



Sempra Energy Releases 2020 Corporate Sustainability Report

April 28, 2021

- Improving enterprise-wide safety performance in a year of unprecedented challenges
- Advancing a high-performing culture by championing people and communities
- Investing in critical new energy infrastructure to further energy decarbonization and diversification initiatives

SAN DIEGO, April 28, 2021 /PRNewswire/ -- [Sempra Energy](#) (NYSE: SRE) today released its [2020 Corporate Sustainability Report](#), highlighting the company's actions to create long-term value for shareholders and other stakeholders by managing risks and capturing opportunities related to environmental, social and governance (ESG) factors. The company's actions are anchored to its four key sustainability pillars:



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

View the full details in the report at: sempra.com/sustainability/sustainability-report.

"Over the last two decades, the United States has doubled its gross domestic product, while registering the largest absolute decline in energy-related CO₂ emissions of any country in the world," said Jeffrey W. Martin, chairman and CEO of Sempra Energy. "We think there is an opportunity to continue making real progress and are committed to advancing critical new infrastructure investments that support decarbonizing the economies of North America, while making lower- to zero-carbon energy sources available to our global partners. Our multi-factor approach to managing our business is directly aligned with the value proposition of creating durable value for our shareholders, customers, employees and other stakeholders."

Achieving World-Class Safety

Safety underpins the high-performance culture seen across the Sempra Energy family of companies, where community safety is prioritized and every employee feels responsible for their own safety as well as the safety of others. The Sempra Energy board of directors oversees this mandate across the organization through its Safety, Sustainability and Technology Committee.

The unprecedented challenges presented by COVID-19 reinforced the company's unwavering commitment to health and safety. Identified among the country's critical infrastructure, Sempra Energy and its operating companies activated business continuity plans and safety protocols aimed at identifying and mitigating risks while continuing to work to deliver energy safely. Through these actions, Sempra Energy's safety performance improved in 2020 with all operating companies achieving decreases in their employee recordable injury rate. Examples of safety highlights at each of Sempra Energy's operating companies can be found on pages 55 and 80 of the report.

Enabling the Energy Transition

Sempra Energy and its family of companies have been advancing programs to decarbonize, diversify and digitalize its energy infrastructure while continuing to work hard to deliver safe, reliable and affordable energy to more than 36 million consumers across North America. The company's "3Ds" framework supports its enterprise-wide goal to achieve net-zero emissions by 2050 across scopes 1, 2, and 3 for its operations and the customers it serves. Sempra Energy is investing in the energy infrastructure needed in the following three key areas to expand its energy systems and help achieve its climate goals:

- Decarbonization: Reducing the carbon content of energy in critical economic sectors – industrial, transportation and power generation – and emitting no more carbon in its operations than it removes from the atmosphere.
- Diversification: Bringing new lower- to zero-carbon fuel choices to every market it serves, coupled with the expansion of advanced energy networks and storage to improve resiliency.
- Digitalization: Integrating real-time information and cutting-edge analytics to benefit network operators and consumers with

improved operational reliability and safety.

"Climate is at the center of our business strategy. That is why we have introduced an action-oriented framework around these three areas in this year's report – all with a focus on building a stronger and more growth-oriented business, while allocating capital with a view toward emitting less carbon dioxide than we remove from the atmosphere by the middle of this century," said Lisa Alexander, senior vice president of corporate affairs and chief sustainability officer for Sempra Energy. "We are optimistic about the future and committed to living our values – doing the right thing, championing people, and shaping the future – and I could not be more proud of the contributions of our more than 19,000 employees towards serving our stakeholders every day."

The company's action plan towards net-zero emissions includes interim goals and infrastructure deployment plans through three time periods: 2025, 2030 and 2050. Planned activities are outlined on page 22 of the report.

Driving Resilient Operations

Amidst the pandemic, employees across the Sempra Energy family of companies have continued to deliver essential energy to more than 36 million consumers in North America. With global energy demand projected to increase by 50% by 2050 according to the U.S. Energy Information Administration, resilient energy infrastructure will take on even greater importance. That is why Sempra Energy is continuing to invest in and expand its energy transmission and distribution networks. Examples include, among others:

- Oncor Electric Delivery Company LLC (Oncor) connected more than 60 central-station renewable generators to the energy grid in 2020 with the capability of producing 11,000 megawatts of energy, while also connecting more than 40% of the state's wind generation capacity to the energy grid through its transmission facilities.
- San Diego Gas & Electric (SDG&E) is leveraging artificial intelligence and satellite technology to improve wildfire mitigation initiatives and help keep its communities safe from wildfire risks with one of the largest utility-owned weather monitoring networks in the nation.
- Southern California Gas Co.'s (SoCalGas) natural gas system provides flexible fuel delivery, long-term storage and reliable energy, especially for critical end-uses. The flexibility of natural gas as an energy resource has been critical in helping California's electricity providers increase renewable energy penetration.
- Sempra LNG's design standards for infrastructure resiliency were demonstrated as Cameron LNG experienced the effects of two Category 4 hurricanes in 2020 with no injuries and minimal damage to the newly constructed liquefaction facilities.
- IEnova, as a top renewable energy generator in Mexico, is making critical infrastructure investments with a goal of achieving 97% availability for its renewable generation fleet by 2030 and supporting clean and sustainable economic growth in Mexico.

Championing People to Advance a High-Performance Culture

Sempra Energy is continuing to advance its high-performing culture centered on the company's vision, mission and values to provide a clear sense of purpose for its more than 19,000 employees with an unwavering focus on safety.

Other key factors in the company's high-performance culture are a commitment to workforce development and training and a focus on fostering an inclusive environment where diverse perspectives and backgrounds are embraced. In 2020, Sempra Energy created an enterprise-wide action plan centered on five strategic pillars designed to advance the company's goals for promoting diversity, economic prosperity and social justice. The five pillars include:

- Leading from the top
- Accelerating engagement
- Creating opportunity
- Driving conscious inclusion
- Partnering with our communities

Learn more about Sempra's action plan on page 57 of the report.

Sempra Energy's operating companies are also committed to promoting an inclusive supplier base that represents the communities they serve. Moreover, the Sempra Energy family of companies is championing people with a focus on promoting economic opportunity and well-being within these communities. Actions taken include, among others:

- SDG&E and SoCalGas purchased more than \$1.7 billion in goods and services from businesses owned by women, minorities, service-disabled veterans and members of the LGBTQ community in 2020, marking the eighth consecutive year that each company's supplier diversity spending exceeded 40% in total, consistently surpassing the California Public Utilities Commission's goal of 21.5%.
- Oncor's supplier diversity accounted for nearly \$335 million or 12% of its procurement spend, while the company issued \$450 million in sustainable bonds with proceeds designated for investments or expenditures with women- and minority-owned suppliers.
- Sempra Energy, its operating companies and the Sempra Energy Foundation contributed nearly \$52 million to charities and other nonprofit civic and community groups in 2020. This includes more than \$14 million to support community-based organizations engaged in responding to the COVID-19 pandemic.

Guidelines for the Report

This is the company's 13th annual sustainability report. This year's report draws guidance from leading global disclosure frameworks, including the Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures and the United Nations Sustainable Development Goals, together with the company's stakeholder materiality assessment introduced in its 2019 report. In addition, the report pilots 22 of the World Economic Forum's Stakeholder Capitalism Metrics introduced in Fall 2020.

About Sempra Energy

Sempra Energy's mission is to be North America's premier energy infrastructure company. The Sempra Energy family of companies have more than 19,000 talented employees who deliver energy with purpose to over 36 million consumers. With more than \$66 billion in total assets at the end of 2020, the San Diego-based company is the owner of one of the largest energy networks in North America serving some of the world's leading economies. The company is helping to advance the global energy transition by enabling the delivery of lower-carbon energy solutions in each market it serves, including California, Texas, Mexico and the LNG export market. Sempra Energy is consistently recognized as a leader in sustainable business practices and for its long-standing commitment to building a high-performing culture including safety, workforce development and training, and diversity and inclusion. Sempra Energy is the only North American utility sector company included on the Dow Jones Sustainability World Index and was also named one of the "World's Most Admired Companies" for 2021 by Fortune Magazine. For additional information about Sempra Energy, please visit Sempra Energy's website at www.sempra.com and on Twitter [@SempraEnergy](https://twitter.com/SempraEnergy), and sempra.com/sustainability/sustainability-report for Sempra Energy's latest sustainability report.

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed in any forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this press release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this press release, forward-looking statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "target," "outlook," "maintain," "continue," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: California wildfires, including the risks that we may be found liable for damages regardless of fault and that we may not be able to recover costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances or revocations of permits and other authorizations, renewals of franchises, and other actions by (i) the Comisión Federal de Electricidad, California Public Utilities Commission (CPUC), U.S. Department of Energy, Public Utility Commission of Texas, and other regulatory and governmental bodies and (ii) states, counties, cities and other jurisdictions in the U.S., Mexico and other countries in which we do business; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) the ability to realize anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent of partners or other third parties; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, and arbitrations, including, among others, those related to the natural gas leak at Southern California Gas Company's (SoCalGas) Aliso Canyon natural gas storage facility; the impact of the COVID-19 pandemic on our capital projects, regulatory approval processes, supply chain, liquidity and execution of operations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow on favorable terms and meet our substantial debt service obligations; moves to reduce or eliminate reliance on natural gas and the impact of volatility of oil prices on our businesses and development projects; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal of natural gas from storage facilities, and equipment failures; cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, failure of foreign governments and state-owned entities to honor their contracts, and property disputes; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the growth in distributed and local power generation, including from departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation, and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; volatility in foreign currency exchange and interest and inflation rates and commodity prices and our ability to effectively hedge these risks; changes in tax and trade policies, laws and regulations, including tariffs and revisions to international trade agreements that may increase our costs, reduce our competitiveness, or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company's website, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

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



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