

Trade association alignment

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

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

Scope and methodology

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

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

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

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

Key takeaways

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

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

Trade association	Sempra or operating company involvement with association	General description of association and climate position	Alignment
American Council for Capital Formation (ACCF)	Board member	ACCF believes that government policies should be transparent and enable capital investment needed to develop affordable, reliable and sustainable energy for consumers. It recognizes that addressing the challenge of climate change is critical and must be balanced with the need for energy to maintain global economic growth.	Partially aligned
American Gas Association (AGA)	Board member	<p>AGA represents companies delivering natural gas safely, reliably and in an environmentally responsible way to help improve the quality of life for their customers every day. AGA's mission is to provide clear value to its membership and serve as the indispensable, leading voice and facilitator on its behalf in promoting the safe, reliable and efficient delivery of natural gas to homes and businesses across the nation.</p> <p>AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure and advanced technologies that maintain reliable, resilient and affordable energy service choices for consumers.</p>	Aligned
American Petroleum Institute (API)	Board member	<p>API represents all segments of America's oil and natural gas industry. Its nearly 600 members produce, process and distribute most of the nation's energy. API's mission is to promote safety across the industry and influence public policy supporting a strong, viable U.S. oil and natural gas industry.</p> <p>API and its members are committed to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. API supports global action that drives greenhouse gas emissions reductions and economic development. API will lead by providing platforms for industry action to:</p> <ul style="list-style-type: none"> • Reduce greenhouse gas emissions through industry-led solutions and • Actively work on policies that address the risks of climate change while meeting the global need for affordable, reliable and sustainable energy. 	Partially aligned
Bioenergy Association of California	Board member	Bioenergy Association of California's mission is to promote sustainable bioenergy development and associated activities in California. Its work supports California climate policies, which are aligned with the Paris Agreement.	Aligned
California Business Roundtable	Board member	The California Business Roundtable is a nonpartisan organization comprised of the senior executive leadership of the major employers throughout the state - with a combined workforce of more than half a million employees. For more than thirty-five years the Roundtable has identified the issues critical to a healthy business climate and provided the leadership needed to strengthen California's economy and create jobs. It supports the State's climate goals and advocate for policies to achieve the goals affordably and reliably.	Aligned

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

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

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

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

Trade association questions

1. Trade association name.
2. Please describe your organization's mission.
3. How much did you spend on lobbying in the last full fiscal year (\$USD)?
4. Public commitment/position statement on climate? Yes or No?
 - If no, please explain.
5. Does your public commitment/position statement address (directly or indirectly) the Paris Agreement's goals of limiting average global warming to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C? Yes or No?
 - If yes, please include specific position statement as well as a link to your position statement.
 - If no, please explain.
6. Do you lobby on issues related to climate? Yes or No?
 - If yes, What specific issues related to climate and/or energy did you lobby on in the last full fiscal year?
7. Is your lobbying consistent with your public climate position? Yes or No?
 - If no, or if there are exceptions, please explain.
8. What processes do you have in place to ensure that your lobbying activities align with your climate position?
9. How much of your lobbying expenditures related to energy and/or climate in the last full fiscal year (\$USD)

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