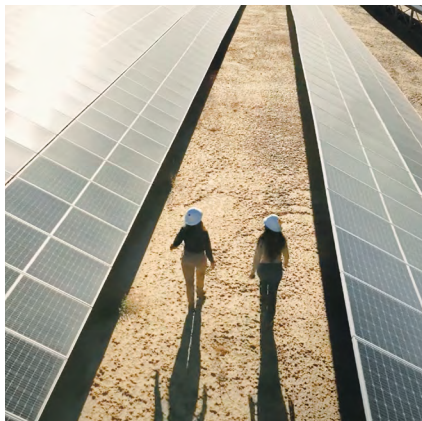




Always Forward
**SUSTAINABILITY
UPDATE 2022**



LETTER FROM OUR LEADERS



Caroline Winn



Estela de Llanos

Where there is a collective will, there is a way.

That's what Californians demonstrated during the recent historic heatwave that threatened to overwhelm the state's electric grid over ten consecutive days. Statewide rotating outages were avoided because everyone – residents, businesses, local government, the military, school districts and countless entities – took action to conserve electricity by turning up the thermostat a few degrees or delaying the use of major appliances.

That same kind of “we are all in this together” spirit is critical for the future of our region and state as climate change exacerbates extreme weather conditions.

Here in our region, we see the collective will to address climate change in action, as evidenced by multisector stakeholder collaborations in the following examples:

- Local school districts are transitioning to electric buses with the support of SDG&E's EV infrastructure programs. One of the districts, Cajon Valley Union – contributed to grid stability during the heatwave by discharging electricity back to the grid during peak hours from the batteries onboard its electric school buses.
- SDG&E, the City of San Diego and the nonprofit Center for Sustainable Energy came together to launch the San Diego Solar Equity Program to expand rooftop solar installations in low-income communities.
- SDG&E worked with CAL FIRE and the U.S. Forest Service to build a microgrid to provide backup power to the Ramona Air Attack Base – a key hub for regional aerial firefighting assets.
- In collaboration with UC San Diego, SDG&E recently submitted a proposal to the California Public Utilities Commission (CPUC) to study how blending hydrogen with natural gas in the existing system could help achieve a successful energy transition for all Californians.

There is no question our climate is changing, but we are also beginning to get more clarity on what we need to do to transition to a net zero future. SDG&E's economy-wide study, *The Path to Net Zero: A Decarbonization Roadmap for California*, lays out a path forward to meet California's goal to become carbon neutral by 2045, while also safeguarding electric grid reliability. Conducted with technical support from third-party experts, including UC San Diego Professor David Victor, the study concluded that a diversified decarbonization approach is necessary – clean electricity and clean fuels (such as clean hydrogen) along with carbon management.

Every day, our 4,600 employees work toward making that roadmap a reality, as you will see in the following pages about projects and programs that are underway or completed.

While we don't have all the answers, we are heartened by the fact that organizations and individuals across the public, private, nonprofit and academic sectors are coalescing around climate actions.

Where there is a collective will, there is a way. Together we will get there.

A handwritten signature in black ink that reads "Caroline Winn".

Caroline Winn
SDG&E Chief Executive Officer

A handwritten signature in black ink that reads "Estela de Llanos".

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

PROGRESS HIGHLIGHTS

In 2020, SDG&E launched our living sustainability strategy, which contained a series of aspirational goals aligned with California’s ambitious climate agenda. The table below reflects our progress through September 2022 as we operationalize sustainability at our organization. For the most recent goal language, please see pages 9 - 10 in SDG&E’s [2021 Progress Update](#).

SAFER	
ACHIEVING WORLD CLASS SAFETY	700+ firefighters from 60 different agencies attended the County Wildland and Wildfire Drill to sharpen their skills in lifesaving emergency situations
	SDG&E worked with a leading U.S. balloon manufacturer to develop and test a balloon made of non-conductive, shiny material, and through collaboration with CA Assembly member Bill Quirk, helped pass legislation to phase out production and sale of balloons that can cause power outages and fires
WILDFIRE MITIGATION & CLIMATE RESILIENCE	In the High-Fire Threat District (HFTD), 900 transmission miles and 600 distribution miles (total of 1,500 miles) hardened since inception of the Wildfire Mitigation Plan
	~3,500 renewable portable backup batteries provided to customers with medical energy needs
	Seven microgrids in use or under construction to allow more communities and critical facilities to remain energized during a Public Safety Power Shutoff (PSPS) or emergency events
GRID MODERNIZATION & FLEXIBILITY	Launched Virtual Power Plant (VPP) pilot in Shelter Valley to help strengthen community resilience

2022 SUSTAINABILITY AWARDS



Arbor Day Foundation
Tree Line USA Utility - SDG&E



Fire Safe Council of San Diego County
Partner of the Year - SDG&E



CIO 100
SDG&E’s Community Impact Platform



PA Consulting Reliability ONE Awards
Outstanding Grid Sustainability (2021) - SDG&E



E-Source Utility Ad Awards
EV Awareness Campaigns - SDG&E’s Power Your Drive for Parks, Schools and Beaches LOVELECTRIC Campaign



San Diego Section of the American Planning Association
2022 Environmental Planning Excellence Awards - Accelerate to Zero (A2Z) coalition



Fast Company World Changing Ideas 2022
Honorable Mention for AI + Data and Climate categories - SDG&E’s Community Impact Platform



San Diego Association of Governments (SANDAG)
iCommute Diamond Awards Bronze Tier - SDG&E

STRONGER

"OUTSIDE IN" COMMUNITY OUTREACH	On track to invest more than \$6 million in our communities, supporting over 500 nonprofit organizations in the San Diego and South Orange County regions in 2022. More than 80% went to diverse and underserved communities
	Three community advisory councils (CAC) – San Diego CAC, Wildfire Safety CAC and Boulder City CAC – held seven CAC meetings with 45 members of the public
	More than 400 customers, employees, partners, community leaders and critics engaged with SDG&E to learn more about our <i>Path to Net Zero</i> decarbonization roadmap
CREATING OPPORTUNITIES THROUGH DIVERSITY, EQUITY & INCLUSION	100% of SDG&E officers are mentoring at least one woman or person of color
	Rolled out Frontline Supervisor Academy that includes leadership on D&I training, psychological safety and hybrid workforce
	Launched Culture & Connections to build cross-cultural awareness
	Established two new employee-led resource groups (ERGs) – VOZ (Latino ERG) and VALOR (Veteran ERG)
	Sponsored several training programs to help build a diverse workforce
SUSTAINABLE SUPPLY CHAIN	<u>\$2.4 billion in total procurements</u> , \$936 million or 39% went to diverse suppliers (2021), up from \$872 million (2020)
BREAKTHROUGH SOLUTIONS	At Borrego Springs Microgrid, SDG&E will test hydrogen for long-duration (eight hours or more) energy storage, which can be made available for dispatch by the microgrid or the California Independent System Operator (CAISO) to support grid reliability
	At Palomar Energy Center in Escondido, an electrolyzer and solar panels will be installed to produce hydrogen onsite and blend it with natural gas for electric generation. This hydrogen will also be used to fuel the first hydrogen vehicles in SDG&E's fleet and as a cooling gas at the facility
	SDG&E is actively working on executing the Palomar and Borrego hydrogen pilots, but a complex supply chain environment is causing delays to the original schedule. Completion of both projects is currently forecasted for 2023

SAFER, STRONGER, HEALTHIER TOGETHER.

HEALTHIER

ENVIRONMENTAL STEWARDSHIP	On track to provide 10,000 trees to our community with 9,125 trees planted to date in 2022
	54% green waste diverted from landfills
	SDG&E was the first utility to develop a Habitat Conservation Plan under the Endangered Species Act in 1995 and submitted an update designed to increase biodiversity protections, environmental stewardship and conservation in 2022
SUSTAINABLE OPERATIONS	On track to electrify 20% of our fleet by year end. 21.7% of light-duty fleet electrified and 4.1% overall fleet zero-emissions vehicles out of 1,744 ¹
	46% waste diversion rate at SDG&E facilities
	Total 2022 year-to-date water use ~510M gallons, 91% recycled water at SDG&E generation sites and facilities
	Responsibly recycled 1,252 solar panels and 3.5 MWh of lithium batteries when they reached the end of their useful life
	On track to achieve zero net energy at SDG&E facilities and are investing in RECs to offset 100% emissions ²
	655 kW solar at facilities (12% of current electricity usage of ~5.5 MW)
	318 EV chargers installed at SDG&E facilities ³
	14 U.S. Green Building Council (USGBC) LEED® certifications at SDG&E facilities
REIMAGINING TRANSPORTATION	31 out of 900 SF6 (a very potent greenhouse gas) units removed on the distribution system
	3,404 EV charging ports at 291 sites in our service territory
	In collaboration with Nuvve and the Cajon Valley Union School District, deployed bidirectional vehicle-to-grid (V2G) technology connecting eight electric school buses to six 60 kW bidirectional DC fast chargers
ENABLE THE ENERGY TRANSITION	Strategic collaborations advancing clean transportation in the region include Dole, MTS and U.S. Department of Energy Vehicle-to-Everything (V2X)
	2021 marks the fifth consecutive year SDG&E has achieved zero leak repair backlog, supporting efforts to reduce methane emissions
	Aerial methane mapping using helicopter-mounted LiDAR technology and drones for leak detection and repair
	Released economy-wide <i>Path to Net Zero</i> decarbonization roadmap with one of the first utility industry standard reliability analyses
	SDG&E's Renewable Portfolio Standard (RPS) is 55% ⁴
	SDG&E has 20% rooftop solar penetration in our service territory, among the highest in the U.S. More than 259,000 rooftop solar systems, with a capacity of 1,794 MW, are interconnected to the grid (cumulative as of Sept. 2022)
	Completed Kearny Energy Storage – a 20 MW utility-owned facility
Collaborated with two active Community Choice Aggregators (CCAs) in SDG&E's service territory - Clean Energy Alliance and San Diego Community Power - to transition customers to their electric generation service	

1 Zero-Emissions Vehicle (ZEV) includes full battery electric vehicles (BEV), plug-in hybrid vehicles (PHEV) and hydrogen fuel cell vehicles. Fleet goals contingent on vehicle availability and CPUC funding.

2 CPUC definition of Zero Net Energy

3 SDG&E is updating EV chargers with smart meters at our facilities to closely track energy usage and improve billing reliability.

4 SDG&E annual RPS compliance likely to vary year-over-year due to portfolio rebalancing related to portfolio allocations to customer load departure to local CCAs. 55% represents 2021 data.

SAFER

Safety is always our top priority at SDG&E and we work hard to help keep our community safe. This includes working to make our region more resilient to climate change and the increased risk of wildfires, as well as strengthening our energy systems to reliably deliver clean energy when and where it's needed.

CLIMATE ADAPTATION AT SDG&E



When we think about sustainability for our region, climate adaptation is foundational. Because extreme weather and climate conditions are expected to be more frequent and severe in the future, we are working today to prepare for whatever may come tomorrow. SDG&E is aligning our investments to advance sustainability for our region and our customers. In fact, 100% of the net proceeds from our inaugural issuance of \$750M in Green Bonds in August 2021 were allocated to eligible projects addressing the growing needs for climate adaptation, community resilience and clean energy solutions, including wildfire mitigation efforts and developing microgrids.



As solar panels and battery energy storage systems are retired, we are working hard to responsibly recycle these materials – to recover chemicals and precious metals for as much reuse as possible. Earlier this year, we decommissioned one of our first energy storage facilities, and in the process we collaborated with a vendor to create a streamlined, closed loop recycling process that helped recover up to 95% of useful materials for future use."

Donald Balfour, SDG&E Advanced Clean Technology Program Manager

SDG&E LEADERSHIP IN WILDFIRE MITIGATION

SDG&E's culture of wildfire safety and focus on continuous improvement is demonstrated by the following differentiating elements of our wildfire mitigation strategy.



Grid & Infrastructure Enhancements



Academic Partnerships



Vegetation Management



Situational Awareness



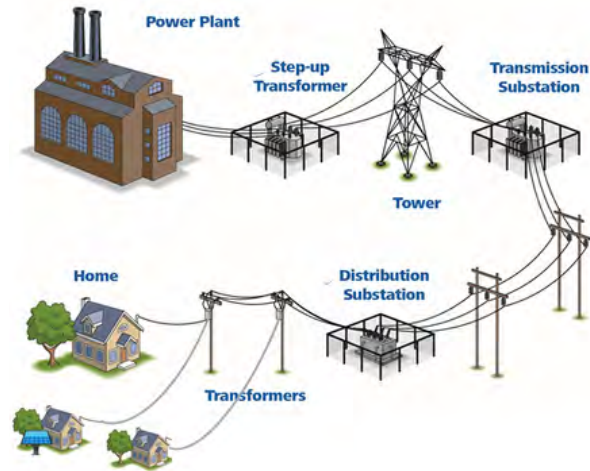
Advanced Protection Systems



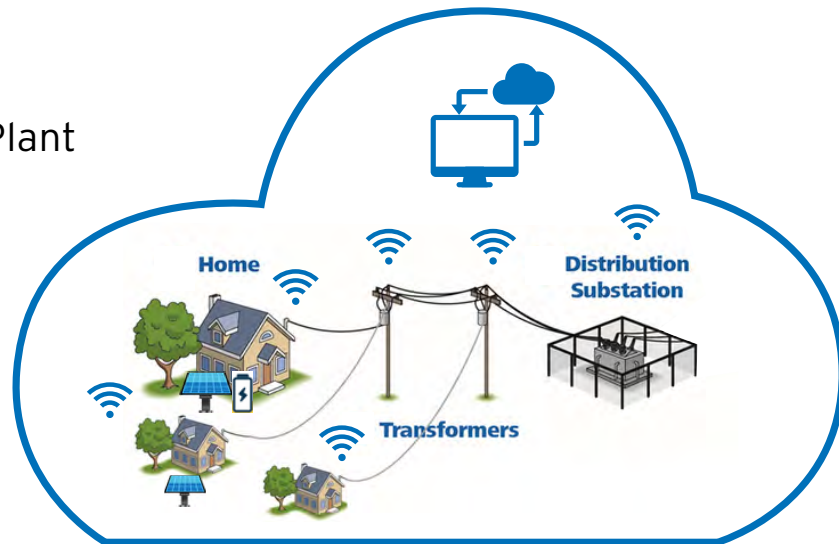
PSPS Execution, Resilience & Customer Support

VIRTUAL POWER PLANTS TO BOOST RELIABILITY

Traditional Power Plant



Virtual Power Plant



In 2022, SDG&E launched a Virtual Power Plant (VPP) pilot to help strengthen community resilience and electric reliability in the unincorporated community of Shelter Valley in East San Diego County. A VPP is a collection of energy resources that are interconnected and operated together via the cloud. During periods of increased energy demand, these distributed energy resources can be accessed by a utility provider to put electricity on the grid.

BUILDING STRONGER COMMUNITIES TOGETHER.

MICROGRIDS TO SUPPORT FIREFIGHTING & COMMUNITY SERVICES



Ramona Microgrid

In April 2022, SDG&E completed a new microgrid to provide backup power to the Ramona Air Attack Base, home to CAL FIRE and U.S. Forest Service’s aerial firefighting assets dedicated to protecting rural communities. The microgrid produces zero emissions as it is powered by 500 kW / 2000 kWh of battery storage and was built in collaboration with the two agencies it supports.

“ We are grateful for the strong working relationship we have with SDG&E. It gives us peace of mind to have backup power for a critical facility like the Ramona Air Attack Base, especially given the fact that fire season in California has become year-round.”

Tony Mecham,
San Diego County Fire Chief,
CAL FIRE

PROTECTING BIODIVERSITY FOR FUTURE GENERATIONS



Providing Native Seeds for the Community

SDG&E’s environmental stewardship extends beyond our operations, and our employees are integral to these efforts. In collaboration with San Diego Audubon Society, we unveiled a native seed library at our Kearny Mesa office campus in May 2022. This seed library enables our employees to take an active role in supporting regional biodiversity by taking seeds to grow native plants in the community – providing both food and shelter to important pollinators like the monarch butterfly, hummingbirds and other bird species.

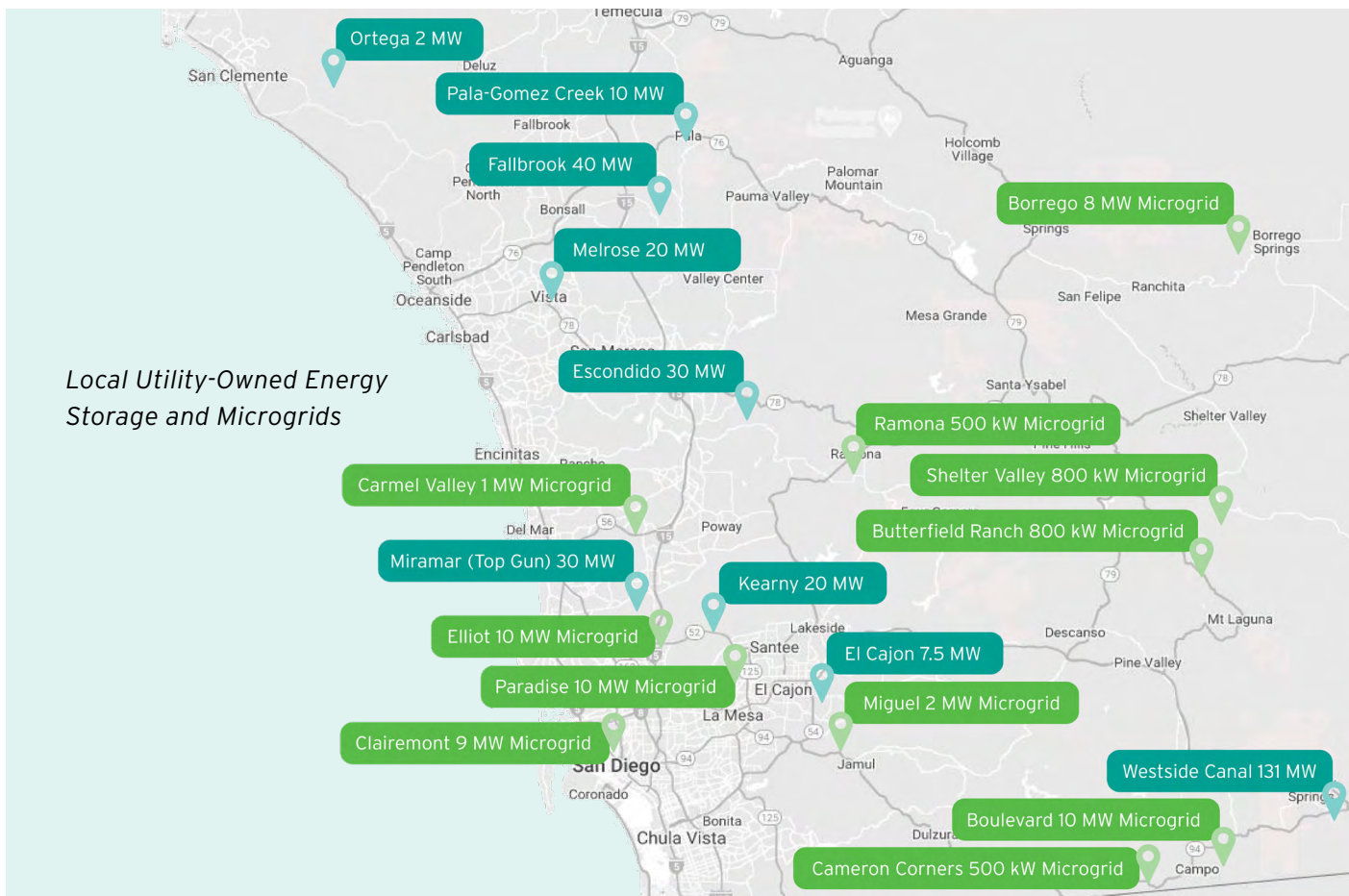
“ This project allows me to share my passion for the environment as well as help create a critical habitat that can serve as a buffer to climate change and biodiversity loss.”

Mackenna Kull,
SDG&E Environmental
Sustainability Advisor

STRONGER

SDG&E is a people company first, focused on delivering energy with purpose to the communities where we also live. We help build a stronger community and economy by investing in climate-resilient energy infrastructure, expanding access to clean energy and providing quality jobs and training to help foster a more diverse and inclusive workplace.

BUILDING COMMUNITY RESILIENCE



We are committed to helping our communities and our regional grid be more resilient, especially in the face of increasing threats from climate change. For more than a decade, SDG&E has invested in microgrids, new energy storage facilities and fire hardening our infrastructure to help keep our communities safe and energized through an extended wildfire season and increased extreme heat waves.

SDG&E recognizes that climate action in this decade is critical. Our 2024-2027 budget proposal (known as a General Rate Case) focuses on three key elements of sustainability: climate adaptation, climate mitigation and energy grid transformation.

PILOTING HYDROGEN – A CLEAN FUEL OF THE FUTURE



**WHERE INNOVATION IS
A RENEWABLE RESOURCE.**

In our efforts to reach net zero by 2045, SDG&E is exploring cleaner fuels like hydrogen. Clean hydrogen is expected to play a vital role in helping decarbonize California's economy, including the potential to become a key source of clean, firm and dispatchable power.

University of California San Diego – Hydrogen Blending

In September 2022, SDG&E submitted a proposal to the CPUC to conduct a hydrogen blending pilot on the campus of UC San Diego. The project plans to study the feasibility of injecting up to 20% hydrogen by volume into our existing natural gas system to help develop a renewable hydrogen blending standard for California.

MAKING ELECTRIC VEHICLES ACCESSIBLE TO ALL

To help make electric vehicles accessible to everyone, SDG&E and the Challenged Athletes Foundation hosted an adaptive electric vehicle ride and drive event in July 2022. The first for the region, the event welcomed community members with functional and access needs to learn a new sport or try an EV. Hundreds of people visited community information booths, took part in adapted sports like sitting volleyball and wheelchair basketball and test drove EVs – many for the first time.



Never assume limitation – with a little creativity there is always an adaptation, if there's a will."

Brett Palser,
SDG&E Strategic Vendor Management Advisor
and CrossFit Podium Finisher



SDG&E AND CENTER FOR SUSTAINABLE ENERGY EXPAND SOLAR ACCESS

SDG&E, in conjunction with the City of San Diego and the nonprofit Center for Sustainable Energy, launched the San Diego Solar Equity Program in August 2022. The program funds rooftop solar installations for income-qualified homeowners in City of San Diego communities that face the highest risk from climate change – and yet historically have had lower access to renewable energy. SDG&E dedicated \$10 million in shareholder, non-ratepayer funds to create the 10-year program, fulfilling a key commitment made under our franchise Energy Cooperation Agreement with the City of San Diego. The program aims to cover 100% of solar installation costs for systems up to 6.5 kW. It also aims to cover up to \$3,500 for electrical panel upgrades for homes that need additional preparation for a solar installation.

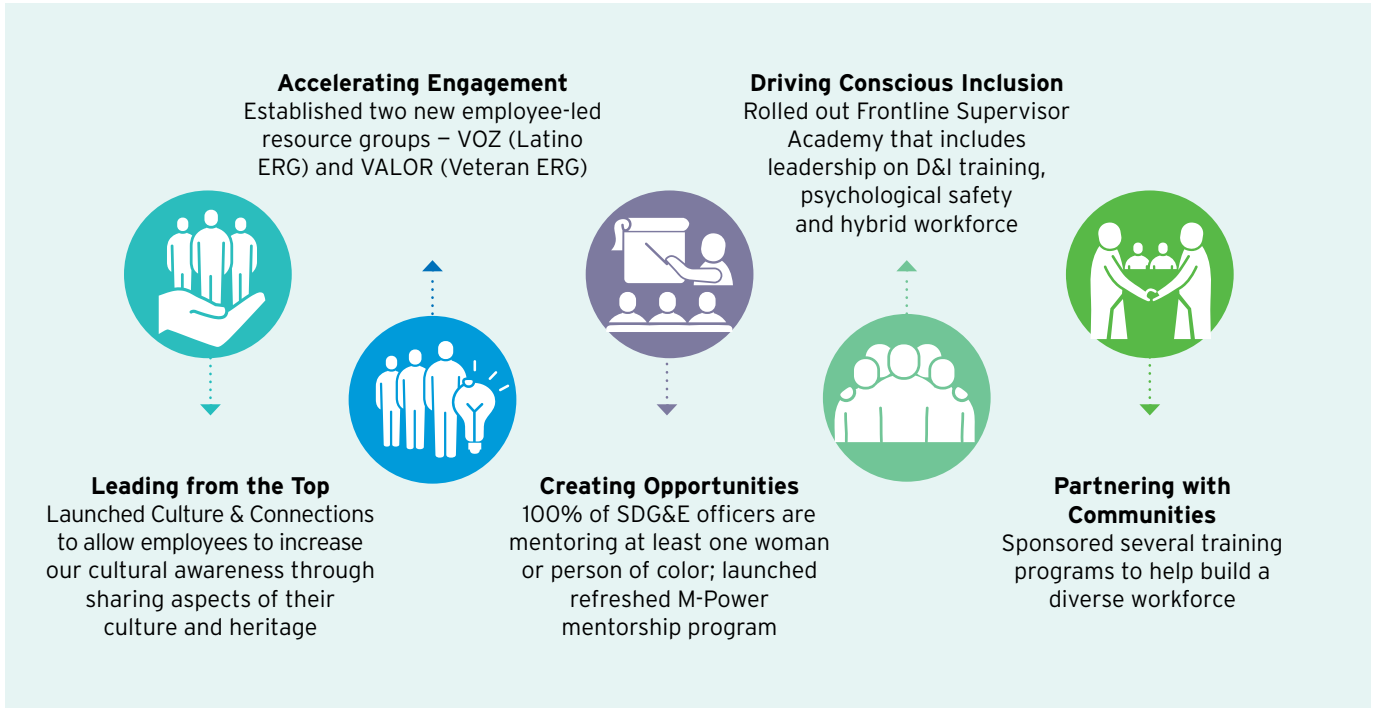


**WHERE GIVING BACK
REWARDS EVERYONE.**

EMPLOYEE ENGAGEMENT AT SDG&E

SDG&E is proud of our approach to engagement, which includes purpose-driven volunteering and a focus on creating opportunities for advancement. From our hiring process to our executive goals, we are driving sustainable change for diversity, equity and inclusion at our company and in the community.

Examples of our recent actions include:



I am proud to lead SDG&E Engineering Associate and Intern Recruiting, a program that has hired more than 300 interns and associates in the last 20 years. I have been involved representing SDG&E with many of our diverse organizations. This has afforded me the opportunity to reach top talent potential recruits for our company."

Lisa Zelkind, SDG&E Senior Staffing Advisor

DEVELOPING THE WORKFORCE OF THE FUTURE



Arborist Training Program

As wildfires continue to grow in frequency and intensity, one of the best lines of defense to prevent these catastrophes is to help ensure that trees and other vegetation around electrical infrastructure are properly inspected and pruned. Programs like the Utility Line Clearance Arborist Training are designed to build a diverse, qualified and talented workforce of skilled personnel to help keep our region safe. In July 2022, candidates completed their five-week, 200-hour training program, developed in collaboration with the Utility Arborist Association, San Diego Community College District and California Conservation Corps. The idea is that once participants complete the training, they become a part of the local Union (IBEW Local 465) and are eligible for hire by SDG&E tree contractors.

Construction Career Jumpstart

The San Diego region has seen significant growth in the construction and technology sectors. Now in its third year, Construction Career Jumpstart offers students, who may not have had previous access to job training and education, the opportunity for paid training in energy, construction and utility careers. Launched by SDG&E and offered through the San Diego Workforce Partnership, the program boasts a career placement rate of 70% for participants.



Competitive Edge

SDG&E is collaborating with company contractors to expand workforce development opportunities in the construction and utility trades. Competitive Edge offers candidates a paid, six-week train-to-hire program on real-world construction projects with an SDG&E contractor. Upon successful completion of training, graduates are hired into a regular full-time position with benefits. The program was developed by SDG&E vendor Jingoli Power, a local contractor that often recruits its trainees from the communities where they develop and manage projects. The majority of the first cohort in San Diego came from Southeast San Diego and are all of African-American descent. Another cohort is planned for 2023.

HEALTHIER

At SDG&E we are committed to helping enable a just and equitable energy transition that reduces greenhouse gas emissions, improves air quality and provides energy reliability and affordability.

REIMAGINING TRANSPORTATION FOR FLEETS



Transportation is the largest contributor of greenhouse gas emissions in California and also a major source of air pollution – particularly in communities located along busy transportation corridors. SDG&E is driving our region's transition to electric and zero-emissions vehicles by helping develop a robust network of charging infrastructure to power anything from passenger vehicles and trucks of all sizes, to buses, forklifts and everything in between.

“San Diego is a transportation hub with an international port and one of the nation’s busiest border crossings. Helping to electrify these large vehicles means cleaner air and better health outcomes for our community.”

Lianna Rios,
SDG&E Clean Transportation
Customer Solutions Manager



COLLABORATING TO CREATE CLEANER FLEETS



DOLE
SDG&E is helping Dole Foods and the Port of San Diego electrify their terminal and cargo-handling equipment. SDG&E is supporting the transition by preparing electric infrastructure for 20 new EV chargers that will be installed to power Dole’s full fleet.



San Diego Metropolitan Transit System (MTS)
SDG&E broke ground on a new overhead electric bus charging system for the San Diego Metropolitan Transit System (MTS). The new system is expected to be capable of charging 24 electric buses at a time. Buses can be parked in the depot and fully charged in a few hours.



U.S. Department of Energy Vehicle-to-Everything (V2X)
In April 2022, SDG&E signed the U.S. Department of Energy’s (DOE) Memorandum of Understanding (MOU) to help advance V2X technology. The MOU brings together cutting-edge resources from DOE, National Labs, state and local governments, utilities and private entities to help integrate bidirectional charging into energy infrastructure.

VEHICLE-TO-GRID GOES LIVE IN SAN DIEGO COUNTY



In July 2022, SDG&E flipped the switch on our region's first vehicle-to-grid (V2G) project at Cajon Valley Union School District. The project connects eight electric school buses to the grid through six bidirectional chargers that enable the buses to "fuel up" to run routes as needed and serve as batteries discharging energy back to the grid when parked. With larger batteries than standard EVs and a predictable schedule of operations, electric school buses are an innovative way to help reduce strain on California's grid when electricity supplies are tight, such as during a heatwave. As a bonus, school districts can get paid for load reduction during grid emergencies, as was the case during the September 2022 heat emergency.

“ This pilot project is a great example of our region being at the forefront of testing and adopting innovative technologies to reduce greenhouse gas emissions and strengthen the electric grid.”

Miguel Romero,
SDG&E Vice President
of Energy Innovation

ELECTRIFYING OUR FLEET

SDG&E is on track to convert our entire fleet to zero-emissions vehicles by 2035 – and we expect to have more than 21% of our light-duty fleet electrified this year with the addition of several electric work trucks. We are prioritizing fleet vehicle replacement in communities that are hardest hit by pollution, using an award-winning digital mapping tool called the Community Impact Platform.



“ Our fleet team takes pride in the work our crews and vehicles do in our communities every day – making repairs, strengthening our infrastructure and serving our customers. They are a visible reminder that SDG&E is helping to enable an equitable clean energy transition.”

Patrick Charles, SDG&E Fleet Operations Manager

**WHERE EV MEANS
EVERYWHERE.**

“ At SDG&E, we are committed to helping improve lives and communities by delivering clean, safe and reliable energy with purpose. Innovative tools like the Community Impact Platform are a perfect example of how we engage technology to reduce emissions in our communities and build a more sustainable and equitable future for all.”

Gabe Mika, SDG&E Director of Innovation and End User Experience



**WHERE PEOPLE ENERGY
POWERS EVERYTHING.**

FORWARD LOOKING STATEMENTS

This document 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 the date of this document. 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 document, 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,” “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 the risks that we may be found liable for damages regardless of fault and that we may not be able to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, in rates from customers or a combination thereof; decisions, investigations, regulations, issuances or revocations of permits or other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, and other governmental and regulatory bodies and (ii) the U.S. and states, counties, cities and other jurisdictions therein in which we do business; the success of business development efforts and construction projects, including risks in (i) completing construction projects or other transactions on schedule and budget, (ii) realizing anticipated benefits from any of these efforts if completed, and (iii) obtaining the consent or approval of partners or other third parties, including governmental and regulatory bodies; civil and criminal litigation, regulatory inquiries, investigations, arbitrations and other proceedings; changes to laws and regulations; cybersecurity threats, including by state and state-sponsored actors, by ransomware or other attacks on our systems or the systems of third-parties with which we conduct business, including to the energy grid or other energy infrastructure, all of which have become more pronounced due to recent geopolitical events, such as the war in Ukraine; failure of our counterparties to honor their contracts and commitments; our ability to borrow money on favorable terms or otherwise and meet our debt service obligations, including due to (i) actions by credit rating agencies to

downgrade our credit ratings or place those ratings on negative outlook and (ii) rising interest rates and inflation; the impact on our cost of capital and the affordability of customer rates due to (i) volatility in inflation, interest rates and commodity prices and our ability to effectively hedge these risks, and (ii) departing retail load resulting from additional customers transferring to Community Choice Aggregation and Direct Access; the impact of energy and climate policies, laws, rules and disclosures, as well as related goals and actions of companies in our industry, including actions to reduce or eliminate reliance on natural gas, any deterioration of or increased uncertainty in the political or regulatory environment for California natural gas distribution companies and the risk of nonrecovery for stranded assets; the pace of the development and adoption of new technologies in the energy sector, including those designed to support governmental and private party energy and climate goals, and our ability to efficiently incorporate them into our business; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials, cause fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms, may be disputed or not covered by insurers, 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 or limitations on the withdrawal of natural gas from storage facilities; the impact of the COVID-19 pandemic on capital projects, regulatory approvals and the execution of our operations; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those that have been imposed and that may be imposed in the future in connection with the war in Ukraine, 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 the company 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 Sempra’s website, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company or Southern California Gas Company, and Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC.

SAFER, STRONGER, HEALTHIER TOGETHER.

Follow our progress and share feedback at sdge.com/sustainability.



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