Sustainable Financing Report

November 2023

SEMPRA™

Sempra is an energy infrastructure company with 2022 consolidated revenues of approximately $14.4 billion. Our businesses invest in, develop and operate energy infrastructure, and provide electric and gas services to customers. Our mission is to be North America's premier energy infrastructure company.

Sempra

The Sempra® family of companies is organized under four reportable segments – San Diego Gas & Electric Company® (SDG&E), Southern California Gas Company® (SoCalGas), Sempra Texas Utilities and Sempra Infrastructure. We have nearly 20,000 talented employees who deliver energy with purpose to nearly 40 million consumers every day. With $79 billion in total assets at the end of 2022, Sempra is the owner of one of the largest energy networks in North America helping some of the world's leading economies transition to cleaner sources of energy.

In 2021, Sempra announced its aim to have net-zero greenhouse gas (GHG) emissions by 2050 and is helping to advance a just energy transition by building and investing in energy infrastructure to help electrify and decarbonize the markets we serve. As detailed in our 2022 Corporate Sustainability Report, we are investing in critical infrastructure, such as electric transmission and distribution networks, utility-scale battery storage and studies on the feasibility of hydrogen delivery systems, to help bring cleaner sources of energy onto the grid. This is essential to powering new solutions to society's climate challenges and shaping our future for a better quality of life for our communities.

Sustainable Financing Framework

In August 2021, Sempra introduced its Sustainable Financing Framework (Framework), which outlines the parameters under which Sempra, SDG&E, and SoCalGas can issue green bonds, social bonds, sustainability bonds, loans, or other financial instruments (collectively, Sustainable Financing Instruments). It establishes criteria for the use of proceeds from issuances of Sustainable Financing Instruments to finance or refinance projects in alignment with our sustainability strategy, while also paving the way to expand new sustainable financing opportunities.

Sempra retained Vigeo Eiris (V.E), an independent global provider of ESG research and ratings, to deliver a second party opinion that confirms our Framework is in alignment with the International Capital Market Association's Green Bond Principles, 2021, Social Bond Principles, 2021, Sustainability Bond Guidelines, 2021, and the Loan Syndications and Trading Association's Green Loan Principles, 2021.

SoCalGas Green Bonds

On November 14, 2022, SoCalGas issued $600 million aggregate principal amount of 6.350% Green First Mortgage Bonds, Series YY, due 2052 (Green Bonds) pursuant to the Framework. In line with the commitments detailed in the Framework, this Sustainable Financing Report describes the projects financed and/or refinanced with the net proceeds (or an amount equal thereto) from the sale of the Green Bonds and addresses the relevant environmental impact of such projects.

SoCalGas™

About SoCalGas

As the nation's largest natural gas distribution utility[1], SoCalGas provides increasingly clean, safe and reliable energy to over 21 million consumers in our service territory covering 24,000 square miles of Southern California and portions of central California. Like other investor-owned utilities in the state, SoCalGas' operations are regulated by the California Public Utilities Commission (CPUC) and other state and federal agencies. The company's infrastructure is expected to play a key role in delivering reliable energy to support California's carbon neutrality goals.

SoCalGas' mission is to build the cleanest, safest and most innovative energy infrastructure company in America. We believe that every Californian deserves a clean, affordable and resilient energy future, and SoCalGas is working to achieve that future by investing in innovation to advance decarbonization, leveraging our infrastructure to provide reliable and flexible energy delivery, and collaborating with partners and stakeholders to advance California's climate goals. In support of that mission, through its ASPIRE 2045 Sustainability Strategy released in 2022, SoCalGas is focused on the clean energy transition, environmental health, clean energy access and affordability, diversity, equity, and inclusion, and the safety and well-being of our employees, customers and the communities we serve. Notably, SoCalGas aims to have net-zero GHG emissions by 2045, which will require collaboration with business partners, customers, and regulatory and policy stakeholders, among others.

1. Based on total customers and sales revenues reported in American Gas Association's (AGA) Utility Rankings by Volumes, Revenues and Customers 2022 Report.

SoCalGas Green Bonds

The net proceeds from the sale of the Green Bonds were approximately $592.5 million (after deducting the underwriting discount but before deducting estimated offering expenses). Such net proceeds (or an amount equal thereto) were intended to be disbursed or allocated to finance and/or refinance, in whole or in part, investments in one or more new or existing Eligible Projects within 24 months prior to and 36 months subsequent to the date of issuance, with no more than 50% of such net proceeds (or amount) intended to be disbursed or allocated to refinance existing Eligible Projects. Eligible Projects for such net proceeds (or amount), as set forth in the Use of Proceeds section of the Green Bonds Prospectus Supplement and as defined in the Sustainable Financing Framework, align with SoCalGas' sustainability strategy and fall into one or more of the following categories (each, an Eligible Project Category): Pollution Prevention and Control, Green Buildings, and Clean Transportation.

Issuing Entity	Southern California Gas Company
Framework	Green Bonds
Ratings	Aa3 (stable) by Moody's Investors Service, Inc. A+ (negative) by S&P Global Ratings AA- (stable) by Fitch Ratings
Trade Date	November 7, 2022
Settlement Date	November 14, 2022
Maturity Date	November 15, 2052
Principal Amount	$600 million
Net Proceeds	$592.5 million
Coupon	6.350%
CUSIP	842434CX8

Allocation Report

As of September 30, 2023, an amount equal to the net proceeds from the issuance of the Green Bonds was used to finance and/or refinance investments in Eligible Projects. For this purpose, we refer to the "Refinance Period" as the period prior to issuance of the Green Bonds from December 2020 through October 2022 and the "Current Period" as the period following issuance of the Green Bonds from November 2022 through September 2023.

An independent registered public accounting firm has examined management's assertion that the net proceeds from the issuance of the Green Bonds (or an amount equal thereto) have been used for Eligible Projects and provided an attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants. Both management's assertion and the third-party attestation may be found on the Sustainable financing section of our corporate website.

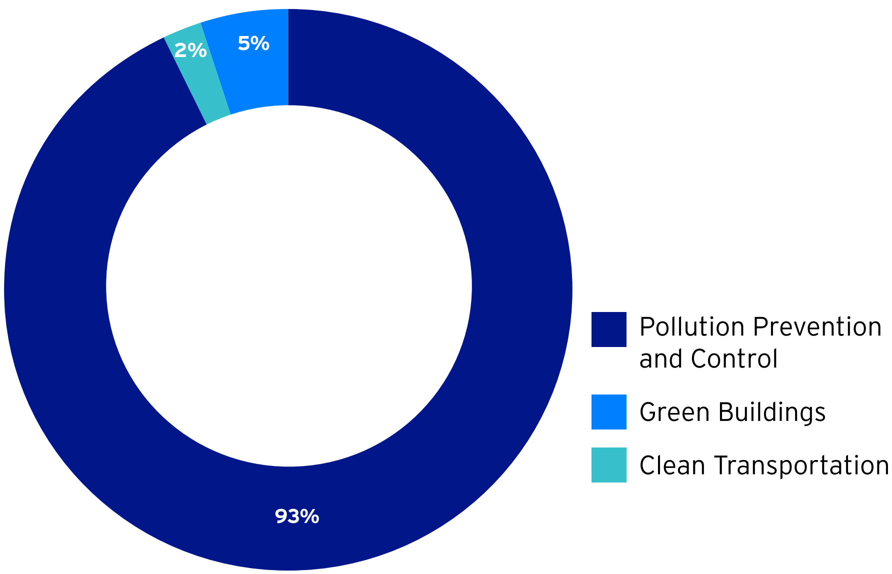
Net Proceeds

$ 592.5 million

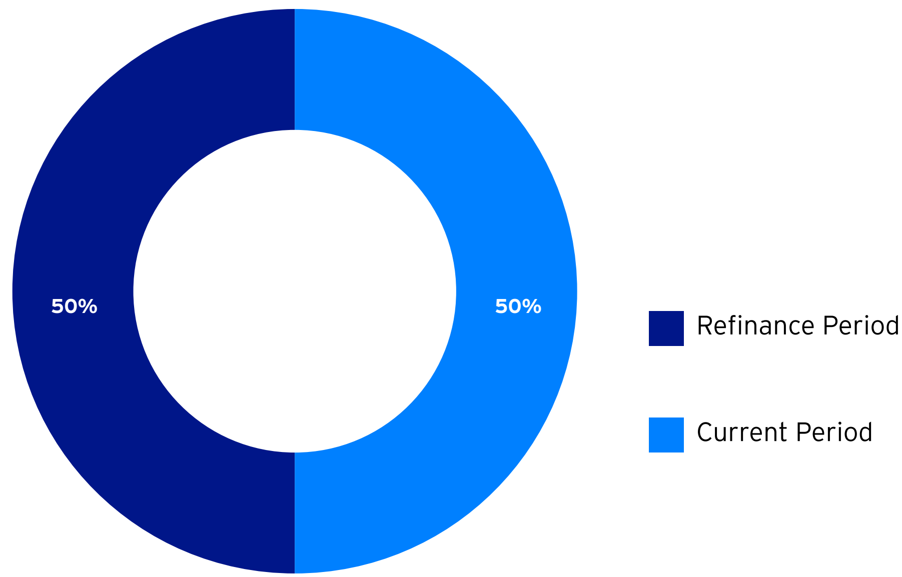
Net Proceeds Allocated

100%

Allocation of Net Proceeds by Eligible Project Category



Allocation of Net Proceeds to Refinance or Finance Eligible Projects



Impact Report

Eligible Projects Category[1]	UN Sustainable Development Goals[1]	Eligible Project Criteria	Eligible Projects	Quantitative Impact Metrics	Use of Proceeds ($ millions)
Pollution Prevention and Control	 	Investments and expenditures related to decarbonizing the gas network and construction, development, renovation, and maintenance of infrastructure designed to mitigate and eliminate emissions and/or produce cleaner energy.	• Retrofit and replacement of pipelines to facilitate the reduction of methane leakage or integration of hydrogen and other low-carbon gases • Advanced fugitive and vented emissions elimination technologies • Compressor station modernization	• 6,209,576 MTCO2e[2] of GHG emissions reductions • 2 compressor station modernization projects in progress[3]	$551.4
Green Buildings		Investments and expenditures related to the purchasing, development, expansion, construction, renovation, and maintenance of buildings that have received or are anticipated to receive a LEED Gold or Platinum rating.	• LEED: Gold or Platinum	• Construction of new gas operations center, which includes 1 building working towards LEED certification, expected in service December 2024[4]	$28.7
Clean Transportation		Investments and expenditures in clean transportation charging infrastructure.	• Installation of electric vehicle chargers and make-ready infrastructure ("make-ready" means that all necessary electrical infrastructure to operate the charging stations is completed) • Development and installation of infrastructure to extract, produce and dispense renewable gases such as hydrogen for use in the transportation sector (transportation, marine, rail, heavy-duty trucks, etc.)	• 50 EV charging stations installed with make-ready infrastructure[5] • 4,452 telematics units installed in fleet vehicles[6] • 3 new natural gas vehicle (NGV) stations that dispense 100% RNG under construction[7,8] • 4 existing NGV stations that dispense 100% RNG being upgraded[7,9]	$12.4
				Total Use of Proceeds	**$592.5**

Notes to the Impact Report

1. Reflects category alignment to the 17 Sustainable Development Goals (SDGs) outlined by the United Nations.

2. Metric is an aggregate of fugitive and vented emissions reductions associated with activities from the Distribution Integrity Management Program (DIMP) and the deployment of equipment to mitigate vented emissions, as part of the Senate Bill (SB) 1371 Leak Abatement program. Metrics were developed using data submitted in the 2023 SB 1371 Natural Gas Leak Abatement Report to the California Public Utilities Commission (CPUC) and/or Pipeline and Hazardous Materials Safety Administration (PHMSA) Department of Transportation (DOT) Gas Distribution reports. Reports available on the SoCalGas and PHMSA DOT websites. Project-dependent emissions factors and/or estimated annual emissions were used to calculate emissions savings values. For DIMP projects, emissions reductions (Metric Cubic Feet (MCF) converted to Metric tons of CO2-equivalent (MTCO2e)) were derived by comparing emissions associated with existing pipeline materials to upgraded materials using SB 1371 data and DOT Annual Gas Distribution reports. For vented emissions reductions, a combination of published data and emission factors in the SB 1371 Natural Gas Leak Abatement Report was used to derive the estimated emissions reductions.

3. Includes investments in upgrades to compressor station infrastructure. Replacement of aging equipment is expected to enhance reliability and improve local air quality by reducing permitted Nitrogen Oxides (NOx) emissions. Projects expected to be in-service in 2024 and 2027, respectively. Projects expected to have tangible emissions reductions impacts. Estimation of projected emissions reductions are expected to be available upon completion of the projects.

4. Includes investments and expenditures related to the development and construction of SoCalGas' gas operations center working towards a LEED (Leadership in Energy and Environmental Design) Gold or Platinum certification. The project has a signed construction contract in place that states that the building will be developed and constructed to be a LEED-accredited facility.

5. Includes amounts allocated to "make-ready" infrastructure (including engineering, construction, and materials) to energize the electric vehicle (EV) charging stations. Charging stations installed may include multiple ports per station energized to date and does not include future ports supported by "make-ready" infrastructure. Includes installation of 50 EV charging stations at company facilities for fleet and employee vehicles, which are expected to be fully operational in the fourth quarter of 2023.

6. Telematics data is used to analyze fleet movements, acceleration, idling, hard braking, tire pressure, and other metrics designed to increase efficiencies and decrease emissions.

7. 100% Renewable Natural Gas (RNG) delivered through SoCalGas compressed natural gas refueling stations. Barring supply or operational disruptions, new stations and future upgrades are planned to deliver 100% RNG.

8. Investments in new sites include the renewable NGV fueling station equipment (dryer, compressors, priority panel, storage, etc.), and a variety of time-fill and fast-fill hoses.

9. Upgrades to existing renewable NGV stations include investments to increase capacity due to installation of additional hoses and refueling pumps, diversify fast-fill and time-fill hoses, and revitalize and replace infrastructure.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions about 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 November 14, 2023. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

In this report, forward-looking statements can be identified by words such as "believe," "expect," "intend," "anticipate," "contemplate," "plan," "estimate," "project," "forecast," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "initiative," "target," "outlook," "optimistic," "poised," "maintain," "continue," "progress," "advance," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include: California wildfires, including potential liability for damages regardless of fault and any inability to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, rates from customers or a combination thereof; decisions, investigations, inquiries, regulations, denials or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions by the (i) California Public Utilities Commission (CPUC), Comisión Reguladorade Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, U.S. Internal Revenue Service and other governmental and regulatory bodies and (ii) U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries where we do business; the success of business development efforts, construction projects, acquisitions, divestitures and other significant transactions, including risks in (i) being able to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) realizing anticipated benefits from any of these efforts if completed, and (iv) obtaining third-party consents and approvals; macroeconomic trends or other factors that could change our capital expenditure plans and their potential impact on rate base or other growth; litigation, arbitrations, property disputes and other proceedings, and changes to laws and regulations, including those related to tax and trade policy and the energy industry in Mexico; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third parties with which we conduct business, including the energy grid or other energy infrastructure, all of which continue to become more pronounced; the availability, uses, sufficiency, and cost of capital resources and our ability to borrow money or otherwise raise capital on favorable terms and meet our obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, or (iii) rising interest rates and inflation; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; the impact on affordability of San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) customer rates and their cost of capital and on SDG&E's, SoCalGas' and Sempra Infrastructure's ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of the clean energy transition in California, and (iii) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate and sustainability policies, laws, rules, regulations, disclosures and trends, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and our ability to incorporate new technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, pipeline system or limitations on the withdrawal of natural gas from storage facilities; Oncor Electric Delivery Company LLC's (Oncor) ability to reduce or eliminate its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; and other uncertainties, some of which are difficult to predict and beyond our control.

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

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

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