

Operating company sustainability strategy alignment

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

Sempra California | SDG&E

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

Sempra California | SoCalGas

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

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

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





Enabling the energy transition

Affordable lower-carbon energy in the markets we serve

Sempra California | SDG&E

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

By 2022, we aim to:

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

By 2023, we aim to:

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

By 2030, we aim to:

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

By 2045, we aim to:

- Have net-zero GHG emissions

Sempra California | SoCalGas

By 2025, we aim to:

- Deliver 5% renewable natural gas (by end of 2022)¹
- Increase procurement of responsibly sourced gas²
- Complete five hydrogen pilot projects
- Establish statewide hydrogen blending standards

By 2030, we aim to:

- Develop hydrogen infrastructure solutions for the 2028 Olympics
- Establish a hydrogen industrial cluster with industry partners
- Deliver 20% renewable natural gas³

By 2045, we aim to:

- Have net-zero GHG emissions

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

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

³ Specifically, we aim to provide 20% RNG to our “core customers,” as defined in SoCalGas’ Tariff Rule No. 23, by 2030.

Sempra Texas | Oncor

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

Sempra Infrastructure | LNG

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

Sempra Infrastructure | IEnova

- IEnova aims to identify and develop plans for carbon offset projects. During 2021, we identified forestry projects in Mexico that could generate carbon offsets, and these projects could be considered for Mexico's emissions trading system
- Every year we aim to maintain electric generation carbon intensity well under 0.35 tCO₂e/MWh. In 2021 the electric generation carbon intensity value was 0.25 tCO₂e/MWh





Driving resilient operations

To achieve consistent excellence in all we do

Sempra California | SDG&E

Each year, we aim to:

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

By 2025, we aim to:

- Develop a new supply chain sustainability program

By 2030, we aim to:

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

By 2035, we aim to:

- Operate a 100% ZEV fleet

By 2040, we aim to:

- Deploy 100% non-SF6 equipment, everywhere feasible

Sempra California | SoCalGas

By 2025, we aim to:

- Have net-zero energy for 100% of SoCalGas’ newly constructed buildings and major renovations of buildings over 10,000 square feet¹
- Replace 50% of SoCalGas’ over-the-road fleet with electric, hybrid, renewable gas and fuel cell electric vehicles²
- Exceed the state requirements to demonstrate a reduction of fugitive methane emissions of 20% by 2025³
- Reduce methane emissions intensity of our distribution system to 0.22% or less of total gas delivered, contributing to the collective goal of ONE Future members⁴

¹ *This goal excludes compressor and transmission facilities.*

² *Dependent on functional application and availability of vehicle products.*

³ *See Senate Bill 1371.*

⁴ *The ONE Future Coalition is a group of 38 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025.*

Sempra California | SoCalGas (continued)

By 2030, we aim to:

- Eliminate 100% of vented gas during planned transmission pipeline work (excluding emergency repairs)
- Have net-zero energy for 50% of SoCalGas' existing buildings¹
- Exceed California's goal to reduce fugitive methane emissions by 40% by 2030 from a 2015 baseline.

By 2035, we aim to:

- Operate a 100% zero emissions over-the-road fleet
- Have net-zero energy for 100% of SoCalGas buildings¹

Sempra Texas | Oncor

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

Sempra Infrastructure | LNG

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

Sempra Infrastructure | IEnova

By 2030, we aim to:

- Reduce 50% of fugitive emissions² from a 2019 baseline
- Maintain 97% reliability in our natural gas distribution systems. Achieved in 2021 and in progress for 2022
- Maintain 98% reliability in our natural gas transportation systems. Achieved in 2021 and in progress for 2022
- Achieve more than 96% reliability (based on successful starts from a full stop). Achieved in 2021 and in progress for 2022
- Achieve 97% availability for renewable generation (fleet level average). Achieved 92.4% in 2021 and in progress for 2022

¹ Excludes compressor and transmission facilities.

² Gas transport assets in Mexico



Achieving world-class safety

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

Sempra California | SDG&E

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

Sempra California | SoCalGas

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

Sempra California | SoCalGas (continued)

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

Sempra Texas | Oncor

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

Sempra Infrastructure | LNG

- Achieved zero employee and contractor fatalities
- Improved employee and contractor OSHA recordable injury rates and lost work-time incident rate (LTIR)
- Cameron LNG was awarded the Perfect Record Award from the National Safety Council for achieving over 89 Million hours without an occupational injury or illness involving days away from work through the construction period from April 2014 through November 2020

- Participated in emergency planning processes in 100% of the communities where it operates
- Trained 100% of critical employees in emergency management and response
- Implemented an innovative safety software solution enabling the analysis of leading safety indicators and development of proactive incident prevention plans

Sempra Infrastructure | IEnova

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



Championing people

To create an inspired workforce

Sempra California | SDG&E

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

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

Sempra California | SoCalGas

- We put our employees and the communities we serve first
- Our employees are our most valuable resource. We place the highest priority on their wellness, safety and empowerment

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

Sempra Texas | Oncor

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

each of 2020 and the 2019 period, the estimated economic impact on an aggregate basis included \$831 million in production contribution to the economy (cumulative output of all businesses engaged directly or indirectly because of such spending), 5,037 total jobs supported within Oncor's supply chain and in the broader economy and \$285 million in total wages and benefits earned through supported jobs for the periods covered by such spending

Sempra Infrastructure | LNG

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

in its growing Houston office in 2020 and implemented a variety of career development and mentoring programs with a focus on diversity, equity and inclusion

Sempra Infrastructure | IEnova

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