other stakeholders throughout the year to gain additional perspectives on market requirements and needs. These insights help guide our efforts in sustainable business practices and better inform relevant sustainability reporting requirements.

## Data verification and report review

We collect and aggregate relevant data and supporting documentation from our corporate headquarters and businesses. In-line managers and executives review and approve the data at each entity. Sempra's internal audit

department reviews key data for accuracy each year and conducts periodic audits to review data reporting processes.

This report was also reviewed by internal reviewers including a committee of senior executives across Sempra and its businesses, and the Safety, Sustainability and Technology (SST) committee of Sempra's board of directors. The SST committee reviews the report and the controls and procedures for environmental, social and governance data collection and verification. We obtain third-party verification of a subset of GHG emissions data during the year following publication and make any necessary updates in the next sustainability report.

Scopes 1 and 2 reported GHG emissions data for SDG&E and SoCalGas for 2021 were verified at a reasonable level of assurance by SCS Global Services and Cameron-Cole, LLC, respectively. Scopes 1, 2 and 3 reported GHG emissions for Sempra Infrastructure's Mexico operations and scope 1 GHG emissions data for Sempra Infrastructure's U.S. LNG operations for 2021 were verified at a limited level of assurance by Deloitte Asesoría en Riesgos, SC. Verification of 2022 GHG emissions is expected to occur in 2023.<sup>2</sup>

We are examining and continue to support science-based GHG target setting and assessment. While the Science-based Target Initiative (SBTi) methodologies have been utilized by some companies over the last several years, the organization has not released its updated protocols for the oil and gas sector and is currently not accepting commitments or validating targets for entities covered under the oil and gas sector protocol. We will continue to monitor this, and other science-based methodologies, while also working with industry partners to assess and advance science-based methodologies that align with the Intergovernmental Panel on Climate Change (IPCC) findings and the Paris Agreement targets.

<sup>1</sup> According to GRI's definition of material, for sustainability reporting purposes only. Notwithstanding anything to the contrary, no use of the words "material" or "materiality" in this report is intended to refer to or incorporate the concept of materiality under U.S. securities laws or for any other purpose, other than as defined by GRI for sustainability reporting purposes only.

<sup>2</sup> 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.

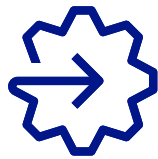


# Goals and KPIs

We align our sustainability goals and key environmental, social and governance performance indicators across four key pillars: enabling the energy transition, driving resilient operations, achieving world-class safety and championing people. We strive to meet and exceed our goals in line with our core values to do the right thing, champion people and shape our future.



Enabling the  
energy  
transition



Driving  
resilient  
operations



Achieving  
world-class  
safety



Championing  
people



Sempra is helping to advance a just energy transition by building and investing in energy infrastructure to help electrify and decarbonize the markets we serve. We are investing in critical infrastructure, such as electric transmission and distribution networks, utility-scale battery storage and studies on the feasibility of hydrogen delivery systems, to help bring cleaner sources of energy onto the grid. This is essential to powering new solutions to society’s climate challenges and shaping our future for a better quality of life for our communities.

**Goals**

**Progress**

**Each year, we aim to:**

Enroll 90% of eligible customers in alternative rates for energy programs at SDG&E and SoCalGas

✓ Exceeded this goal for four consecutive years, enrolling more than 90% of eligible customers into the California Alternative Rates for Energy (CARE) program.<sup>1</sup>

Fulfill 100% of new renewable energy requests for interconnection at Oncor

✓ Fulfilled 100% of the renewable energy requests that were eligible and ready to interconnect during 2022.  
 ✓ Connected over 3 gigawatts (GW) of renewable power to the Electric Reliability Council of Texas (ERCOT) grid, with over 900 megawatts (MW) reaching commercial operations, by the end of 2022.

Operate our existing LNG infrastructure at a GHG emissions intensity 20% less than our 2020 baseline.<sup>2</sup>

✓ Achieved GHG emissions intensity of 41% less than our 2020 baseline.



**Enabling the energy transition**

<sup>1</sup> The CARE Program is available for eligible low-income customers to receive a 30-35% discount on their electric bill and a 20% discount on their natural gas bill. The California Public Utilities Commission (CPUC) sets CARE enrollment rate goals for each regulated utility, which may vary by year. 2022 figures are preliminary and reflective of enrollment rates of 121% for SDG&E and 111% for SoCalGas, where enrollment rates are calculated based on actual customer enrollment against an estimated total of income-eligible customers as determined and defined by the CPUC.

<sup>2</sup> This goal is through 2025. The Cameron LNG facility, the primary LNG operating asset, is operated by Cameron LNG, LLC, a company owned by several investors, including SI Partners. It achieved its first full year of operations in 2021 and as the LNG business gains operational history and continues to grow, we expect to establish new goals.

Enabling the energy transition (cont.)



**Goals**

**Each year, we aim to (cont.):**

Actively partner with companies and institutions across the LNG supply chain to reduce scope 2 and 3 emissions

**By 2030, we aim to:**

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

Deliver 20% renewable natural gas (RNG) to core customers at SoCalGas<sup>3,4</sup>

**Progress**

- ✓ Signed a memorandum of understanding (MOU) with each of Entergy Louisiana, LLC and Entergy Texas, Inc., to collaborate and advance the development of a renewable electricity plan, including an implementation schedule for renewable energy procurement to provide renewable electricity supply to Sempra Infrastructure’s LNG facilities.<sup>1</sup>
- ✓ Received approval for amendment to the Cameron LNG Phase 2 development project permits from the Federal Energy Regulatory Commission (FERC) to electrify gas turbines at this project.
- ✓ Supported and founding member of Veritas, a Gas Technology Institute differentiated gas measurement and verification initiative, an effort to support Sempra Infrastructure, industry partners and other customers’ aims to bring to market responsibly sourced gas that is produced and transported using established GHG measurement and verification methodologies.
- ✓ Sponsored the Collaboratory to Advance Methane Science, a research collaboration to advance technological solutions to enable methane emission reductions at Sempra Infrastructure.
  
- ✓ Secured 100% of grid-connected SoCalGas facilities onto a green tariff where local electric utility green tariff program is available (this represents over 86% of all grid-connected company facilities).<sup>2</sup>
- ✓ Installed 947 kW of solar energy at SDG&E’s facilities and invested in renewable energy credits to offset remaining energy use.
- ✓ Replaced 36% of SoCalGas’ over-the-road fleet with alternative fuel vehicles, contributing to its initiative to replace 50% of its over-the-road fleet with electric, hybrid, renewable gas and fuel cell electric vehicles by 2025.
- ✓ Electrified approximately 23% of SDG&E’s light-duty vehicle fleet.
  
- ✓ Achieved interim aim to deliver 5% RNG to core customers in 2022 and on track to reach 20% by 2030.
- ✓ Received Final Decision for Senate Bill (SB) 1440 renewable gas standard, which sets a target for renewable gas procurement to serve bundled core demand (approximately 12% by volume) by 2030.<sup>5</sup>


<sup>1</sup> These MOUs are non-binding arrangements and do not commit any party to enter into definitive agreements.

<sup>2</sup> A green tariff is a price structure, or an electricity rate, offered by a local utility and approved by the CPUC that allows eligible customers to source up to 100% of their electricity from renewable resources.

<sup>3</sup> Core customers is “core service” as defined in SoCalGas’ Tariff Rule No. 23.

<sup>4</sup> SoCalGas will need the continued support of state regulators and legislators in order to meet its 2030 goal. We can provide no assurance that such support will be received.

<sup>5</sup> CPUC Decision (D).22-02-025

Enabling the energy transition (cont.)  	Goals	Progress
	<p><b>By 2030, we aim to (cont.):</b> Reduce fugitive emissions<sup>1</sup> from our natural gas transmission and distribution system 40% from our 2015 baseline<sup>2</sup></p>	<p>✓ Decreased fugitive emissions through 2021 by 37%<sup>3</sup> from 2015 baseline at SoCalGas.</p>
	<p>Eliminate 100% of natural gas vented during planned transmission pipeline work at SDG&amp;E and SoCalGas, excluding emergency repairs<sup>4</sup></p>	<p>✓ Reduced vented emissions from planned transmission work by approximately 94% and 98% in 2021, at SoCalGas and SDG&amp;E respectively. As a result, nearly 85,300 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) of methane were prevented from being released into the atmosphere during 2021 relative to the 2015 baseline year.<sup>5</sup></p>
	<p><b>By 2045, we aim to:</b> Deliver 100% renewable or zero-carbon energy to electric utility customers at SDG&amp;E</p>	<p>✓ Provided 59% clean energy to SDG&amp;E customers in 2022 as defined in the Renewables Portfolio Standard (RPS) program.<sup>6</sup></p>
	<p><b>By 2050, we aim to:</b> Have net-zero GHG emissions</p>	<p>✓ Advanced our energy transition action plan with continued progress towards 3Ds. See pages <a href="#">51-54</a> for 2022 updates.</p>

<sup>1</sup> For purposes of this goal, “fugitive emissions” means leaks and vented emissions.

<sup>2</sup> SDG&E, SoCalGas and Sempra Infrastructure’s Mexico operations contribute to this goal. The baseline year for Sempra Infrastructure’s Mexico operations is 2019.

<sup>3</sup> Natural Gas Leak Abatement 2022 Annual Emissions Report per Decision (D). 17-06-015. Data for 2022 will be finalized in June 2023 and reported in our 2023 sustainability report

<sup>4</sup> Progress on this goal is measured against a 2015 baseline.

<sup>5</sup> Data for 2022 is estimated and expected to be finalized in June 2023 and reported in our 2023 sustainability report.

<sup>6</sup> Data for 2022 is estimated and subject to verification. It is expected to be finalized in August 2023 and reported in our 2023 sustainability report. California’s RPS program requires electric retail sellers to procure a minimum portion of their electricity products from eligible renewable energy sources. The CPUC and CEC implement and administer RPS compliance rules for California’s retail sellers of electricity, which include large and small investor-owned utilities, electric service providers and community choice aggregators. This progress is on track to meet California’s requirement that 60% of electricity be served by renewable resources by 2030 and California’s goal for 100% renewable or zero-carbon electricity by 2045. SDG&E’s annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities and customer load departure to community choice aggregators.



## Driving resilient operations

Sempra's capital investments help support the development of resilient energy networks designed with aims to better withstand extreme weather and its consequences, such as wildfires and drought, while delivering reliable, affordable and increasingly lower carbon energy to customers. Specific efforts at our businesses include:

- Investing in a dedicated fire science and climate adaptation team at SDG&E;
- Planning for infrastructure to deliver lower or zero-carbon fuels to support reliability and affordability at SoCalGas;
- Implementing enhanced planning and preparation efforts for seasonal impacts at Oncor; and
- Developing emergency response action plans at Sempra Infrastructure.

Our businesses have asset integrity management programs and plans in place in an effort to operate and deliver energy safely. Additionally, reliability is a critical component of modern energy systems. We measure electric reliability—an important factor in serving customers—by the System Average Interruption Duration Index (SAIDI) (amount of time outages occurred over a given period) and the System Average Interruption Frequency Index (SAIFI) (average number of customers affected by interruption).

### Goals

#### Each year, we aim to:

Achieve electric reliability in top quartile

### Progress

#### At Oncor

- ✓ Achieved top quartile reliability for 2022 under the industry's primary benchmark for reliability, SAIDI-nonstorm, based on 2021 reliability data from North American utilities obtained through public sources and participation in industry benchmarking forums.
- ✓ Decreased number of customer outages by 6% in 2022 compared to 2019.
- ✓ Decreased average outage duration by 9 minutes in 2022 since 2019.

#### At SDG&E

- ✓ Achieved lowest average number of outages per customer relative to the three largest California investor-owned utilities.
- ✓ Received PA Consulting's ReliabilityOne® Award for Outstanding Reliability Performance in the West Region Metropolitan Service Area for the 17th consecutive year, demonstrating outstanding reliability performance and system resilience.
- ✓ Recognized by PA Consulting for Outstanding Grid Sustainability.



Anchored by our value to *do the right thing*, safety remains foundational to all we do. Executive leadership is responsible for overseeing safety matters and cultivating a positive and deeper safety culture.

**Goals**

**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

**Progress**

- ✓ Achieved zero employee and contractor fatalities in 2022 at SoCalGas, SDG&E and Oncor.
- ✗ Reported with great sadness, one contractor fatality at Sempra Infrastructure. This incident was investigated and Sempra Infrastructure identified the underlying circumstances and took action designed to prevent reoccurrence.
- ✓ Continued to support the development of a deep safety culture at each of our businesses which aims to strengthen our employees', contractors' and communities' safety by empowering our workforce to *do the right thing* and focus on safety. Read more on page [35](#).
- ✓ Decreased employee lost work-time incident rate by 18% in 2022 compared to 2021.
- ✗ While the five-year rolling average rate continued to decrease, we experienced a 3% increase in the employee recordable incident rate across Sempra and its businesses in 2022 compared to 2021. We continue to work to identify areas where we can enhance a safe working environment for employees and our contractor workforce.
- ✓ Decreased contractor recordable incident rate by 34% and lost work-time incident rate by 39% compared to 2021.



**Achieving world-class safety**

Achieving world-class safety (cont.)

**Goals**

**Each year, we aim to (cont.):**

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

Train 100% of critical employees<sup>1</sup> in emergency management and response

**Progress**

- ✓ Participated in community emergency planning activities, including mutual aid and training simulation exercises with first responders.
  - ✓ Engaged with state and regional partners to refine emergency protocols to support vulnerable communities.
  - ✓ Advanced wildfire risk mitigation efforts at SDG&E by hosting four Wildfire Safety Fairs, engaging with and educating 2,200 community members and meeting quarterly with its wildfire safety community advisory council (CAC).
  - ✓ Collaborated with Los Angeles City Fire through SoCalGas’ first responder program, to develop and deploy a gas safety awareness video to be provided to emergency first responders.
  - ✓ Provided gas safety awareness materials to 224 emergency authorities including county and city fire and law agencies and met with all 12 county coordinators within the SoCalGas service territory to discuss gas safety awareness, natural disaster response and emergency management best practices.
  - ✓ Assembled and executed a company-wide functional exercise and conducted four storage drill exercises with internal/external departments at gas storage facilities at SoCalGas.
  - ✓ Enhanced, revised and conducted three curtailment workshops and playbook reviews at SoCalGas and SDG&E.
- 
- ✓ 100% of identified critical employees completed incident command structure (ICS) role training in 2022 at SoCalGas and SDG&E. Additionally, 87% of identified critical employees at SoCalGas completed the Federal Emergency Management Agency (FEMA) ICS training.
  - ✓ Actively maintained emergency operations centers in preparation for a serious or widespread event, such as a wildfire or earthquake, to assist first responders coordinate the restoration of gas and/or electric service.
  - ✓ Continued development of operational contingency plans and their application to prepare and train our businesses for significant disasters or emergencies.

<sup>1</sup> “Critical employee” during an emergency response is defined as an identified responder reporting into an ICS for response planning, training and coordination with first responders.



## Championing people

The strength of our high-performance culture is key as we work to achieve our mission to become North America’s premier energy infrastructure company. Sempra is consistently recognized as a leader in sustainable business practices and for our longstanding commitment to building a high-performance culture focused on safety, workforce development and training, and diversity and inclusion. We are committed to championing our employees, partners and the communities in which we live and operate.

### Goals

**Each year, we aim to:**  
Achieve a company-wide employee engagement survey score in the top quartile<sup>1</sup>

Provide 30+ training hours per employee

### Progress

- ✓ Achieved an overall 2021 employee engagement score of 87%. We have continued to see an increase in engagement scores in each survey since 2017.<sup>2</sup>
- ✓ Continued in 2022 to address items highlighted in the 2021 engagement survey results including training and team building based on individual department results, setting goals and conducting workshops, expanding diversity and inclusion training and events, providing resources to support hybrid/flexible work and offering more in-person events to create a sense of belonging and connection to our culture.
- ✓ Provided over 16,000 learning opportunities and approximately 69,000 total hours of training through Sempra’s training platform.<sup>3</sup>
- ✓ Completed an average of 36 training hours per employee, when including mandatory compliance-related training.

<sup>1</sup> Refers to employee engagement survey administered to employees at Sempra, Sempra California and Sempra Infrastructure. Oncor conducts a separate employee engagement survey annually.  
<sup>2</sup> Sempra conducts an employee engagement survey every two years and the next survey will be conducted in 2023.  
<sup>3</sup> Total hours of training available is an estimate as of December 31, 2022. The actual value varies dependent upon the pace of training completion, scheduling and availability.



Championing people (cont.)



**Goals**

**Each year, we aim to (cont.):**

Achieve a voluntary employee turnover rate of 5% or less

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

**Progress**

✗ Resulted in an overall 8% voluntary turnover rate.  
 ✓ At a total 9% turnover rate, Sempra and its businesses continue to be lower than the utility industry average of 10.4%.<sup>1</sup>

✓ Demonstrated our consistent commitment to gender and ethnic diversity in our workforce at each of our growth platforms. Please see pages [37-39](#) for performance data and other information on how we work to create a high-performance culture.

<sup>1</sup> Based on Saratoga 2021 utilities industry benchmark.

# Driving responsible governance

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

- 25 **Sempra board of directors**
- 28 **Executive compensation**
- 28 **Risk management**
- 32 **Political engagement**



# Sempra board of directors

The board recognizes the importance of overseeing risks and opportunities related to environmental stewardship, safety, stakeholder engagement, diversity and inclusion and responsible governance consistent with our vision, mission and values.

As a general practice, the board monitors overall governance processes and delegates specific areas of focus to standing committees, including for sustainability matters. The board has mandated the Safety, Sustainability and Technology (SST) committee with responsibility for oversight of the company's risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, sustainability, human rights and other related ESG matters. The board updated the SST committee's charter in 2020, 2021 and 2022 to strengthen and clarify the way this committee oversees and considers sustainability and other related matters. In addition, the board's Compensation and Talent Development (CTD) committee is responsible for the oversight of the company's programs and initiatives related to human capital matters, including our commitment to fostering a diverse and inclusive workplace. Additional standing committees, such as the Audit committee and Corporate Governance committee also support in overseeing the integration and strengthening of sustainable business practices throughout the organization with respect to their specific areas of responsibility.

Our board collectively possesses a broad and deep range of skills for effective oversight of business strategy and risk management, inclusive of sustainable business practices. Our directors come from a variety of backgrounds including global companies, government service and public policy, financial institution leadership, and others, both within and outside of our industry.

A number of our directors have had direct exposure to, and in many cases, direct oversight or decision making responsibility for key environmental, human capital, cybersecurity, and regulatory and government affairs matters. This includes experience and leadership in the global energy industry, including renewable energy, where sustainability and greenhouse gas emissions reduction has been a priority.

Our directors also bring knowledge and insight from leadership on other public company boards, deepening our board's collective understanding of cross-cutting ESG matters. These diverse backgrounds, experiences and insights better equip our directors to guide the company in its assessment and management of evolving sustainability risks and opportunities. Additionally, we continue to provide awareness and education for our board, where in 2022, we provided the National Association of Corporate Directors-sponsored ESG training.

More information on Sempra's board of directors may be found in our [proxy statement](#) for our 2023 annual shareholders meeting and 2022 [Annual Report on Form 10-K](#).

## Board composition

Our board recognizes that diversity takes many forms and brings many benefits. Each director is expected to exercise diligent and constructive oversight of the company's business, culture and affairs when fulfilling responsibilities. Their actions and oversight 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 diverse, qualified candidates.

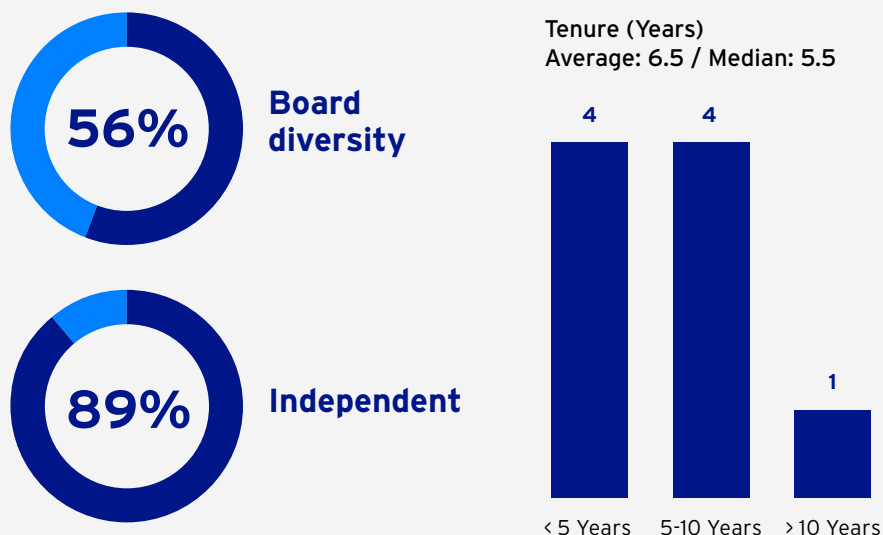
## Shareholder engagement

During the shareholder engagement cycle beginning in spring 2022 and continuing through January 2023, which was in addition to our normal investor relations outreach, we reached out to shareholders representing approximately 63% of our total outstanding shares of common stock and held telephonic or video conference meetings with shareholders representing approximately 40% of our outstanding shares of common stock (a significant portion of our institutional share ownership). Key topics discussed during these meetings included energy transition initiatives; diversity and inclusion and employee development; board composition, practices and leadership; corporate governance; executive compensation practices; business strategy;

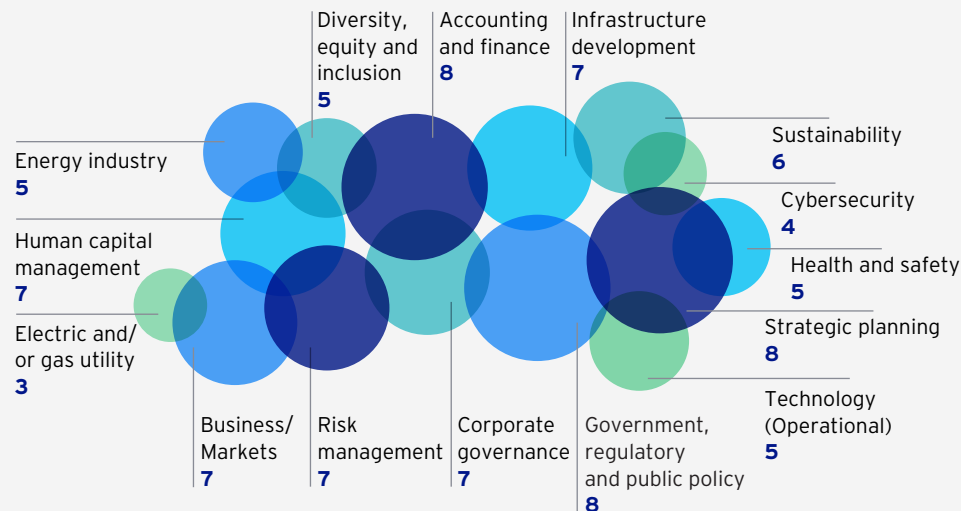
and our approach to disclosure and transparency. Additional information on these topics is available in our [proxy statement](#) for our 2023 annual shareholders meeting.

In addition to shareholders, we engage with proxy advisory firms, ESG advisory organizations, trade associations and other stakeholders who express an interest in our company and its operations. This further informs our practices and disclosures across corporate governance and sustainability matters. These conversations are an important way to gather feedback that informs our policies and programs in a variety of sustainability efforts such as environmental practices, human capital management and governance.

### Board composition<sup>1</sup>



### Board members' areas of expertise<sup>2</sup>



<sup>1</sup> These charts summarize the diversity, tenure and independence of our directors nominated to stand for election at the annual shareholders meeting in May 2023. Independence is based on New York Stock Exchange independence standards.

<sup>2</sup> Summarizes the aggregate experience, skills and qualifications of our directors nominated to stand for election at the annual shareholders meeting in May 2023. For details on areas of expertise please refer to [Sempra's 2023 Proxy Statement](#).

## Sustainability governance



# Executive compensation

Our executive compensation program is designed to attract, motivate and retain key executive talent and promote strong, sustainable long-term performance. Our executive compensation program goals include:

- Aligning executive compensation with shareholders' interests
- Linking executive compensation to both annual and long-term business and individual performance
- Motivating executives to achieve superior performance
- Attracting and retaining executives with outstanding ability and experience who demonstrate high standards of integrity and ethics

Every member of Sempra's management team is focused on long-term value creation as fundamental to our company's vision. These leaders set our sustainability strategy and help ensure operating company alignment. Collectively, safety, environmental, social and governance measures are weighted at 20% for purposes of determining payouts under Sempra's 2022 performance-based bonus plan in which Sempra's named executive officers participate, where 12% is dedicated to specific safety measures and 8% is dedicated to other specific environmental, social and governance measures. In each case as selected by the CTD committee of the Sempra board of directors, including, among others, improving enterprise processes for internal oversight of cyber defense, increasing D&I trainings for director and manager-level employees, furthering network resilience to address severe weather and wildfire risks and including sustainability aspirations in capital allocation processes. For additional details, please see pages [121-122](#).

More information may be found in our [proxy statement](#) for our 2023 annual shareholders meeting and 2022 [Annual Report on Form 10-K](#).

# Risk management

Risks are inherent in our business operations, including, among others, health, safety and operational, human capital, regulatory and compliance business, financial, climate, environmental, cybersecurity, business, financial and reputational risks.

Sempra's board has ultimate responsibility for risk oversight. Management has developed an integrated risk management framework to assess, prioritize, manage and monitor risks across the company's operations. This framework is managed by Sempra's chief compliance officer, who reports directly to Sempra's chief executive officer and regularly interacts with the board regarding the company's risk management practices and policies and other related matters. Consistent with this approach, Sempra's corporate governance guidelines provide that the specific functions of its board of directors include assessing and monitoring risks and risk management strategies.

More information on our risk management may be found in our [proxy statement](#) for our 2023 annual shareholders meeting and 2022 [Annual Report on Form 10-K](#).

## Risk management processes

Our ethics and compliance systems and processes help us manage risk and operate more efficiently and effectively based on six core elements:

### 1. Leadership oversight and accountability

- Leaders are expected to demonstrate integrity, honesty and respect, consistent with our value of doing the right thing.
- Sempra's compliance and ethics culture is measured periodically and leaders are updated on results to help inform, enhance and align our ethics and compliance programs.

### 2. Codes of conduct, policies and procedures

- Sempra's [Code of Business Conduct](#) is the foundation of our compliance program and our guide for maintaining a workplace that follows legal and ethical standards in compliance with federal, state and local laws and regulations and is in line with our company's values. Corporate policies provide additional details.
- Sempra's [Supplier Code of Conduct](#) is based on similar standards that apply to employees of Sempra and its businesses. Suppliers are expected to conduct their businesses in compliance with all laws, rules and regulations. If suppliers are found to be out of compliance with our supplier code of conduct, the business relationship is re-evaluated.

### 3. Education, communication and awareness

- All employees complete three mandatory ethics and compliance training courses each year.
- Additional compliance-related courses may be assigned based on an employee's work location and responsibilities, covering a wide range of topics including, among others, safety; discrimination and harassment-free workplace; information management; privacy; environmental protection; charitable activities; political participation; anti-trust and unfair competition; anti-bribery and anti-corruption; conflicts of interest; and securities trading.

- We build and maintain awareness with pulse surveys, videos and other communications.
- In collaboration with Ethisphere, Sempra conducted an employee survey evaluating employee perceptions of our ethics and compliance culture in 2022 and scored above the benchmark across all eight categories, including observing and reporting misconduct, manager and leadership perceptions, and organizational justice.
- All employees who are directly or indirectly involved in activities that could involve contact with a foreign government official and/or who have access to, or control of, funds or accounts relating to such activities are required to complete anti-corruption and anti-bribery training and certifications, which are provided on a periodic basis.

### 4. Accountability

- Annual employee evaluations include reflection on employees' commitment to doing the right thing and efforts to support company culture and high standards for ethics and compliance.

### 5. Risk assessment, auditing and monitoring

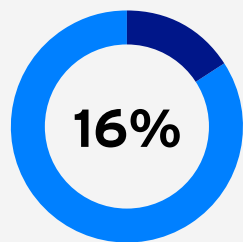
- Compliance program owners regularly collaborate with internal and external auditors and consultants to help ensure programs are risk informed and adequately designed.

### 6. Reporting processes and procedures

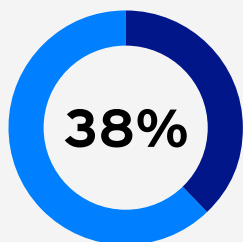
- Sempra's ethics and compliance helpline is available to all employees, third parties and the public to support reporting of suspected code of conduct violations, including corruption, anti-competitive behavior and other concerns. Every report is reviewed for appropriate handling.
- Across Sempra, SDG&E, SoCalGas and Sempra Infrastructure, there were 460 reports made in the U.S. and Mexico in 2022. 53% of these reports were made anonymously and 16% were substantiated as of January 2023.<sup>1</sup> This represents a 2.9% case volume rate per 100 employees.

<sup>1</sup> Includes calls received through Sempra's Ethics and Compliance Helpline and Mexico's Contigo line.

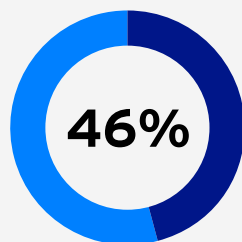
### Ethics and compliance helpline<sup>1</sup>



Reports related to discrimination and harassment



Reports related to employee relations



Reports related to other matters



# 460

Total reports received

### Sempra Ethics & Compliance Helpline

United States: 1-800-793-7723

Mexico: 001-770-582-5249

sempraethics.com

Additional systems and processes that help us track our performance and protect the company from exposure to unnecessary risk include:

- **Internal audit reports:** Bring key findings directly to the audit committee of Sempra's board of directors. In 2022, 71% of 85 audits were linked to Sempra's top six identified enterprise risks.
- **Environmental and Safety Compliance Management Program:** Helps to ensure compliance with environmental and safety laws and regulations and company standards at Sempra California and Sempra Infrastructure.
- **Rigorous security protocols:** Include perimeter defenses, internal defenses, sensitive data protections, operational technology cybersecurity protections, obsolete information technology infrastructure and application replacement and employee training to help reduce cybersecurity risk.
- **Business continuity plans:** Provide action frameworks for how to recover and resume operations following a natural or human-caused disaster or other unforeseen disruption.
- **Lobbying activity tracking system:** Helps us manage political and lobbying activity and meet local, state and federal political reporting requirements.
- **Anti-corruption monitoring system:** Supplements our anti-corruption and anti-bribery training and policies and tracks third-party transactions. No incidents of corruption or bribery were identified in 2022. See our policy [here](#).
- **ISO-14001:** Utilized at Sempra Infrastructure's primary facilities in Mexico.
- **Enterprise-wide sustainability data collection system:** Tracks performance data across Sempra and our businesses. See pages [16-23](#) for details on our goals and pages [123-131](#) for additional governance, social and environment data.

<sup>1</sup> Includes calls received through Sempra's Ethics and Compliance Helpline and Mexico's Contigo line.



## Cybersecurity

Sempra understands the important role that robust cybersecurity practices play in delivering energy safely and reliably. Over the past several years, cyber adversaries<sup>1</sup> have deployed an increasingly sophisticated set of tools and strategies to conduct cybersecurity attacks on the energy sector. These include advanced malware, complex phishing attacks, identification of non-public vulnerabilities and ransomware, among others.

Cybersecurity risks can impact Sempra and our businesses in several ways, including:

- Data corruption or unavailability
- Theft or destruction of systems/data
- Compliance and regulatory impact
- Reputational impact
- Loss of revenue
- Impacts to physical infrastructure

Sempra maintains a proactive cybersecurity program, that has been in place for several years, to protect company and customer information from potential cyberattacks. Our board of directors maintains oversight over cybersecurity issues, while our chief information security officer is responsible for overseeing implementation of cybersecurity policies and programs.

Our businesses' dedicated cybersecurity teams lead the development, delivery and maintenance of a cybersecurity program designed to help prevent or reduce impact to the company from unauthorized use, disclosure, modification,

damage or loss of company information, assets and supporting infrastructure. The cyber teams facilitate numerous cybersecurity and safety-focused town hall meetings, training events and awareness communications annually.

Additionally, we:

- Conduct monthly cyber council meetings with senior leadership to discuss emerging cyber risks.
- Utilize the National Institute of Standards and Technology Cybersecurity Framework for cybersecurity standards.
- Maintain rigorous security protocols, including perimeter defenses, internal defenses, sensitive data protections, operational technology cybersecurity protections and effective lifecycle management of obsolete information technology infrastructure and application replacement.
- Collaborate with federal, state and local government stakeholders routinely to develop and implement strong cybersecurity practices, share cyber threat intelligence and further advance rigor around our cybersecurity approaches.
- Coordinate with federal and state agencies, such as information sharing and analysis centers, the Federal Bureau of Investigation, the Federal Energy Regulatory Commission, the Department of Energy (DOE), the Department of Homeland Security, the Cybersecurity and Infrastructure Security Agency, the Transportation Security Administration and various U.S. intelligence community agencies, to obtain cybersecurity threat intelligence.

- Align with cybersecurity compliance initiatives such as the North American Electric Reliability Corporation Critical Infrastructure Protection and the Transportation Security Administration Security Directive.

We are also examining additional compliance initiatives from the Cyber Incident Reporting for Critical Infrastructure Act of 2022 to incorporate as part of our overall cybersecurity risk management protocols.

Employees are regularly reminded of their critical role in protecting company information and make an annual pledge to be aware of and report cybersecurity issues and concerns, as well as to abide by the company's cybersecurity policies, standards and guidelines. Escalation of security events identified by employees at Sempra, SDG&E, SoCalGas and Sempra Infrastructure are handled through notification to Sempra's information security operations center. At Oncor, adhering to Oncor's Code of Conduct training, policies, practices and procedures, escalation of events are also identified by employees and reported to Oncor's Digital Grid Management 24x7 function. These processes are advertised and communicated through each company's respective internal cybersecurity communications and events.

<sup>1</sup> A cyber adversary is defined as "an individual or organization (including state-sponsored) that conducts malicious activity including cyber espionage, crime or attack."

# Political engagement

Political engagement is an important part of doing business. We monitor hundreds of proposed laws, rules, regulations and policies, and engage at the federal, state and local levels of government to help ensure that the perspectives of our businesses, shareholders, customers and employees are represented before lawmakers and regulators. When warranted, we also take positions for or against proposals and sometimes suggest amendments as part of the public policy process. When operating outside the U.S., our company complies with all applicable laws and is committed to acting in an ethical manner when conducting business.

## Direct and indirect lobbying

Sempra and its businesses engage in direct and indirect lobbying activities at the federal, state and local levels of government to support our commitment to creating long-term, sustainable value, including the important role energy infrastructure plays in advancing a prosperous, just and lower carbon economy. Sempra's external affairs team works closely with our businesses to develop policy positions related to climate (including relevant legislative and regulatory policies, such as California's goal to achieve economy-wide carbon neutrality by 2045, the U.S. EPA's methane rules and important global multi-lateral collaborations, such as the Paris Agreement<sup>1</sup>), infrastructure, safety, corporate taxes and other topics in its direct and indirect lobbying activities.

## Compliance with lobbying and disclosure laws

We believe 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. We have a robust training and reporting program in place to promote compliance with applicable political reporting laws.

## Trade associations

Sempra and our businesses are members of various trade associations focused on the important business and technical issues critical to our mission to build North America's premier energy infrastructure company.

As a general matter, these associations enable us to learn the views of others, obtain feedback and participate in forming industry perspectives on legislation and regulations. Some of these associations engage in lobbying activities on various issues.

Trade association policies generally reflect a compromise of their members so, at times, the policy positions and lobbying activities of these associations may not fully align with Sempra's positions on a particular issue, in which case we try to work to address such misalignment. We do this in three primary ways:

- Educate association staff and key members;
- Engage with the association to try to move consensus positions; and
- If needed, dissent from association positions, including not providing formal company participation or endorsement.

In 2022, Sempra continued our work started in 2021 to advance standardized climate lobbying disclosures by our trade associations, in support of our shareholders and our industry as a whole.

As part of this effort we received survey responses from 47 trade associations, of which 10 did not meet the criteria for evaluation as they did not have any climate lobbying expenditures or impact on climate and/or energy policy. The 37 relevant responses collected from this engagement will better equip and help inform Sempra's participation in membership forums and discussions.

<sup>1</sup> 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.

### Key takeaways

- We more than doubled the survey response rate from our trade associations as compared to 2021.
- No participating trade associations are misaligned with Sempra's sustainable business practices or aim to have net-zero GHG emissions by 2050.
- A majority of the participating trade associations demonstrate alignment with the aims of the Paris Agreement and Sempra's energy transition action plan, including its aim to have net-zero GHG emissions by 2050.
- The small subset of participating trade associations noted as partially aligned were found to have alignment in areas of significant importance for our businesses, including safety, diversity and inclusion, and/or advancement of clean energy sources and technologies.

Details on this assessment, including the ways in which we define "alignment" and "misalignment" for purposes of this exercise, can be found on pages [117-118](#).

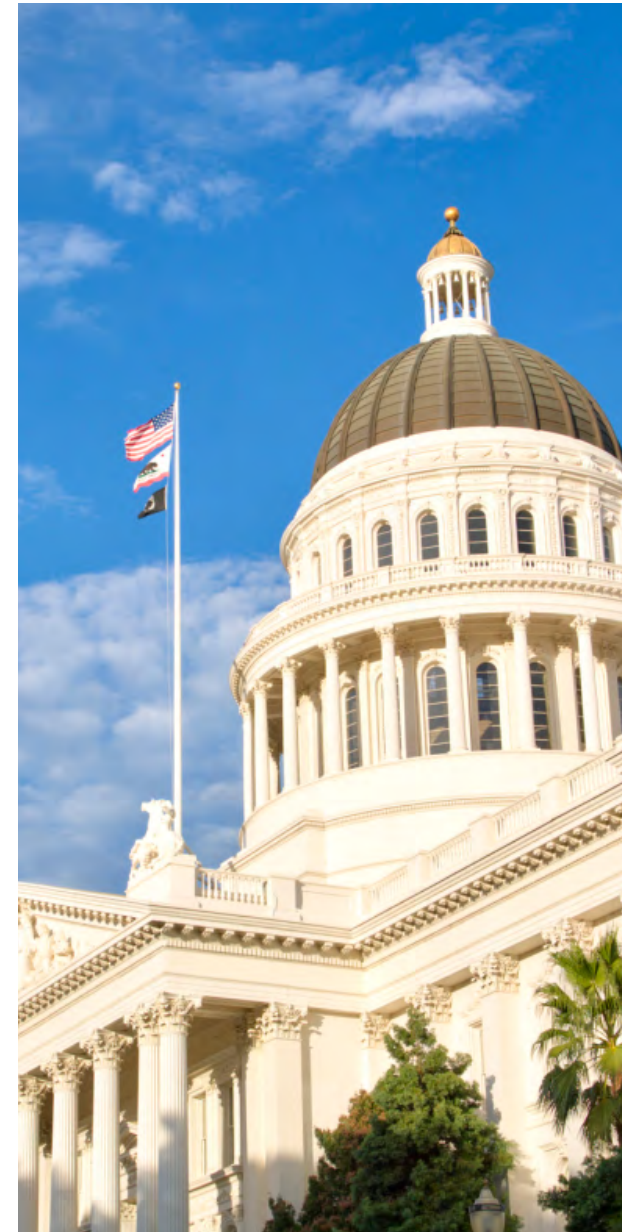
Additionally, trade association memberships with an annual fee of \$20,000 or more are posted on [our website](#), along with any indirect lobbying expenditures reported to Sempra by those organizations.

### Political contributions

Sempra makes corporate political contributions in the U.S. as permitted by law only from corporate shareholder funds. We may contribute to candidates, political parties, ballot measure committees and political action committees (PACs). However, Sempra does not make contributions to officeholder accounts nor does it contribute to state or federal "Super PACs." The company also does not make independent expenditures to advocate expressly for the election or defeat of federal, state or local candidates.

Employees of Sempra and its businesses who meet specific eligibility requirements may join Sempra's Federal Election Commission-registered and California registered employee political action committee, also known as SEEPAC. SEEPAC is a voluntary political action committee that is independent of any political party. Political spending by SEEPAC is reviewed and approved by the SEEPAC board of directors which is composed of senior leadership from across the Sempra companies, along with employee advisors. SEEPAC makes contributions at the state and federal level.

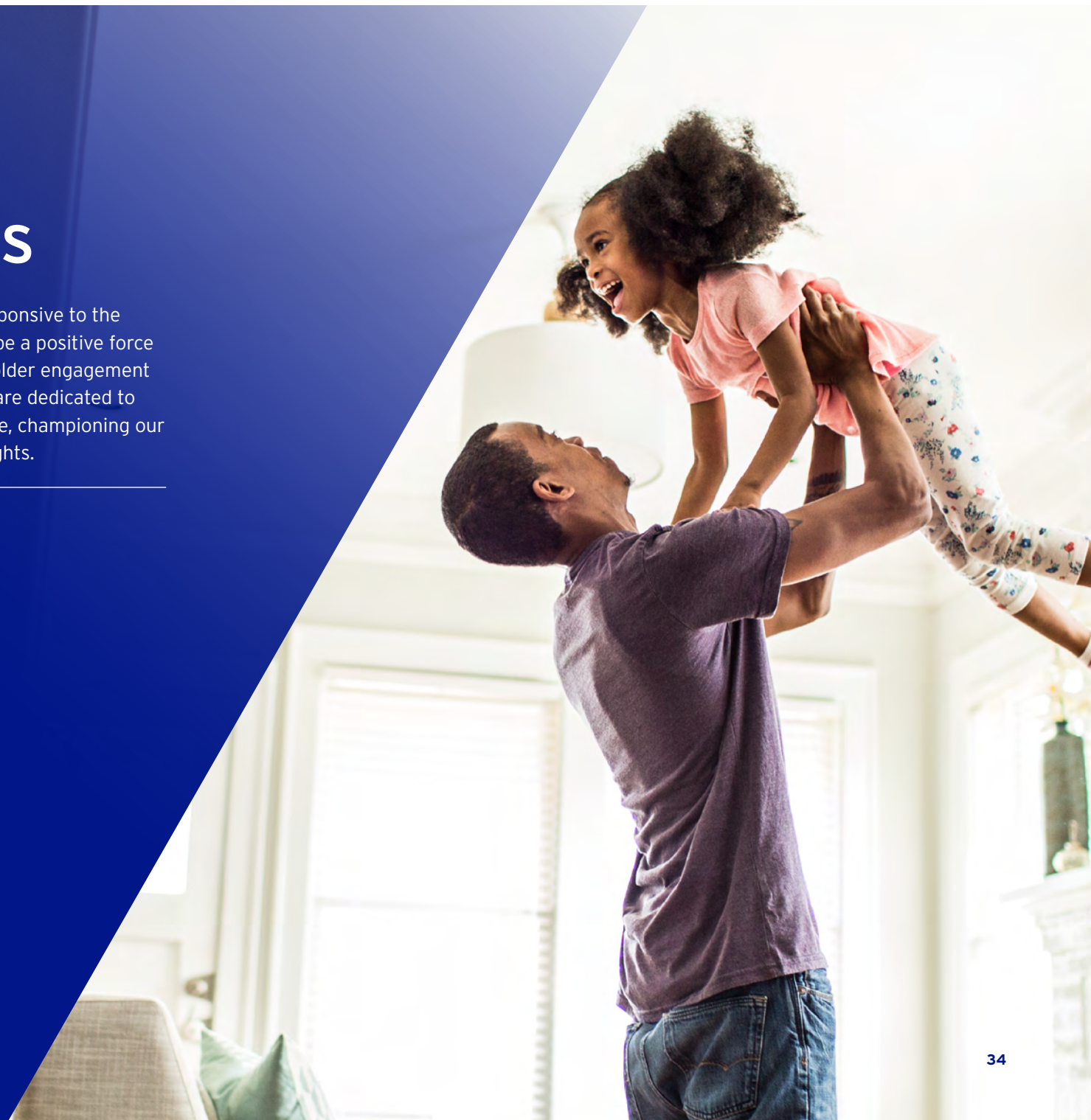
Sempra corporate political contributions and contributions from SEEPAC comply with applicable reporting requirements and political contribution laws. We are committed to transparency and all political contributions, both corporate and SEEPAC, are posted on [our website](#).



# Serving our stakeholders

At Sempra, we recognize the need to be responsive to the changing needs of our stakeholders and to be a positive force in the communities we serve. Direct stakeholder engagement helps power our success as a company. We are dedicated to supporting communities in which we operate, championing our employees and helping to protect human rights.

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# Safety

Across Sempra and our businesses, safety remains foundational to all that we do. Our safety-focused culture starts with the SST committee of Sempra's board of directors and includes our employees and contractors, customers and public safety, and the safety of our energy infrastructure networks. We emphasize that work should only begin when all safety measures are in place. Employees, contractors and suppliers are empowered to act in the interest of personal, public and infrastructure safety through trainings and awareness-building around the importance of reporting near misses and sharing lessons learned. This encourages and influences employees to speak up with safety concerns and encourages a "stop the job" mentality. We actively build and reinforce our safety-focused culture through:

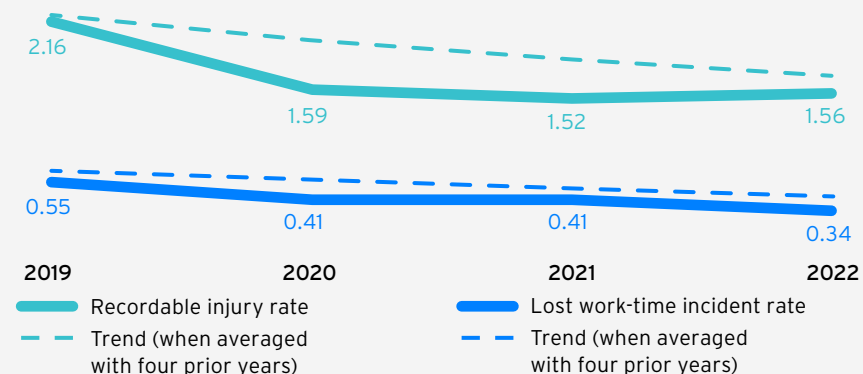
- Executing safety management plans and evaluating opportunities for improvements;
- Integrating safety management systems and awareness related to applicable health and safety rules, regulations and company policies;
- Sharing lessons learned from safety incidents and near-misses;
- Analyzing safety data trends to help company leaders and employees identify areas for greater focus;
- Reducing risks of body sprains through modeling and training;
- Providing training on a wide range of safety-related scenarios; and
- Promoting a safe work environment—creating routine and consistent forums to share, review and discuss safety protocols and to identify potential risks and hazards.

Our commitment to safety extends to our contractors and suppliers. Our [supplier code of conduct](#) outlines our expectations that suppliers provide a safe working environment that incorporates accident prevention and minimizes exposure to health risks; and are responsible for knowing and understanding the health and safety laws and regulations impacting the goods and services they provide. Our businesses work closely with contractors to monitor safety performance, including review of training and safety protocols and recordkeeping for safety and health programs. Any findings or corrective actions are communicated and reviewed.

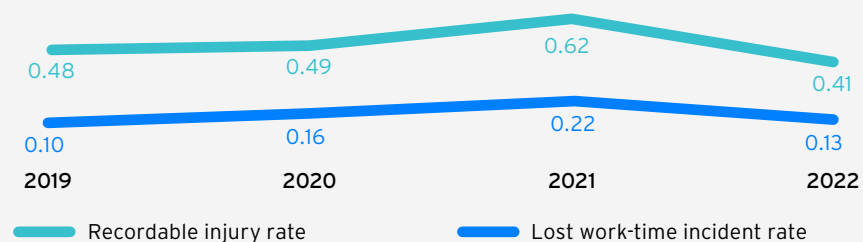
Prudent management of our energy infrastructure is critical to preserving energy reliability, resiliency and public safety. This includes vegetation management to mitigate wildfire risks, adequate security, signage and preparation when work is performed, and public safety education outreach efforts. For specific examples, refer to [Our businesses](#).

We continue to monitor safety metrics and engage with industry peers to understand and incorporate strong management practices and learnings. Our businesses are focused on continued improvement to help keep employees and contractors safe. See pages [60-96](#) for more details.

**Employee safety incidents, per 100 full-time workers**



**Contractor safety incidents, per 100 full-time workers**



# Stakeholder engagement

Transparent, two-way communication with stakeholders, as described in our [stakeholder engagement policy](#), is integral to delivering on our goals. Across Sempra and our businesses, we engage with our stakeholders to obtain input as we plan and develop infrastructure projects; design and communicate customer programs and services; and seek and consider business opportunities. Stakeholder engagement begins through active involvement in community and civic affairs and extends to customers, business partners and suppliers.

Employees across a range of functions engage with the communities in which we operate. On an ongoing basis, our businesses receive feedback from stakeholders, including through advisory councils, which provide direct constructive input, feedback, recommendations and support to senior management from community and business leaders. These specialized groups of diverse and independent leaders from the public sector, tribal governments, business, non-profit and academic organizations possess extensive experience in business services, sustainability, public safety, wildfire management, community-based services and applied technology.

In 2022, through these advisory councils, our businesses engaged more than 280 members in over 40 meetings, facilitating important stakeholder feedback for our companies. We also leverage the following engagement channels:

- major customer advisory panels;
- community open houses;
- customer satisfaction surveys;
- meetings and phone calls;
- town hall meetings; and
- facility tours.

We launched an enhanced stakeholder engagement guide and training in 2022 to highlight expectations of employees serving in external-facing roles, including officers and directors. The guide brings together information from many related policies and provides direction on engaging with stakeholders, respecting human rights, lobbying activity, conflicts of interest and requirements for contributions, memberships and sponsorships.

Our senior vice president of corporate affairs is responsible for Sempra policies related to stakeholder engagement. The [Ethics & Compliance Helpline](#) serves as our formal grievance mechanism for stakeholders to share concerns or describe project impacts.



# High-performance culture 1

We actively look for opportunities to champion the communities we serve, advance our high-performance culture and maintain a workplace that evokes engagement and is rich in opportunities for all employees to reach their full career potential. In early 2021, we announced an action plan for Sempra and our businesses centered on five strategic pillars, each part of a broader, multi-faceted and multi-year plan to continue to drive sustainable change in the areas of diversity and inclusion:

## 1. Leading from the top

## 2. Accelerating engagement

## 3. Creating opportunity

## 4. Driving conscious inclusion

## 5. Partnering with communities

Since then, Sempra and our businesses have worked to progress our aims under each pillar.

## Leading from the top

- 69% of executives across the organization serve on non-profit boards, with many of these non-profits having a direct impact on the local communities we serve.
- Participated in the World Economic Forum's global community of chief diversity and inclusion officers to gain insights and share Sempra's practices.
- Organized the Inaugural California Diversity Awards in Sacramento.
- Recognized as a leader in diversity and inclusion through requests for interviews and officer participation as featured speakers and panel members.

# 2

## Accelerating engagement

- Hosted over a dozen events, including discussions on allyship in action, mental health awareness and others honoring diverse backgrounds and experiences. These events were attended by thousands of employees across Sempra and our businesses, reinforcing our values.
- Continued to implement employee resource groups to support the needs of our workforce and cultivate a stronger sense of belonging.
- Funded minority students from the University of California system to participate in internships at organizations in Washington D.C. and learn about public policy.
- Implemented the iBelong app, which connects U.S. employees to D&I community groups, news and information. Features include a resource library to build knowledge and learning, a chat feature for answers to specific D&I questions and a notification feature to share D&I stories and news.

# 3

## Creating opportunity

- Enhanced various recruiting efforts at our U.S. businesses to include more women and people of color in interviewee pools, including by launching a supportive social media campaign; adding two additional university campuses to recruitment efforts; and creating a new job classification to help remove physical ability barriers for entry level jobs.
- Enhanced our “high potential employee” pipeline by identifying 100 mentors and 100 mentees to participate in the enterprise-wide M-Power mentoring program.
- Launched a digital employee-oriented social media campaign showcasing the company’s workforce in the context of our mission, vision and values.

# 4

## Driving conscious inclusion

- Provided additional training for 100% of officers and 94% of director-level employees in the U.S. and Mexico, and 25% of U.S.-based managers to support culture of belonging and enhance focus on D&I.
- Enrolled 75 employees in the National Conflict Resolution Center’s Culture, Community, Conflict Certification Training.

# 5

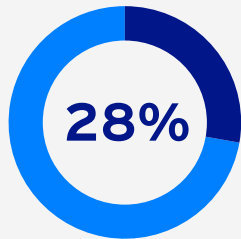
## Partnering with communities

- Prioritized supporting community programs or projects that: provide training, education and expertise in D&I, equity, unconscious bias and/or cultural competency; increase participation and representation in communities, including engagement in civic affairs and decision-making; and create equitable systems and a fair playing field within communities.
- Spent a combined average of nearly 30% of total supplier spend on diverse suppliers, representing over \$2.4 billion at Sempra California and Oncor in 2022. Supplier diversity data highlights may be found on page [39](#).
- Promoted an inclusive supplier base that represents customers, stakeholders and the communities we serve. Our businesses have a long history of working with diverse suppliers to provide them with goods and services they need to serve their customers. By building a diverse supply chain, they help create an inclusive culture that we believe can support better business outcomes. Supplier categories we support include minority, minority women, women, service-disabled veteran and lesbian, gay, bisexual and transgender.



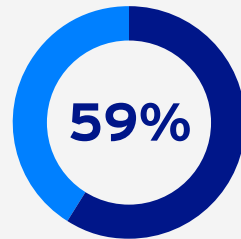
### Supplier diversity spending highlights

Women in our workforce (company-wide)

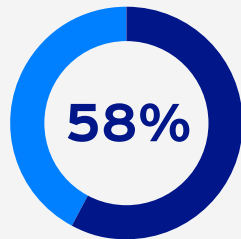
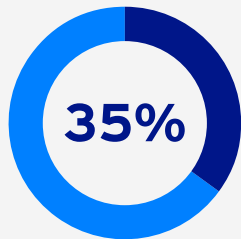


Total workforce

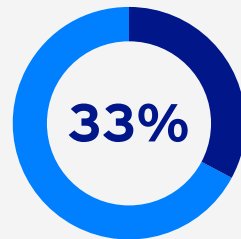
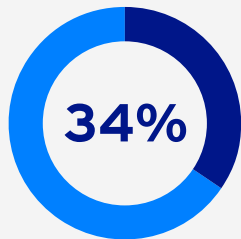
People of color in our workforce (U.S. employees)<sup>2</sup>



Salaried employees

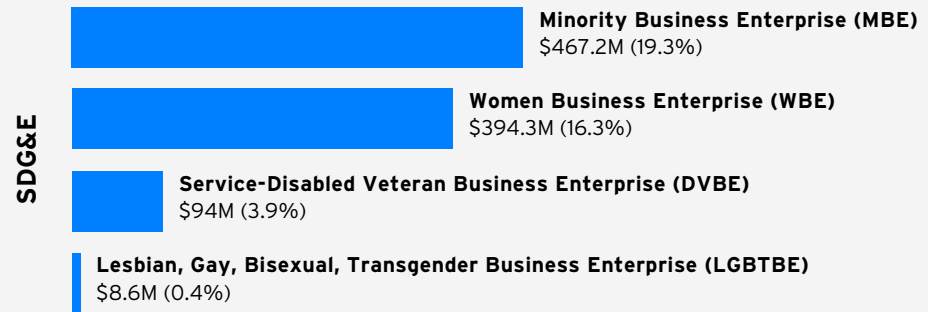


Company leadership<sup>1</sup>



**Total spend<sup>3</sup>**  
\$2,425M (100%)

**Total diverse supplier spend**  
\$964M (40%)



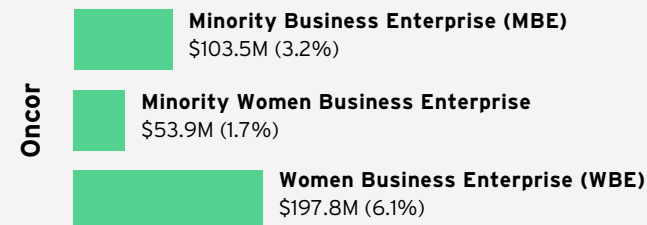
**Total spend<sup>3</sup>**  
\$2,406M (100%)

**Total diverse supplier spend**  
\$1,032M (43%)



**Total spend**  
\$3,245M (100%)

**Total diverse supplier spend**  
\$355M (11%)



<sup>1</sup> Company leadership includes director-level employees and officers.

<sup>2</sup> Race and ethnicity as defined by the U.S. EEOC includes race and ethnic categories that are not applicable to our employees in Mexico, who are therefore not reflected in this data.

<sup>3</sup> Total spend for SDG&E and SoCalGas reflects the categories subject to the CPUC's General Order 156.

# Human capital development

Connecting people to reliable energy sources, transforming modern energy networks and advancing the energy transition are important responsibilities that require world-class talent to succeed. Our companies' approximately 20,000 employees fuel economic growth and power the lives of nearly 40 million consumers in California, Texas, Mexico and beyond. To serve these customers and our stakeholders, we must attract, engage, develop and retain people committed to powering our mission and our high-performance culture.

In 2022, we again evolved our workplaces to adopt hybrid schedules and/or flexible working arrangements for office-based employees. Keeping health and safety in the forefront, Sempra structured a plan for its California office-based employees to maintain a hybrid schedule in which they work remotely on some days and return to the office on other days to enhance engagement and collaboration. In an effort to continue to improve, we surveyed many of our employees on the effectiveness of our hybrid work schedule in late 2022. While employees reported a high degree of psychological safety and appreciation for work-life balance, there are some opportunities for improvement. We will continue to examine multi-modal ways to engage with our employees

including making the most of in-office days, as well as increasing in-person development and networking events to support professional and personal growth and development.

Based on results from our 2021 employee engagement surveys, which we reported in our [2021 corporate sustainability report](#), each of our businesses launched action plans in 2022 to address opportunities for improvement. Surveys are conducted every other year at Sempra, SDG&E, SoCalGas and Sempra Infrastructure, and every year at Oncor. Driving intentional and targeted positive change requires leaders from across our companies to create concrete action plans and work with their teams to communicate progress on an ongoing basis. Actions taken as result of the most recent surveys include training and team building based on individual department results, setting goals and conducting workshops, expanding diversity and inclusion training and events, providing resources to support hybrid/flexible work and offering more in-person events to create a sense of belonging and connection to our culture.

## Talent development pipeline

**Acquiring:** Sempra's multi-faceted approach to acquiring a world-class talent pool includes:

- Distributing job postings to our diverse job site network, inclusive of veteran, women, Hispanic, African American, Asian, differently-abled and LGBTQ job candidates. This approach supports Office of Federal Contract Compliance Programs recruiting needs and compliance efforts.
- Utilizing a writing analysis application that uses artificial intelligence (AI) to mitigate risk of gender bias in job postings.
- Leveraging employee referral channels to attract candidates as they are often well-connected in their field of work, especially in specialty areas.

We use interviewing strategies that support the hiring of diverse, top talent, including the use of diverse interview panels designed to give each candidate appropriate opportunity and consideration.

Sempra and our businesses have a long history of partnering with universities both near our headquarters and throughout the country, and a strong track record of hiring interns and rotational employees who benefit from structured programs and mentorship. Many of these employees go on to find permanent positions at our companies.

**Developing:** We offer training and development opportunities designed to equip employees to grow and advance in skills and/or across business functions. We provide guidance, resources and frameworks for development, including regular performance appraisals for all employees—whether they are new or tenured employees looking to advance their skills or career.

In-person trainings resumed in 2022 for employees at all career levels, from structured, multi-day courses to more informal lunchtime events to assist with career development and networking.

We enhanced and launched several initiatives:

- Sempra University was launched to encourage and enable professional development of all U.S.-based Sempra employees, making available self-service tools and an extensive list of online courses designed to develop various types of professional skills;
- Our 15th cohort of Leadership in Action, which is designed to facilitate growth of high-potential leaders; as well as our sixth cohort of the executive leadership development program, designed to train our next generation of leaders; and
- In-person instructor-led courses at our various office locations and hundreds of online LinkedIn learning courses.

Additionally, our professional development assistance program provides up to \$5,250<sup>1</sup> per year to cover the educational expenses of employees working toward a work-related degree or certificate. In 2022, Sempra contributed approximately \$2 million to support the more than 900 employees who participated in this program.

**Motivating:** We foster an environment where quality leadership, clear organizational and individual goals, and performance-based rewards support employees in their efforts to perform to the best of their capabilities and in the best interests of Sempra. In 2022, we deployed a new online recognition platform to a pilot group at some of our companies. We are rolling it out more widely in 2023 focusing on:

- Peer-to-peer recognition;
- Individual recognition by colleagues and/or leadership; and
- Team recognition by colleagues and/or leadership.

**Retaining:** Despite the challenging job market with fully remote jobs across the country and around the world, we are pleased that we maintain a high-performing, diverse workforce. We believe that retention starts with the right fit between the individual, the job and the company.

Sempra continues to be recognized as one of Fortune's World's Most Admired Companies and one of Forbes' best employers for diversity and recognized by the Human Rights Campaign Foundation as one of the best places to work for LGBTQ+ Equality with:

- Solid reward programs;
- Career challenges; and,
- Strong and supportive leadership.

**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 Sempra and our businesses and we train employees to have the skills to meet the needs of our changing industry. We offer entry-level financial, IT and engineering rotational programs at some of our businesses to show employees how they might apply their skills in different areas. At Sempra California and Sempra Infrastructure, when employees are promoted into new manager roles, they take part in our new manager training program to help equip them with the skills to be a successful leader.

<sup>1</sup> Professional development assistance program provides Mexico-based employees up to \$5,000.

## Benefits

Our benefits are another way we continue to invest in our most valuable resource, our people. We approach our benefits program holistically to help employees thrive and succeed in all areas of their lives. Some of the benefits available to U.S.-based employees include:

- **Mental and emotional well-being program:** In 2022, Sempra launched a new employee assistance program that offers a wide range of care from wellness and preventative care, to coaching and therapy, to more critical intensive care. We continue to offer employee webinars on a broad range of topics and have invited mental health practitioners to join our executives for enterprise-wide events to discuss the importance of protecting and caring for one's mental health and strategies for coping in difficult times.
- **Parental leave program:** This includes salary continuation during pregnancy disability leave for up to 12 weeks for birth mothers, salary continuation during bonding leave for up to eight weeks for all parents (including birth, adoption, surrogacy and foster placement) and support for working parents.
- **Fertility treatment program:** Recognizing there are many different fertility and family-building journeys, in late 2022, we announced the addition of fertility treatments under our medical plans for 2023.
- **Financial wellness program:** Education, coaching and counseling to help employees and their families better plan and achieve personal financial goals.
- **Pet program:** Access to pet insurance plus other resources to support the pets that are important members of many families.
- **Back-up child/elder care program:** Through our employee assistance program, we provide various options for our employees and their families to find local ongoing care, help to fill unexpected care needs or arrange for temporary care.



# Community engagement

Sempra and our businesses, as well as Sempra Foundation, are committed to supporting social progress over the next decade with a focus on outcomes and impact over time. In 2022, Sempra, our businesses and Sempra Foundation empowered communities with \$39.7 million in community contributions.<sup>1</sup>

We have adopted three strategic priorities to support the communities we serve: climate action, diversity and inclusion, and economic prosperity. These priorities align with our three core values and the United Nations Sustainability Development Goals (UN SDG) in the areas of: affordable and clean energy (UN SDG 7), decent work and economic growth (UN SDG 8), reduced inequalities (UN SDG 10) and climate action (UN SDG 13). For more information about the alignment of our activities with the UN SDGs, see pages [119-120](#).

- **Climate action** aligns with our value to *do the right thing*. From tree plantings and carbon sequestration to habitat restoration and biodiversity, we are investing in efforts designed to reduce or offset emissions, promote new technologies, support climate resiliency, and offer real promise to address the challenge of climate change.

- **Diversity & inclusion** aligns with our value to *champion people*. By investing in training and education, we aim to enhance representation and participation in communities—including engagement in civic affairs, advocacy and decision-making.
- **Economic prosperity** aligns with our value to *shape the future*. From skills training and workforce readiness, to supporting the growth of diverse businesses in local and underinvested communities, we are providing access to tools, resources and mentoring intended to help create and sustain prosperity.

Energy access is also an important area of focus as it aligns with our vision of *delivering energy with purpose*. Sempra Foundation, which is funded entirely by Sempra, works to address energy access in California, Texas, on tribal reservations and in Mexico, and has provided support to charitable organizations in Mexico for projects such as solar panel installations, distribution of cleaner cook stoves, installation of biomass-to-energy biodigesters, as well as the installation of solar-powered refrigerators and solar-powered water-pumping stations.



<sup>1</sup> Includes \$4.4 million in contributions from Sempra Foundation.

## Employee community involvement

Our employees supported 2,470 organizations with donations of time and money, contributing nearly 32,000 hours of volunteer time and nearly \$5 million in 2022.<sup>1</sup> High levels of employee engagement in our communities foster a high-performance culture, promote retention and improve organizational performance.

## Impact measurement

As of March 2023, over \$15.6 million in strategic grants to community partners were selected for impact monitoring and evaluation.<sup>2</sup> In 2021, Sempra launched an impact measurement platform to better understand how we can measure and report on the aggregated outcomes and impacts that result from strategic investments in our priority areas.<sup>3</sup>

The platform estimated over 7 million people being supported through key strategic grants yielding significant environmental, economic and social impact:

- **Environmental impact**<sup>4</sup>: Over 470,000 acres of land protected, and 92,000 metric tons of CO<sub>2</sub> reduced.
- **Economic impact**<sup>5</sup>: Nearly \$2 million is projected to be generated and saved.
- **Social impact**<sup>6</sup>: Over 2 million positive social impacts achieved for families in food security and health, education, safety and community well-being, and economic empowerment.

<sup>1</sup> Total figure includes a fund match from Sempra Foundation for eligible Sempra employee charitable contributions.

<sup>2</sup> Impact measurement pursued on grants of \$25K and greater and/or directly aligned to giving priorities. Of these grants selected for monitoring and evaluation, as of March 2023, 47% have been evaluated for final results; 28% are in the interim stage of evaluation and 25% are in the initial projections phase.

<sup>3</sup> Impact is measured in the ways lives are improved or in the contributions that are made to society. Impacts are calculated using a “contribution claim” approach designed so that figures represent Sempra’s accurate claim (or share) of non-profit partners’ impacts. Community partners self-report projections and final outcomes to Sempra’s reporting partner True Impact, an organization that provides guidance, requires backup documentation, and conducts program-level reviews of all non-profit reports to help ensure accuracy.

<sup>4</sup> Environmental impacts represent an aggregated result of solar installations, cleaner cook stoves, mangrove conservation and restoration, tree planting programs and other carbon sequestration initiatives.

<sup>5</sup> Economic savings are primarily calculated from the delivery and installation of cleaner fuels, new equipment and technologies installed in communities in Mexico and California over the lifetime of the equipment (15-25 years) and economic empowerment programs.

<sup>6</sup> Social impacts are calculated from nearly 250 community programs that benefited individuals, families and communities, and represent an aggregated result of STEM education initiatives, career development training, food assistance programs, safety education and civic leadership mentorship.

<sup>7</sup> Includes giving to nonprofit civic and community groups by Sempra’s businesses and \$4.4 million in contributions from Sempra Foundation.

### Community involvement and contributions



**32,000**  
hours of volunteer time



**~\$40M**  
in community contributions<sup>7</sup>



**Community engagement**



improves  
performance



fosters  
culture



promotes  
retention

# Human rights

We believe that we have a responsibility to protect and respect human rights, while also mitigating and remediating negative impacts to our employees, partners and members of the communities we serve. The SST committee of Sempra's board of directors is chartered with oversight of our human rights initiatives, including Sempra's [human rights policy](#) where we discuss our commitment to human rights and support of international human rights standards and principles, including the Universal Declaration of Human Rights.

We recognize that individuals from certain groups or populations, including indigenous peoples, face heightened risk of marginalization. Across Sempra and our businesses, our focus remains on sustainable business practices that continue to enhance safety, reliability and resiliency in the communities we serve. 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.

As part of Sempra's human rights policy, we perform periodic human rights assessments. In 2022, we completed a corporate human rights assessment, which helped identify and prioritize

salient human rights issues specific to the energy sector and the management of these issues across the Sempra family of companies. Sempra's salient human rights issues include indigenous rights, issues related to human rights defenders, public health and safety, climate change, and occupational health and safety. We are actively working to strengthen management of these topics to help mitigate future potential adverse impacts our infrastructure or operations may have on people and communities.

For details on local interactions please see the [Our businesses](#) section of this report.

## Grievance mechanism

Our [Ethics & Compliance Helpline](#) is available 24 hours a day, seven days a week, to any employee, business partner, supplier, customer or other stakeholder that witnesses or learns of any incident that they believe may involve a violation of our human rights policy, supplier code of conduct or code of business conduct applicable to employees. This grievance mechanism allows anyone to report anonymously if desired. In addition, major infrastructure projects and operations often have additional phone numbers and/or email addresses that can be used to communicate with the company on any concerns or issues.



# Protecting the environment

Sempra's efforts to advance a just energy transition are coupled with strong environmental stewardship policies and practices. Environmental stewardship includes our climate aims, conservation and protection of natural resources, air quality and biodiversity, waste management, as well as investments in evolving sustainable business practices and innovation.

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- 59 Waste and recycling





# Environmental management

Sempra's [environmental policy](#) is foundational to our efforts to protect the environment and avoid or reduce the impact of infrastructure projects and operations. In addition to this policy, each business has additional environmental policies and procedures in place, designed to manage and address biodiversity preservation, water use, recycling and waste minimization and reduction of GHG emissions and other air pollutants.

Our businesses conduct regular reviews of environmental performance, including environmental audits at facilities to identify areas for improvement, and provide education and training for employees and contractors. An environmental committee brings together teams from across the Sempra companies each quarter to share suggested practices and lessons learned. Sempra's deputy general counsel is responsible for our environmental policy, while Sempra's chief sustainability officer oversees the biodiversity and water policies. The SST committee of the Sempra board of directors considers environmental management issues, including biodiversity and water, as part of its oversight function. This is supported by environmental management systems and practices throughout our operations and facilities. Refer to page [30](#) for additional detail.

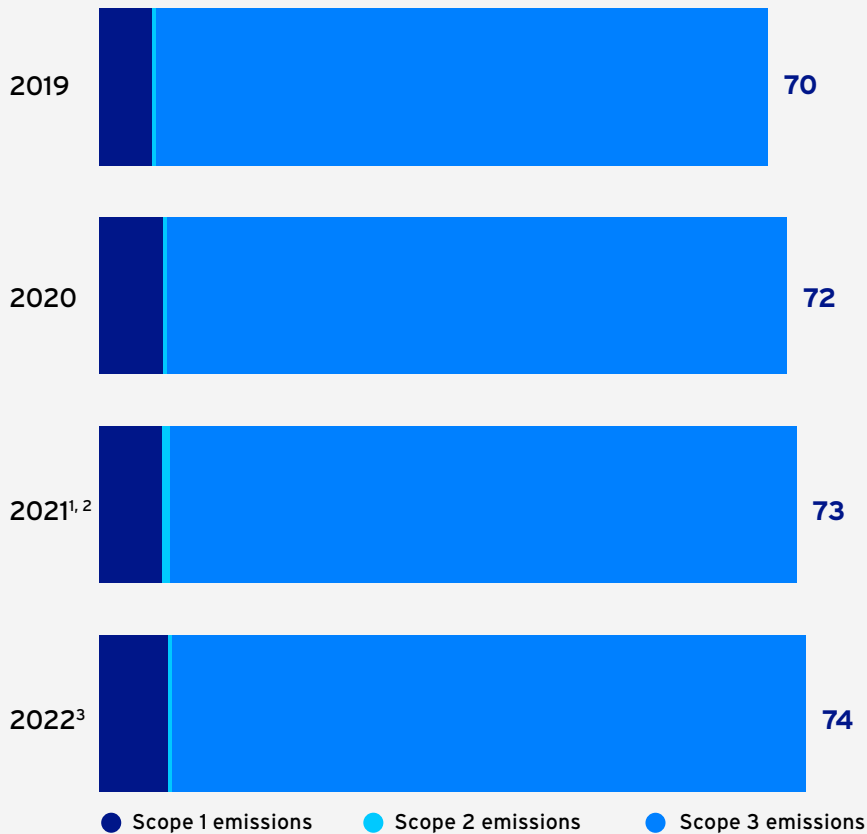
Sempra and our businesses operate in areas with a robust environmental regulation landscape. One measure of our environmental compliance performance is through the assessment of the number of notices of violation (NOVs) issued by government agencies for non-compliance with environmental regulations. In 2022, 95% of all agency inspections of our businesses resulted in zero NOVs. Our companies received 23 NOVs and paid \$379,958 in fines and penalties and \$107,151 in settlements<sup>1</sup>. Two NOVs were related to waste management, 11 involved air quality-related matters and 10 were administrative in nature. While striving for 100% compliance with all applicable regulatory requirements, when an issue arises, our businesses work closely with the overseeing agencies to make the necessary corrections promptly in line with our focus on maintaining safe and reliable operations.



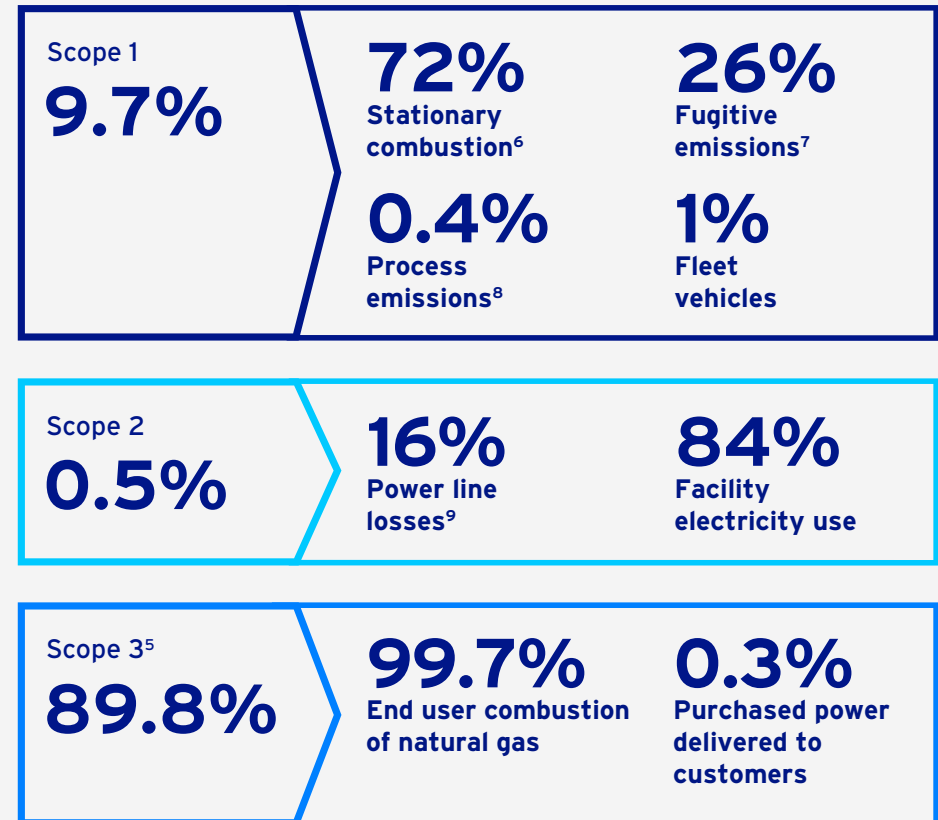
<sup>1</sup> Self-reported violations are not included. The amount of fines and penalties paid varies from year-to-year depending on the nature of the violation and the timing of its resolution. In 2022 our Ecogas utility in Mexico paid a fine of approximately \$360,000 related to natural gas network authorizations.

# Greenhouse gas emissions

Estimated scope 1, 2, and 3 GHG emissions  
(tons of CO<sub>2</sub> equivalent)



Estimated 2022 GHG emissions by scope and source<sup>4</sup>



<sup>1</sup> 2021 scope 1 and 2 emissions data updated following third-party verification.

<sup>2</sup> Starting in 2021, scope 2 emissions also include electricity purchased and used in the Cameron LNG facility.

<sup>3</sup> 2022 scope 1 and 2 emissions data subject to verification.

<sup>4</sup> Percentage totals are +/- 1% due to rounding.

<sup>5</sup> We also track scope 3 emissions from employee travel, which comprised 0.006% of scope 3 emissions in 2022.

<sup>6</sup> Emissions from our natural gas power plants and natural gas infrastructure.

<sup>7</sup> "Fugitive emissions" is inclusive of leaks and vented emissions.

<sup>8</sup> Emissions from physical or chemical processes related to combustion.

<sup>9</sup> Emissions from the generation of purchased electricity that is lost during transmission and distribution.

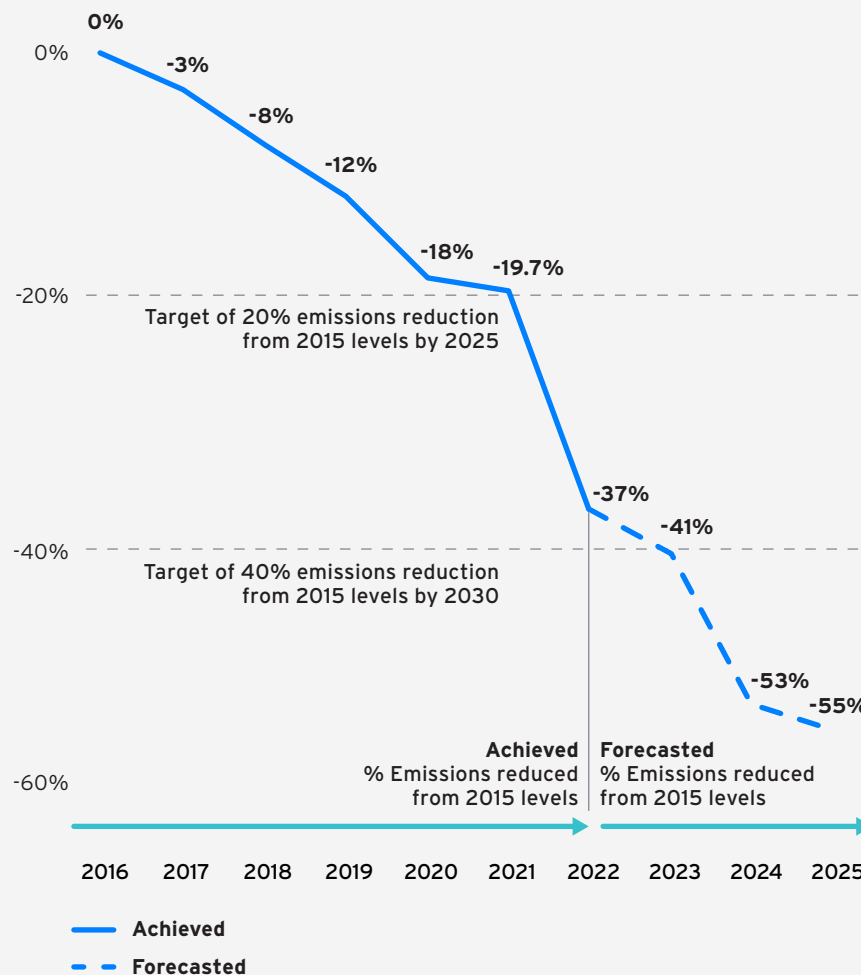
We collaborate with suppliers, customers and peers to measure and monitor emissions. In line with our aims, each of our businesses continues to execute on emissions reduction strategies and to also identify new opportunities to reduce emissions across scopes 1, 2 and 3 and may support other air pollutant reductions.

### Scope 1 emissions

Sempra’s 2022 direct (scope 1) emissions are from sources that we own or control, including stationary combustion (5.2 MMT CO<sub>2</sub>e), fugitive emissions (1.9 MMT CO<sub>2</sub>e) and fleet vehicles (0.06 MMT CO<sub>2</sub>e). Our businesses are working to accelerate innovation and advancements in emissions reduction and mitigation strategies and practices. For example, despite an increase in overall LNG production, several key initiatives at the Cameron LNG facility have led to an overall decrease in GHG emissions intensity, including operational enhancements, improved methane monitoring, and a reliability-centered maintenance program designed to reduce flaring and fugitive emissions.

Emissions from electric generation facilities represent approximately 39% of our scope 1 emissions in 2022. A majority of our generation assets are located in California. In 2022, scope 1 emissions increased by approximately 8% from 2021 due primarily to increased run-time of natural gas-fired power plants as California and other western states experienced unprecedented high temperatures, leading to record demand for electricity. With increased energy demands, these generation facilities have been key to maintaining reliable and affordable access to electricity in the areas where we operate. The California Energy Commission (CEC) anticipates the need for natural gas-fired generation to maintain electric reliability throughout the next decade.<sup>1</sup> As we consider our reduction goals and aim towards net-zero, having clean, dispatchable resources that can provide carbon-free electricity when needed will be necessary to provide a clean and reliable electric supply.

**SoCalGas fugitive emissions reductions and forecast<sup>2</sup>**



<sup>1</sup> CEC Staff Report: Joint Agency Reliability Planning Assessment Feb. 2023, p. 27.

<sup>2</sup> Per CPUC rulemaking 15-01-008, thresholds for natural gas emissions reductions vary by classification tier, which are based on our California utilities’ 2015 emissions percentages. As a class A utility, SoCalGas has specific mandated reduction targets. SDG&E is a class B utility and has a goal to reduce natural gas emissions as much as feasibly possible. Future emissions reduction projections are dependent upon any reporting adjustments and compliance plan measures approved by the CPUC, among other risks and uncertainties. Note: “fugitive emissions” is inclusive of both leaks and vented emissions.

Fugitive emissions represent the second largest category of scope 1 emissions. Our gas businesses are investing in new technologies, programs and procedures to detect methane leaks and manage our gas infrastructure more effectively. Read more in the SDG&E and SoCalGas chapters beginning on pages [61](#) and [70](#), respectively.

## Scope 2 emissions

Sempra's 2022 indirect (scope 2) emissions consist of purchased electricity used in our buildings and operations, including electricity lost during transmission and distribution (0.36 MMT CO<sub>2</sub>e). The U.S. Energy Information Administration estimates that approximately 5% of the electricity that is delivered each year in the U.S. is lost as it passes through transmission and distribution lines.<sup>1</sup> SDG&E's estimated loss rate is 0.42% for transmission and 0.63% for distribution.

Each of our operating companies is working towards the use of 100% renewable electricity in their owned facilities. In 2022, this was completed for grid-connected Sempra headquarters and Sempra California offices and service centers where a renewable tariff is available.

In 2022, Sempra Infrastructure and Entergy Texas, Inc. entered into a MOU to collaborate on developing a renewable electricity plan, including an implementation schedule for renewable energy procurement that would supply Sempra Infrastructure-affiliated facilities in the state of Texas. Additionally, the company signed a MOU with Entergy Louisiana, LLC to advance renewable power supply to LNG facilities. These MOUs are non-binding arrangements and do not commit any party to enter into definitive agreements.

## Scope 3 emissions

Reporting on scope 3 emissions is complex, as these emissions come from a wide range of sources, some of which are difficult to measure or estimate. In 2022, Sempra conducted a high-level scope 3 screening using the World Resources Institute's GHG Protocol scope 3 evaluator to help identify relevant and material scope 3 emissions categories. Sempra's 2022 indirect (scope 3) emissions are primarily from end users' combustion of natural gas delivered through our infrastructure (66.5 MMT CO<sub>2</sub>e); and emissions from other companies' generation of electricity that was delivered to end users (0.2 MMT CO<sub>2</sub>e).

Activities our businesses are undertaking to reduce scope 3 emissions include:

- Collaborating with industry partners to develop robust methane measurement and reconciliation protocols across the natural gas production chain;
- Developing and working to bring to market lower- and zero-carbon energy sources, such as RNG, hydrogen blends and renewable hydrogen; and
- Offering enhanced energy conservation tools to reduce energy consumption and use.

For specific examples, refer to Our Businesses starting on page [60](#).

Third-party verification of GHG emissions data is an important part of our process. 2021 emissions data was verified in 2022 for approximately 64% of our scope 1 and 2 emissions. Scope 3 emissions from end user combustion of natural gas, which represent 99% of our reported scope 3 emissions, are estimated. Our carbon management program aims to increase the scope of assurance and continue to enhance our emissions inventory in future years.

<sup>1</sup> U.S. Energy Information Administration FAQs: How much electricity is lost in electricity transmission and distribution in the United States?

## Energy transition action plan

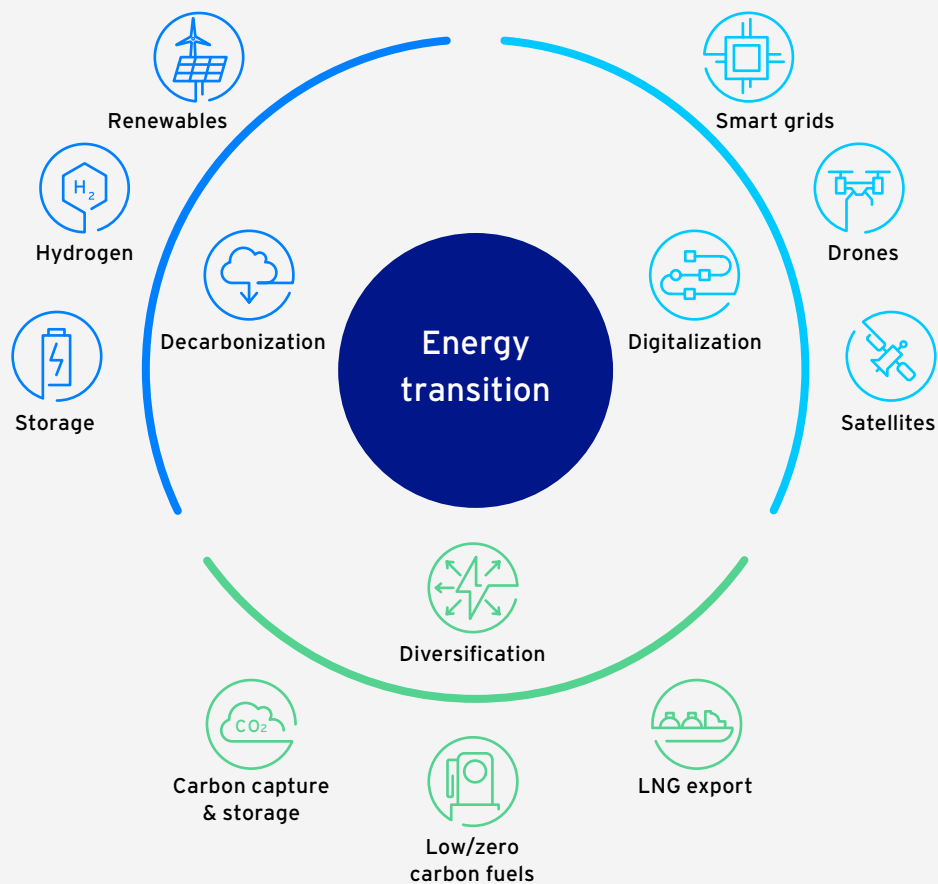
Addressing climate change impacts is a long-term and complex objective that requires a series of initiatives and planning to reduce GHG emissions across all sectors of the economy in addition to partnership and collaboration with business partners, customers, regulatory and policy stakeholders. Over the past several years, our efforts represent a continuation of our longstanding aims to:

- Reduce our carbon footprint where possible today;
- Take measured steps towards maturing solutions where available; and
- Continue to invest in our energy transition action plan.

Our energy transition action plan focuses on three key capabilities—3Ds—which we believe can complement the solutions of today and technologies of the future, while providing customers access to affordable, reliable and cleaner energy solutions.

- **Decarbonization:** Reducing carbon intensity and lowering GHG emissions of energy is central to decarbonizing the industrial, transportation and power generation sectors. Over time, the energy delivered to customers will need to become less carbon intensive.
- **Diversification:** Bringing new lower- to zero-carbon energy choices to markets is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.
- **Digitalization:** Integrating real-time information and cutting edge analytics, artificial intelligence (AI), and technologies benefits network operators and supports improved operational efficiency, safety and service to consumers.

### Energy transition action plan—the 3Ds



## Decarbonization



Reducing carbon intensity and lowering GHG emissions of energy is central to decarbonizing the industrial, transportation and power generation sectors. Over time, the electrons and molecules delivered to customers will need to become less carbon intensive.

### Sempra California | SDG&E

- Published *The Path to Net Zero: A Decarbonization Roadmap for California*—a comprehensive study to map a path to carbon neutrality in California by 2045 using the utility standard for reliability.
- Nearly doubled its utility-owned storage and has brought online nearly 170 MWh of contracted battery energy storage to serve the grid since 2020.
- Launched the region's first Vehicle-to-Grid (V2G) project connecting electric school buses to bidirectional chargers, enabling buses to run on clean energy during the day and dispatch it back to the grid when parked during evening peak energy demand.

### Sempra California | SoCalGas

- Received CPUC approval to track Phase 1 costs to conduct feasibility studies for Angeles Link, a proposed energy infrastructure system that could deliver reliable green hydrogen to the Los Angeles Basin.
- Delivered 5% RNG to core customers in 2022 (core customers is "core service" as defined in SoCalGas' Tariff Rule No. 23) and filed RNG procurement plan in compliance with SB 1440.

### Sempra Texas | Oncor

- Connected 3 GW+ wind and solar generation, with plans to connect nearly 17 GW of renewables over the next few years.

### Sempra Infrastructure

- Continued development of Hackberry Carbon Sequestration (HCS), a proposed storage facility designed to capture and permanently sequester CO<sub>2</sub> from Cameron LNG.
- The Cameron LNG facility expansion development project (Train 4) expected to incorporate electric drive compressor technology to reduce the onsite emissions.
- Announced the signing of MOUs with Entergy Louisiana and Entergy Texas, respectively, to collaborate on the development of options for renewable energy procurement. These MOUs are non-binding arrangements and do not commit any party to enter into definitive agreements.
- Began implementing a new procedure for inspection and quantification of fugitive emissions in transportation and distribution assets. The existing leak detection procedure was updated to include a methodology for detecting fugitive emissions with a lower detection threshold criteria.

## Diversification



Bringing new lower- to zero-carbon energy choices to markets is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.

### Sempra California | SDG&E

- Connected over 269,700 rooftop solar systems providing more than 1,860 MW of power in San Diego, resulting in more than 20% rooftop solar penetration for the region, among the highest in the U.S.
- Hosted San Diego's first EV Fleet Day to showcase the benefits of electric transportation to fleet operators; hosted San Diego's first adapted EV Ride and Drive event to introduce EVs to community members with functional and access needs.
- Provided funds for planting more than 10,000 trees annually to communities since 2021 to support local biodiversity, promote intelligent water use and provide a nature-based solution to remove carbon from the atmosphere.

### Sempra California | SoCalGas

- Completed construction of the [H2] Innovation Experience, a fully integrated demonstration project with solar panels, a battery and an electrolyzer to convert solar energy to renewable hydrogen for its use in a fuel cell to supply electricity for the home and in the residential gas distribution system as a blend with natural gas.
- Received Final Decision for SB 1440 renewable gas standard, which targets renewable gas procurement to serve a minimum of 12% bundled core demand by 2030 (also applies to SDG&E).
- Continued transition towards a ZEV fleet, with 36% of over-the-road fleet currently operating with alternative fuel vehicles.
- The CPUC approved policy support for hydrogen blending demonstrations (Decision D.22-12-057, December 2022).

### Sempra Texas | Oncor

- Approved approximately 26,000 customer applications, a new company year-end record, for onsite renewable resources (capable of generating more than 230 MW).

### Sempra Infrastructure

- Sempra Infrastructure advanced Volta de Mexicali (VDM), a battery energy storage system (BESS) in an early development stage, which aims to promote resilience and facilitate the deployment of renewable energy.
- In early-stage development of multiple hydrogen, ammonia, and carbon capture and sequestration projects. The company is participating in three hydrogen hubs that have received encouragement letters from the U.S. DOE and signed a Heads of Agreement (HOA) with AVANGRID for the potential joint development of hydrogen and ammonia projects. This HOA is a non-binding arrangement and does not commit any party to enter into definitive agreements.

## Digitalization



Integrating real-time information and cutting-edge analytics, AI and technologies benefit network operators and support improved operational efficiency, safety and service to consumers.

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### Sempra California | SDG&E

- Deployed helicopter-mounted Light Detection and Ranging (LiDAR) technology and drones to map methane and support rapid leak repair.
- Launched a Virtual Power Plant (VPP) demonstration project to help strengthen community resilience and electric reliability in the remote community of Shelter Valley.
- Electrified approximately 23% of its light-duty fleet by leveraging an innovative new tool—the Community Impact Platform—to prioritize EV vehicle replacements in parts of its service territory most affected by air pollution.

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### Sempra California | SoCalGas

- Deployed fleet telematics used for emission and performance efficiencies and encouraging safer driving; full implementation planned in 2023

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### Sempra Texas | Oncor

- Announced a collaboration with Toyota Motor North America to research and demonstrate the benefits of V2G technology.

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### Sempra Infrastructure

- Deployed a sensor-equipped unmanned aerial vehicle to detect and quantify emissions as part of a demonstration project to test the methane measurement and reconciliation protocols developed by Veritas.
- Installed over 31,000 smart meters by end of 2022, representing 21% of total customers at Ecogas (gas distribution utility in Mexico).
- Expanded the use of permits management software to enhance tracking of compliance requirements and associated activities across construction projects and operating assets.





# Supply chain

Sempra and our businesses depend on suppliers for equipment, parts and services essential to project planning, construction, operations and system reliability. We rely on our strong relationships with our suppliers to encourage them to adopt sustainable business practices and products. Our [supplier code of business 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. These include, but are not limited to:

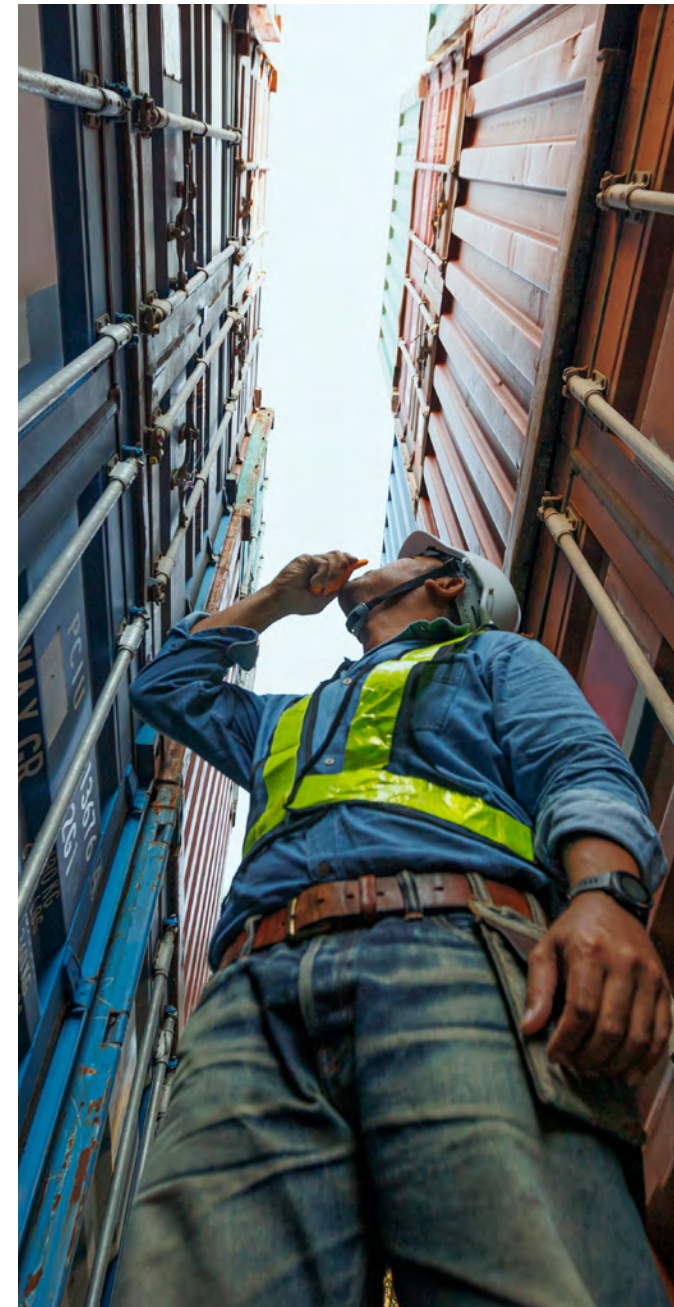
- Environmental metrics tracking
- Air emissions reductions (volatile organic compounds (VOCs) and GHGs)
- Responsible resource utilization
- Energy and water conservation
- Land restoration
- Waste reduction and recycling

Climate risks and opportunities have influenced our strategy related to supply chain in several ways. We recognize the critical role suppliers play in our operations and we support our companies in developing supply chain sustainability programs that include short-term, mid-range and long-term goals. Examples from Sempra California include:

- Integrating social responsibility, environmental stewardship, financial and governance aspects into decision-making throughout the supply chain to help improve long-term performance and reduce risk;

- Participating in industry groups focused on supply chain sustainability and shared best practices, including the Electric Utility Industry Sustainable Supply Chain Alliance;
- Conducting annual sustainability assessments to engage suppliers and better refine our companies' scope 3 GHG emissions;
- Engaging outside consultants to periodically benchmark supply chain sustainability program strategy and reassess the companies' supply chain material issues;
- Identifying critical suppliers and assessing them periodically for compliance with issues related to sustainability; and
- Integrating investment recovery into a sustainable supply chain.

As part of our aim to have net-zero GHG emissions by 2050, we are also focused on reducing the impacts of our energy supply chain. This includes participation in initiatives like Veritas that help to develop standardized measurement protocols for the natural gas value chain. See pages [17](#), [54](#) and [92](#) for more details.



# Biodiversity and land use

Our efforts to integrate biodiversity into our decision making expands to nature-related opportunities and greater resilience to extreme weather events such as flooding, droughts and wildfires. Managing and preserving our natural capital can help to preserve our investments in infrastructure and promotes health and well-being in the communities where we operate. We work towards biodiversity preservation and developing our understanding of nature-related dependencies as part of our planning and decision-making processes. We work with local groups, government agencies, academia and/or non-governmental organizations during project development and operation to reduce impacts to local wildlife. We strive to balance our business needs with stewardship of sensitive habitats, abide by applicable laws and regulations for endangered species, and work to reduce impacts to protected plants and wildlife and sensitive habitat communities.

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.

Our [biodiversity policy](#) describes how we integrate biodiversity considerations into the planning, permitting, construction and operation of our infrastructure.



# Water

Our businesses' use of fresh water accounted for less than 1% of our total water withdrawn in 2022. We use alternative sources of water, where available, to preserve fresh water for nearby communities and reduce any contribution to water scarcity. We are focused on responsible stewardship and sustainable use of water in our operations and at our facilities, as described in our [water policy](#). This commitment aligns with UN SDG 6, which is to ensure availability and sustainable management of water and sanitation for all. In 2022, our total water withdrawal remained level at approximately 28 billion gallons. We returned 92% of the water withdrawn to the source.

Further, we regularly monitor water use and associated risks utilizing tools such as the World Resources Institute's Aqueduct water risk mapping tool to identify facilities located in water-stressed areas. We also continue to examine ways to:

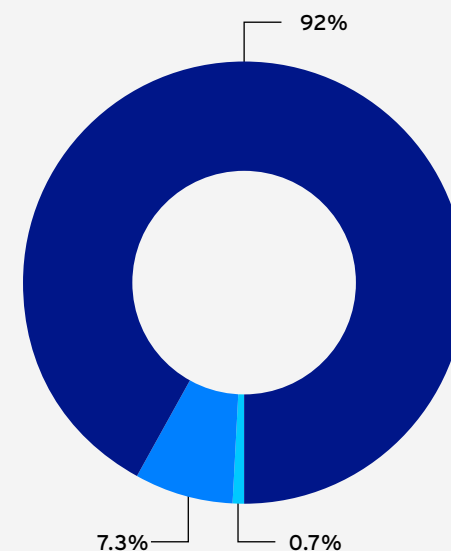
- Integrate climate-related water risks into our construction and business resumption plans;
- Plan projects in a way that tries to avoid sensitive riparian areas;
- Use dry-cooling, recycled or reclaimed water and salt or brackish water as an alternative to fresh water;

- Monitor water quality discharge at the facility level, according to permitting and other regulatory requirements;
- Reduce water consumption in employee-occupied facilities with water conserving fixtures and xeriscaping; and
- Encourage customers to reduce their use of this resource.

Additional information on our approach to water is available in our response to [CDP's water survey](#).

Water use by LNG regasification and natural gas-fired power plants accounts for nearly 92% and 7%, respectively, of our total water withdrawal. The water withdrawn to support 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 protect sea life from impacts from either the withdrawal or discharge process. The water does not come into contact with any product and is returned to the sea in compliance with the corresponding discharge permits. At our natural gas-fired power plants, we use municipal wastewater and dry cooling technology to reduce our impacts.

**Water withdrawal by source and use in 2022**



- 25.4 billion gallons salt/brackish or seawater primarily used to support LNG operations
- 2.0 billion gallons reclaimed or recycled water primarily used to support power generation operations
- 0.2 billion gallons fresh water primarily used in employee-occupied facilities

# Waste and recycling

Across our businesses, we continue to work to implement strong waste and recycling management practices and find new ways to reduce waste, reuse materials and safely extend the life of equipment. We look to find and connect with suppliers and vendors to increase recycling rates and identify new products that can be recycled as well as have employee-focused recycling and waste reduction programs to help accomplish these objectives. Our recycling and investment recovery efforts diverted waste from landfills and generated more than \$12 million in revenue.

All company facilities in California, including Sempra’s headquarters, SoCalGas and SDG&E facilities, aim to divert 100% of their respective organic waste from entering landfills, consistent with California Senate Bill 1383.

Waste management and, in particular, hazardous waste management, is critical in supporting a safe and sustainable environment. From common batteries to building materials and chemicals, Sempra and our businesses have designated collection bins and areas for proper collection and disposal. In 2022, our businesses generated an aggregate of approximately 5,477

tons of hazardous waste. Environmental and hazardous materials teams at each business manage hazardous materials storage, recycling, transportation and/or disposal to comply with applicable laws, including, among others:

- The Environmental Protection Agency (EPA) Resource Conservation Recovery Act
- Hazardous waste manifest and materials requirements, as defined by the Code of Federal Regulations
- State/Regional requirements: California Code of Regulations; Texas Commission on Environmental Quality; Louisiana Administrative Code; and Mexico’s Secretariat of Environment and Natural Resources and Regulation of the General Law for the Prevention and Integral Management of Waste

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 and construct other energy infrastructure.

## 2022 non-hazardous waste by the numbers

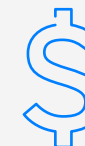
**42,119 tons**  
Non-hazardous waste generated and disposed



**45,542 tons**  
Non-hazardous waste diverted from landfills



**\$12,283,615**  
Investment recovery revenue<sup>1</sup>



<sup>1</sup> A program to identify, reuse, sell or otherwise dispose of surplus assets generated by an enterprise as it pursues its primary business.

# Our businesses

The following section<sup>1</sup> highlights the sustainable business practices across Sempra's three growth platforms:

- Sempra California | SDG&E
- Sempra California | SoCalGas
- Sempra Texas | Oncor
- Sempra Infrastructure

In an effort to improve consistency and convenience for shareholders and other stakeholders, we have included an overview of each business and its efforts that advance Sempra's sustainability strategy under our four pillars: enabling the energy transition, driving resilient operations, achieving world-class safety and championing people.

- 
- 61** Sempra California | SDG&E
  - 70** Sempra California | SoCalGas
  - 79** Sempra Texas | Oncor
  - 88** Sempra Infrastructure

<sup>1</sup> References in this section of the report to "we," "our," "us," "our company," "our business," "our employees," and similar phrases refer specifically to the applicable business (SDG&E, SoCalGas, Oncor or Sempra Infrastructure).



## About

SDG&E™ is an innovative energy delivery company that serves the people and businesses of San Diego and southern Orange counties. More than just an energy provider, SDG&E is a purpose-driven people company with 4,600+ employees working daily to serve and connect the 3.7 million people who depend on the company to power their lives. Its sustainability strategy is also centered on people—employees, customers, suppliers, contractors and stakeholders. SDG&E invests in both the diverse communities where its employees live and work and in its highly skilled workforce to build a more inclusive and sustainable clean energy future for the region—together.

# Message from leadership

At SDG&E, sustainability has been a part of our business for decades. Our core operations have been engrained with environmental stewardship and energy efficiency since the 1970s. In the 2000s, we prioritized creating an industry-leading wildfire safety program. In the 2010s, our investments in renewable energy, transmission infrastructure and rooftop solar innovations delivered cleaner power to our region and spurred new opportunities for customers. In the 2020s to date, we are collaborating to decarbonize our region's transportation sector, piloting cleaner fuels such as hydrogen and investing in microgrids and energy storage to help keep our communities safe and powered during extreme conditions.

From the San Diego region to the state of California and beyond, the energy transition is well underway, and SDG&E is focused on advancing climate resilience, climate mitigation, and grid transformation to help protect against an ever-changing environment while meeting the needs of future generations.

While we are proud of our progress to date, we recognize that there is still much work to be done, and we cannot do it alone. Achieving our net-zero aims affordably and equitably will require investment, innovation, creativity and collaboration.

SDG&E is grateful to be part of a movement that includes organizations and individuals across all sectors as we work to create affordable and equitable clean energy solutions for everyone. SDG&E's employees are committed to doing the right thing and energized by our role in helping make positive change for the region we call home. While we do not have all the answers, we can accomplish great things together.

We hope you'll join us.



**Estela de Llanos**  
Vice President, Energy Procurement &  
Sustainability  
SDG&E





# 2022 Year in Numbers

947kW

**solar energy generated at company facilities**

supplying 17% of total facilities electricity usage

~\$1B

**diverse business enterprise (DBE) spend**

represents nearly 40% of total procurement spend, exceeding CPUC requirements; local DBE spend was \$470M

3,739

**EV charging ports<sup>5</sup>**

at 349 sites helping to enable transportation electrification in the region through Power Your Drive programs

92%

**recycled water use**

total water use at generation sites and occupied facilities is ~ 721M gallons

17

**years ranked #1 for "keeping the lights on"**

by PA Consulting ReliabilityOne® Best in West award

51%

**waste diverted from landfills**

for company facilities and vegetation management waste

~23%

**light-duty fleet electrified**

and over 4% zero-emissions vehicles in overall fleet of 1,692 to help reduce GHG emissions and air pollution<sup>1</sup>

10,000+

**trees**

to support local biodiversity, promote intelligent water use and provide a nature-based solution to remove carbon from the atmosphere

400K+

**MT CO<sub>2</sub>e GHG emissions avoided**

from almost 61 GWh of electricity and 4M therms of natural gas saved through customer energy efficiency programs<sup>4</sup>

~59%

**of all electricity sourced from renewable sources**

for SDG&E customers<sup>2</sup>

\$8.3M

**invested in communities**

supporting over 500 non-profit organizations in the San Diego and South Orange County regions<sup>3</sup>

0

**employee and contractor fatalities**

occurred in 2022

<sup>1</sup> CPUC and CARB Zero-Emission Vehicle (ZEV) technologies definition includes full battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEV) and hydrogen fuel cell vehicles. Fleet goals contingent on original equipment manufacturer (OEM) vehicle availability and funding approval through the California Public Utilities Commission (CPUC).

<sup>2</sup> As defined in the Renewable Portfolio Standard (RPS) program for 2022 is estimated and subject to verification. It is expected to be finalized in August 2023 and reported in our 2023 sustainability report. SDG&E's annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities and customer load departure to community choice aggregators.

<sup>3</sup> SDG&E total charitable investments within the community, inclusive of Donor Advised Fund disbursements of \$0.4M, is \$8.7M.

<sup>4</sup> Preliminary data, pending regulatory approval.

<sup>5</sup> Total EV charging ports by end of 2022 since program inception.

# Doing business sustainably

SDG&E is determined to build healthier, safer and stronger communities. The company's top priority is safety, which includes helping to make the region more resilient to climate change while strengthening energy systems to deliver cleaner energy reliably. SDG&E is helping to build a stronger community and economy by investing in infrastructure and providing quality jobs and training to its current and future workforce. This work supports Sempra's sustainability pillars: enabling the energy transition, driving resilient operations, achieving world-class safety and championing people.

SDG&E strives to update its stakeholders periodically on sustainability progress at [sdge.com/sustainability](https://sdge.com/sustainability). Starting this year, SDG&E will report annually through Sempra.



**Enabling  
the energy  
transition**



**Driving  
resilient  
operations**



**Achieving  
world-class  
safety**



**Championing  
people**

## DOING BUSINESS SUSTAINABLY

# Enabling the energy transition



## Path to net zero study

In April 2022, SDG&E published *The Path to Net Zero: A Decarbonization Roadmap for California*, which demonstrates how California can achieve carbon neutrality by 2045 while prioritizing electric reliability and affordability. In addition to providing stakeholder recommendations on policy and regulatory strategies to help the state meet its climate goals, the study identified the need for a diversified approach to decarbonization—a combination of clean electricity, clean fuels (such as renewable natural gas and clean hydrogen) and carbon removal. This research is helping to inform SDG&E's overarching strategy, including efforts related to building and transportation decarbonization, particularly as the company focuses on an equitable and affordable clean energy transition.

## Innovative vehicle-to-grid projects

In July 2022, SDG&E launched the San Diego region's first Vehicle-to-Grid (V2G) project, connecting eight electric school buses to the grid through six bidirectional chargers that enable the buses to serve as batteries by discharging

energy back to the grid when parked. A second V2G installation with the Ramona Unified School District in October and a third with the San Diego Unified School District in December quickly followed this project.

With larger batteries than standard electric vehicles and a predictable schedule of operations, electric school buses are an innovative way to help build energy resiliency—especially during the hot summer months. And because buses, like most vehicles, spend the majority of their day parked, these school districts can opt to participate in SDG&E's Emergency Load Reduction Program to earn financial incentives when they send energy back to the grid during times of critical energy needs, as defined by the California Independent System Operator (CAISO).

## Vehicle-to-everything and vehicle grid integration

Collaboration is crucial to creating a clean energy future. In November 2022, SDG&E and General Motors (GM) announced an agreement to investigate the feasibility of integrating bidirectional EVs into the electric grid as a local energy resource. Under the agreement, GM and SDG&E will study three vehicle grid integration (VGI) capabilities: Vehicle-to-Home, V2G, and a Virtual Power Plant (VPP), which can leverage distributed energy resources such as electric vehicles (EVs), batteries and chargers to help meet energy demand.

In April 2022, SDG&E signed the U.S. Department of Energy's (DOE) memorandum of understanding (MOU) to help advance vehicle-to-everything or V2X technology. This effort is intended to combine cutting-edge resources from the DOE National Labs, state and local governments, utilities and private entities to help integrate bidirectional charging into energy infrastructure. This MOU is a non-binding arrangement and does not commit any party to enter into definitive agreements.



## DOING BUSINESS SUSTAINABLY

# Driving resilient operations



## Battery storage and microgrids

Energy storage plays a key role in helping California reach its goal to run on 100% carbon-free electricity by 2045.<sup>1</sup> It also helps make the communities SDG&E serves more resilient by enhancing grid reliability during peak demand. SDG&E is building a diverse portfolio of storage solutions to help enable the San Diego region to extend the availability of renewable energy and, when paired with microgrids, keep critical community facilities energized during emergency events. At the close of 2022, SDG&E had completed 95MW of utility-owned storage projects with about 250MW of additional utility-owned storage capacity in development. To put this in perspective, 95MW of storage is equivalent to serving about 64,000 homes for four hours. All SDG&E energy projects participate in the CAISO market, meaning CAISO can dispatch energy as needed to balance demand and supply on the statewide grid—and revenues are returned to customers.

## Energy efficiency and demand response

During the September 2022 heat wave, CAISO declared a record 10 consecutive Flex Alerts asking customers to conserve energy voluntarily. Despite the high energy demand and intense heat, California avoided the rolling blackouts that occurred in 2020 because the state worked with utilities and residents to make the grid more resilient and encourage energy conservation. Nearly 600,000 residential customers enrolled in SDG&E's Power Saver Rewards Program, which provides a \$2 bill credit for every kilowatt hour of electricity saved during a CAISO-declared grid emergency. Additionally, SDG&E saw record participation from commercial customers in its Emergency Load Reduction Program.

## Leadership in habitat and natural resource conservation planning

San Diego is one of the most biodiverse regions in the United States and for decades SDG&E has been a leader in the utility industry in environmental stewardship and habitat conservation planning. In 1995, SDG&E became one of the first utility companies in California to develop a Natural Communities Conservation Plan and Habitat Conservation Plan under the state Natural Communities Conservation Planning Act and the Federal Endangered Species Act, respectively. In 2022, SDG&E submitted an application to amend our existing Habitat Conservation Plan by updating and modernizing the natural resource protection

measures within the plan to support wildfire safety and mitigation work.<sup>2</sup> With this update, SDG&E also prepared a separate Eagle Conservation Plan, which would make the company one of the first utility companies to develop such a plan.



<sup>1</sup> California Energy Commission, *Buy Low, Sell High: How Batteries are Cleaning Up the Grid*, November 2021

<sup>2</sup> Docket No. FWS-R8-ES-2022-0027; FXES1114080000-223-FF08ECAR00 Endangered and Threatened Wildlife and Plants; Incidental Take Permit Application; Proposed Habitat Conservation Plan Amendment and Associated Documents; County of San Diego, California

## DOING BUSINESS SUSTAINABLY

# Achieving world-class safety



## Wildfire safety advancements and tribal engagement

SDG&E's service territory overlaps with 18 federally-recognized Native American tribes and their input helps shape the work of the company. From listening sessions to survey feedback, SDG&E seeks to understand and support the tribes it serves.

Transitioning to cleaner forms of energy aligns well with tribal climate adaptation plans. In collaboration with Southern California Edison, SDG&E held its first Tribal Leader Clean Energy Summit in August 2022. The summit explored state and federal-level funding opportunities to support new clean energy transition projects, including hydrogen and microgrids, and how utilities can support the tribal clean energy transition. The summit is expected to expand in 2023 to include the state's other electric investor-owned utilities and tribal nations.

With some reservations located in the High Fire Threat District, tribes are also focused on wildfire preparedness. SDG&E is working to harden infrastructure through covered

conductor placements and undergrounding, and in consultation with the tribes, to include environmental and cultural reviews and assessments during the pre-planning phases of work. SDG&E also updated its community engagement program on wildfire safety and Public Safety Power Shutoffs to improve the availability of information and resources for tribal communities based on listening sessions and tribal feedback. Through a dedicated tribal relations team focused on collaboration, SDG&E's work with the tribes is guided by respect for tribal sovereignty and shared resiliency and sustainability goals.

## Foil balloon innovation

Each year, foil balloons that conduct electricity cause thousands of power outages across the nation when they make contact with power lines. Foil balloons can also lead to fires and downed electrical wires. Following over a decade of collaborative prototype development and testing, SDG&E introduced a new non-conductive balloon material and sponsored legislation to phase out the production of conductive balloons. Sponsored by California Assembly Member Bill Quirk and signed into law by Governor Gavin Newsom in September 2022, the new law will replace conductive balloons with a new, shiny, non-conductive material to help reduce the risk of power outages and fires.

## Safety management system

In 2020, SDG&E became one of the first electric utilities to begin operating within a company-wide safety management system (SMS), which takes a comprehensive approach to manage risk and safety and demonstrates the company's longstanding commitment to safety. SDG&E's SMS goes beyond traditional occupational safety metrics to integrate data on risk, asset, incident response and operations management. In the last few years, the SMS has enabled SDG&E to advance its proactive risk identification efforts to continue to improve its strong safety record with employees, contractors and customers. The SMS further expands SDG&E's safety focus to include public and environmental considerations. Predictive data analytics and modeling for meteorology, wildfire safety, asset health and emissions management are integrated into the SMS to provide a more holistic approach to community safety. SDG&E's 2023 SMS action plan includes the implementation of an enhanced public and operational safety dashboard that provides insights to further improve the safety, health and well-being of SDG&E employees, contractors, customers and communities.

## DOING BUSINESS SUSTAINABLY

# Championing people



## Workforce development

Through partnerships with local workforce development organizations, community colleges, schools, industry associations, non-profits and chambers of commerce, SDG&E works to inspire and train the next generation of leaders and support the local economy in creating and retaining jobs—because the company believes when students and businesses succeed, the rest of San Diego follows.

- **Competitive Edge:** Competitive Edge offers candidates a paid, six-week train-to-hire program on real-world construction projects with an SDG&E contractor. Upon successfully completing training, graduates may be hired into a regular full-time position with benefits. The program was developed in collaboration with SDG&E vendor Jingoli Power, a local contractor that often recruits its trainees from the communities where they develop and manage projects.
- **Arborist training program:** As wildfires continue to grow in frequency and intensity, one of the lines of defense to prevent these catastrophes is to help ensure that trees and other vegetation around electrical infrastructure are properly

inspected and pruned. The Utility Line Clearance Arborist Training program helps build a diverse, qualified workforce of skilled personnel to help keep the San Diego region safe. In July 2022, candidates completed a five-week, 200-hour training program, developed in collaboration with the Utility Arborist Association, San Diego Community College District and California Conservation Corps. Once participants complete the training, they can become a part of the local Union (IBEW Local 465) and are eligible for hire by SDG&E tree contractors.

- **The Links, Inc.:** SDG&E's Inspiring Future Leaders initiative supports local non-profits that encourage students from historically underrepresented backgrounds to explore education and careers in STEM (science, technology, engineering and math). Through this initiative, SDG&E collaborates with the San Diego Chapter of The Links, Inc.—an organization working to address the underrepresentation of African American students pursuing STEM degrees. The nationally recognized Links Achiever program focuses on college preparation, including mentorship, relationship building and career exposure. For both SDG&E and The Links, this collaboration helps cultivate future leaders for the company and community.

## SDG&E Green Team

Employees dedicate their time and talent to environmental and community causes throughout the region. SDGivE is a year-end program that

focuses on supporting the causes that employees care about, including the company's active Green Team.

In 2022, SDG&E's Green Team volunteered with Barrio Botany to help refresh the learning garden at Sherman Elementary School in the Barrio Logan neighborhood of San Diego. Portside communities like Barrio Logan are disproportionately impacted by the effects of climate change and air pollution. School gardens help create green space, clean the air and water with their vegetation and give kids a chance to learn about growing food, healthy eating and the environment.

## Solar Equity Program

In collaboration with the City of San Diego and the non-profit organization Center for Sustainable Energy, SDG&E launched the Solar Equity Program in August 2022. SDG&E dedicated \$10 million in shareholder funds to support the 10-year program, which helps fund rooftop solar installations for income-qualified homeowners in communities within the City of San Diego that face the highest risks from climate change, yet historically have had less access to renewable energy. The incentive rate is intended to cover 100% of solar installation costs for average, single-family homes.

# Conclusion

SDG&E recognizes that taking action on climate is critical. California is already facing the impacts of climate change with longer, more intense heat waves, drought and sea level rise, and prolonged fire seasons. At the same time, transforming the energy sector to protect against climate threats and meet future needs must be done with affordability and equity in mind. Unprecedented collaboration, investment and innovation will be needed.

In 2022, SDG&E published *The Path to Net Zero: A Decarbonization Roadmap for California*, which it believes is the first publicly available analysis to use the utility industry reliability standard and industry-specific planning tools to evaluate electric reliability in modeling how to decarbonize California through 2045. The study confirmed the importance of electrifying both the building and transportation sectors. It also informed the company's thinking on how to build on its strong sustainability foundation to accelerate the clean energy transition with equity and affordability in mind. SDG&E also filed its 2024-2027 General Rate Case with the CPUC, the first among California investor-owned electric utilities to focus on three key elements of sustainability: climate adaptation, climate mitigation and energy grid transformation. And it began to identify potential federal funding sources to pilot new programs to help build resiliency for customers hardest hit by climate change and air pollution, such as portside communities impacted by vehicle pollution and tribal nations located in fire-prone areas of San Diego County.

SDG&E will continue to review its sustainability goals and initiatives with key stakeholders. The company will work to identify potential innovations and strategic investments like V2G, electrification and cleaner fuels, and seek ways to improve community resiliency and energy reliability. And it will continue to work with stakeholders to help modernize California's electricity rate system in order to provide customers with more predictable monthly energy bills and budget security.

SDG&E remains committed to advancing California and regional climate goals, reducing GHG emissions, improving air quality, and helping protect the San Diego region's biodiversity, so all of its customers can benefit from a clean energy future. The company expects to continue to collaborate with others to implement solutions around electrification, carbon capture and clean fuels to work toward state and regional goals to reach net-zero emissions by 2045 and build a clean, reliable, equitable and affordable energy future for the communities it serves.





## About

As the nation's largest natural gas distribution utility,<sup>1</sup> SoCalGas delivers affordable, reliable and increasingly renewable gas service to over 21 million consumers in our service territory covering 24,000 square miles of Southern California and portions of central California. Like other investor-owned utilities in the state, SoCalGas' operations are regulated by the California Public Utilities Commission (CPUC) and other state and federal agencies. Gas delivered through the company's pipelines is expected to play a key role in California's clean energy transition—providing electric grid reliability and supporting wind and solar energy deployment.

SoCalGas' mission is to build the cleanest, safest and most innovative energy infrastructure company in America. We believe that every Californian deserves a clean, affordable and resilient energy future, and SoCalGas is working to achieve that future by investing in innovation to advance decarbonization, leveraging our infrastructure to provide reliable and flexible energy delivery, and collaborating with partners and stakeholders to advance California's climate goals. In support of that mission, SoCalGas aims to have net-zero greenhouse gas emissions by 2045 and to replace 20% of its traditional natural gas supply to core customers with renewable natural gas (RNG) by 2030.<sup>2</sup> SoCalGas' goal to achieve net-zero greenhouse gas (GHG) emissions requires partnership and collaboration with business partners, customers, regulatory and policy stakeholders.

SoCalGas is guided by three values: *do the right thing, champion people and shape the future*. These values permeate the company. They guide how employees think and drive company actions. As one of America's largest energy providers, these values are the lens through which SoCalGas sees every opportunity and challenge. With these values providing a strong foundation, the company's mission statement presents an actionable framework of purpose and intent.

<sup>1</sup> Based on total customers and sales revenues reported in American Gas Association's (AGA) Utility Rankings by Volumes, Revenues and Customers 2021 Report.

<sup>2</sup> Core customers is "core service" as defined in SoCalGas' Tariff Rule No. 23.



# Message from leadership

Sustainability at SoCalGas means innovating our business to create lasting benefits for stakeholders by doing the right thing, championing people and shaping the future.

In 2022, we released our ASPIRE 2045 Sustainability Strategy, a set of sustainable business priorities that is anchored by our core values and permeates every area of our organization. Building upon our long-term climate aim to have net-zero greenhouse gas emissions by 2045, ASPIRE 2045 focuses on the clean energy transition, environmental health, social equity, and the safety and well-being of our employees, customers, and the communities we serve.

Over the past year, SoCalGas has achieved several accomplishments in support of ASPIRE 2045. Our company reduced methane emissions in our pipeline system by 37% through 2021 relative to a 2015 baseline—exceeding California’s goal of a 20% reduction by 2025 and nearing the state’s goal of a 40% reduction by 2030. We unveiled the [H2] Innovation Experience—one of the first projects of its kind in the U.S. that demonstrates how renewable hydrogen can be used to transition to clean and resilient energy systems of the future. We also became the first gas-only utility in the United States to issue green bonds in a public

offering, raising \$600 million to support specific projects within SoCalGas’ sustainability initiatives. SoCalGas continues to advance a diverse, equitable, and inclusive culture in the workplace and in the communities we serve. For example, our workforce development programs provide youth, veterans, and other underserved populations with skills training to help support their employment. We expanded to five Employee Resource Groups (ERG) in 2022, accelerating progress on our Diversity Equity & Inclusion (DE&I) strategy. In 2022, SoCalGas purchased over \$1 billion, or nearly 43% of all goods and services, from minority, women, service-disabled veteran, and LGBTQ-owned businesses, collaborating with 578 diverse businesses in support of the company’s operations and mission to build the cleanest, safest and most innovative energy infrastructure company in America.

Finally, SoCalGas received the 2022 Business Transformation Award from Reuters, identifying our company as a leader in sustainable business practices among a field of major global companies.

On behalf of the more than 8,000 SoCalGas employees, I appreciate your interest in our efforts as we work together to build a more sustainable and equitable future.



Sincerely,

A handwritten signature in black ink, appearing to read 'Jawaad A. Malik'.

**Jawaad A. Malik**  
Chief Strategy and Sustainability Officer  
SoCalGas

# 2022 Year in Numbers

37%

**reduction in methane emissions**  
through 2021 since 2015 (passing the state's goal of a 20% reduction by 2025)

100%

**of grid-connected company facilities secured onto a green tariff**  
where local electric utility green tariff program is available (this represents over 86% of all grid-connected company facilities)

36%

**of over-the-road fleet converted to alternative fuel vehicles**

100%

**RNG delivered**  
through SoCalGas compressed natural gas refueling stations

5%

**RNG**  
of core customer throughput delivered<sup>1</sup>

41.8M

**therms avoided**  
by customers through energy efficiency programs, exceeding CPUC goals; equivalent of heating energy use for over 104.5K homes for a year

19.3%

**reduction in rate of pipeline excavation damages**  
relative to 2020 baseline, supports infrastructure and public safety and progressing towards 40% 2030 target<sup>2</sup>

\$1.03B

**spent with diverse business enterprises;**  
~43% of total spend

100%

**of eligible customers enrolled in support,**  
enhancing energy access and affordability<sup>3</sup>

<sup>1</sup> Core customers is "core service" as defined in SoCalGas' Tariff Rule No. 23.

<sup>2</sup> The goal is based on anticipated program expansion approval from the CPUC

<sup>3</sup> The CARE Program is available for eligible low-income customers to receive a 20% discount on their natural gas bill. The California Public Utilities Commission (CPUC) sets CARE enrollment rate goals for each regulated utility, which may vary by year. 2022 figures reflect enrollment rates of 111% for SoCalGas, calculated based on actual customer enrollment against an estimated total of income-eligible customers as determined and defined by the CPUC.

# Doing business sustainably

SoCalGas' sustainability strategy is anchored by its core values of doing the right thing, championing people and shaping the future. It is also aligned with the key sustainability pillars of its parent company, Sempra, comprising: enabling the energy transition, driving resilient operations, achieving world-class safety and championing people.

SoCalGas reports on key environmental, social and governance (ESG) performance indicators and progress on sustainability goals through Sempra. To help shape a brighter future, SoCalGas is investing in technologies and collaborating with stakeholders and industries around the world—always focusing on people, safety and sustainable business practices.



**Enabling  
the energy  
transition**



**Driving  
resilient  
operations**



**Achieving  
world-class  
safety**



**Championing  
people**

## DOING BUSINESS SUSTAINABLY

# Enabling the energy transition



## Angeles Link

In February 2022, SoCalGas announced its proposal to develop [Angeles Link](#), an energy infrastructure system that could deliver reliable clean renewable hydrogen to the Los Angeles Basin for use in heavy-duty transportation, industrial processes, electric generation and other “hard-to-electrify” sectors of the Southern California economy. The proposed Angeles Link could significantly decrease demand for natural gas, diesel and other fossil fuels in the Los Angeles Basin, helping to accelerate California’s and the region’s climate and clean air goals. Angeles Link supports SoCalGas’ [ASPIRE 2045](#) sustainability strategy, including the company’s aim to have net-zero greenhouse gas emissions by 2045. In December 2022, the CPUC [approved SoCalGas’ request](#) to track costs for the feasibility studies in the first phase. This decision allows SoCalGas to record costs associated with the stakeholder engagement, engineering, design and environmental work necessary to develop Angeles Link. Along with existing infrastructure, clean fuels such as those supplied through the Angeles Link proposal could play a critical role

in a resilient energy future for California. The decision acknowledged that “clean renewable hydrogen holds promise as a potential solution to decarbonize California’s energy future and bring economic opportunities and new jobs.”<sup>1</sup>

## [H2] Innovation Experience

SoCalGas’ [\[H2\] Innovation Experience](#) demonstrates how renewable hydrogen could be used to transition to clean and resilient energy systems of the future. The [H2] Innovation Experience is one of the first fully integrated demonstration projects that incorporates solar, energy storage, fuel cell and electrolyzer technologies to supply electricity to the home and produce green hydrogen to blend with natural gas for use in the home’s tankless water heater, clothes dryer, stove, fireplace and barbeque grill. The [H2] Innovation Experience features an approximately 2,000 sq. ft. home that can use renewable hydrogen in diversified applications such as pure hydrogen in the fuel cell for renewable electricity, hydrogen blended with natural gas to produce lower carbon intensity energy for use in the home, and for hydrogen storage.

The SoCalGas [H2] Innovation Experience is constructed to Leadership in Energy and Environmental Design (LEED) Platinum standards and runs on solar and renewable hydrogen for electricity. The renewable hydrogen microgrid can provide a resilient and reliable source of power—even on days when the grid is stretched by excessive heat, wildfires, rain or persistent

cloud cover. The home’s microgrid is designed to support the energy loads of up to 100 homes. Neighborhoods with multiple renewable hydrogen homes may be able to share a community microgrid, operating independently of utility scale energy grids that may be subject to brown and blackouts—an important potential benefit for sustainability and energy resilience.

## Green bonds issuance

In 2022, SoCalGas became the first gas-only utility in the U.S. to issue green bonds in a public offering. The bonds were issued following Sempra’s Sustainable Financing Framework (Sempra Financing Framework) and SoCalGas raised \$600 million to support specified projects within its sustainability initiatives. The net proceeds from the fixed-rate green bonds will finance and/or refinance sustainability investments in any of these three Sempra Financing Framework categories: pollution prevention and control, green buildings and clean transportation. Eligible projects in those categories may include retrofitting and replacing older pipelines to reduce fugitive methane emissions and prepare them to transport clean fuels such as hydrogen, advancing fugitive emissions reduction technologies, investing in LEED-certified green buildings, and investing in infrastructure to support clean transportation.

<sup>1</sup> CPUC Decision (D).22-12-055 at 2.

## DOING BUSINESS SUSTAINABLY

# Driving resilient operations



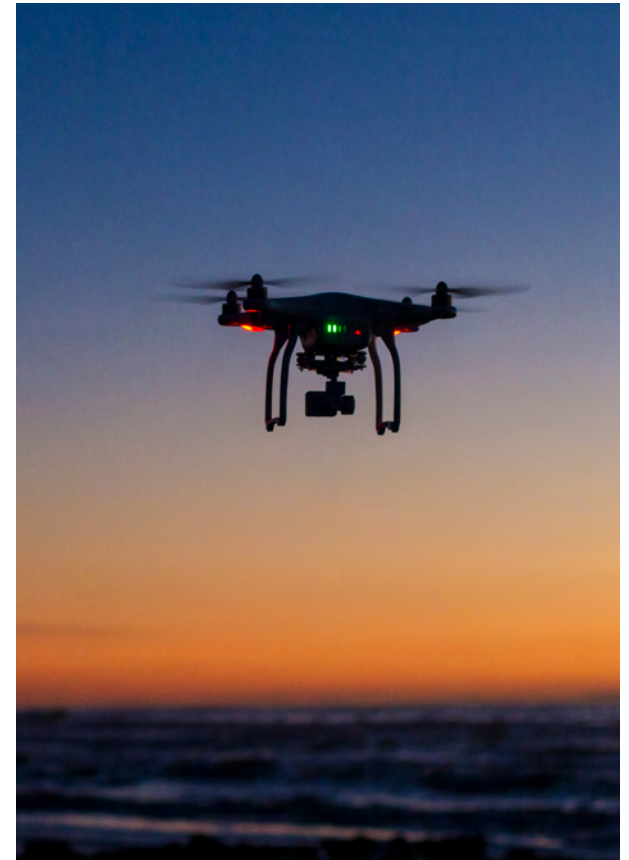
## Methane emissions

An effort that both enables the energy transition and drives resilient operations is SoCalGas' work to reduce methane emissions. SoCalGas reduced methane emissions by 37% through 2021—exceeding the state's goal of a 20% reduction by 2025 and nearing the state's goal of a 40% reduction by 2030.<sup>1</sup>

SoCalGas' success in this area comes from innovation in new detection technologies. For example, SoCalGas began using drones—including testing some of the [first-of-its-kind to use hydrogen-powered drone technology](#)—to map and detect methane.

By investing in leak detection technologies, SoCalGas has been able to meaningfully advance methane emissions reductions. Through 2021, the company has:

- Accelerated leak discovery and repairs through its aerial methane mapping program, resulting in (i) reduced methane emissions equivalent to avoiding approximately 3,102 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) emitted since 2015 and (ii) enhancement of the ability to detect and repair leaks more efficiently;
- Conducted more frequent leak survey cycles from every three years to every year for certain types of pipe, leading to more prompt leak repairs;
- Reduced gas venting during maintenance or repairs of transmission pipelines when compared to 2015 by 94%, which is equivalent to avoiding over 83,000 metric tons of CO<sub>2</sub>e;
- Decreased emissions from SoCalGas storage facilities since 2015 by 92%<sup>2</sup> due to upgrades in compressor and venting equipment; and
- Utilized Advanced Metering gas consumption analytics at residential customer meters to detect, investigate and mitigate methane emissions that our customers are not able to detect. In addition to emissions reduction, this program supports customer safety and energy efficiency.



<sup>1</sup> Percentage calculations are based upon a 2015 emissions baseline. Utilities' progress toward state goals are tracked and reported via CPUC-mandated annual reports.

<sup>2</sup> Excludes emissions released during the 2015-2016 leak at the SoCalGas Aliso Canyon natural gas storage facility SS25 well.

DOING BUSINESS SUSTAINABLY

# Achieving world-class safety



## Safety forward

Safety is a core value and is foundational to SoCalGas. SoCalGas' commitment to safety is embedded in its culture and practiced daily by its dedicated employees who operate energy infrastructure throughout parts of southern and central California. To SoCalGas, safety is more than just the absence of incidents, safety is the presence of controls for known hazards, actions to anticipate and guard against unknown hazards, and the commitment to continue to improve its ability to recognize and mitigate hazards. SoCalGas' safety culture fosters an environment where employees at all levels, across all work locations and departments, are committed, engaged and empowered to continue to improve the safety of the company's operations.

Consistent with this value and commitment, SoCalGas has launched a "Safety Forward" campaign, focused on learning and continued improvement to better leverage the knowledge and expertise of employees to further advance an integrated and systemic approach to safety. The campaign leverages employee dialogues, engagement and collaboration to identify strengths and opportunities to change and improve. SoCalGas' goals are to broaden its focus on public, system, employee and contractor safety; collaborate with and empower employees to better understand and manage risk; enhance learning for individuals, teams and the organization; and critically look at current systems, processes and procedures to see how the company can further learn and improve.

## Pipeline safety innovation

The landscape in California is constantly shifting—literally. While SoCalGas' underground pipeline infrastructure is resilient, the company continues to seek innovative ways to prepare for the unexpected.

For example, SoCalGas has a fiber optic technology pilot program at select locations on

its transmission pipelines. The high-tech sensor system monitors the environment to detect changes in temperature, movement and sound. When triggered, a digital alert is sent to a central monitoring control center for early detection, assessment and operations deployment to address the safety risk. SoCalGas continues to explore opportunities for expanding this technology to other parts of its gas system.

The fiber optic technology can provide advance notice for the SoCalGas operations team to have sufficient time to quickly assess potential alerts and develop a plan to proactively address impacts to the system. Pipeline fiber optics technology contributes to early detection, mitigation and prevention of potential damage, providing significant value to infrastructure and public safety.



## DOING BUSINESS SUSTAINABLY

# Championing people



## Workforce diversity

SoCalGas aims to increase diversity, equity and inclusion (DE&I) in the workplace and in the communities it serves. For example, SoCalGas embraces workforce diversity through its employment practices for veterans who have left or would be leaving military service. In 2020, SoCalGas collaborated with the Utility Workers Union of America to help train veterans and established a designated role to address barriers for women entering the workforce. In addition, since 2020, SoCalGas' community grants program has invested more than \$683,000 in programs that provide youth, veterans and other underserved populations with customer service and technical skills training to help create a pipeline to viable employment. SoCalGas has hired 16 individuals to date through these efforts, and many others have secured employment in their communities. For more information on some of the 2022 grant programs focused on workforce development, see this year's editions of [Empower Magazine](#) and the [Construction Career Academy with the Los Angeles Urban League](#).

## Employee resource groups

As part of SoCalGas' Equity Action Plan, the company launched an Employee Resource Group

(ERG) pilot in 2021, which has since expanded to five ERGs, to accelerate progress on its DE&I strategy. ERGs are voluntary, employee-led groups composed of employees who identify with shared characteristics such as those related to race, gender, national origin, sexual orientation or background/experience, along with their allies.

SoCalGas views ERGs as an integral component of championing people. ERGs create safe spaces for employees to support one another and foster a sense of community while partnering with the business to positively impact company values and goals. ERGs offer opportunities for members to network, receive professional development support and drive positive and sustained change related to DE&I.

2022 saw the launch of two ERGs, adding to the already established groups of VIBE: Voices Inspiring Black Employees, iGENTE!: Gas Employees Network Toward Empowerment, and VALOR: Veterans Advancing Leading and Optimizing Results. The recently established ERGs include:

- RISE: Recognizing the Importance of Strength and Empowerment. RISE's mission is to celebrate the unique contributions of women, champion professional and personal growth, and foster experiences in which all employees can excel.
- CAPE: Community of Asians & Pacific Islanders (API) in Energy. CAPE visualized their community as a place in which API employees can bring their whole selves to work and be valued and receive support to reach their fullest potential; a

diverse community that affirms the contributions of and supports everyone; and a community that celebrates each other and stands up for each other.

## Indigenous communities

SoCalGas has a tribal outreach team in its public affairs department that engages with 21 federally recognized tribes in its service territory. When maintenance and operations work is required on reservation lands, cultural resource specialists within SoCalGas' environmental services department work with tribal historic preservation officers to enable the work in a manner that respects Native American interests and concerns on their lands. In 2022, SoCalGas invested in programs to assist in food and basic needs, health services, workforce education and training, and economic prosperity with Native American, Alaska Native and Hawaiian Native populations through 16 grants to 10 different organizations.

In late 2022, SoCalGas' customer assistance programs outreach team enhanced its outreach strategy to help navigate and increase engagement within tribal communities by bringing on board a tribal consultant. SoCalGas has since met with four tribes in Los Angeles and Orange counties, and two indigenous community organizations serving communities in Southern California from Mexico and Central America. SoCalGas has initiated conversations about outreach support of SoCalGas' customer assistance programs to the communities these organizations and tribes serve.

# Conclusion

SoCalGas believes every Californian deserves a clean, affordable, safe and resilient energy future. The ASPIRE 2045 Sustainability strategy is a path to achieve that future through innovation, collaboration and decarbonization. It is driving better business outcomes, creating opportunity and equity for employees, and building stronger and more resilient communities. As SoCalGas strives to build the cleanest, safest, most innovative energy infrastructure company in America, it has proudly achieved several accomplishments in 2022, including reducing methane emissions, advancing diversity and inclusion through new and expanded company initiatives, and investing in clean and resilient energy systems of the future. This great progress helped SoCalGas garner the 2022 Business Transformation Award from Reuters, highlighting the company as a leader in sustainable business practices. SoCalGas looks forward to strengthening collaboration with business partners, customers, regulatory and policy stakeholders to move towards its ambitious sustainability strategy goals, including the company's 2045 net-zero aim.







## About

Oncor Electric Delivery Company LLC (Oncor)<sup>1</sup> is a regulated electricity transmission and distribution company headquartered in Dallas, Texas that provides the essential service of delivering electricity safely, reliably and economically to end-use consumers through its electrical systems, as well as providing transmission grid connections to merchant generation facilities and interconnections to other transmission grids in Texas. Oncor operates the largest transmission and distribution system in Texas based on the number of end-use customers and miles of transmission and distribution lines, and its approximately 4,500 employees support a service territory with a population of approximately 13 million Texans. Oncor has invested significantly in infrastructure and advanced technologies to create a safer, smarter and more reliable power grid. And most importantly, Oncor partners with the people of Texas—working with communities, businesses, non-profit organizations, government representatives and other stakeholders to help nurture the quality of life and economic well-being of the state. Oncor provides electric transmission and distribution services under regulations established by the Public Utility Commission of Texas (PUCT) and the Electric Reliability Council of Texas, Inc. (ERCOT). Oncor is not a seller of electricity, nor does it purchase electricity for resale.

<sup>1</sup> *Oncor Holdings is indirectly, wholly owned by Sempra and owns an 80.25% interest in Oncor. Certain ring-fencing measures limit Sempra's ability to direct the management or activities of Oncor, which has its own board of directors and sets its own policies. As a result, Oncor sets its own ESG goals and policies.*

# Message from leadership

2022 was a tremendous year for advancing sustainable business practices at Oncor. In our third annual Corporate Sustainability Overview, we began reporting the ways in which our actions advance certain of the United Nations Sustainable Development Goals (UN SDGs), and we supported the decision of the Oncor board of directors to reorient its Nominations and Governance committee to become the Governance and Sustainability committee, with monitoring of Oncor's sustainability strategy and practices in its scope of oversight responsibilities.

We adopted a new Sustainable Financing Framework (Oncor Framework), under which we can obtain financing through green and/or social financing transactions, and expanded both the membership and the scope of responsibility of our Sustainability and Sustainable Finance committee. Under our new Oncor Framework, we issued our first Green Bond in May 2022, the net proceeds, or an amount equal to the net proceeds, of which are to be allocated/distributed to finance and/or refinance investments in or expenditures on projects related to connecting renewable energy sources to the ERCOT grid, customer energy efficiency programs, and deploying automated metering infrastructure and smart-grid technology.

Working hand-in-hand with various stakeholders also remains a focus for Oncor's sustainability

strategy. In spring 2022, we announced a new collaboration with the Texas Parks & Wildlife Department (TPWD) to help increase communities' focus on boating safety around power lines that cross over Texas lakes. This collaboration includes the creation of a power-line-safety public service announcement (PSA) on PBS Kids, the publication of electric safety information in TPWD boating-safety booklets, documents and registration renewal packets, and updated electric-safety signage at boat ramps and marinas across north Texas.

Finally, in December, as part of our continued commitment to preparing for electric vehicle growth, we announced a new collaboration with Toyota Motor North America (Toyota) to research and demonstrate the benefits of vehicle-to-grid (V2G). This marks the first collaboration of its kind between Oncor and an automotive original equipment manufacturer, and the first utility collaboration for Toyota around battery electric vehicles.

Oncor's hardworking and dedicated team helped champion many more achievements in sustainability throughout 2022, and we are certainly proud of our incredible progress incorporating sustainable business practices into our work of powering Texas communities.



Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Grable', written over a faint horizontal line.

**Mike Grable**

Vice President & Chief Sustainability,  
Compliance, & Risk Officer  
Oncor

# 2022 Year in Numbers

## Waste reduction

over 63%

of operational waste recycled–reused–repurposed<sup>1</sup>

## Corporate philanthropy

\$4M

donated to non-profits

## Board diversity<sup>2</sup>

31%

of Oncor's board of directors identified as a minority, versus 24% average for investor-owned utilities

## Employee resource groups

8

employee resource groups established, representing 17% of Oncor's workforce

## T&D infrastructure

~2,000

miles of transmission and distribution (T&D) lines constructed or upgraded

## SAIDI<sup>4</sup>

75

System Average Interruption Duration Index (SAIDI) compared to 78 in 2021

## SAIFI<sup>4</sup>

1.18

System Average Interruption Frequency Index (SAIFI) compared to 1.27 in 2021

## DART

0.28

Days Away, Restricted, or Transferred (DART) due to an injury compared to 0.38 in 2021

## MWBE spend<sup>3</sup>

~\$350M

Minority and/or Women-owned Business Enterprises (MWBE) spend in 2022

<sup>1</sup> Calculated as total pounds of recycled operational waste divided by the sum of total pounds of incinerated, recycled, and landfilled operational waste.

<sup>2</sup> Edison Electric Institute (EEI) data showed an average of 24% minority board representation based on a review of 2021 proxy statements as well as a survey of certain members.

<sup>3</sup> Spend consists of direct expenditures to business suppliers that are at least 51% owned and controlled by one or more women or minority group members.

<sup>4</sup> Oncor's non-storm reliability performance reflects electric service interruptions of one minute or more per customer. Each of these results excludes outages during significant storm events.

# Doing business sustainably

Oncor is a company with over 100 years of history serving Texans, and deeply embedded in its culture is careful consideration of how the decisions made today can impact the families, businesses and communities of the future. Oncor is committed to building a business with long-term sustainable growth. In line with Sempra's four sustainability pillars—enabling the energy transition, driving resilient operations, achieving world-class safety and championing people—Oncor aims to: limit its own environmental footprint and help support its customers' efforts to limit their environmental footprint; promote economic growth, equity and safety across Texas communities; and hold itself accountable through strong governance and a commitment to ethical conduct at all levels of the company. Whether it's connecting renewable energy sources; recycling, reusing and repurposing waste; setting company-wide safety performance records; or sponsoring meaningful employee resource groups, Oncor's commitment to doing business sustainably shines through each and every day.



**Enabling  
the energy  
transition**



**Driving  
resilient  
operations**



**Achieving  
world-class  
safety**



**Championing  
people**

## DOING BUSINESS SUSTAINABLY

# Enabling the energy transition



## Renewable interconnections

Oncor aims to fulfill 100% of new renewable energy requests for interconnection each year. As of December 31, 2022, Oncor has interconnected 89 renewable generators to the ERCOT grid, representing over 18,600 MW of renewable generation capacity, about 12,800 MW of which (through 73 generators) had achieved commercial operation. The amount of renewable generation in commercial operation through Oncor interconnection represents approximately 25% of all ERCOT wind and solar generation in commercial operation as of December 31, 2022.

At the end of 2022, Oncor also had agreements in place with numerous generators—representing roughly 19,000 MW of renewable and/or battery generation—that the company expects to connect to its facilities and achieve commercial operation over the next few years. Oncor expects renewable and battery generation projects to continue to increase across its system.

## Distributed generation

Distributed generation (DG) is growing rapidly in the ERCOT market. DG allows for a variety of technologies to generate electricity at or near the point where it will be used. Oncor's interconnection process makes it easy for new residential rooftop solar customers, or solar plus storage customers, to be approved in less than 30 days, with over 95% of the applications Oncor received in 2022 achieving approval on that timeline. Implementation of automated processes and machine learning supports Oncor's goal to provide customer solutions for effective review and timely approval of their DG projects. In 2022, Oncor received a record number of applications, and nearly 26,000 customers interconnected DG facilities capable of generating more than 230 MW of electricity in the aggregate. There are approximately 1,600 MW of DG on Oncor's distribution grid—of which, nearly 50% is solar. In fact, residential solar within Oncor's service territory is growing at a compound annual growth rate of approximately 45% per year since 2014.



## DOING BUSINESS SUSTAINABLY

# Driving resilient operations



## Green bond issuance

In May 2022, Oncor issued its first ever green bonds consisting of \$400 million aggregate principal amount of its 4.15% Senior Secured Notes due 2032 (the green bonds). The green bonds were issued under the Oncor Framework. Oncor intends to allocate/disburse the net proceeds (approximately \$395 million), or an amount equal to the net proceeds from the sale of the green bonds, to finance and/or refinance, in whole or in part, investments in or expenditures on one or more new and/or existing eligible green projects in accordance with the Oncor Framework.

Eligible green projects for the green bonds include transmission and distribution projects connecting renewable energy sources to the ERCOT grid, customer energy efficiency programs, and deployment of automated metering infrastructure and smart grid technology. Supporting eligible green projects is consistent with Oncor's approach to sustainability, including its commitment to driving long-term sustainable growth.

## Temporary use generation

Oncor has approximately 11 MW of leased temporary-use generation assets strategically located across its service territory to provide for temporary electric energy in support of restoration efforts and system reliability during certain emergency events. Oncor deployed mobile generation facilities three times during 2022: (1) in March, Oncor supported the Jack County Hospital following a confirmed major tornado in Jacksboro, TX; (2) in November, Oncor supported a City of Paris water pump at a local water intake facility after a tornado impacted the area; and (3) in December, Oncor supported the Water Treatment Plant for the City of Taylor after the facility experienced a partial outage caused by Winter Storm Elliott. In each case, the deployment of the temporary-use generator allowed the power to remain on for these critical operations to remain up and running.

## Driving the change to electric vehicles

As part of Oncor's continued commitment to preparing for electric vehicle growth, the company announced a new collaboration with Toyota to research and demonstrate the benefits of vehicle-to-grid (V2G). This marks the first collaboration of its kind between Oncor and an automotive original equipment manufacturer, and the first utility collaboration for Toyota around battery electric vehicles.

## Distribution automation

As of the end of 2022, Oncor completed year six of its 10-year, approximately \$700 million distribution automation (DA) program. DA is smart grid technology that allows individual devices to automatically sense local operating conditions to make adjustments for enhanced performance, including identifying faulted areas of the network and rerouting power to quickly restore service. More automated devices covering the Oncor distribution grid are scheduled to be installed through 2026 and are expected to support increased reliability, greater situational awareness and advanced analytical capabilities.



## DOING BUSINESS SUSTAINABLY

# Achieving world-class safety



## Super Safe Kids program

Oncor's award-winning Super Safe Kids Program returned to Texas classrooms after being paused since March 2020 due to the COVID-19 pandemic. In 2022, the program completed more than 40 events across 13 Texas independent school districts, reaching more than 22,000 students.

The 40-minute interactive session uses memorable songs, hands-on activities and unforgettable demonstrations to teach elementary students in Oncor's service area how to stay safe around electricity. With lessons on what to do in electrical emergencies, from power outages to lightning storms to downed power lines, participating students are provided with information to inspire a healthy respect for electricity and knowledge of how to stay out of danger.

## Texas Park & Wildlife Department collaboration

In spring 2022, Oncor and TPWD entered into a three-year collaboration to increase communities' focus on boating safety around power lines that cross over Texas lakes. Oncor and the TPWD launched a new PSA urging boaters to "be safe

and aware of what's around." The new PSA played and will continue to play in 2023 in rotation on PBS Kids programming across Oncor's service territory, along with Oncor's other PSAs, "Keep Away from Power Lines" and "Respect the Box."

Oncor is also working with TPWD to include power line and electric safety information in the agency's most widely distributed boating safety booklets and documents. TPWD will include the same safety information in 400,000 boat registration renewal packets. Oncor and TPWD updated electric safety signage at 40 boat ramps and marinas across north Texas in 2022, with plans to update even more signs in 2023-24.

## Mutual assistance to Florida

In September 2022, Oncor deployed 500 of its employees and contractors to Florida ahead of the arrival of Hurricane Ian, a destructive, high-end Category 4 storm that ultimately resulted in more than 2 million power outages across the state. Oncor's repair and construction resources, in addition to contract vegetation management and other personnel, worked directly with local utility partners at Tampa Electric and Florida Power & Light in Central and Southwest Florida to support power restoration efforts. For two weeks, Oncor teams helped to clear vegetation and debris, repair and rebuild infrastructure, and assisted the other hundreds of responding mutual assistance personnel from across the country.

## Safe work hours

Oncor's commitment to safety extends to every Oncor employee, customer and location served by the company. In 2022, Oncor achieved a milestone of 7 million safe work hours completed with no lost-time incidents (LTIs), continuing the trend of reducing DART and lost time injury rates, while safely restoring power to customers in response to a higher number of storm events.

## Location awareness

A team of Oncor employees created a process that allows the company to view the locations of Oncor and contractor vehicles. This level of situational awareness of field personnel allows Oncor's operations centers to be able to dispatch the closest and most appropriately skilled technicians to sites promptly and efficiently. An additional benefit of the location awareness process is that it provides operations centers the ability to verify that field personnel are in a safe area prior to a line being energized.



## DOING BUSINESS SUSTAINABLY

# Championing people



## Dallas Heart Walk

In 2022, Oncor employees and suppliers helped raise more than \$788,000 for the American Heart Association. Oncor was a platform level sponsor for the Dallas Heart Walk and had nearly 7,000 registered walkers.

## Oncor Cares Community Council

In 2022, Oncor launched local Oncor Cares Community Councils. Oncor employees throughout its service territory came together to form 18 Oncor Cares Community Councils, which identify local community organizations and causes to support and coordinate volunteer opportunities and fundraisers to benefit those non-profits and causes. For instance, in March 2022, the Brownwood/Mineral Wells Oncor Cares Community Council raised funds to benefit the community of Jacksboro, Texas, which was devastated by a tornado.

## Electrical Line Technician Program

Oncor maintains strategic relationships with Wilmer-Hutchins High School and Fort Worth Independent School District Collegiate High School through its Secondary Education Outreach Program (SEOP), which supports recruitment and helps students prepare for utility careers. In 2021, Oncor welcomed its inaugural class of SEOP interns. The one-year internship allows eligible

students to attend the Electrical Line Technician Program, in collaboration with Tarrant County College, and obtain an Electrical Line Technician certification. Oncor covers tuition, books, PPE and tools, and interns are compensated for work hours (including attending classes). In addition, interns participate in regular engagements to learn Oncor policies, procedures and safety commitments. The inaugural cohort celebrated their commencement in 2022 and those who finished were offered full time employment as apprentices across the Oncor territory. A second cohort of interns was also welcomed that year.

## DE&I summit

In November 2022, Oncor's Diversity, Equity & Inclusion (DE&I) team hosted its first-ever company-wide DE&I Summit. The forum, "Grounded in One Oncor: Connecting the DE&I Circuit," allowed Oncor executives and employees across the company to discuss advancing DE&I efforts to foster an environment where everyone feels supported and respected. The event featured insights from executive leadership and panels with cross-functional and employee resource group leaders.

## North Texas LGBTQ Chamber of Commerce

In January 2022, Oncor continued its engagement with minority Chambers of Commerce and Business Councils by joining the North Texas lesbian, gay, bisexual, transgender, queer or questioning persons (LGBTQ) Chamber of Commerce. Oncor's Supplier Diversity Manager serves on the Chamber's Corporate Advisory

Council and Oncor's PRIDE ERG has remained an active participant. In recognition of this engagement, the PRIDE ERG was nominated for the Chamber's 2022 ERG of the Year Award. Engagement with other minority Chambers of Commerce and Business Councils include the Black, Hispanic and Asian Chambers of Commerce and the Women's Southwest and Minority Business Councils.

## Minority and/or women-owned business enterprises (MWBE)

Oncor is committed to supplier diversity and to having a positive impact on the communities in which it operates. Oncor's spend with MWBE suppliers (businesses owned 51% or more by a woman or minority) has grown from more than \$207 million in 2017 to approximately \$350 million in 2022. In 2022, Oncor's MWBE supplier spend represented close to 11% of all of its supplier spend.

## Oncor employee engagement survey

Following its first annual company-wide employee engagement survey, which was conducted in late 2021, Oncor initiated various efforts in 2022 to enhance employee engagement at both the local and corporate levels. In 2022, the company conducted its second annual company-wide employee engagement survey, which indicated an increase in the number of engaged employees versus prior year results. Oncor will be using the 2022 survey results to continue to develop and implement its employee engagement strategy.



# Conclusion

Oncor has made great strides in developing and expanding its sustainability strategy since the publication of its first Corporate Sustainability Overview only three years ago. During this time Oncor has, among other things, benefited from increased sustainability experience, expanded the knowledge and personnel count of its sustainability professionals, created its Sustainability and Sustainable Finance committee, helped its board of directors revise the Nominations and Governance committee to be the Governance and Sustainability committee with oversight of environmental, social and governance topics, and adopted or revised several policies to expand its sustainability strategy. With its commitment to continued improvement, Oncor believes it will continue to champion sustainable business practices and will continue to look for opportunities to further build on these accomplishments—for the long-term benefit of its company, its customers and the Texas communities it serves.

This represents certain sustainability highlights. For Oncor's most recent corporate sustainability overview, visit [www.oncor.com](http://www.oncor.com).





## About

Sempra Infrastructure's vision is to deliver energy for a better world. Through the combined strength of its assets in North America, the company is dedicated to helping enable the global energy transition. Its more than 2,300 employees develop, build and operate energy infrastructure that is expected to play a crucial role in the energy systems of the future, while prioritizing sustainability, innovation, world-class safety, championing people, resilient operations and social responsibility.

Sempra Infrastructure is committed to creating long-term sustainable growth by providing energy safely and reliably. With over \$15 billion in total assets and nearly \$2 billion in revenue in 2022, the company executes on its goals through three business lines:

- **Clean power:** With a focus on safe and reliable integration of North America's power grids, Sempra Infrastructure operates more than 1,600 megawatts of energy projects in Mexico with significant cross-border renewable energy development opportunities.
- **Energy networks:** Sempra Infrastructure owns and operates natural gas transmission and distribution pipelines in Mexico and the U.S., in addition to ethane pipelines, liquefied petroleum gas (LPG) transportation and storage, and a network of refined products storage terminals in Mexico. Through its energy networks, Sempra Infrastructure helps meet energy needs and promote growth and development of the markets that it serves.
- **LNG and net-zero solutions:** The company's liquefied natural gas (LNG) facilities and net-zero development projects on the Pacific and Gulf coasts of North America serve energy diversification and energy transition ambitions by facilitating affordable, reliable and lower-carbon intensity energy.

# Message from leadership

The year 2022 witnessed what can only be described as a global energy crisis and a seismic shift in world energy markets. Due to both predictable and unforeseen events, energy supplies were constrained, countries scrambled to secure high-demand resources and consumers were stressed by rising costs and uncertainty over future energy security.

Through it all, Sempra Infrastructure navigated this challenging environment and delivered an extraordinary record of performance. Our team rose to meet the moment, leveraging our position at the intersection of North America's abundant natural gas resources and the pipeline and export infrastructure needed to move those resources around the world. We are proud of our efforts to help backstop the loss of much-needed energy supplies in Europe, while at the same time honoring and deepening our valued partnerships in key regions like the Asia-Pacific. The work we accomplished in 2022 further supports our company's strong belief that it is possible to achieve economic growth and prosperity and improve energy security, while simultaneously making progress toward emissions reduction and climate targets.

We achieved multiple commercial milestones in 2022, including on proposed projects exploring

opportunities in LNG and carbon capture and sequestration, an agreement to supply clean energy into California, and a framework for collaboration with Mexico's Federal Electricity Commission to continue developing natural gas projects in the country.

These projects, and others, are not only strengthening our company's North American integration goals, but they are also helping enable further progress towards a responsible energy transition. In fact, we've made strong progress advancing our sustainability agenda of protecting the environment, providing resilient and affordable energy, supporting communities where we live and work, and building an inclusive economy where everyone can have a bright future.

As we move into 2023, Sempra Infrastructure is well-positioned to continue the successful trajectory that began with the platform's creation in 2021 with our market position, our mission and our people. We will define that success both in our continued business development and our work with partners and communities domestically and around the world, all with an ongoing commitment to our sustainability strategy and to our role in helping achieve a secure, reliable and cleaner energy future for all.



Sincerely,

A handwritten signature in black ink, appearing to read 'Dan R. Brouillette'.

**Dan R. Brouillette**  
President and Chief Sustainability Officer  
Sempra Infrastructure

# 2022 Year in Numbers

6,200+

safety observations completed at the Cameron LNG facility

4.7M

hours worked without a lost time injury during construction at Energía Costa Azul (ECA) LNG Phase 1

98%

reliability maintained in natural gas transmission systems<sup>1</sup>

78%

facilities in Mexico certified under ISO 45001 with an aim to certify 100% by 2030

31%

women in our workforce compared to energy industry average of 25%<sup>2</sup>

85%

reduction in total hours of unplanned outages critical to providing improved energy security to customers<sup>6</sup>

Top 10

Great Place to Work (GPTW) recognition in Mexico<sup>3</sup>

1.04 GW

of wind and solar contributed to nearly 1.3 million tons of CO<sub>2</sub>e emissions avoidance

>2,500

acres of viable wetlands restored by the Cameron LNG facility since 2005

49%  
lower

electric generation carbon intensity compared to national average for Mexico and U.S.<sup>5</sup>

\$2.6M

charitable donations

41%  
lower

GHG emissions intensity achieved compared to the 2020 baseline<sup>4</sup>

<sup>1</sup> Applicable to Mexico operations.

<sup>2</sup> U.S. Department of Energy, U.S. Energy & Employment Report.

<sup>3</sup> Sempra Infrastructure's Mexico operations, conducted by its subsidiary IEnova, was named among Mexico's top ten Great Place to Work rankings within the 500 to 5,000 employee category. This marks the seventh year that IEnova received the recognition and the first year among the top ten.

<sup>4</sup> Each year, Sempra Infrastructure aims to operate its existing LNG infrastructure at a GHG emissions intensity that is 20% less than a 2020 baseline. It was one of the first U.S. companies in the LNG industry to declare a GHG emissions intensity goal.

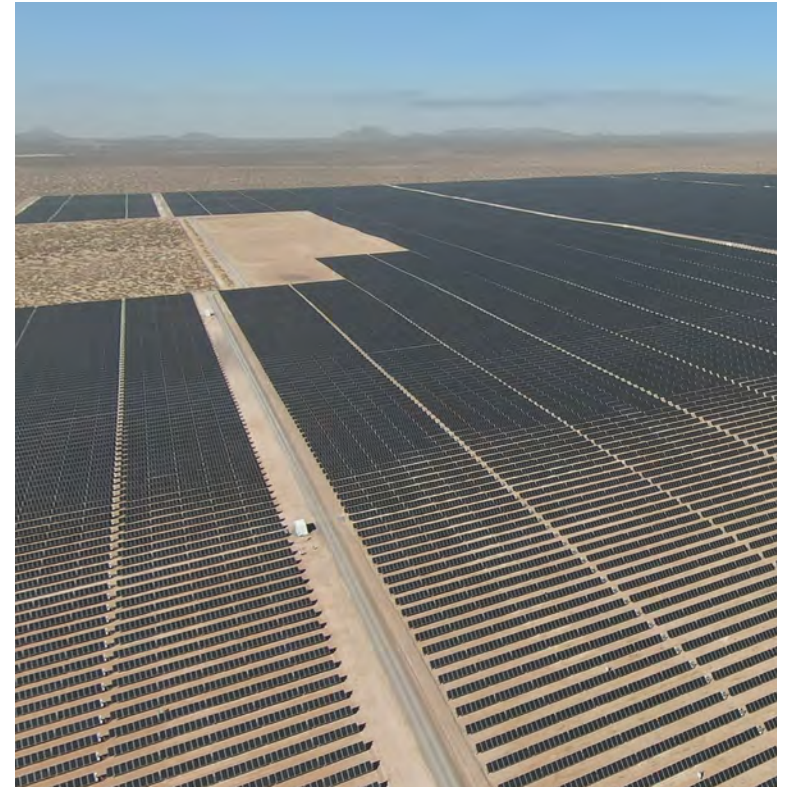
<sup>5</sup> Refers to electric generation intensity for renewable and natural gas-fired generation. At 0.21 tCO<sub>2</sub>e/MWh, this is lower than Sempra Infrastructure's annual aim to maintain intensity well under 0.35 tCO<sub>2</sub>e/MWh and the 2022 national electric emissions factor of 0.434 tCO<sub>2</sub>e/MWh in Mexico and 0.388 tCO<sub>2</sub>e/MWh in the U.S.

<sup>6</sup> At Cameron LNG facility relative to 2021.

# Doing business sustainably

Every day, Sempra Infrastructure's mission to be North America's leading energy infrastructure company comes to life through the company's values of doing the right thing, championing people and shaping the future. As an energy leader with purpose, Sempra Infrastructure aims to enable access to safe and sustainable energy for a better world.

Sempra's four sustainability pillars—enabling the energy transition, driving resilient operations, achieving world-class safety and championing people—are at the core of Sempra Infrastructure's sustainability strategy and the company is conscious of its role in contributing to the energy transition. Sempra Infrastructure commits to advancing safety, its people and being a responsible business partner in the communities where it operates.



**Enabling  
the energy  
transition**



**Driving  
resilient  
operations**



**Achieving  
world-class  
safety**



**Championing  
people**

## DOING BUSINESS SUSTAINABLY

# Enabling the energy transition



## Decarbonization efforts

Sempra Infrastructure provides access to cleaner, more reliable and more affordable energy that can help displace coal and other fossil fuels across the globe, while serving the energy diversification and transition ambitions of its customers.

With a focus on reducing emissions, while supporting increased renewable power generation and production of alternative fuels, the company made strides in decarbonization through internal programs and increased collaboration with industry stakeholders:

- Completed a demonstration project as part of Veritas<sup>1</sup> for the LNG segment.
- Collaborated with industry partners to research GHG emissions from LNG carrier ships, resulting in one of the first peer-reviewed publications of its kind.<sup>2</sup>

- Modified leak identification and repair procedures in Mexico to incorporate more stringent standards.
- Achieved GHG emissions intensity of 41% less than the 2020 baseline.<sup>3</sup>
- Implemented a trip reduction program at the Cameron LNG facility to reduce potential GHG emissions. Plant trips were reduced by 72% compared to 2021.
- Developed the Cameron LNG facility's maintenance program and established new goals, including for GHG monitoring and leak repair. The facility reduced flaring by 19% compared to 2021.

Sempra Infrastructure pursued opportunities to lower emissions of facilities and expand its net-zero portfolio.

- The Cameron LNG expansion project plans to incorporate use of electric-driven refrigeration compressors to allow for significant emissions reductions compared to the use of gas turbines.
- Continued development of the Hackberry Carbon Sequestration project to capture and permanently sequester carbon dioxide from the Cameron LNG facility.
- Announced the signing of memorandums of understanding (MOUs) with Entergy Louisiana and Entergy Texas to develop options for renewable energy procurement.<sup>4</sup>

- Continued efforts to reduce venting in new natural gas transmission assets.
- Prepared for Mexico's Emissions Trading System by identifying and developing plans for carbon offset projects.

## Renewable generation, battery storage and clean hydrogen

Sempra Infrastructure owns and operates a portfolio of renewable power generation assets and is pursuing opportunities in battery energy storage and clean hydrogen production.

- Renewable energy generated directly contributed to avoiding 1,293,088 tons of carbon dioxide equivalent emissions in 2022.
- Cimarron Wind, a 300-megawatt wind energy facility under development in Tecate, Baja California, is expected to export energy to California through a 20-year Power Purchase Agreement with Silicon Valley Power.
- Volta de Mexicali, a battery energy storage system, is being developed to improve resilience and facilitate deployment of renewable energy in an increasingly integrated cross-border system.
- Signed a Heads of Agreement (HOA) with Avangrid for the joint development of U.S. green hydrogen and ammonia projects powered by renewable sources.<sup>5</sup>

<sup>1</sup> Project Veritas is a differentiated gas measurement and verification initiative that supports Sempra Infrastructure, industry partners and other customers' aims to bring to market responsibly sourced gas that is produced and transported using established GHG measurement and verification methodologies.

<sup>2</sup> Total Methane and CO<sub>2</sub> Emissions from Liquefied Natural Gas Carrier Ships: The First Primary Measurements.

<sup>3</sup> Achievement based on Sempra's aim to operate LNG infrastructure at a GHG emissions intensity 20% less than 2020 baseline.

<sup>4</sup> These MOUs are non-binding arrangements and do not commit any party to enter into definitive agreements.

<sup>5</sup> This HOA is a non-binding arrangement and does not commit any party to enter into definitive agreements.

## DOING BUSINESS SUSTAINABLY

# Driving resilient operations



## Asset integrity management

Maintaining asset integrity is a core element of Sempra Infrastructure's business. The company works hard to provide services reliably and safely. Sempra Infrastructure's asset integrity management program is implemented on natural gas transmission and distribution systems during all project stages, such as, development, design, construction, operation and divestiture. Program objectives include evaluating the assets' reliability, availability and remaining useful life, prioritizing safety and protection of the environment, maintaining production levels and mitigating risks.

## Compliance and risk management

Effective compliance and risk management are critical components to operational resiliency. In 2020, the OpenText platform was launched in Mexico to monitor compliance with regulatory obligations of all the company's operating units. In its efforts to adequately manage compliance obligations and mitigate risk, Sempra Infrastructure expanded the use of such systems to LNG and net-zero solutions projects and operating facilities in the U.S. The software solution allows Permitting & Compliance teams to track permit obligations, manage renewals,

help ensure completion of key activities, and maintain evidence of compliance. Over 500 permit compliance activities were completed in 2022.

## Cybersecurity

Sempra Infrastructure continues to strengthen its cybersecurity measures to promote the importance of securing and protecting information regarding assets, employees, communities, suppliers and customers. A company-wide cybersecurity strategy helps to reduce risk exposure threats and vulnerabilities. Recent enhancements include:

- Cybersecurity incident response plan aligned with the National Institute of Standards and Technology, ISO-27000, Center for Internet Security and Transportation Security Administration is in place.
- Cybersecurity assessments and penetration testing exercises to support the proactive identification of inherent risks.
- Awareness campaigns and cybersecurity exercises implemented at management levels to improve cybersecurity awareness across the company in the U.S. and Mexico.

## Environmental management

Sempra Infrastructure believes that the protection and preservation of the environment can be compatible with the development of energy infrastructure. From water use to emissions management, waste and biodiversity protection, Sempra Infrastructure is committed to the responsible use of natural resources. Some examples include:

- The nursery at the ECA regasification facility and ECA LNG facility under construction protects more than 50,000 plants of 28 native species.
- Los Ramones pipelines I and II have biodiversity protection and conservation programs in Nuevo León, Mexico. In collaboration with Universidad Autónoma de Nuevo León, more than 170,000 plants of 70 species and an average of 6 million seeds of 38 species were rescued from the construction sites and are protected in nurseries.
- Since 2003, the company has implemented a marine mammal protection program at the ECA regasification facility. Developed alongside local biologists, the program is designed to monitor marine mammals to prevent obstructions or coalitions with tankers during migration periods, with zero incidents recorded. As of today, records for this project include more than 67,000 images of 13 different species, mostly gray whales, sea lions and dolphins.
- In coordination with local environmental and wildlife organizations, including Louisiana Wildlife and Fisheries Foundation and the Louisiana Department of Wildlife and Fisheries, the Cameron LNG facility supports and funds programs to promote the conservation of the marsh, wetland areas and wildlife of the coastal area around our facility.
- Sempra Infrastructure and the Cameron LNG project have proudly collaborated with Ducks Unlimited at the state and local level to promote natural habitat protection for waterfowl that migrate to Louisiana each winter. Louisiana's coastal marshes host up to 10 million of the nation's wintering waterfowl every year.

## DOING BUSINESS SUSTAINABLY

# Achieving world-class safety



## Community safety

To protect its workforce, customers and communities, Sempra Infrastructure has developed emergency preparedness and response plans for its assets. These plans are key elements of effective health and safety management on site, and are intended to help maintain resiliency during natural disasters and other disruptive events to which the company's operations may be exposed. Protocols vary by facility based on specific risk profiles, which include geographic location and facility type, among other factors.

The company engages with external stakeholders to support the safety and resiliency of the communities in which it operates. In Mexico, in compliance with requirements from both the Ministry of Labor and Social Welfare (Secretaría del Trabajo y Previsión Social, STPS) and Civil Protection authorities, Sempra Infrastructure regularly conducts drills that allow the company to identify procedural gaps and continue to improve emergency response efforts. Such drills may involve participation from government agencies and the Mexican Red Cross.

In the U.S., emergency preparedness efforts involve local partners, such as Beauregard Parish Fire and the Deridder Police Department in Louisiana. Annual drills are conducted to improve coordination across various emergency scenarios. As one example, to improve resiliency against hurricanes, Cameron LNG facility representatives regularly meet with local waterway partners, the U.S. Coast Guard and Port of Lake Charles to enhance monitoring and safe navigation in the area.

## Employee and contractor safety

Sempra Infrastructure's health and safety policies reflect the company's commitment to establish safe work practices by implementing adequate preventive measures for people, facilities and processes, and have a workplace that is free from uncontrolled known hazards.

Workspaces and the situations to which employees and contractors are exposed are expected to comply with the company's health and safety policies, regulatory requirements and international standards. Health and safety performance metrics are monitored to continue improving accident and incident rates. Efforts in 2022 included:

- In the U.S., improved employee and contractor OSHA total recordable injury rate and lost time incident rate by 70% and 75%, respectively, relative to 2021.
- The Port Arthur LNG Phase 1 development project was awarded the Perfect Record Award from the National Safety Council for achieving

over 1.7 million hours without an occupational injury or illness involving days away from work.

- In Mexico, Sempra Infrastructure conducted a health and safety summit focused on aligning concepts and learning about world-class practices. Over 160 employees participated.

It is with great sadness that we report a contractor fatality. This incident was investigated, and Sempra Infrastructure identified the underlying circumstances and took remedial action designed to prevent reoccurrence.





## DOING BUSINESS SUSTAINABLY

# Championing people



## High-performance culture

Based on results from its last bi-annual employee engagement survey in 2021, Sempra Infrastructure identified three company-wide opportunity areas: belonging, collaboration and employee recognition. In 2022, it launched the “Sempra Infrastructure Way / Lo Que Nos Distingue,” ten guiding principles to foster a high-performance culture, with one principle dedicated to championing and celebrating people, and one dedicated to fostering a culture of caring and belonging.

## Diversity and inclusion

Sempra Infrastructure has created integration programs designed to forge a strong, multi-cultural and broadly experienced team. 2022 highlights include:

- The “Growing Responsibilities and Opportunities for Women” (GROW) mentoring program was expanded to Mexico, focused on developing women leaders and covering topics such as leadership competencies, networking and career building.
- The company worked to increase participation in development programs. In 2022, 80 hours were allocated to training and workshops focused on diversity and inclusion.

- In Mexico, Sempra Infrastructure has an operator training program focused on promoting talent and integrating a young workforce into the energy sector. Recent graduates from specific engineering backgrounds are invited to participate in intensive paid technical training, potentially leading to full-time employment upon completion of the program.

## Community engagement

Sempra Infrastructure seeks to be an integral part of the communities in which it operates and provides support for communities through various social investment programs and through actions carried out by the different business lines.

Volunteer efforts in 2022 spanned across three main pillars: social justice, environmental stewardship and community services.

- **Social justice:** In line with the company’s commitment to emergency preparedness and safety, employees volunteered for food bank collection and distribution drives during the month of September as part of the Hunger Action Month initiative. In 2022, 17 employees and their families contributed 68 hours of volunteer services to a food sort day at the Houston Food Bank. Additionally, employee and company contributions totaled over \$50,000 to four food banks (Houston Food Bank, San Diego Food Bank, SETX Food Bank and Second Harvest –Southwest Louisiana Chapter).
- **Environmental stewardship:** In April 2022, as part of the Houston native grass and plants project, Sempra Infrastructure employees and their families contributed approximately 100

hours of volunteer time to plant over 900 native grasses and plants to help preserve, restore and enhance Memorial Park during Earth month.

- **Community services:** Sempra Infrastructure launched campaigns to involve employees with the causes the company supports, including a donation campaign for Casa Hogar del Anciano de Ensenada, A.C., activities to commemorate Earth Day in Baja California and Nuevo León, Mexico, and donation of school supplies and holiday presents for almost 200 children in shelter homes.

Assets in development, construction or operation have specific budgets to develop social investment projects. For example, in 2022 Sempra Infrastructure built a solar water purification plant for the indigenous community of Masiaca, located in Sonora, Mexico. In Ensenada, the company made notable investments in social, sports and security infrastructure.

## Fundación Sempra Infraestructura

In Mexico, Fundación Sempra Infraestructura, or the SI Foundation, focuses on four pillars: education, environment, vulnerable groups and community services, supporting projects that bring medium- and long-term benefits to communities. In 2022, the SI Foundation supported 55 projects focused on scholarships, infrastructure improvements and electrification using clean energies at shelters and vulnerable groups’ attention centers, integral support in the treatment of children with cancer and medical equipment benefiting over 300,000 people across 14 states in Mexico.

# Conclusion

Sempra Infrastructure believes it is possible to advance energy security while simultaneously targeting efforts to help address climate change. The combined platform strengths of the company’s clean power, energy networks and LNG and net-zero solutions business lines continue to enable Sempra Infrastructure to provide access to safe and reliable energy sources, aiming to improve people’s lives, inspire innovation in clean energy technologies, and help create opportunities.

Sempra Infrastructure is committed to doing what is right for the planet and for the communities in which it operates. In 2023, the company aims to continue strengthening its sustainability strategy and goals to contribute to creating a more sustainable world.

## Awards and recognition





# Appendix

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# Global Reporting Initiative (GRI) index

This report has been prepared in reference to the GRI Universal Standards. Since 2020, we have also integrated the World Economic Forum (WEF) International Business Council Stakeholder Capitalism Metrics, where they align with our GRI reporting. The disclosures that align with the WEF are marked below.

## General standard disclosures<sup>1</sup>

**Statement of use:** Sempra has reported information for calendar year 2022 with reference to the GRI Standards.

**GRI 1 used:** GRI 1: Foundation 2021

Disclosure	Description	Response
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organizational details	<a href="#">About Sempra</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">Companies and assets</a> , <a href="#">About this report</a>
2-3	Reporting period, frequency and contact point	<a href="#">About this report</a>
2-4	Restatements of information	Any restatements of information are noted throughout this report.
2-5	External assurance	<a href="#">Data verification and report review</a>
2-6	Activities, value chain and other business relationships	<a href="#">About Sempra</a> ; <a href="#">Serving our stakeholders</a> ; <a href="#">Supply chain</a>
2-7	Employees	<a href="#">High-performance culture</a> ; <a href="#">Human capital development</a> ; <a href="#">Our businesses</a>
2-8	Workers who are not employees	<a href="#">Stakeholder engagement</a> ; <a href="#">Community engagement</a> ; <a href="#">Supply chain</a>
2-9	Governance structure and composition	<a href="#">Sempra board of directors</a> ; <a href="#">Driving responsible governance</a>
2-10	Nomination and selection of the highest governance body	<a href="#">Sempra board of directors</a>
2-11	Chair of the highest governance body	<a href="#">Sempra board of directors</a> ; <a href="#">Driving responsible governance</a>
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Driving responsible governance</a> ; <a href="#">Sempra board of directors</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">Sempra board of directors</a> ; <a href="#">Letter from our chief sustainability officer</a> ; <a href="#">CDP Climate</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Sempra board of directors</a>
2-15	Conflicts of interest	<a href="#">Risk management</a>
2-16	Communication of critical concerns	<a href="#">Risk management</a> ; <a href="#">Stakeholder engagement</a>
2-17	Collective knowledge of the highest governance body	<a href="#">Driving responsible governance</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">2023 Proxy Statement</a> ; <a href="#">Executive compensation</a>
2-19	Remuneration policies	<a href="#">2023 Proxy Statement</a>

<sup>1</sup> The following topics did not meet our threshold for materiality and are therefore not included: market presence; materials; non-discrimination; forced or compulsory labor; security practices; marketing and labeling.

Disclosure	Description	Response
2-20	Process to determine remuneration	<a href="#">2023 Proxy Statement</a>
2-21	Annual total compensation ratio	<a href="#">2023 Proxy Statement</a>
2-22	Statement on sustainable development strategy	<a href="#">Material topics and Sustainability Goals</a> ; <a href="#">Letter from our chairman and CEO</a>
2-23	Policy commitments	<a href="#">Political engagement</a> ; <a href="#">Policies and position statements</a>
2-24	Embedding policy commitments	<a href="#">Political engagement</a>
2-25	Processes to remediate negative impacts	<a href="#">Human rights</a> ; <a href="#">Environmental management</a> ; <a href="#">Stakeholder engagement</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Stakeholder engagement</a>
2-27	Compliance with laws and regulations	<a href="#">Environmental management</a> ; <a href="#">Risk management</a>
2-28	Membership associations	<a href="#">Trade association alignment</a>
2-29	Approach to stakeholder engagement	<a href="#">Stakeholder engagement</a>
2-30	Collective bargaining agreements	<a href="#">2022 Form 10-K</a>
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	<a href="#">Material topics and Sustainability Goals</a>
3-2	List of material topics	<a href="#">Material topics and Sustainability Goals</a>
3-3	Management of material topics	<a href="#">Material topics and Sustainability Goals</a>
<b>GRI 201: Economic Performance 2016</b>		
201-1 WEF	Direct economic value generated and distributed	<a href="#">2022 Form 10-K</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Task Force on Climate-related Financial Disclosures</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">2022 Form 10-K</a>
201-4	Financial assistance received from the government	<a href="#">2022 Form 10-K</a>
<b>GRI 203: Indirect economic impacts 2016</b>		
203-1 WEF	Infrastructure investments and services supported	<a href="#">Stakeholder engagement</a>
203-2	Significant indirect economic impacts	<a href="#">Stakeholder engagement</a>
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	<a href="#">Social and workforce data</a> ; <a href="#">Our businesses</a>
<b>GRI 205: Anti-Corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	<a href="#">Risk management</a>
205-2 WEF	Communication and training about anti-corruption policies and procedures	<a href="#">Risk management</a>
205-3 WEF	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in 2022.
<b>GRI 206: Anti-competitive behavior 2016<sup>1</sup></b>		
103-2	The management approach and its components	<a href="#">Risk management</a>
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	<a href="#">2022 Form 10-K</a>
207-2	Tax governance, control, and risk management	<a href="#">2022 Form 10-K</a>
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">2022 Form 10-K</a>
207-4	Country-by-country reporting	<a href="#">2022 Form 10-K</a>
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	<a href="#">CDP climate</a>
302-2	Energy consumption outside of the organization	<a href="#">Environmental data</a>
302-3	Energy intensity	<a href="#">CDP climate</a>
302-4	Reduction of energy consumption	<a href="#">CDP climate</a> ; <a href="#">GHG emissions</a>
302-5	Reductions in energy requirements of products and services	<a href="#">Enabling the energy transition</a>

<sup>1</sup> Although this topic did not meet our threshold for materiality, we are providing some information because of its importance to some stakeholders.

Disclosure	Description	Response
<b>GRI 303: Water and Effluents 2018</b>		
103-2	The management approach and its components	<a href="#">CDP Water</a> ; <a href="#">Water</a>
303-1	Interactions with water as a shared resource	<a href="#">CDP Water</a> ; <a href="#">Water</a>
303-2	Management of water discharge-related impacts	<a href="#">CDP Water</a> ; <a href="#">Water</a>
303-3 WEF	Water withdrawal	<a href="#">CDP Water</a> ; <a href="#">Water</a>
303-4 WEF	Water discharge	<a href="#">CDP Water</a> ; <a href="#">Water</a>
303-5	Water consumption	<a href="#">CDP Water</a> ; <a href="#">Water</a>
<b>GRI 304: Biodiversity 2016</b>		
304-1 WEF	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	<a href="#">Biodiversity and land use</a>
304-2	Significant impacts of activities, products and services on biodiversity	<a href="#">Biodiversity and land use</a>
304-3	Habitats protected or restored	<a href="#">Biodiversity and land use</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Critically endangered 2  Endangered 51 Vulnerable 25 Near threatened 6 Least concern 58
<b>GRI 305: Emissions 2016</b>		
305-1 WEF	Direct (Scope 1) GHG emissions	<a href="#">CDP Climate</a> ; <a href="#">GHG emissions</a>
305-2 WEF	Energy indirect (Scope 2) GHG emissions	<a href="#">CDP Climate</a> ; <a href="#">GHG emissions</a>
305-3 WEF	Other indirect (Scope 3) GHG emissions	<a href="#">CDP Climate</a> ; <a href="#">GHG emissions</a>
305-4	GHG emissions intensity	<a href="#">Goals &amp; KPIs</a>
305-5	Reduction of GHG emissions	<a href="#">CDP Climate</a> ; <a href="#">GHG emissions</a> ; <a href="#">Enabling the energy transition</a>
305-6	Emissions of ozone-depleting substances (ODS)	<a href="#">Environmental management</a>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	<a href="#">Environmental management</a> ; <a href="#">Environmental data</a>
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	<a href="#">Supply chain</a> ; <a href="#">Risk management</a>
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Supply chain</a> ; <a href="#">GHG emissions</a>
<b>GRI 401: Employment 2016</b>		
401-1 WEF	New employee hires and employee turnover	<a href="#">Championing people</a> ; <a href="#">Human capital development</a>
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	<a href="#">2022 Form 10-K</a>
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	<a href="#">Safety</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Safety</a> ; <a href="#">Achieving world-class safety</a>
403-3	Occupational health services	<a href="#">Human capital development</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Championing people</a> ; <a href="#">Human capital development</a> ; <a href="#">Safety</a>
403-5	Worker training on occupational health and safety	<a href="#">Championing people</a> ; <a href="#">Human capital development</a> ; <a href="#">Safety</a>
403-6	Promotion of worker health	<a href="#">Championing people</a> ; <a href="#">Human capital development</a> ; <a href="#">Safety</a>

Disclosure	Description	Response
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Championing people</a> ; <a href="#">Achieving world-class safety</a> ; <a href="#">Human capital development</a> ; <a href="#">Safety</a>
403-8	Workers covered by an occupational health and safety management system	<a href="#">Achieving world-class safety</a>
403-9	Work-related injuries	<a href="#">Safety</a>
403-10	Work-related ill health	<a href="#">Safety</a>
<b>GRI 404: Training and education 2016</b>		
404-1 WEF	Average hours of training per year per employee	<a href="#">Championing people</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human capital development</a>
404-3	Percentage of employees receiving regular performance reviews and career development reviews	<a href="#">Human capital development</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1 WEF	Diversity of governance bodies and employees	<a href="#">Social and workforce data</a> ; <a href="#">High-performance culture</a> ; <a href="#">2023 Proxy Statement</a> ; <a href="#">Sempra board of directors</a>
405-2 WEF	Ratio of basic salary and remuneration of women to men	<a href="#">Social and workforce data</a>
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Risk management</a> ; <a href="#">Supply chain</a>
<b>GRI 408 Child labor 2016<sup>1</sup></b>		
103-2	The management approach and its components	<a href="#">Human rights</a>
<b>GRI 411 Rights of indigenous peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	<a href="#">Stakeholder engagement</a> ; <a href="#">Human rights</a>
<b>GRI 413 Local communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Our businesses</a> ; <a href="#">Human rights</a> ; <a href="#">Community engagement</a> ; <a href="#">Achieving world-class safety</a>
413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">Our businesses</a> ; <a href="#">Human rights</a> ; <a href="#">Community engagement</a> ; <a href="#">Achieving world-class safety</a>
<b>GRI 414 Supplier social assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	<a href="#">Supply chain</a>
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Human rights</a>
<b>GRI 415: Public policy 2016</b>		
415-1	Political contributions	<a href="#">Political engagement</a> ; <a href="#">Political engagement and contributions</a>
<b>GRI 416 Customer health and safety 2016</b>		
103-2	The management approach and its components	<a href="#">Safety</a>
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Safety</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Safety</a>
<b>GGRI 418 Customer privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints identified.

<sup>1</sup> Although this topic did not meet our threshold for materiality, we are providing some information because of its importance to some stakeholders.



# Sustainability Accounting Standards Board (SASB) standards

The International Financial Reporting Standards' (IFRS) SASB standards are intended to lend insight into the subset of sustainability issues that are most closely tied to an organization's ability to create long-term value for investors. Sempra's SASB metrics for electric utility, natural gas utility and oil and gas midstream performance are outlined in the tables below.

## Gas utilities standard

SASB code	Accounting metric	SoCalGas	SDG&E	Sempra Infrastructure <sup>2</sup>
	<b>Energy affordability<sup>1</sup></b>			
IF-GU-240a.1	Average retail gas rate for residential customers (USD per MMBtu)	\$19.58	\$23.59	\$29.06
	Average retail gas rate for commercial customers (USD per MMBtu)	\$15.35	\$15.07	\$18.11
	Average retail gas rate for industrial customers (USD per MMBtu)	\$15.35	\$15.07	\$14.51
	Average retail gas rate for transportation services only (USD per MMBtu)	\$1.88	\$2.32	\$0.94
IF-GU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu delivered per year (USD)	\$81.64	\$99.37	\$121.10
	Typical monthly gas bill for residential customers for 100 MMBtu delivered per year (USD)	\$168.69	\$205.85	\$242.20
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment <sup>3</sup>	0	0	69,325
	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	n/a	n/a	93%
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	<a href="#">About Sempra</a> ; <a href="#">Our businesses</a> ; <a href="#">TCFD</a>		
	<b>End-use efficiency</b>			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	100%	100%	0%
IF-GU-420a.2	Customer gas savings from efficiency measures by market (MMBtu)	4,178,507	500,000	0
	<b>Integrity of gas delivery infrastructure</b>			
IF-GU-540a.1	Number of reportable pipeline incidents	3	0	0
	Number of corrective action orders	0	0	0
	Notices of probable violation	0	0	0
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	0%	0%	2%
	Percentage of distribution pipeline that is unprotected steel	100%	0%	0%
IF-GU-540a.3	Percentage of gas transmission pipelines inspected	21%	11%	n/a
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	<a href="#">Enabling the energy transition</a>		
	<b>Workplace health and safety<sup>4</sup></b>			
	Total recordable incident rate (per 100 full-time workers)	2.41	1.82	0.15
	Fatality rate (per 100 full-time workers)	0	0	0
	Near-miss frequency rate (per 100 full-time workers)	5.42	8.13	6.96

<sup>1</sup> Average retail gas rates for SoCalGas and SDG&E have historically been reported in USD per therm and have been updated in 2022 to USD per MMBtu

<sup>2</sup> Data includes Sempra Infrastructure's natural gas distribution regulated utility, Ecogas, which operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico.

<sup>3</sup> Disconnections for SDG&E and SoCalGas were suspended due to COVID-19.

<sup>4</sup> Workforce health and safety data for employees only.

## Gas utilities standard (continued)

SASB code	Accounting metric	SoCalGas	SDG&E	Sempra Infrastructure <sup>1</sup>
	Activity metrics			
IF-GU-000-A <sup>2</sup>	Number of residential customers served	5,857,280	878,220	145,725
	Number of commercial customers served	248,800	29,180	4,197
	Number of industrial customers served	24,390	n/a	276
IF-GU-000.B	Amount of natural gas delivered to residential customers (MMBtu)	219,238,210	27,839,953	2,026,517
	Amount of natural gas delivered to commercial customers (MMBtu)	116,029,316	20,689,736	1,497,759
	Amount of natural gas delivered to industrial customers (MMBtu)	251,366,297	n/a	33,185,870
	Amount of natural gas transferred to a third party (MMBtu)	331,354,637	35,942,684	n/a
IF-GU-000.C	Length of gas transmission and distribution pipelines (km)	167,346	25,746	4,751

## Electric utilities standard

SASB code	Accounting metric	SDG&E	Sempra Infrastructure <sup>3</sup>	Oncor <sup>4</sup>
	GHG emissions and energy resource planning			
IF-EU-110a.1	Gross global scope 1 emissions (metric tons CO <sub>2</sub> e) <sup>5</sup>	1,729,050	1,248,511	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 <sub>2</sub> e)	1,718,507	1,299,857	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	<a href="#">Enabling the energy transition;</a> <a href="#">GHG emissions</a>		n/a
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards	1,503,885	n/a	n/a
	Percentage fulfillment of RPS target <sup>6</sup>	On track	n/a	n/a
IF-EU-120a.1	<b>Air quality</b>			
	NO <sub>x</sub> (metric tons)	133	80	n/a
	SO <sub>2</sub> (metric tons)	8	6	n/a
	Particulate matter (metric tons)	0	71	n/a
	Lead (metric tons)	0	0	n/a
	Mercury (metric tons)	0	0	n/a

<sup>1</sup> Data includes Sempra Infrastructure's natural gas distribution regulated utility, Ecogas, which operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico.

<sup>2</sup> For additional information on customer categories and gas delivered please see our 2022 statistical report on [our website](#).

<sup>3</sup> Operations for Sempra Infrastructure include natural gas, wind and solar generation. Some electric utility indicators are not applicable.

<sup>4</sup> Oncor is an electricity transmission and distribution company and does not generate electricity for sale or purchase electricity for resale to customers. Therefore, certain metrics under the SASB standard applicable directly or indirectly to the generation of electricity are not necessarily applicable to Oncor. In addition, data for certain SASB standard metrics are not provided by Oncor or not available at this time.

<sup>5</sup> GHG emissions data for 2022 are unverified and subject to change pending the third-party verification process. Includes emissions data for all SDG&E operations.

<sup>6</sup> Data for 2022 is estimated and subject to regulatory approval and verification. It is expected to be finalized in August 2023 and reported in our 2023 sustainability report. SDG&E's annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities and customer load departure to community choice aggregators.

## Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	Sempra Infrastructure <sup>1</sup>	Oncor <sup>2</sup>
<b>Water management</b>				
IF-EU-140a.1	Total water withdrawn (thousand m3)	2,649	4,957	n/a
	Total water consumed (thousand m3)	1,831	3,845	n/a
F-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	0	0	n/a
F-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water	n/a	n/a
<b>Coal ash management (n/a)</b>				
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
<b>Energy affordability</b>				
IF-EU-240a.1	Average retail electric rate for residential customers (USD/kWh)	\$0.34	n/a	n/a
	Average retail electric rate for commercial customers (USD/kWh)	\$0.32	n/a	n/a
	Average retail electric rate for industrial customers (USD/kWh)	\$0.28	n/a	n/a
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh (USD)	\$197.54	n/a	n/a
	Typical monthly electric bill for residential customers for 1,000 kWh (USD)	\$443.60	n/a	n/a
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment <sup>3</sup>	0	n/a	n/a
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	n/a	n/a	n/a
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Our businesses	n/a	n/a
<b>Workforce health and safety<sup>4</sup></b>				
IF-EU-320a.1	Total recordable incident rate (per 100 full-time workers)	1.82	0.15	0.95
	Fatality rate (per 100 full-time workers)	0	0	0
	Near-miss frequency rate (per 100 full-time workers)	8.13	6.96	1.60
<b>End use efficiency &amp; demand</b>				
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 <sup>5</sup>	100%	n/a	100%
IF-EU-420a.3	Customer electricity savings from efficiency measures (GWh) <sup>6</sup>	531	n/a	309
<b>Grid resilience</b>				
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cyber security standards or regulations	0	0	0
IF-EU-550a.2	System Average Interruption Duration Index (SAIDI) <sup>7</sup>	68.91	n/a	74.96
	System Average Interruption Frequency Index (SAIFI) <sup>7</sup>	0.58	n/a	1.18
	Customer Average Interruption Duration Index (CAIDI) <sup>7</sup>	117.95	n/a	63.53

<sup>1</sup> Operations for Sempra Infrastructure include natural gas, wind and solar generation. Some electric utility indicators are not applicable.

<sup>2</sup> Oncor is an electricity transmission and distribution company and does not generate electricity for sale or purchase electricity for resale to customers. Therefore, certain metrics under the SASB standard applicable directly or indirectly to the generation of electricity are not necessarily applicable to Oncor. In addition, data for certain SASB standard metrics are not provided by Oncor or not available at this time.

<sup>3</sup> Disconnections for SDG&E were suspended due to COVID-19.

<sup>4</sup> Workforce health and safety data for employees only.

<sup>5</sup> SDG&E and Oncor's entire service territories are served by advanced meter infrastructure. Nearly all customers have advanced meters.

<sup>6</sup> Data is preliminary pending final year-end reporting to the CPUC.

<sup>7</sup> Oncor's non-storm reliability performance reflects electric service interruptions of one minute or more per customer, while SDG&E's performance reflects service interruptions of five minutes or more per customer. Each of these results excludes outages during significant storm events.

## Electric utilities standard (continued)

SASB code	Accounting metric	SDG&E	Sempra Infrastructure <sup>1</sup>	Oncor <sup>2</sup>
	<b>Activity metrics</b>			
IF-EU-000.A	Number of residential customers served	615,126	n/a	3,319,982
	Number of commercial customers served	71,661	n/a	218,768
	Number of industrial customers served <sup>4</sup>	471	n/a	303,885
IF-EU-000.B	Total electricity delivered to residential customers (MWh)	3,939,825	n/a	48,624,782
	Total electricity delivered to commercial customers (MWh)	2,849,673	n/a	49,310,904
	Total electricity delivered to industrial customers (MWh)	909,217	n/a	50,355,953
	Total electricity delivered to all other retail customers (MWh)	101,393	n/a	371,190
	Total electricity delivered to wholesale customers (MWh)	9,899,796	n/a	n/a
IF-EU-000.C	Length of transmission and distribution lines (km)	41,611	n/a	228,153
IF-EU-000.D	Total electricity generated (natural gas) (MWh)	3,948,440	2,902,036	n/a
	Total electricity generated (wind) (MWh)	n/a	1,501,841	n/a
	Total electricity generated (solar) (MWh)	n/a	1,470,775	n/a
IF-EU-000.E	Total wholesale electricity purchased (MWh)	7,800,107	n/a	n/a

## Oil and gas midstream standard

SASB code	Accounting metric	Sempra Infrastructure <sup>3</sup>
	<b>GHG emissions</b>	
EM-MD-110a.1	Gross global scope 1 emissions (metric tons CO <sub>2</sub> e)	557,832
	Percentage covered under emissions-reporting regulations	100%
	Percentage of gross global scope 1 emissions from methane	1%
EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<a href="#">Enabling the energy transition; GHG emissions</a>
	<b>Air quality</b>	
EM-MD-120a.1	NO <sub>x</sub> (metric tons)	649
	SO <sub>2</sub> (metric tons)	2.8
	Particulate matter (metric tons)	35.3
	Lead (metric tons)	0
	Mercury (metric tons)	0
	<b>Ecological impacts</b>	
EM-MD-160a.1	Description of environmental management policies and practices for active operations	<a href="#">Environmental management</a>
EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	8%
EM-MD-160a.3	Terrestrial acreage disturbed	1,631
	Percentage of impacted area restored	0%
EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills	0

<sup>1</sup> Operations for Sempra Infrastructure include natural gas, wind and solar generation. Some electric utility indicators are not applicable.

<sup>2</sup> Oncor is an electricity transmission and distribution company and does not generate electricity for sale or purchase electricity for resale to customers. Therefore, certain metrics under the SASB standard applicable directly or indirectly to the generation of electricity are not necessarily applicable to Oncor. In addition, data for certain SASB standard metrics are not provided by Oncor or not available at this time.

<sup>3</sup> Includes Sempra Infrastructure midstream operations in Mexico.

<sup>4</sup> Customer data for SDG&E does not include the 813,304 CCA and direct access customers.

## Oil and gas midstream standard (continued)

SASB code	Accounting metric	Sempra Infrastructure <sup>1</sup>
<b>Competitive behavior</b>		
EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations (USD)	0
EM-MD-540a.2	Percentage of natural gas transmission pipelines inspected	95%
	Percentage of natural gas distribution pipelines inspected	100%
<b>Operational safety, emergency preparedness &amp; response</b>		
EM-MD-540a.1	Number of reportable pipeline incidents	1
EM-MD-540a.2	Percentage of natural gas transmission pipelines inspected	99%
	Percentage of natural gas distribution pipelines inspected	n/a

<sup>1</sup> Includes Sempra Infrastructure midstream operations in Mexico.

# 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 in our [2022 Annual Report on Form 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.

As a general practice, the Sempra board monitors overall governance processes and delegates specific areas of focus to standing committees, including for sustainability matters. The board has mandated the Safety, Sustainability and Technology (SST) committee with responsibility for the oversight of the company's risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, sustainability, human rights and other related ESG matters. The board updated the SST committee's charter in 2020, 2021 and 2022 to strengthen and clarify the way this committee oversees and considers sustainability and other related matters.

The SST committee currently is entirely composed of independent directors under the independence standards established by the NYSE. This committee's responsibilities include, among others, assisting the board:

- In overseeing the company's risk management and oversight programs and performance related to health, safety, safety culture, security, cybersecurity, technology, climate change, sustainability, human rights and other related ESG matters (collectively, SST matters) affecting the company, including employees, customers and the communities in which the company operates.
- In overseeing the policy, laws and regulations pertaining to SST matters relating to environmental, health and safety laws, regulations and other ESG developments at the global, national, regional and local levels and evaluating ways to address these matters as part of the company's immediate and longer-term business strategies and operations.
- In overseeing matters relating to technology developments that advance the company's goals related to SST matters, including reviewing management's implementation of risk management protocols concerning cybersecurity issues, including breaches and attacks, privacy and infrastructure security.
- In reviewing and monitoring the company's human rights policy and related implementation efforts, including the company's response to domestic and international developments in human rights that affect the company's business.
- In reviewing with management and, where appropriate, making recommendations to management and the board of directors regarding the company's policies, practices and strategies concerning SST matters.

Following review by the SST committee, in 2021 Sempra issued our energy transition action plan, defining representative capabilities and investment opportunities to advance our aim to have net-zero GHG emissions by mid-century. A portion of Sempra's named executive officer compensation is linked to achieving milestones in this area.

Sempra's board includes board members with extensive experience and leadership in the global energy industry where sustainability and GHG emission reduction has been a top priority, including in clean and renewable energy. The board chair is co-chair of the Electricity Community and a governor of the Oil and Gas Community of the World Economic Forum.

For additional information/details, see [Sustainability governance](#); [2023 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 level. Sempra's chief sustainability officer (CSO) reports directly to Sempra's CEO and serves also as senior vice president—corporate affairs. The Sempra CSO

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

has oversight of sustainability reporting processes, which includes goal setting and ESG performance, as well as the aggregation of data and reporting of emissions performance and efforts related to climate. Sempra's CSO also serves as the primary link between the SST committee of Sempra's board and the sustainability function and helps implement Sempra's sustainability vision. A sustainability steering committee comprised of officers from our companies was formed in 2018. The steering committee works to oversee sustainability efforts under the Sempra sustainability framework and provide a forum to share practices in these areas. Leaders at our businesses oversee and drive climate management at their respective companies. Our businesses also have their own chief sustainability officers and have developed executive-level sustainability steering committees to drive their management of climate-related issues.

For additional information/details, see [Sustainability governance](#); [CDP climate response](#)

## 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 focus on decarbonizing the industrial, transportation and power generation sectors. In combination, these sectors accounted for more than 33 gigatons of energy-related emissions in 2021. Decarbonizing these sectors means that grids will need to expand and harden, and zero-carbon electrons and molecules will need to work in tandem to meet the energy needs of consumers. Over the same period, global energy demand is expected to increase exponentially, with 70% of the projected increase in emerging markets and developing economies.<sup>1</sup> Innovation and new technologies will be central to society's net-zero goal by 2050. Our energy transition action plan focuses on three key capabilities—decarbonization, diversification and digitalization (3Ds)—which we believe can complement the solutions of today and technologies of the future, while providing customers access to affordable, reliable and cleaner energy solutions.

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

- Decarbonization: Reducing carbon intensity and lowering GHG emissions of energy is central to 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 energy choices to markets is a central part of the global solution, coupled with expansion of distributed networks and storage to improve resiliency.
- Digitalization: Integrating real-time information and cutting-edge analytics, AI, and technologies benefits network operators and supports improved operational efficiency, safety and service to consumers.

See pages [51-54](#) for examples of progress on our energy transition action plan.

### Risks - Transition

#### *Policy and legal*

##### **Short term**

Sempra's businesses can face civil liability and criminal penalties, enforcement actions, financial fines and increases in operating costs if they fail to comply with federal and state air pollution limits and other environmental and climate regulations, such as, where applicable, California's RPS program, which requires electric retail sellers to procure a minimum portion of their electricity products from eligible renewable energy sources. The CPUC and CEC implement and administer RPS compliance rules for California's retail sellers of electricity, which include large and small investor-owned utilities, electric service providers and community choice aggregators. This progress is on track to meet California's requirement that 60% of electricity be served by renewable resources by 2030 and California's goal for 100% renewable or zero-carbon electricity by 2045. Annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities and customer load departure to community choice aggregators.

<sup>1</sup> International Energy Agency (IEA) Global Energy Review 2021

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

#### **Medium and long term**

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

Additionally, while the U.S. has committed to pursue a 50-52% reduction in emissions from a 2005 baseline economy-wide, this target could be changed in future legislative or executive action. Further, states and local governments continue to pursue their own climate policies that may be more aggressive than this target or result in disparate emission reduction strategy requirements. Anticipating these future changes, Sempra is already undertaking numerous actions to work to decarbonize and be a leader in the energy transition.

#### *Technology*

##### **Short term**

As the global community transitions to a lower carbon economy, we recognize resilient energy infrastructure and networks are critical to the reliable delivery of energy. While additional technological advancements are needed to meet society's climate goals, we believe Sempra's energy transition action plan and strategic outlook rooted in three key capabilities—decarbonization, diversification and digitalization (the 3Ds)—will allow us to respond with agility to the evolving energy transition and be prepared to shift as technologies and solutions are commercialized. We are preparing today to capitalize on evolving innovation in the future, helping us to achieve our aim to have net-zero GHG emissions by 2050. While there are always risks associated with new technology development, including, among other things, that new technology development to enable decarbonization takes place more slowly than expected or that technologies in development do not work as expected or are not economically or technically feasible, Sempra is engaged in robust technological development initiatives to try to help mitigate this challenge. For example, SoCalGas is involved in several demonstration projects to explore how renewable hydrogen could be used to transition to clean and resilient energy systems of the future. Read more on pages [52](#), [53](#) and [74](#).

##### **Medium to long term**

Climate change policy and public sentiment has encouraged the development of low- and zero-carbon energy resources and related new technologies such as the push toward electrification and energy storage. We will need to continue to expend capital and employee resources to develop and deploy new technologies and modernize grid systems in our efforts to support the clean energy transition in California and elsewhere and achieve our climate targets and those mandated by applicable authorities, which may not be recoverable in rates or, with respect to our non-regulated utility businesses, may not be able to be passed through to customers. Even if such costs are recoverable, the costs of these efforts and complying with these mandates, coupled with the necessary costs of investing for safety and reliability, may negatively impact the affordability of SDG&E's and SoCalGas' customer rates and, for our non-regulated utility businesses, may cause costs to increase to levels that reduce customer demand and growth. SDG&E and SoCalGas, as well as any of our other businesses affected by GHG emissions mandates, may also be subject to fines and penalties if mandated renewable energy goals are not met, and all our businesses could suffer difficulties attracting investors and business partners, reputational harm and other negative effects if we do not meet or if we scale back our GHG emissions aims or there are negative views about our environmental disclosures or practices generally. Any of these outcomes could have a material adverse effect on our results of operations, financial condition, cash flows and/or prospects. Risks of technological stagnation in the medium and long term are not unique to Sempra but rather reflect broader challenges faced within the energy and infrastructure sectors. To meet all of California's retail electricity supply with a mix of RPS Program-eligible and zero-carbon resources by 2045 as required by policy established by California law, carbon-free, dispatchable resources will be needed. If that technology does not arrive in a timely and reliable manner, meeting the requirements of California SB 100 and Sempra's aim to have net-zero GHG emissions by 2050 may be at risk. Further, slower- or less effective-than-expected advances in energy technology overall could challenge robust decarbonization ambitions, and expansion of non-dispatchable generation could introduce difficulty load-balancing if advances in grid technology or demand management tools stagnate.

#### *Market*

Electric utilities in California are experiencing increasing deployment of distributed energy resources (DERs), such as solar generation, energy storage and energy efficiency and demand response technologies, and California's environmental policy objectives are accelerating the pace and scope of these changes. This growth of DERs and demand management will require further modernization of the electric distribution grid



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

to, among other things, accommodate increasing two-way flows of electricity and increase the grid's capacity to interconnect these resources. In addition, enabling California's clean energy goals will require sustained investments in grid modernization, renewable integration projects, energy efficiency programs, energy storage options, operational and data management systems and electric vehicle infrastructure. The growth of third-party energy storage alternatives and other technologies also may increasingly compete with SDG&E's traditional transmission and distribution infrastructure in delivering electricity to consumers. The CPUC is conducting several proceedings regarding DERs and demand management, including evaluation of various projects and pilots; changes to the planning and operation of the electric distribution grid to prepare for higher penetration of DERs; future grid modernization and grid investments; the deferral of traditional grid investments by DERs; and the role of the electric distribution grid operator. These proceedings and the broader changes in California's electricity industry could result in new regulations, policies and/or operational changes that could materially adversely affect SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects.

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

Certain California legislators, as well as stakeholder, advocacy and activist groups, have expressed a desire to limit/eliminate reliance on natural gas as an energy source by advocating increased use of renewable electricity and electrification in lieu of the use of natural gas. Reducing methane emissions also has become a major focus of certain local and state agencies and the U.S. administration, as well as the CPUC, resulting in passed or proposed legislation, regulation, policies and ordinances to prohibit or restrict the use and consumption of natural gas in new buildings, appliances and other applications. These actions could have the effect of reducing natural gas use over time. The California Air Resources Board (CARB), California's primary regulator for GHG emissions reduction programs, continues to pursue plans for reducing GHG emissions in line with California's climate goals that include proposals to reduce natural gas demand through proposed building decarbonization measures (for example, zero-emission standards for space and water heaters), or through promoting legislation for increased renewable electricity generation. Additionally, the California Energy Commission's Title 24 requirements mandate that new construction include electric-ready buildings and heat pump technologies beginning in 2023. The CPUC has an ongoing proceeding that seeks to establish a state-wide process to help utilities plan appropriate gas infrastructure portfolios as natural gas usage in the state is expected to decline. This includes a new gas infrastructure General Order (GO 177) requiring site-specific approvals for certain gas infrastructure projects as well as issuance of a CPUC staff proposal to develop a gas distribution infrastructure decommissioning framework. The CPUC may similarly enact measures to reduce natural gas demand (such as more aggressive energy efficiency programs), promote fuel substitution (such as replacement of natural gas appliances with electric appliances), and order changes (such as its recent decision to eliminate gas line extension allowances for new applications submitted on or after July 1, 2023).

A substantial reduction or the elimination of natural gas as an energy source in California without adequate and appropriate recovery of investments could result in impairment of some or all of SoCalGas' and SDG&E's natural gas infrastructure assets if they were not permitted to be repurposed for alternative fuels, were required to be depreciated on an accelerated basis or were to become stranded, which could have a material adverse effect on SoCalGas', SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects.

Risk exists to LNG export projects, including the ECA LNG Phase 1 and Port Arthur LNG Phase 1 projects under construction and potential development of other LNG export facilities. The ability to reach a final investment decision and, if a positive decision is made and a project is completed, the overall success of each project are dependent on global energy markets, including natural gas and oil supply, demand and pricing, the ability to reach advantageous agreements with our counterparties, including our partners, off-takers, and EPC contractors, risks inherent in construction, and the ability to obtain and maintain government approvals, among other things. In general, depressed natural gas and LNG prices in the markets we intend to serve due to shifts in supply or other factors could reduce the pricing and cost advantages of exporting domestically produced natural gas and LNG, which could lead to decreased demand. In addition, global oil prices and their associated current and forward projections could reduce demand for natural gas and LNG in some sectors. A reduction in natural gas demand could also occur from higher penetration of alternative fuels in new power generation, or as a result of calls by some to limit/eliminate reliance on natural gas as an energy source globally. Oil prices could also make LNG projects in other parts of the world more feasible and competitive with LNG

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

projects in North America, thus increasing supply and competition for any available LNG demand. Moreover, because LNG projects take a number of years to develop and construct, it is difficult to match current and expected demand with the projected supply from projects under development. Any of these occurrences could impact competition and prospects for developing LNG export projects and negatively affect the performance and prospects of any of our projects that are or become operational.

#### *Reputation*

Sempra and our stakeholders are aware of the effects of climate change and seek ways to limit its impact. This atmosphere of heightened climate-related concern might impact our reputation. We try to mitigate this risk by focusing on safe and efficient operations; setting and working to achieve climate aims; and working to develop new energy resources and technologies, including renewable natural gas, hydrogen and energy storage. Sempra is pursuing the dual opportunities of advancing decarbonization and delivering energy security globally, with a focus on climate resilient energy networks in the markets we serve, as well as addressing concerns around affordability to help enable a just, fair and inclusive energy transition that supports workers and communities while accelerating climate action.

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

#### **Physical**

##### **Short term (1 - 3 years)**

###### *Acute*

Our facilities and infrastructure, including projects in development and under construction, may be damaged by severe weather, natural disasters, accidents, explosions or acts of terrorism, war or criminality. Because we are in the business of using, storing, transporting and disposing of highly flammable, explosive and radioactive materials and operating highly energized equipment, the risks such incidents may pose to our facilities and infrastructure, as well as the risks to the surrounding communities for which we could be held responsible, are substantially greater than the risks such incidents pose to a typical business. Such incidents could result in business and project development disruptions, power or gas outages, property damage, injuries and loss of life for which we could be liable and could cause secondary incidents that also may have these or other negative effects, such as fires; leaks of natural gas, natural gas odorant, propane, ethane, other GHG emissions or radioactive material; spills or other damage to natural resources; or other nuisances to affected communities. Moreover, weather-related incidents have become more prevalent, unpredictable and severe as a result of climate change or other factors, which could have a greater impact on our businesses than currently anticipated and, for our regulated utilities, rates may not be adequately or timely adjusted to reflect any such increased impact. Any such outcome could have a material adverse effect on our results of operations, financial condition, cash flows and/or prospects.

For example, over the past few years, California has been experiencing some of the largest wildfires (measured by acres burned) in its history. Frequent and severe drought conditions, inconsistent and extreme swings in precipitation, changes in vegetation, unseasonably warm temperatures, low humidity, strong winds and other factors have increased the duration of the wildfire season and the intensity, prevalence and difficulty of prevention and containment of wildfires in California, including in SDG&E's and SoCalGas' service territories. Changing weather patterns, including as a result of climate change, could cause these conditions to become even more extreme and unpredictable. These wildfires could jeopardize SDG&E's and SoCalGas' electric and natural gas infrastructure and third-party property and result in temporary power shortages in SDG&E's and SoCalGas' service territories. Certain California local land use policies and forestry management practices have been relaxed to allow for the construction and development of residential and commercial projects in high-risk fire areas, which could lead to increased third-party claims and greater losses in the event of fires in these areas for which SDG&E or SoCalGas may be liable. Any such wildfires in SDG&E's and SoCalGas' territories (or outside of these territories in the event the wildfire fund established by California Assembly Bill 1054 is materially diminished) could materially adversely affect SDG&E's, SoCalGas' and Sempra's results of operations, financial condition, cash flows and/or prospects.

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

*Chronic*

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

**Medium term (4 - 10 years)**

*Acute*

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

*Chronic*

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

**Long term (11+ years)**

*Acute*

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

*Chronic*

Rising sea levels pose a threat to our energy infrastructure located in coastal areas. Through SDG&E, SoCalGas and Sempra Infrastructure operations, we have a concentration of operations and infrastructure in coastal areas of California, Northern Baja California, Mexico and Louisiana. Sea level rise may be compounded by other causes of flooding that we already experience—extreme high tides and storm surges. Coastal flooding may also lead to further beach and bluff erosion as well as runoff and drainage problems from intense storms. If these effects were to occur, extended service losses and operational challenges could result. The gas system could also experience impacts from climate change, including in the form of increased repair/maintenance needs or localized disruptions. Widespread disruptions to natural gas infrastructure would not be expected due to limited project exposure to climate hazards, and low system sensitivity when hazards do occur. Other indirect impacts could be experienced by nearby communities if critical customers served by the substations, such as sewage pumping stations, hospitals, airports, and ports, are affected by outages. For other asset types, potential direct impacts are expected in the form of increased maintenance and repair costs.

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

Sempra's focus on sustainable business practices is central to our strategy, capital allocation and operational performance.

*Strategy and financial planning*

Our mission is to be North America's premier energy infrastructure company. We are primarily focused on transmission and distribution investments, among other areas, that we believe are capable of producing stable cash flows and earnings visibility, with the goal of delivering safe, reliable and increasingly cleaner forms of energy to customers and increasing shareholder value. As the owner of one of the largest energy networks on the continent, Sempra is helping to electrify and decarbonize some of the world's most significant economic markets, including California, Texas, Mexico and the LNG export market. For years, Sempra has been integrating climate risk into our business strategy and has been on a sustained path to decarbonize our own operations and support decarbonization in the markets our businesses serve. This has involved capital expenditures in infrastructure that help enable a clean energy transition.

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 three 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 the 3Ds;
- 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% compared to a 2019 baseline; and
- Create a credible path toward reaching our aim to have net-zero GHG emissions by 2050.

For additional information/details, see [About Sempra](#); [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 GHG emissions 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 transmission and distribution platform, where we:

- Maintain top-tier positions in some of the most attractive markets in North America;
- Invest in critical transmission and distribution infrastructure;
- Work to advance global energy diversity; and
- Leverage core competencies in innovation, operational excellence and stakeholder engagement.

Additionally, Sempra expects to advance our aim to have net-zero GHG emissions by 2050 through investment in infrastructure and research and development in the 3Ds to help evolve our energy systems. Representative examples in each of these areas and information on our progress can be found on pages [51-54](#) of this report.

Part of driving resilient operations includes adapting to changing weather conditions resulting from climate change. Sempra's businesses continue to invest in new technologies, such as microgrids, predictive analytics and emergency response systems, to maintain resiliency of operations and support the communities in which they operate.

**SDG&E** is recognized as an industry leader in wildfire prevention and mitigation, which we see as a critical part of our strategy to improve the climate resilience of our infrastructure. The company has invested in establishing a Fire Science and Climate Adaption department for situational awareness that is comprised of meteorologists, community resiliency experts and fire coordinators.

**SoCalGas'** resilient underground pipeline system is designed to prevent, withstand, adapt to and quickly recover from disruption. The gas infrastructure system has the potential to enhance and complement a reliable and resilient energy grid supported by clean electrons and molecules. Combining the diversity and strengths of renewable electricity from solar, wind and hydro with the strengths of lower or zero-carbon fuels, such as hydrogen and renewable natural gas, helps to support a more reliable and affordable clean energy future, without increased compromise to the resiliency of the grid.

**Oncor's** dedicated personnel work hard to prepare for and respond to various weather conditions. Planning occurs year-round in anticipation of a variety of potential seasonal impacts, with preparations implemented months before the hot or cold seasons begin, including: utilizing forecasting and predictive analytics to identify equipment for upgrades or replacement, performing ground and air inspections of facilities, and increasing storm response inventory and regularly completing staff emergency preparedness trainings.

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

**Sempra Infrastructure's** emergency response action plans identify various climate-related risks such as wildfires in northern Mexico, earthquakes in central Mexico, and hurricanes in the Gulf Coast, with enhanced communication tools in place for prompt response and action. The Cameron LNG facility has been engineered to endure hurricane-force winds. The Cameron LNG weather risk management and operations teams have implemented an early alert system to safely evacuate personnel, shut down, and subsequently restore operations of the facility in response to hurricanes and storms in the region.

For additional information/details, see [About Sempra](#); [GHG emissions](#); [Our businesses](#)

## Risk management

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

Sempra and our businesses identify, assess and, where possible, mitigate a broad and complex set of risks commonly associated with the energy industry, as well as risks specific to each business. A changing climate has regulatory, operational and reputational impacts on our businesses. Management of climate-related risks is integrated into Sempra's overall approach to risk. At Sempra, the board and the compliance and enterprise risk committee provide oversight of identified risk areas. Risk management teams at each business, including Sempra, lead an established enterprise risk management program to assess risks using risk maps and other tools to help identify and monitor business risk exposure. To evaluate these risks at the Sempra level, we look at different potential scenarios, such as 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. We identify issues based on their ability to impact operational costs, costs to customers, or reputation. We monitor climate-related risks, increasingly volatile weather, impacts on insurance markets, emergency preparedness, legal and regulatory developments, as well as investor and public concerns. This serves to identify issues to be monitored on an ongoing basis. The substantive impact of each identified risk is assessed and evaluated at various levels within Sempra and its businesses, including by line managers, officers and senior management teams in each business.

For additional information/details, see [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 drought. Others are medium term, such as meeting certain regulatory targets 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. 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.

For additional information/details, see [Risk management](#); [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 Sempra, the board and the compliance and enterprise risk committee provide oversight of identified risk areas. Risk management teams at each business, including Sempra, lead an established enterprise risk management program to assess risks using risk maps and other tools to help identify and monitor business risk exposure. To evaluate these risks at the Sempra level, we look at different potential scenarios, such as 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.

For additional information/details, see [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. For additional supporting documents, please refer to our [sustainability resource library](#).

For additional information/details, see [GHG emissions](#)

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

### 2022 estimated GHG emissions<sup>1</sup>

Scope 1: 7.2 million metric tons CO<sub>2</sub>e  
 Scope 2: 0.359 million metric tons CO<sub>2</sub>e  
 Scope 3: 66.6 million metric tons CO<sub>2</sub>e

For additional information/details, see [GHG emissions](#)

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

### Each year, we aim to:

- Enroll 90% of eligible customers in alternative rates for energy programs at SDG&E and SoCalGas
- Fulfill 100% of new renewable energy requests for interconnection at Oncor
- Operate our existing LNG infrastructure at a GHG emissions intensity 20% less than our 2020 baseline.<sup>2</sup>
- Actively partner with companies and institutions across the LNG supply chain to reduce scope 2 and 3 emissions

### By 2030, we aim to:

- Reduce our Sempra California and Mexico (non-LNG) operational scope 1 and 2 GHG emissions 50% compared to a 2019 baseline
- Deliver 20% renewable natural gas (RNG) to core customers at SoCalGas<sup>3,4</sup>
- Reduce fugitive emissions<sup>5</sup> from our natural gas transmission and distribution system 40% from our 2015 baseline<sup>6</sup>
- Eliminate 100% of natural gas vented during planned transmission pipeline work at SDG&E and SoCalGas, excluding emergency repairs<sup>7</sup>

### By 2045, we aim to:

- Deliver 100% renewable or zero-carbon energy to electric utility customers at SDG&E

### By 2050, we aim to<sup>8</sup>:

- Have net-zero GHG emissions

For additional information/details, see [Enabling the energy transition; GHG emissions](#)

<sup>1</sup> 2022 Scope 1 and 2 emissions data subject to verification. Does not include Oncor. Refer to the “reporting boundary” section of this report on page 12.

<sup>2</sup> This goal is through 2025. The Cameron LNG facility, the primary LNG operating asset, is operated by Cameron LNG, LLC, a company owned by several investors, including SI Partners. It achieved its first full year of operations in 2021 and as the LNG business gains operational history and continues to grow, we expect to establish new goals.

<sup>3</sup> Core customers is “core service” as defined in SoCalGas’ Tariff Rule No. 23.

<sup>4</sup> SoCalGas will need the continued support of state regulators and legislators in order to meet its 2030 goal. We can provide no assurance that such support will be received.

<sup>5</sup> For purposes of this goal, “fugitive emissions” means leaks and vented emissions.

<sup>6</sup> SDG&E, SoCalGas and Sempra Infrastructure’s Mexico operations contribute to this goal. The baseline year for Sempra Infrastructure’s Mexico operations is 2019.

<sup>7</sup> Progress on this goal is measured against a 2015 baseline.

<sup>8</sup> Our net-zero aim does not include Oncor, which sets its own goals. Refer to the “reporting boundary” section of this report on page 12.

# Trade association climate lobbying alignment

Sempra and our businesses are members of trade associations focused on the important business and technical issues critical to our mission to be North America's premier energy infrastructure company. As a general matter, these associations enable us to learn the views of others, obtain feedback and participate in forming industry perspectives on legislation and regulations. Some of these associations engage in lobbying activities on various issues.

We are transparent about the fact that we may not agree with all of the positions of every industry, trade or policy organization in which we participate. However, we believe there is great value in open dialogue and having shared context to create opportunities to promote meaningful influence and engagement. It is our view that having a seat at the table allows us to have constructive dialogue to address global climate issues, as well as foster a community of learning in all areas of sustainable business practices. Regular participation with these organizations helps provide us an opportunity to influence their positions in a manner that aligns with Sempra's energy transition action plan—including our aim to have net-zero GHG emissions by 2050—and our commitment to sustainability in advancing the long-term interests of our shareholders and other stakeholders.

In 2022, Sempra continued our work started in 2021 to advance standardized climate lobbying disclosures by trade associations, in support of our shareholders and industry as a whole. A request for participation was sent to all U.S.- based trade associations to which Sempra, Sempra California or Sempra Infrastructure pays annual dues or membership fees of \$20,000 or more that include lobbying expenditures. We excluded any trade associations that did not lobby on climate and/or energy policy.

We evaluated the trade associations' responses to assess their climate-related policy and advocacy positions and determined:

- Alignment with 27 associations;
- Partial alignment with 10 associations; and
- Misalignment with 0 associations

Trade association	Membership type	Alignment <sup>1</sup>
American Council for Capital Formation (ACCF)	Board member	Aligned
American Gas Association	Board and committee member	Aligned
American Petroleum Institute	Board and committee member	Partially aligned
Bioenergy Association of California	Board member	Aligned
Business Council for Sustainable Energy	Board and committee member	Aligned
California Business Properties Association	Member	Aligned
California Business Roundtable	Board member	Aligned
California Carbon Capture Coalition	Board member	Aligned
California Chamber of Commerce	Board member	Partially aligned
California Council for Environmental and Economic Balance	Member	Aligned
California Energy Storage Alliance Inc	Member	Aligned
California Hydrogen Business Council	Board member	Aligned
California Manufacturers & Technology Assoc.	Member	Aligned
California Renewable Transportation Alliance (formerly California Natural Gas Vehicle)	Board member	Aligned
California Wind Energy Association (CalWEA)	Member	Aligned
Carbon Neutral Coalition	Board member	Aligned
Center for LNG	Board and committee member	Aligned
Central City Association of Los Angeles	Member	Aligned
Central Valley Business Federation	Board member	Partially aligned

Trade association	Membership type	Alignment <sup>1</sup>
Civil Justice Association of California	Board member	Partially aligned
Clean Hydrogen Future Coalition	Board member	Aligned
Coalition for Renewable Natural Gas	Committee member	Aligned
Edison Electric Institute	Board and committee member	Aligned
Greater Houston Partnership	Board member	Aligned
Interstate Natural Gas Association of America	Board and committee member	Aligned
Large Scale Solar Association	Member	Partially aligned
Long Beach Area Chamber of Commerce	Member	Partially aligned
Los Angeles Area Chamber of Commerce	Board member	Partially aligned
Los Angeles County Business Federation	Member	Partially aligned
Mid-Continent Oil & Gas Association - Louisiana Chapter	Member	Aligned
Orange County Business Council	Board member	Aligned
San Diego Regional Chamber of Commerce	Member	Aligned
Texas Association of Business	Member	Partially aligned
Texas Oil & Gas Association	Member	Aligned
US Chamber of Commerce	Board and committee member	Aligned
Valley Industry and Commerce Association	Board member and chair of energy committee	Partially aligned
Western States And Tribal Nations Natural Gas Initiative	Member	Aligned





<sup>1</sup> For this purpose, "aligned" means the organization's mission, lobbying activities, and public position on climate and/or energy is consistent with Sempra's energy transition action plan, including its aim to have net-zero GHG emissions by 2050; "partially aligned" means components of the organization's mission, lobbying activities, and public position are aligned with Sempra's energy transition action plan, including our aim to have net-zero GHG emissions by 2050 and/or Sempra's four pillars of sustainability; "misaligned" means the organization's mission, lobbying activities, and public position are not consistent with Sempra's energy transition action plan, including our aim to have net-zero GHG emissions by 2050 and/or Sempra's four pillars of sustainability. Determination of "alignment" of any trade association does not represent an endorsement of the organization.

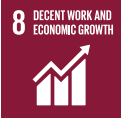







# Alignment with the United Nations Sustainable Development Goals

In 2015, the United Nations released its 2030 Development Agenda, which included 17 sustainable development goals (UN SDGs) and supporting targets. Through our core business activities, Sempra strives to directly align to SDGs 3, 6, 7, 8, 9, 11, 12 and 13.

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

UN SDG	Our approach	Find in our report
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	Aligns with our work to be a leader in the energy transition by helping to decarbonize our business and the markets we serve. The Sempra family of companies is focused on achieving world-class safety for our contractors, employees and the communities we serve.	<p><b>UN SDG 3</b>  <a href="#">Energy transition action plan</a>; <a href="#">Safety</a>                      SDG&amp;E: <a href="#">Achieving world-class safety</a>                      SoCalGas: <a href="#">Achieving world-class safety</a>                      Oncor: <a href="#">Achieving world-class safety</a>                      Sempra Infrastructure: <a href="#">Achieving world-class safety</a>; <a href="#">Fundación Sempra Infraestructura</a></p>
 <p><b>5</b> GENDER EQUALITY</p>	Aligns with our dedication to championing people through gender equality for our employees and in our communities.	<p><b>UN SDG 5</b>  <a href="#">High performance culture</a>; <a href="#">Community engagement</a>; <a href="#">Human rights</a>                      SDG&amp;E: <a href="#">Championing people</a>; <a href="#">Driving responsible governance</a>; <a href="#">Social and workforce data</a>                      SoCalGas: <a href="#">Championing people</a>                      Oncor: <a href="#">MWBE</a>, <a href="#">Championing people</a>                      Sempra Infrastructure: <a href="#">Championing people</a>;</p>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	Aligns with Sempra's management of water use in our operations and at our facilities.	<p><b>UN SDG 6</b>  <a href="#">Water</a></p>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	Aligns with Sempra's role as a leader in the energy transition, demonstrated by our aim to have net-zero GHG emissions by 2050, focus on developing renewable power generation in Mexico and delivering increasing amounts of resilient, renewable energy to customers.	<p><b>UN SDG 7.1</b>  <a href="#">Community engagement</a>                      SDG&amp;E: <a href="#">Solar equity program</a>; <a href="#">Battery storage and microgrids</a></p> <p><b>UN SDG 7.2</b>  <a href="#">Energy transition action plan</a>                      SDG&amp;E: <a href="#">Path to net-zero study</a>; <a href="#">Innovative V2G projects</a>; <a href="#">Vehicle-to-everything and vehicle-grid-integration</a>; <a href="#">Battery storage and microgrids</a>                      SoCalGas: <a href="#">Angeles Link</a>; <a href="#">[H2] innovation experience</a>; <a href="#">Green bond issuance</a>; <a href="#">Methane emissions</a>                      Oncor: <a href="#">Green bond issuance</a>; <a href="#">Renewable interconnections</a>; <a href="#">Distributed generation</a>; <a href="#">Electric vehicles</a>                      Sempra Infrastructure: <a href="#">Enabling the energy transition</a></p> <p><b>UN SDG 7.3</b>  <a href="#">Digitalization</a>                      SDG&amp;E: <a href="#">Energy efficiency and demand response</a></p>

UN SDG	Our approach	Find in our report
	<p>Aligns with our unwavering commitment to safety in our operations, for our workforce and for the communities we serve. We are also committed to championing our employees, partners and the communities in which we operate, demonstrated through our high performance culture.</p>	<p><b>UN SDG 8.5</b>  <a href="#">Driving responsible governance</a>; <a href="#">High-performance culture</a>; <a href="#">Human capital development</a>; <a href="#">Community engagement</a>                      SDG&amp;E: <a href="#">Workforce development</a>                      SoCalGas: <a href="#">Workforce diversity</a>; <a href="#">Indigenous communities</a>                      Oncor: <a href="#">Electrical line technician program</a>                      Sempra Infrastructure: <a href="#">High performance culture</a>; <a href="#">Social and workforce data</a></p> <p><b>UN SDG 8.8</b>  <a href="#">Risk management</a>; <a href="#">Safety</a>                      SDG&amp;E: <a href="#">Achieving world-class safety</a>                      SoCalGas: <a href="#">Achieving world-class safety</a>                      Oncor: <a href="#">Achieving world-class safety</a>                      Sempra Infrastructure: <a href="#">Asset integrity management</a>; <a href="#">Compliance</a>; <a href="#">Cybersecurity</a>; <a href="#">Achieving world-class safety</a></p>
	<p>Aligns with Sempra's efforts to drive resilient operations, our energy transition action plan and our focus on decarbonization, diversification and digitalization.</p>	<p><b>UN SDG 9.4</b>  <a href="#">Energy transition action plan</a>                      SDG&amp;E: <a href="#">Innovative V2G projects</a>; <a href="#">Vehicle-to-everything and vehicle-grid-integration</a>; <a href="#">Battery storage and microgrids</a>                      SoCalGas: <a href="#">Angeles Link</a>; <a href="#">[H2] innovation experience</a>; <a href="#">Methane emissions</a>; <a href="#">Pipeline safety innovation</a>                      Oncor: <a href="#">Renewable interconnections</a>; <a href="#">Distributed generation</a>; <a href="#">Electric vehicles</a>; <a href="#">Distribution automation</a>                      Sempra Infrastructure: <a href="#">Renewable generation</a>; <a href="#">Decarbonization efforts</a></p>
	<p>Aligns with our commitment to championing people by bringing lower-carbon energy to developing economies and our history of supporting a diverse supply chain.</p>	<p><b>UN SDG 10</b>  <a href="#">Driving responsible governance</a>; <a href="#">Community engagement</a>; <a href="#">Human rights</a>                      SDG&amp;E: <a href="#">Workforce development</a>                      SoCalGas: <a href="#">Championing people</a>                      Oncor: <a href="#">DEI summit</a>; <a href="#">North Texas LGBTQ Chamber of Commerce</a>; <a href="#">MWBE</a>                      Sempra Infrastructure: <a href="#">Diversity and inclusion</a>; <a href="#">Community engagement</a></p>
	<p>Aligns with our investment in helping enable the energy transition with cleaner transportation and our focus on reducing emissions from our companies' fleets and facilities.</p>	<p><b>UN SDG 11</b>  <a href="#">Energy transition action plan</a>                      SDG&amp;E: <a href="#">Innovative V2G projects</a>; <a href="#">Vehicle-to-everything and VGI</a>                      SoCalGas: <a href="#">RNG</a>; <a href="#">Fleet debarbonization</a>                      Oncor: <a href="#">Electric vehicles</a></p>
	<p>Aligns with our efforts to improve recycling, reduce our waste and drive more resilient operations while protecting the environment.</p>	<p><b>UN SDG 12</b>  <a href="#">Supply chain</a>  <a href="#">Waste and recycling</a></p>
	<p>Aligns with our sustainability strategy to help enable the energy transition and aim to have net-zero GHG emissions by 2050.</p>	<p><b>UN SDG 13.1</b>  <a href="#">Community engagement</a>; <a href="#">Protecting the environment</a>; <a href="#">Energy transition action plan</a>                      SDG&amp;E: <a href="#">Path to net-zero study</a>; <a href="#">Innovative V2G projects</a>; <a href="#">Vehicle-to-everything and VGI</a>; <a href="#">Battery storage and microgrids</a>; <a href="#">Habitat and natural resource conservation planning</a>; <a href="#">SDGivE green team project</a>; <a href="#">Solar equity program</a>                      SoCalGas: <a href="#">Angeles Link</a>; <a href="#">[H2] innovation experience</a>; <a href="#">Green bonds issuance</a>; <a href="#">Methane emissions</a>                      Oncor: <a href="#">Green bond issuance</a>; <a href="#">Renewable interconnections</a>; <a href="#">Distributed generation</a>; <a href="#">Electric vehicles</a>                      Sempra Infrastructure: <a href="#">Enabling the energy transition</a>; <a href="#">Natural resources management</a></p> <p><b>UN SDG 13.2</b>  <a href="#">Political engagement</a>  <a href="#">Trade association climate lobbying alignment</a></p>

# Executive compensation—environmental, social and governance goals

## Performance-based annual bonus plan—additional information

Sempra’s annual performance-based cash bonus plan for 2022 applicable to Sempra’s named executive officers included three performance measures: (1) Sempra’s GAAP earnings, as adjusted for annual bonus plan purposes based on predefined adjustments established by the CTD committee of Sempra’s board of directors, weighted at 80%, (2) employee and public safety measures established by the CTD committee of Sempra’s board of directors, weighted at 12%, and (3) environmental, social and governance measures established by the CTD committee of Sempra’s board of directors, weighted at 8%. The following sets forth the results of the third category of these performance measures. For more information about Sempra’s executive compensation program, including the manner in which payouts were determined for all performance measures under the 2022 annual bonus plan, the adjustments to Sempra’s GAAP earnings for annual bonus plan purposes, exclusions and other components of Sempra’s 2022 executive compensation program, please refer to the [2023 Proxy Statement](#).

## Results of environmental, social and governance measures used in Sempra’s 2022 performance-based annual bonus plan for Sempra’s named executive officers

Environmental Goals	Status	Commentary
CORE   Include sustainability aspirations in capital allocation processes	✓	The company’s sustainability aspirations are included in investment screening criteria
CORE   Launch program to standardize carbon tracking and reporting	✓	Completed phase one of the company’s carbon tracking and reporting program
CORE   Begin the transition from self-generation to e-drive (grid-connected) support for Cameron LNG Phase 2 development project by filing appropriate FERC permit	✓	Sempra Infrastructure filed permit to transition to electric drive turbines at Cameron LNG Phase 2 development project, which are expected to reduce the scope 1 emissions footprint of the proposed facility
CORE   Further network resilience with two or more capital projects to address severe weather and wildfire risks	✓	Operating companies advanced numerous modernization and hardening development projects to address severe weather risks, including the Westside Canal Energy Storage project, Borrego and Palomar green hydrogen pilots and over 10 microgrid projects at SDG&E
CORE   Transition to 100% renewable electricity for Sempra headquarters and SDG&E and SoCalGas offices and service centers	✓	Completed for grid-connected Sempra headquarters and Sempra California offices and service centers where a renewable tariff is available
Improve regulatory compact to support higher volumes of cleaner forms of natural gas coming on to the system	✓	At Sempra California, helped secure regulatory approval of a renewable gas standard (Senate Bill 1440) for California investor-owned utilities which targets renewable gas procurement to serve a minimum of 12% bundled core demand by 2030; additionally, helped secure policy support from the CPUC for hydrogen blending demonstrations and filed General Rate Case 2024 applications which advance strategic priorities including sustainability and cleaner fuels
Gain CPUC memorandum account approval for significant new capital project in support of hydrogen infrastructure	✓	Secured CPUC approval of SoCalGas’ memorandum account to proceed with feasibility studies for hydrogen infrastructure
Advance significant interconnections of more than 6,000 megawatts of new renewable generation on Oncor’s transmission network	✓	Exceeded goal for new renewable generation interconnections

<b>Social Goals</b>	<b>Status</b>	<b>Commentary</b>
CORE   20%-25% of manager-level employees to complete diversity and inclusion (D&I) training	✓	25% of manager-level employees completed D&I training
CORE   100% of officers and 25% of director-level employees to complete additional diversity training related to leading a multi-generational/multi-ethnic workforce	✓	100% of officers and 94% of director-level employees completed additional diversity training related to leading a multi-generational/multi-ethnic workforce
CORE   Identify more than 40 high-potential employees below the director level and provide tailored leadership, development and training	✓	Identified 100 employees below the director level to participate in the enterprise-wide M-Power mentoring program and receive tailored leadership, development and training
CORE   Transition from pilot to formal launch of two or more Employee Resource Groups (ERGs), with dedicated written charters, skill development sessions, host employee development and other forums tied to workplace D&I issues	✓	<ul style="list-style-type: none"> <li>Established 8 additional ERGs for a total of 13 established ERG across the enterprise</li> <li>ERG leadership teams receive leadership development coaching and onboarding support</li> </ul>
CORE   Focus investments on enhancing lives in the communities we serve by focusing at least 50% of charitable giving on clean energy, sustainability, diversity and efforts to promote an inclusive economy	✓	85% of charitable giving across Sempra California and Sempra Infrastructure, and 95% of charitable giving at Sempra and Sempra Foundation, was in alignment with these categories
Enhance recruiting efforts to include more women and people of color in interviewee pools	✓	<ul style="list-style-type: none"> <li>Developed and launched external-facing social media campaign to increase the rate of female applicants</li> <li>Initiated recruiting relations with two new university campuses</li> <li>SoCalGas is validating physical skill requirements across 80+ roles; Gas Engineering launched Leak Survey Technician training program designed to remove physical barriers for women</li> <li>The SDG&amp;E collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) was ratified and includes a new Line Inspector position that reduces specific physical requirements that may have been a barrier for some applicants</li> <li>Developed strategic onboarding program for women in both field and non-field positions</li> </ul>
Increase the diversity of SDG&E and SoCalGas expenditures (SDG&E Minimum 35%, Target 38%, Maximum 42%; SoCalGas Minimum 38%, Target 40%, Maximum 43%)	✓	SDG&E's results were 39.75% and SoCalGas' results were 42.9%
Average SDG&E and SoCalGas customer survey results above 80% satisfied (Minimum 77%, Target 80%, Maximum 83%)	Not met	SDG&E's results were 63.5% and SoCalGas' results were 79.7%, resulting in an average of 71.6%
<b>Governance Goals</b>	<b>Status</b>	<b>Commentary</b>
CORE   Provide Sempra board with third-party training on governance and at least one other ESG-related topic	✓	Provided NACD-sponsored ESG training to the Sempra board
CORE   Provide training on the company's policies and practices regarding responsible stakeholder engagement to officers, director-level employees and other key groups	✓	Completed training on all components for U.S.-based officers, director-level employees and other key groups
CORE   Improve enterprise processes for internal oversight of cyber defense and maturity with a minimum of two enterprise-wide table-top exercises	✓	<ul style="list-style-type: none"> <li>Completed table-top exercises</li> <li>Continued to enhance and formalize cybersecurity governance by establishing a cybersecurity council that provides enterprise-wide oversight and developing a charter for cybersecurity governance and oversight functions</li> </ul>
CORE   In addition to engaging with numerous shareholders in our top 50, engage with at least five shareholders outside of our top 50 to obtain diverse and inclusive feedback	✓	Engaged more than five shareholders outside of the top 50
Continue to enhance the standardization of ESG disclosures to better align with TCFD and SASB	✓	Enhanced disclosures in alignment with TCFD and SASB in the 2022 corporate sustainability report in the following areas: workforce composition, biodiversity, water, human rights and U.N. Sustainable Development Goals
Update board configuration and governance of capital allocation at Sempra Infrastructure to reflect ongoing changes in ownership associated with the ADIA closing	✓	Updated board configuration and governance of capital allocation at Sempra Infrastructure to reflect changes in ownership

# Governance and business data<sup>1</sup>

<b>Financial highlights</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Revenues (millions of dollars)	10,829	11,370	12,857	<b>14,439</b>
Earnings attributable to common shares (millions of dollars)	2,055	3,764	1,254	<b>2,094</b>
Earnings per diluted common share (dollars)	7.29	12.88	4.01	<b>6.62</b>
Total assets (as of 12/31) (millions of dollars)	65,665	66,623	72,045	<b>78,574</b>
<b>Board of Directors</b>				
Number of board directors (as of 12/31)	15	13	12	<b>11</b>
Number of independent board directors (as of 12/31)	13	11	10	<b>10</b>
Board directors that are women as of 12/31 (% of board directors)	38	33	33	<b>36</b>
Board directors that are people of color as of 12/31 (% of board directors)	31	33	27	<b>27</b>
Independent board directors that are women as of 12/31 (% of independent directors)	38	57	50	<b>40</b>
Independent board directors that are people of color as of 12/31 (% of independent directors)	31	29	40	<b>30</b>
<b>Ethics &amp; Compliance Helpline</b>				
Ethics & Compliance Helpline calls <sup>2</sup>	375	330	409	<b>460</b>

<sup>1</sup> Refer to the "reporting boundary" section of this report on page 12.

<sup>2</sup> Includes calls received through Sempra's Ethics and Compliance Helpline and Mexico's Contigo line. Excludes Oncor. Refer to the "reporting boundary" section of this report on page 12.

# Social and workforce data<sup>1</sup>

<b>Our stakeholders</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of employees	18,134	19,104	19,927	<b>20,346</b>
Employee work-related fatalities	2	0	1	<b>0</b>
Employee recordable injury case rate (per 100 full-time workers)	2.16	1.59	1.52	<b>1.56</b>
Employee lost work-time case rate (per 100 full-time workers)	0.55	0.41	0.41	<b>0.34</b>
Contractor work-related fatalities <sup>2</sup>	0	0	0	<b>1</b>
Contractor recordable injury case rate (per 100 full-time workers) <sup>2</sup>	0.48	0.49	0.62	<b>0.41</b>
Contractor lost work-time rate (per 100 full-time workers) <sup>2</sup>	0.10	0.16	0.22	<b>0.13</b>
Women in workforce (%)	28	28	28	<b>28</b>
Women in salaried positions (%)	35	34	35	<b>35</b>
Women in leadership (%) <sup>3</sup>	29	30	33	<b>34</b>
People of color in workforce (%)	54	55	56	<b>59</b>
People of color in salaried positions (%)	47	53	55	<b>58</b>
People of color in leadership (%) <sup>3</sup>	29	30	31	<b>33</b>
Voluntary turnover (%)	6	5	7	<b>8</b>
Total turnover (%)	6	5	8	<b>9</b>
Employee engagement (%) <sup>4</sup>	85	n/a	87	<b>n/a</b>
Community giving (millions of dollars) <sup>5</sup>	31.4	51.9	52.6	<b>39.7</b>
SAIDI- Oncor <sup>6</sup>	84	79	78	<b>75</b>
SAIFI- Oncor <sup>7</sup>	1.25	1.25	1.27	<b>1.18</b>
SAIDI- SDG&E <sup>6</sup>	66	64	70	<b>69</b>
SAIFI- SDG&E <sup>7</sup>	0.59	0.62	0.66	<b>0.58</b>

<sup>1</sup> Refer to the "reporting boundary" section of this report on page 12.

<sup>2</sup> Excludes Oncor. Refer to the "reporting boundary" section of this report on page 12.

<sup>3</sup> Leadership includes officers and director-level employees.

<sup>4</sup> Based on employee responses to a subset of questions in an anonymous survey conducted every other year. Excludes data from Oncor and our South American businesses sold in 2020.

<sup>5</sup> Includes giving to nonprofit civic and community groups giving from Sempra's businesses and charitable giving from Sempra Foundation (2019: \$1.6 million, 2020: \$5 million, 2021: \$4.7 million, 2022: \$4.4 million). 2019-2022 figures include one-time donations from SDG&E and/or SoCalGas to donor-advised funds (2019: \$7.5 million, 2020: \$10 million and 2021: \$17 million, 2022: \$11.5 million). These figures do not include in-kind donations.

<sup>6</sup> System average interruption duration index (non-storm). Oncor's non-storm reliability performance reflects electric service interruptions of one minute or more per customer, while SDG&E's performance reflects service interruptions of five minutes or more per customer.

<sup>7</sup> System average interruption frequency index (non-storm). Oncor's non-storm reliability performance reflects electric service interruptions of one minute or more per customer, while SDG&E's performance reflects service interruptions of five minutes or more per customer.

## 2022 workforce data detail

	Total workforce (%) <sup>1</sup>	Salaried employees (%) <sup>1</sup>	Company leadership (%) <sup>1, 2</sup>
<b>Workforce diversity (U.S. employees)<sup>3</sup></b>			
White	41	42	67
Hispanic	36	30	15
Asian	10	15	7
Black/African American	7	7	6
Two or more races	3	4	3
Native Hawaiian or other Pacific Islander	1	1	1
American Indian/Alaska Native	1	1	–
Not specified	2	2	1
<b>Gender representation</b>			
Women	28	35	34
Men	72	65	66
Not Specified	0.05		
<b>Tenure representation</b>			
0-2 years	25	19	8
3-5 years	14	12	9
6-10 years	18	19	15
11-20 years	24	28	34
>20 years	18	21	34

Ratio of women to men base salary (U.S. employees) <sup>4</sup>	Women	Men
Executive	0.81	1.00
Management <sup>5</sup>	1.03	1.00
Non-management–same jobs	0.99	1.00
Non-management–all jobs	0.93	1.00

<sup>1</sup> Percentage totals are +/- 2% due to rounding.

<sup>2</sup> Company leadership includes director-level employees and officers.

<sup>3</sup> Race and ethnicity as defined by the U.S. EEOC includes race and ethnic categories that are not applicable to our employees based in Mexico. Employees in Mexico are therefore not reflected in this section where data on race is presented.

<sup>4</sup> Excludes employees in Mexico and Oncor. Refer to the “reporting boundary” section of this report on page 12.

<sup>5</sup> Management includes all salaried employees.

## 2022 workforce data detail (continued)

Movements in 2022	Total workforce (%) <sup>1</sup>
<b>Hires</b>	
Women	29
Men	71
Not Specified	0.30
<b>Promotions</b>	
Women	32
Men	68
Not specified	0.03
<b>Turnover<sup>2</sup></b>	
Women	30
Men	70
<b>Hires</b>	
White	32
Hispanic	45
Asian	11
Black/African American	7
Two or more races	3
Native Hawaiian or other Pacific Islander	1
American Indian/Alaska Native	–
Not specified	1
<b>Promotions</b>	
White	38
Hispanic	40
Asian	9
Black/African American	6
Two or more races	3
Native Hawaiian or other Pacific Islander	1

Movements in 2022	Total workforce (%) <sup>1</sup>
American Indian/Alaska Native	1
Not specified	1
<b>Turnover</b>	
White	45
Hispanic	30
Asian	11
Black/African American	9
Two or more races	3
Native Hawaiian or other Pacific Islander	1
American Indian/Alaska Native	1
Not specified	1
American Indian/Alaska Native	–
Not specified	1
<b>Promotions</b>	
0-2 years	30
3-5 years	20
6-10 years	23
11-20 years	20
>20 years	7
<b>Turnover</b>	
0-2 years	36
3-5 years	12
6-10 years	9
11-20 years	11
>20 years	31

<sup>1</sup> Percentage totals are +/- 2% due to rounding.

<sup>2</sup> Turnover includes voluntary and involuntary terminations. Data for individuals who do not specify their gender is currently not reported.



# Workforce data according to U.S. Equal Employment Opportunity Commission (EEOC) Job Categories<sup>1</sup>

2021 Employer Information Report EEO-1, Consolidated Report Section D - Employment Data															
Job Categories	Hispanic or Latino		Not Hispanic or Latino												Overall Totals
	Male	Female	Male						Female						
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Executives/Sr. Officials & MGRS	5	6	29	3	0	7	0	0	18	3	0	2	0	0	73
First/Mid Officials & MGRS	509	168	740	92	15	120	12	47	268	46	5	99	1	30	2,152
Professionals	893	701	1,269	190	24	566	15	103	785	171	20	436	7	115	5,295
Technicians	430	22	354	53	4	75	6	27	15	5	1	6	1	1	1,000
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	281	725	145	52	7	64	2	20	277	134	6	94	8	37	1,852
Craft Workers	1,422	46	963	139	31	144	21	58	32	5	2	4	2	6	2,875
Operatives	364	37	164	46	5	47	5	19	11	4	2	4	1	2	711
Laborers & Helpers	50	10	34	8	2	3	1	4	3	0	0	0	1	1	117
Service Workers	11	1	2	0	0	0	0	1	0	0	0	0	0	0	15
<b>Total</b>	<b>3,965</b>	<b>1,716</b>	<b>3,700</b>	<b>583</b>	<b>88</b>	<b>1,026</b>	<b>62</b>	<b>279</b>	<b>1,409</b>	<b>368</b>	<b>36</b>	<b>645</b>	<b>21</b>	<b>192</b>	<b>14,090</b>

<sup>1</sup> Represents 2022 EEOC submittal for Sempra for calendar year 2021. Data for calendar year 2022 will be finalized later in 2023 and reported in our 2023 sustainability report and available on Sempra's [sustainability resource library](#) when filed.

# Environment data

<b>Environment</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
SDG&E renewable energy deliveries (%) <sup>1</sup>	42	42	55	<b>59</b>
Electric volumes delivered (millions of kilowatt hours)	151,324	149,037	152,271	<b>173,057</b>
Natural gas volumes delivered (bcf)	950	970	969	<b>978</b>
LNG liquefied (million tons) <sup>2</sup>	1.7	7.7	12.2	<b>13.3</b>
Scope 1 GHG emissions (million metric tons CO <sub>2</sub> e) <sup>3, 4</sup>	5.5	6.7	6.6	<b>7.2</b>
Scope 2 GHG emissions (million metric tons CO <sub>2</sub> e) <sup>4, 5</sup>	0.146	0.151	0.330	<b>0.359</b>
Scope 3 GHG emissions (million metric tons CO <sub>2</sub> e) <sup>4</sup>	64.8	65.3	66.2	<b>66.6</b>
Nitrogen oxide (NO <sub>x</sub> ) emissions from power generation (metric tons)	277	196	245	<b>213</b>
Sulfur dioxide (SO <sub>2</sub> ) emissions from power generation (metric tons)	5	12	12	<b>13</b>
Total water withdrawal (billions of gallons) <sup>6</sup>	26.9	28.1	27.8	<b>27.7</b>
Returned water (billions of gallons) <sup>7</sup>	24.9	26.0	25.7	<b>25.6</b>
<b>Hazardous waste (tons)</b>				
Reused	0	0	0	<b>0</b>
Recycled	476	458	477	<b>421</b>
Composted	0	0	0	<b>0</b>
Recovered	1,162	926	171	<b>88</b>
Incinerated	192	321	399	<b>306</b>
Deep-well injection	0	0	0	<b>0</b>
Landfill	966	4,302	1,654	<b>1,887</b>

<sup>1</sup> Data for 2022 is estimated and subject to verification. It is expected to be finalized in August 2023 and reported in our 2023 sustainability report. California's RPS program requires electric retail sellers to procure a minimum portion of their electricity products from eligible renewable energy sources. The CPUC and CEC implement and administer RPS compliance rules for California's retail sellers of electricity, which include large and small investor-owned utilities, electric service providers and community choice aggregators. SDG&E annual estimates of RPS compliance are likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to load-serving entities and customer load departure to local community choice aggregators.

<sup>2</sup> Includes total data from the Cameron LNG facility, where Sempra had a 50.2% ownership share prior to its sales of noncontrolling interests in Sempra Infrastructure Partners.

<sup>3</sup> GHG emissions data for 2021 have been updated following third-party verification. GHG emissions data for 2022 are subject to third-party verification.

<sup>4</sup> Excludes Oncor. Refer to the "reporting boundary" section of this report on page 12.

<sup>5</sup> GHG emissions data for 2021 have been updated following third-party verification. Data for Cameron LNG is not included for 2019-2020. GHG emissions data for 2022 are subject to third-party verification.

<sup>7</sup> 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.

<b>Hazardous waste (tons) cont.</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
On-site storage	0	0	0	<b>0</b>
Other methods <sup>1</sup>	931	66	3,558	<b>2,774</b>
<b>Total</b>	<b>3,727</b>	<b>6,069</b>	<b>6,260</b>	<b>5,481</b>

<b>Non-hazardous waste (tons)<sup>2</sup></b>				
Reused	1	8	0	<b>6</b>
Recycled	34,113	34,612	35,671	<b>34,509</b>
Composted	1	7,933	5,443	<b>5,792</b>
Recovered	17	0	3,656	<b>3,979</b>
Incinerated	118	243	75	<b>150</b>
Deep-well injection	2,489	1,343	1,896	<b>1,256</b>
Landfill	39,318	45,578	65,417	<b>41,969</b>
On-site storage	0	0	0	<b>0</b>
Other methods	16,969	19,381	17,887	<b>19,355</b>
<b>Total</b>	<b>93,026</b>	<b>109,098</b>	<b>130,045</b>	<b>107,015</b>

<b>Environmental management</b>				
Agency inspections	551	451	410	<b>432</b>
Notices of violation (NOV) <sup>3</sup>	10	9	16	<b>23</b>
Inspections with no NOV issued (% of total inspections)	98	98	96	<b>95</b>
Fines and penalties (dollars) <sup>4</sup>	3,652	4,000	1,100	<b>379,958</b>
Internal compliance assessments and audits <sup>5</sup>	447	408	379	<b>372</b>
Length of above ground transmission and distribution lines (miles)	133,174	118,849	119,101	<b>119,044</b>

<sup>1</sup> Values have been updated after a review of historical data, total hazardous waste values were not impacted.

<sup>2</sup> Due to rounding, non-hazardous waste numbers presented may not add up precisely to the totals provided.

<sup>3</sup> Self-reported violations are not included.

<sup>4</sup> 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. In 2022 our Ecogas utility in Mexico paid a fine of approximately \$360,000 related to natural gas network authorizations.

<sup>5</sup> 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.

<b>Energy generation</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Installed generation capacity - Natural gas (MW) - United States	1,193	1,204	1,204	<b>1,204</b>
Installed generation capacity - Natural gas (MW) - Mexico	625	625	625	<b>625</b>
Installed generation capacity - Wind (MW) - United States	0	0	0	<b>0</b>
Installed generation capacity - Wind (MW) - Mexico	407	407	515	<b>515</b>
Installed generation capacity - Solar (MW) - United States	0	0	0	<b>0</b>
Installed generation capacity - Solar (MW) - Mexico	251	529	529	<b>529</b>
Net energy output - Natural gas (MWh) - United States	2,580,357	3,123,577	2,850,603	<b>3,948,440</b>
Net energy output - Natural gas (MWh) - Mexico	3,719,498	2,707,094	3,164,324	<b>2,902,036</b>
Net energy output - Wind (MWh) - United States	0	0	0	<b>0</b>
Net energy output - Wind (MWh) - Mexico	1,077,174	1,137,571	1,197,250	<b>1,501,841</b>
Net energy output - Solar (MWh) - United States	0	0	0	<b>0</b>
Net energy output - Solar (MWh) - Mexico	375,518	626,655	673,504	<b>1,470,775</b>
CO <sub>2</sub> emissions rate (lbs CO <sub>2</sub> /MWh)	678	650	606	<b>627</b>
Average generation efficiency of thermal plants - Natural gas (BTU/kWh) - United States	7,811	8,021	7,647	<b>9,119</b>
Average generation efficiency of thermal plants - Natural gas (BTU/kWh) - Mexico	7,256	7,359	7,285	<b>7,260</b>
Average plant availability - Natural gas - United States	86	89	89	<b>90</b>
Average plant availability - Natural gas - Mexico	99	90	92	<b>87</b>

**Water withdrawal**

**Fresh water**

Surface water (ML)	0	19	0.02	<b>0</b>
Ground water (ML)	14	94	92	<b>168</b>
Third-party water (ML)	627	620	534	<b>541</b>
<b>Total</b>	<b>641</b>	<b>733</b>	<b>626</b>	<b>709</b>

**Other water**

Surface water (ML)	0	0	0	<b>0</b>
Ground water (ML)	0	0	0	<b>0</b>
Seawater (ML)	94,235	98,596	97,321	<b>96,259</b>

<b>Other water, cont.</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Produced water (ML)	0	85	263	<b>236</b>
Third-party water (ML)	6,760	7,068	6,990	<b>7,463</b>
<b>Total</b>	<b>100,994</b>	<b>105,749</b>	<b>104,574</b>	<b>103,958</b>
<b>Water discharge</b>				
Surface water (ML)	n/a	0	0	<b>0</b>
Ground water (ML)	n/a	85	125	<b>120</b>
Seawater (ML)	n/a	99,182	97,859	<b>96,998</b>
Third-party water (ML)	n/a	1,479	864	<b>1,143</b>
<b>Total</b>	<b>n/a</b>	<b>100,747</b>	<b>98,848</b>	<b>98,261</b>

# Additional resources:

Links to additional sustainability resources are listed below. Additional documents may be accessed through our [sustainability resource library](#).

## **Resources**

[CDP Climate Questionnaire](#)

[CDP Water Questionnaire](#)

[EEI/AGA ESG Template](#)

## **Sustainability-related policies and position statements<sup>1</sup>**

[Anti-bribery and anti-corruption](#)

[Biodiversity](#)

[Discrimination and harassment free workplace](#)

[Environmental policy](#)

[Human rights](#)

[Stakeholder engagement](#)

[U.S. Energy policy position statement](#)

[Water](#)

## **Sustainable financing**

[Sustainable financing framework](#)

<sup>1</sup> Represents some of our sustainability-related policies that are publicly available, internal policies exist beyond those listed.

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

**Pretax amount**      **Income tax (benefit) expense<sup>1</sup>**      **Non-controlling interests**      **Earnings**

Year ended December 31, 2022

(Dollars in millions, except per share amounts; shares in thousands)

(unaudited)

<b>Sempra GAAP Earnings</b>				\$2,094
Excluded items:				
Impacts associated with Aliso Canyon litigation and regulatory matters	\$259	\$(60)	—	199
Impact from foreign currency and inflation on our monetary positions in Mexico	49	169	(54)	164
Net unrealized losses on commodity derivatives	669	(138)	(176)	355
Net unrealized gains on a contingent interest rate swap related to the proposed initial phase of the Port Arthur LNG liquefaction project	(33)	6	10	(17)
Deferred income tax expense associated with the change in our indefinite reinvestment assertion related to the sale of NCI to Abu Dhabi Investment Authority	—	120	—	120
<b>Sempra Adjusted Earnings</b>				\$2,915
Diluted EPS:				
Weighted-average common shares outstanding, diluted				316,378
Sempra GAAP EPS				\$6.62
Sempra Adjusted EPS				\$9.21

<sup>1</sup> Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates.

## Proportionate capital reconciliation

(Dollars in millions)

Actual 2022

### Sempra

Expenditures for property, plant and equipment	5,357	
Expenditures for investments and acquisitions	376	
<b>Total Capital Expenditures, Investments and Acquisitions (On Balance Sheet)</b>	<b>5,733</b>	<b>A</b>

Oncor Electric Delivery Company LLC capital expenditures (100%)	3,025	
Sharyland Utilities capital expenditures (100%)	22	
Cameron Electric Delivery Company LLC Capital expenditures (100%)	25	
TAG JV capital expenditures (100%)	1	
IMG JV capital expenditures (100%)	5	
<b>Total Capital Expenditures (Off Balance Sheet)</b>	<b>3,078</b>	

### Sempra - Proportionate Ownership Share of Unconsolidated Entities

Oncor Electric Delivery Company LLC capital expenditures of 80.25%	2,428	
Sharyland Utilities capital expenditures of 50%	11	
Cameron JV capital expenditures proportionate ownership 40.2% (Jan - May)   35.1% (Jun-Dec)	10	
TAG JV capital expenditures proportionate ownership 40.0% (Jan - May)   35.0% (Jun-Dec)	-	
IMG JV capital expenditures proportionate ownership 32.0% (Jan - May)   28.0% (Jun-Dec)	1	
Less:		
Sempra Texas Utilities investments and acquisitions (On Balance Sheet)	(346)	
Sempra Infrastructure Utilities investments and acquisitions (On Balance Sheet)	-	
<b>Capital Expenditures, Investments and Acquisitions - Sempra (Off Balance Sheet)</b>	<b>2,104</b>	<b>B</b>

<b>Total Capital Deployed A+B</b>	<b>7,837</b>	<b>C</b>
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### Sempra - NCI of Consolidated Entities

ECA LNG Phase 1 capital expenditures proportionate ownership 66.7% (Jan - May)   58.4% (Jun-Dec)	314	
Sempra infrastructure other capital expenditures proportionate ownership 80% (Jan - May)   70% (Jun-Dec)	292	
Less:		
Port Arthur LNG Phase I capital expenditures (100% on Balance Sheet)	-	
ECA LNG Phase 1 capital expenditures (100% on Balance Sheet)	(517)	
Sempra Infrastructure other capital expenditures (100% on Balance Sheet)	(397)	
<b>Total NCI of Consolidated Entities</b>	<b>(308)</b>	<b>D</b>

<b>Proportionate Capital Deployed C+D</b>	<b>7,529</b>	
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# 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 or implied in any forward-looking statement. These forward-looking statements represent our estimates and assumptions only as of May 15, 2023. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

In this report, forward-looking statements can be identified by words such as “believes,” “expects,” “intends,” “anticipates,” “contemplates,” “plans,” “estimates,” “projects,” “forecasts,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “in process,” “construct,” “develop,” “opportunity,” “initiative,” “target,” “outlook,” “optimistic,” “poised,” “maintain,” “continue,” “progress,” “advance,” “goal,” “aim,” “commit,” or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include risks and uncertainties relating to: California wildfires, including potential liability for damages regardless of fault and any inability to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, rates from customers or a combination thereof; decisions, investigations, inquiries, regulations, issuances or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, and other governmental and regulatory bodies and (ii) the U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) being able to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) realizing anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent or approval of third parties; litigation, arbitrations, property disputes and other proceedings, and changes to laws and regulations, including those related to the energy industry in Mexico; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third-parties with which we conduct business, including the energy grid or other energy infrastructure, all of which have become more pronounced due to recent geopolitical events; our ability to borrow money on favorable terms and meet our obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook or (ii) rising interest rates and inflation; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; the impact on affordability of San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) customer rates and their cost of capital and on SDG&E's, SoCalGas' and Sempra Infrastructure's ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of the clean energy transition in California, (iii) with respect to SDG&E's business, departing retail load resulting

from additional customers transferring to Community Choice Aggregation and Direct Access, and (iv) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate and sustainability policies, laws, rules, regulations, disclosures and trends, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and our ability to incorporate new technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, pipeline system or limitations on the withdrawal of natural gas from storage facilities; Oncor Electric Delivery Company LLC's (Oncor) ability to reduce or eliminate its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those imposed in connection with the war in Ukraine, any of which may increase our costs, reduce our competitiveness, impact our ability to do business with certain counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which are difficult to predict and 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](http://www.sec.gov), and on Sempra's website, [www.sempra.com](http://www.sempra.com). Investors should not rely unduly on any forward-looking statements.

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# Glossary

<b>\$</b>	U.S. Dollar	<b>CARE</b>	California Alternative Rates for Energy Program
<b>%</b>	Percentage	<b>CCA</b>	Community Choice Aggregation
<b>iGENTE!</b>	Gas Employees Network Toward Empowerment	<b>CCR</b>	Coal combustion residual
<b>3Ds</b>	Decarbonization, diversification and digitalization	<b>CDP</b>	Carbon Disclosure Project
<b>ACCF</b>	American Council for Capital Formation	<b>CEC</b>	California Energy Commission
<b>ADIA</b>	Black Silverback ZC2022 LP (assignee of Black River B 2017 Inc), a wholly owned affiliate of Abu Dhabi Investment Authority	<b>CEMEFI</b>	Mexican Center for Philanthropy
<b>AGA</b>	American Gas Association	<b>CEO</b>	Chief Executive Officer
<b>AI</b>	Artificial intelligence	<b>CIO</b>	Chief Information Officer
<b>API</b>	Asian Pacific Islander	<b>CIS</b>	Customer Information System
<b>B</b>	Billion	<b>CO<sub>2</sub></b>	Carbon dioxide
<b>BESS</b>	Battery energy storage system	<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent
<b>BEV</b>	Full battery electric vehicle	<b>COP</b>	United Nations Conference of the Parties
<b>Bcf</b>	Billion cubic feet	<b>COVID-19</b>	Coronavirus disease 2019
<b>Btu</b>	British thermal units	<b>CPUC</b>	California Public Utilities Commission
<b>C</b>	Celsius	<b>CSIRP</b>	Cybersecurity incident response plan
<b>CAC</b>	Community Advisory Council	<b>CSO</b>	Chief Sustainability Officer
<b>CAIDI</b>	Customer average interruption duration index	<b>CTD</b>	Compensation and Talent Development Committee
<b>CAISO</b>	California Independent System Operator	<b>D&amp;I</b>	Diversity and inclusion
<b>California SB 100</b>	100% Clean Energy Act of 2018	<b>DA</b>	Distribution automation
<b>CalWEA</b>	California Wind Energy Association	<b>DART</b>	Days away, restricted, or transferred
<b>Cameron LNG</b>	Cameron LNG Holdings, LLC	<b>DBE</b>	Diverse Business Enterprises
<b>CARB</b>	California Air Resources Board	<b>DE&amp;I</b>	Diversity, Equity & Inclusion
<b>CAPE</b>	Community of Asians & Pacific Islanders in Energy	<b>DERs</b>	Distributed Energy Resources
		<b>DG</b>	Distributed generation

<b>DOE</b>	U.S. Department of Energy	<b>GRI</b>	Global Reporting Initiative
<b>DVBE</b>	Service-Disabled Veteran Business Enterprise	<b>GROW</b>	Growing Responsibilities and Opportunities for Women
<b>ECA</b>	Energía Costa Azul	<b>GW</b>	Gigawatts
<b>EEl</b>	Edison Electric Institute	<b>GWh</b>	Gigawatt-hours
<b>EEOC</b>	Equal Employment Opportunity Commission	<b>H2 / [H2]</b>	Hydrogen
<b>EOC</b>	Emergency operations center	<b>HCS</b>	Hackberry carbon sequestration
<b>EPA</b>	U.S. Environmental Protection Agency	<b>HOA</b>	Heads of Agreement
<b>EPS</b>	Earnings per common share	<b>IBEW</b>	International brotherhood of electrical workers
<b>ERCOT</b>	Electric Reliability Council of Texas, Inc., the independent system operator and the regional coordinator of various electricity systems within Texas	<b>ICS</b>	Incident command structure
<b>ERG</b>	Employee Resource Group	<b>IEA</b>	International Energy Agency
<b>ESG</b>	Environmental, social and governance	<b>IEnova</b>	Infraestructura Energética Nova, S.A.B. de C.V., renamed Infraestructura Energética Nova, S.A.P.I. de C.V. on November 1, 2021
<b>EV</b>	Electric vehicle	<b>IFRS</b>	International Financial Reporting Standards
<b>FEMA</b>	Federal Emergency Management Agency	<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>FERC</b>	Federal Energy Regulatory Commission	<b>ISO-14001</b>	International Organization for Standardization that specifies requirements for an effective environmental management system
<b>FTSE</b>	Financial Times Stock Exchange	<b>ISO-27000</b>	International Organization for Standardization that focuses on information technology, security techniques and information security management systems
<b>FY</b>	Fiscal year	<b>ISO-45001</b>	International Organization for Standardization for management systems of occupational health and safety published in March 2018
<b>GAAP</b>	Generally accepted accounting principles in the United States of America	<b>IT</b>	Information technology
<b>GHG</b>	Greenhouse gas	<b>KKR</b>	KKR Pinnacle Investor L.P. (as successor-in-interest to KKR Pinnacle Aggregator L.P.), an affiliate of Kohlberg Kravis Roberts & Co. L.P.
<b>GLAAACC</b>	Greater Los Angeles African American Chamber of Commerce	<b>km</b>	Kilometer
<b>GLIO/GRESB</b>	Global Listed Infrastructure Organization/ Global Real Estate Sustainability Benchmark	<b>KPI</b>	Key performance indicator
<b>GM</b>	General Motors		
<b>GO</b>	General order		
<b>GPTW</b>	Great Place to Work		

<b>kW</b>	Kilowatt	<b>NCI</b>	Non-controlling interest
<b>kWh</b>	Kilowatt hour	<b>No.</b>	Number
<b>lbs</b>	pounds	<b>NOx</b>	Nitrous oxide
<b>LEED</b>	Leadership in Energy and Environmental Design	<b>NOV</b>	Notice of violation
<b>LGBTBE</b>	Lesbian, gay, bisexual, transgender business enterprise	<b>NYSE</b>	New York Stock Exchange
<b>LGBTQ</b>	Lesbian, gay, bisexual, transgender, queer or questioning persons	<b>ODS</b>	Ozone-depleting substances
<b>LNG</b>	Liquefied natural gas	<b>OEM</b>	Original equipment manufacturer
<b>LPG</b>	Liquefied petroleum gas	<b>Oncor</b>	Oncor Electric Delivery Company LLC
<b>LSE</b>	Load serving entity	<b>Oncor Framework</b>	Oncor Sustainability Financing Framework
<b>LTI</b>	Lost-time incident	<b>Oncor Holdings</b>	Oncor Electric Delivery Holdings Company LLC
<b>M</b>	Million	<b>OSHA</b>	Occupational Safety and Health Administration
<b>m<sup>3</sup></b>	Cubic meter	<b>PAC</b>	Political Action Committee
<b>MBE</b>	Minority Business Enterprise	<b>Paris Agreement</b>	International treaty on climate change, adopted in 2015
<b>ML</b>	Megaliters	<b>PHEV</b>	Plug-in hybrid vehicle
<b>MMBtu</b>	Million British thermal units	<b>PPE</b>	Personal protective equipment
<b>MMT</b>	Million metric ton	<b>PSA</b>	Public service announcement
<b>MOU</b>	Memorandum of understanding	<b>PUCT</b>	Public Utility Commission of Texas
<b>MSI</b>	Management and Strategy Institute	<b>R&amp;D</b>	Research & development
<b>MT</b>	Metric ton	<b>RISE</b>	Recognizing the Importance of Strength and Empowerment
<b>Mtpa</b>	Million tonnes per annum	<b>RNG</b>	Renewable natural gas
<b>MW</b>	Megawatt	<b>RPS</b>	Renewables portfolio standard
<b>MWBE</b>	Minority and/or Women Business Enterprise	<b>S&amp;P</b>	S&P Global Ratings, a division of S&P Global Inc.
<b>MWh</b>	Megawatt hour	<b>SAIDI</b>	System Average Interruption Duration Index
<b>NACD</b>	National Association of Corporate Directors	<b>SAIFI</b>	System Average Interruption Frequency Index
		<b>SAP</b>	System Analysis Program

<b>SASB</b>	Sustainability Accounting Standards Board	<b>T&amp;D</b>	Transmission and distribution
<b>SB</b>	Senate Bill	<b>TAG Norte Holding</b>	TAG Norte Holding, S. de R.L. de C.V. A Mexican firm jointly operated by US-based global asset manager BlackRock and private equity firm First Reserve and Gasoductos de Chihuahua.
<b>SBTi</b>	Science-based target initiative	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>SDG&amp;E</b>	San Diego Gas & Electric Company	<b>tCO<sub>2</sub>e</b>	Tons carbon dioxide equivalent
<b>SEC</b>	U.S. Securities and Exchange Commission	<b>TNFD</b>	Task Force on Nature-related Financial Disclosures
<b>Sempra California</b>	San Diego Gas & Electric Company and Southern California Gas Company, collectively	<b>Toyota</b>	Toyota Motor North America
<b>Sempra Financing Framework</b>	Sempra's Sustainable Financing Framework	<b>TPWD</b>	Texas Parks & Wildlife Department
<b>Sempra Foundation</b>	A private 501(c)(3) foundation based in San Diego, CA Founded in 2007 and funded entirely by Sempra	<b>U.S.</b>	United States
<b>Sempra Infrastructure (SI)</b>	Business platform that includes SI Partners and its operating companies	<b>UN SDGs</b>	United Nations sustainable development goals
<b>Sempra Texas</b>	Includes Oncor, comprised of our equity investments in Oncor Holdings and Sharyland Holdings	<b>USA</b>	United States of America
<b>SEOP</b>	Secondary education outreach program	<b>USD</b>	U.S. dollar
<b>Sharyland Holdings</b>	Sharyland Holdings, L.P.	<b>V2G</b>	Vehicle-to-grid
<b>Sharyland Utilities</b>	Sharyland Utilities, L.L.C.	<b>VALOR</b>	Veterans Advancing Leading and Optimizing Results
<b>SI Foundation</b>	Fundación Sempra Infraestructura	<b>VDM</b>	Volta de Mexicali
<b>SI Partners</b>	Sempra Infrastructure Partners, LPzz	<b>VGI</b>	Vehicle grid integration
<b>SMS</b>	Safety management system	<b>VIBE</b>	Voices Inspiring Black Employees
<b>SO2</b>	Sulfur dioxide	<b>VOC</b>	Volatile organic compound
<b>SoCalGas</b>	Southern California Gas Company	<b>VPP</b>	Virtual Power Plan
<b>SST</b>	Safety, Sustainability and Technology Committee of Sempra's board of directors	<b>WBE</b>	Women Business Enterprise
<b>STEM</b>	Science, technology, engineering, and mathematics	<b>WEF</b>	World Economic Forum
<b>SWLA</b>	Second Harvest - Southwest Louisiana Chapter	<b>Wildfire Fund</b>	The fund established pursuant to California Assembly Bill 1054 - wildfire legislation
		<b>ZEV</b>	Zero-emission vehicles

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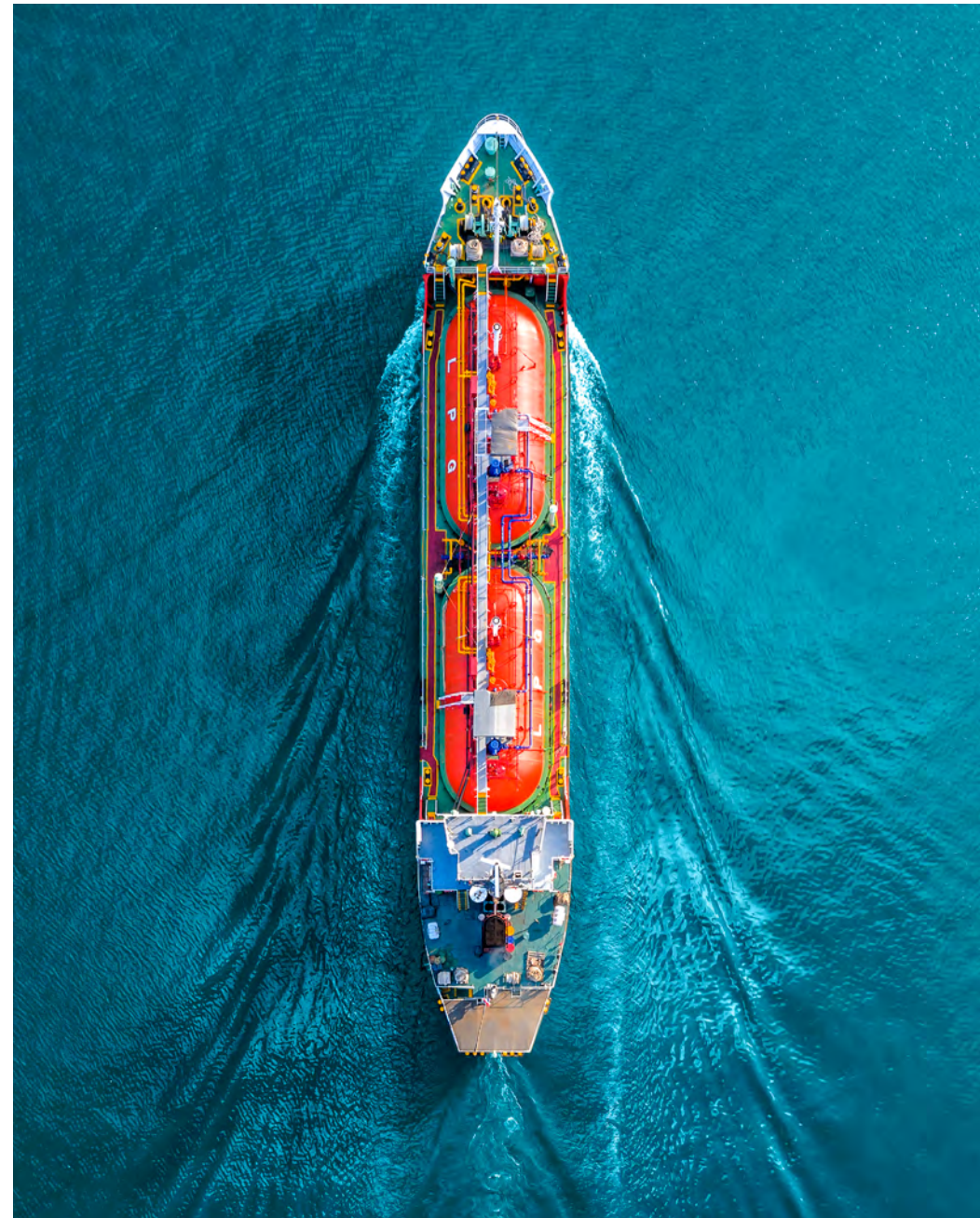
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