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# SUSTAINABILITY IS AT THE CORE OF OUR VISION TO LEAD THE TRANSFORMATION OF THE ELECTRIC POWER INDUSTRY TOWARD A CLEAN ENERGY FUTURE.

Edison International is helping to create a world where homes and businesses as well as cars, trucks and mass transit are powered by carbon-free electricity, delivered by a modernized electric grid. We are doing our part to reduce the greenhouse gas emissions that contribute to climate change, while also focusing on the grid investments needed for a more resilient economy — one that can better withstand challenges like those experienced over the past year. With an unprecedented global pandemic, a societal awakening on racial injustice and climate change-driven severe weather events throughout the nation, including record-setting wildfires in California, 2020 was a year like few others. Resilience has become more important than ever.

For more information about Edison International's approach to sustainability, please visit <a href="https://www.edison.com/sustainability">www.edison.com/sustainability</a>.

#### **About This Year's Report**

Edison International is pleased to introduce our 2020 Sustainability Report and with it a new format. In Part I, the report provides a progress update and related metrics about the environmental, social and governance (ESG) topics of most interest to our stakeholders and where we can have the greatest impact. In Part II, the report provides additional details about all areas of Edison International's ESG performance for stakeholders seeking more information. Included in the Appendix are disclosures related to third-party standards and frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD); our contributions to the United Nations (U.N.) Sustainable Development Goals (SDGs); our Sustainability Scorecard; and details regarding the preparation of this report.



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### A MESSAGE FROM OUR CEO

Despite the historic and challenging obstacles presented in 2020, I am proud that our team of more than 13,000 across Edison International made progress on our vision to lead the transformation of the electric power industry and found ways to support our stakeholders.

#### COVID-19

Through the COVID-19 pandemic, providing reliable service while protecting customers and employees continues to be our top priority. We've taken steps to enhance safety, developing new guidelines and practices to support field team members of our principal subsidiary, Southern California Edison (SCE), and our nonregulated competitive business Edison Energy', while moving two-thirds of our enterprisewide workforce to telework and extending additional benefits. Our Edison team continues to show incredible strength. More than 90% of employees indicated they were proud to work for the company in our 2020 engagement survey.

#### **CLIMATE CHANGE**

Despite the pandemic's immediate challenges, we've remained committed to the global fight against climate change. We also continue to adapt our business to a changing climate, including wildfires.

Edison Energy provides customers, including 15 of the Fortune 50, with energy solutions to meet their global sustainability and cost goals. In 2020, Edison Energy advised customers on

2.2 gigawatts of renewable power purchase agreements and expanded its operations to Europe.

SCE remains focused on its 2045 goal to deliver 100% carbon-free power to customers in terms of retail sales, with 43% from carbon-free resources in 2020, while supporting the high levels of electrification needed to meet economywide net-zero goals most affordably.

In 2020, SCE's \$356 million Charge Ready Transport program, the largest truck and transit charging initiative by a single investor-owned utility in the nation, made progress on supporting medium- and heavy-duty electric vehicles in areas most impacted by pollution. SCE also received approval for a landmark \$436 million extension of its passenger vehicle charging program — equating to 38,000 additional charge ports across our region. These accomplishments and more earned SCE a place on the Smart Electric Power Alliance's Utility Transformation Leaderboard in April 2021.

The threat of climate change is evident. Our hearts go out to all those impacted by the 2020 wildfire season, including the largest single fire incident in California history — the Creek Fire — which surrounded <u>Camp Edison</u> and SCE's <u>Big Creek</u> hydroelectric system. Over the past three years, SCE has invested \$3 billion to make the grid resilient to climate change-driven wildfires and is now preparing a climate adaptation vulnerability assessment out to 2070.



#### **DIVERSITY, EQUITY AND INCLUSION**

In the wake of the tragic killings of George Floyd, Ahmaud Arbery and Breonna Taylor, we underscored and accelerated work we had underway related to diversity, equity and inclusion (DEI). In 2020, we made new commitments and enhanced transparency by disclosing workforce representation, pay equity and employee sentiment data, which is now included in our annual DEI report.

We stand against racial injustice and systemic discrimination in all forms. In addition to our \$1 million commitment to advance racial equity and opportunity over the next five years, we recently launched our lineworker scholarship to increase diversity in the skilled trades, with an initial focus on increasing Black representation. Our continued focus on DEI underpins our approach to safety, which starts with psychological safety.

Our commitment to our stakeholders is integral to who we are and what we do. We look forward to our continued partnerships as we execute on the work ahead.

Poly 1. Pig

Pedro J. Pizarro
President and Chief Executive Officer

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### 2020 YEAR IN REVIEW

In the face of a challenging year, Edison International delivered on our clean energy strategy, while continuing to foster a diverse, equitable and inclusive work environment.

#### **Climate Change**



white paper published by SCE to outline grid investments needed to deliver 100% carbon-free power by 2045



1,360 MW

of energy storage contracts signed by SCE through two landmark procurements



1,442

new charge ports installed through SCE's Charge Ready program



🖖 2,200 MW

renewable energy agreements advised on by Edison Energy<sup>1</sup>

distributed energy resources (DERs) advised on by Edison Energy

#### **Diversity, Equity & Inclusion**



committed in shareholder funding to advance racial equity in communities over five years



Board directors diverse in terms of gender, race, ethnicity and/or LGBTO self-ID



new diversity, equity & inclusion (DEI) commitments made to measure and improve DEI progress

#### **Operational Excellence**



lower average monthly residential bill compared to national average; lowest system average rate among California's investor-owned utilities



\*\* 960+ miles

overhead power lines replaced with insulated wire and

new fire-resistant poles added by SCE to harden infrastructure, exceeding 2020 targets



workforce transitioned to remote work environment with minimal business disruption and essential workers doing necessary infrastructure maintenance protected

service disconnections suspended by SCE and bill relief provided to SCE residential and small business customers in response to COVID-19

<sup>1</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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### **ACCOLADES**

#### **Climate Change**

#### **Utility Transformation Leaderboard**

<u>Smart Electric Power Alliance (SEPA)</u> recognized SCE for accelerating utility transformation to a carbon-free, modern grid

#### **Climate Registered Bronze Status**

The Climate Registry recognized SCE as Climate Registered™ Bronze status for exceptional climate leadership in increasing ambition in the areas of GHG reporting and reductions

#### **Diversity, Equity & Inclusion**

### **Best Places to Work for LGBTQ Equality**

The Human Rights
Campaign Foundation
awarded Edison
International a 100% rating
on the Corporate Equality
Index for the 13th year in a
row in 2020

### Corporate Inclusion Index 5-Star Company

The Hispanic Association on Corporate Responsibility awarded Edison International five stars in two major areas: procurement and governance

### **Top Employee Resource Groups**

The Association of Employee Resource Groups (ERGs) & Councils recognized LEAD, SCE's Latino business resource group, as one of the top 25 ERGs. <u>LatinaStyle</u> named LEAD one of its top 16 ERGs

#### Best Places to Work for Disabled Employees

Disability:IN awarded Edison International a score of 100% on the Disability Equality Index for the third year in a row in 2020

#### **Military Friendly Employer**

Military Friendly awarded SCE a Gold Award in 2020 based on a survey that investigates and identifies the organizations whose commitment to serving the military and veteran community is comprehensive in scope and meaningful in terms of actual outcomes and impact

### **Top Company for Latinos**

Latino Leaders
Magazine included
SCE on their list of
best companies for
Latinos in the January/
February 2021 issue

#### Governance

#### **Top-Rated Governance**

Edison International received a top-rated governance score from <u>ISS</u> in 2020

#### Transparency and Accountability in Political Spending

Nonprofit, nonpartisan Center for Political Accountability recognized Edison International as a "Trendsetter" (highest rating) for our commitment to transparency and accountability in corporate political spending

#### **Board Diversity**

#### 50/50 Women on Boards

recognized Edison International as a "3+" corporation in 2021 for having three or more women on the board of directors

### Recognized Diversity and Inclusion Oversight

National Association of Corporate Directors recognized Edison International as a finalist in the 2020 NXT awards, recognizing boards who lead on diversity and inclusion to create long-term value

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### ABOUT EDISON INTERNATIONAL

Edison International is one of the nation's largest electric utility holding companies, providing clean and reliable energy and energy services through its independent companies. Headquartered in Rosemead, California, Edison International is the parent company of Southern California Edison (SCE), a utility that delivers electricity to 15 million people across southern, central and coastal California. Edison International is also the parent company of Edison Energy,<sup>1</sup> a global energy advisory company delivering comprehensive, data-driven energy solutions to commercial, institutional and industrial users to meet their cost, sustainability and risk goals.

Edison International's vision is to lead the transformation of the electric power industry toward a clean energy future, while delivering superior value to customers and shareholders. We are focused on opportunities in clean energy, efficient electrification, the grid of the future and customer solutions.

Our principal subsidiary, Southern California Edison (SCE), is an electric utility focused on accelerating clean power and electrification, strengthening and modernizing the grid, achieving operational and service excellence and proactively mitigating climate change-related risks, including wildfires. SCE is wires-focused, with less than 20% of electricity sales coming from its own generation.

Our unregulated subsidiary, Edison Energy, partners with leading commercial, institutional, and industrial clients, including 15 of the Fortune 50, to help them navigate and manage three of the biggest challenges of today: cost, carbon and the increasingly complex choices in energy.

13,000+

employees

Nearly 70%

workforce diverse in terms of gender, race and/or ethnicity S13.5B revenue

philanthropic contributions

### 118,000 miles

SCE distribution and transmission lines

### 50,000+ square miles

SCE service area across southern, central and coastal California

residents and

customer accounts in SCE service area \$5**B** 

SCE capital investments annually in a safe, reliable, clean energy grid

#### Edison's Values



We Live Safety



We Conduct Our Business with Integrity



We Strive for Continuous **Improvement** 



We Treat Evervone with Respect



We Pursue Excellence



We Recognize the Strength

Learn more about how Edison International upholds our values throughout our operations in our **Employee Code of Conduct and** our Supplier Code of Conduct.

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### SUSTAINABILITY GOALS

Edison International's sustainability goals reflect long-term commitments we have made related to our material ESG topics. For additional details, including year-over-year performance and details about our ESG materiality assessment, see <u>Sustainability</u>. For a broader set of metrics, please see our <u>Sustainability Scorecard</u>.



#### Clean Energy Transition

Deliver 100% carbon-free power in terms of retail sales to SCE customers by 2045



#### **Electrification**

By 2024, obtain SCE customer commitments to deploy 8,490 medium- and heavy-duty electric vehicles at 870 sites through SCE's Charge Ready Transport program

By 2025, obtain SCE customer commitments to deploy (or commit to deploy for utility-owned installations) at least 41,000 electric vehicle charge ports to serve at least 2,200 sites through SCE's Charge Ready light-duty vehicle charging programs

By 2030, within SCE's transportation fleet, electrify 100% of light-duty vehicles, 30% of medium-duty vehicles, 8% of heavy-duty vehicles and 60% of forklifts



### Diversity, Equity & Inclusion

Achieve gender parity in executive roles by 2030



#### **Public Safety**

No serious injuries to the public from failure of SCE's electrical system



### Workforce Safety & Health

No worker (employee or contractor) fatalities

By 2026, improve employee physical and psychological safety as measured by safety culture assessment

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### **CLIMATE CHANGE MITIGATION**

SCE is a nationally recognized leader in the clean energy transition, delivering power to customers entirely within the state of California, which has some of the most ambitious <u>science-based climate-change</u> <u>goals</u> in the U.S. These goals include <u>net-zero GHG emissions</u> <u>economywide</u> by 2045 and net negative emissions thereafter.

Edison Energy¹ works with clients to respond to climate challenges by helping them improve energy efficiency in their buildings, increase their use of renewable energy and set comprehensive decarbonization strategies inclusive of net-zero goals and science-based targets.

#### **Thought Leadership**

Over the past four years, SCE has published three white papers outlining the cross-sector collaboration that is essential for reaching California's climate goals. Achieving net-zero GHG emissions economywide in California by 2045 requires an integrated approach involving all sectors of the economy. Building strong cross-industry and cross-sector partnerships is at the core of SCE's approach.

SCE's first white paper, <u>Clean Power and Electrification Pathway</u>, published in 2017, presented an integrated blueprint for California to reduce greenhouse gas (GHG) emissions and air pollutants by 2030. In 2019, <u>Pathway 2045</u> identified five key actions for affordably achieving carbon neutrality by 2045, reflecting the state's expanded climate change commitment. SCE's latest white paper, <u>Reimagining the Grid</u>, published in 2020, is a comprehensive assessment of the grid changes needed to support California's GHG emissions reduction goals, while adapting to evolving customer and climate changedriven needs (<u>Customer Solutions</u>).

See more details about SCE's thought leadership and clean energy requirements in Climate Change Mitigation.

SCE'S PATHWAY 2045 OUTLINES FIVE ACTIONS CALIFORNIA CAN TAKE TO AFFORDABLY ACHIEVE ECONOMYWIDE CARBON NEUTRALITY



#### **Decarbonize Electricity**

100% of retail sales powered with carbon-free electricity



#### **Electrify Transportation**

Including three-quarters of light-duty vehicles, two-thirds of medium-duty vehicles and one-third of heavy-duty vehicles



#### **Electrify Buildings**

70% of space and water heating electrified in the built environment



#### **Low-Carbon Fuels**

Applications that are not viable for electrification to use low-carbon fuels



#### **Carbon Sinks**

Remaining carbon to be sequestered to reach carbon neutrality

<sup>&</sup>lt;sup>1</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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#### **CLIMATE CHANGE MITIGATION (CONTINUED)**

#### **Supporting Climate Action**

Edison International supports collaborative efforts to address climate change. In April 2021, we joined a coalition of companies led by the We Mean Business Coalition and Ceres to urge President Biden to set a <u>strong U.S. climate goal</u> of at least a 50% reduction in GHG emissions by 2030. We are pleased to see the resulting <u>commitment</u> aligned with this effort.

In 2020, we supported "America Is All In," a large coalition of cross-sector leaders working alongside the federal government to develop a national climate change strategy. We also signed onto a statement led by the Center for Climate and Energy Solutions (C2ES), along with more than 40 other leading U.S. companies, to jointly urge President Biden and the new Congress to work together to enact ambitious, durable and bipartisan climate solutions.

#### **Public Policy Engagement**

Edison International's public policy engagement includes significant focus on influencing the political agenda to help deliver the benefits of clean energy and electrification. We also participate in national organizations and coalitions to advance climate and clean energy policy, with a particular advocacy focus on electrification.

For more details on Edison International's approach to advancing our climate change agenda, see <u>Climate Change Mitigation: Additional Details</u> and <u>Political Activities</u>.

#### **Strategic Investments**

Beyond SCE's investments, Edison International makes targeted strategic investments and develops collaborations in early and growth-stage companies focused on innovative clean energy technologies and services. Our thematic focus areas include clean energy, electrification, grid technology, customer choice and climate resilience. Examples of the activities pursued by companies we've invested in range from accelerating the transition to electric transportation to making batteries safer and longer-lasting.

Edison International was an early investor in <u>Proterra</u>, which manufactures electric buses and EV technology solutions for commercial

applications. Proterra is building the next generation of domestic manufacturing and is supporting a growing local base of green collar jobs with their e-bus assembly line in the City of Industry, California. Another Edison International portfolio company is AMPLY Power, which offers the first fully managed charging-as-a-service model to the public sector and commercial businesses looking for guaranteed performance and fixed fuel pricing for their electric vehicle fleets. In addition, we're investors in ViriCiti, which provides monitoring solutions for electric fleets, helping them minimize operating costs and maximize vehicle uptime, as well as **Element** Energy, which is developing technologies to improve the safety and performance of batteries.



Transit buses on the assembly line at a Proterra manufacturing plant.

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#### **CLIMATE CHANGE MITIGATION (CONTINUED)**

#### **Carbon Footprint**

In addition to Edison International's efforts to spur economywide solutions to climate change, we are focused on our own footprint, both in terms of the power SCE delivers to customers and the direct and indirect GHG emissions associated with our operations. We also track a broader set of ESG metrics through our <u>Sustainability Scorecard</u>.

### Delivered Power Mix and GHG Emissions Intensity

SCE provides one of the cleanest electricity mixes in the nation. In the past two decades, we have accelerated the addition of renewable energy to the grid, signing large, long-term contracts for wind and solar resources since the early 2000s and building the nation's first transmission line designed specifically to carry renewable power. The project was designed to be capable of

carrying 4,500 MW of electricity from renewable energy projects in Kern County, California.

SCE divested from and terminated all contracts with coal-burning resources between 2005 and 2015, and has no coal in its specified portfolio. We also reduced the need for new generating resources through energy-efficiency programming and incentives. SCE's decoupled rate structure means its financial results are not affected by changes in electricity sales. This structure promotes energy efficiency, helps stabilize customer bills and supports environmental goals.

In line with the state of California's climate objectives and policies, SCE's 2045 goal is to deliver 100% carbon-free power to customers in terms of retail sales.

More than 40% of the power SCE delivered to customers in 2020 is estimated to have come from carbon-free sources, including predominantly California Renewables Portfolio Standard (RPS)-eligible resources such as wind and solar, along with other carbon-free sources such as large hydroelectric and nuclear power. In 2020, SCE's estimated delivered power mix emitted approximately 42% fewer GHG emissions per unit of electricity compared to the latest available U.S. national average.<sup>1</sup>

In terms of year-over-year performance, carbon-free resources comprised 43% of SCE's delivered power mix, from 51% in 2019. The decrease was primarily due to the sale of excess renewable energy credits to community choice aggregators (CCAs) and other loadserving entities. These actions help keep SCE's rates affordable for customers, while allowing SCE's early actions in renewable energy procurement to continue to support the clean energy transition in California. Another contributing factor was lower production at SCE's hydroelectric facilities due to lesser rainfall and damage to the Big Creek facility as a result of the Creek Fire. Despite this decrease, SCE remains well-positioned to meet our 2030 and 2045 RPS and carbon-free power goals and interim targets.

See more details about SCE's <u>power mix</u> and <u>carbon-free power goal</u>.

#### SCE's GHG Emissions Intensity for Delivered Power



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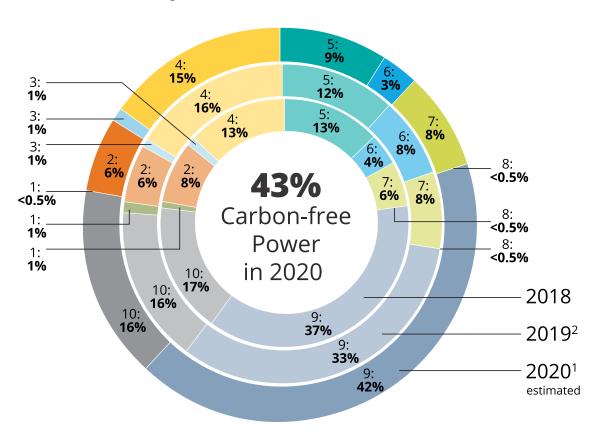
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#### **CLIMATE CHANGE MITIGATION (CONTINUED)**

#### SCE's Estimated Delivered Power Mix in 2020<sup>1</sup>

Includes both owned generation and power procured from third parties. (Numbers do not sum due to rounding)





1: Biomass & Biowaste



2: Geothermal



3: Eligible Hydroelectric



4: Solar



5: Wind



6: Large Hydroelectric



7: Nuclear





8: Other3



9: Unspecified<sup>4</sup>



10: Natural Gas

<sup>1</sup> This is an estimate of SCE's 2020 delivered power mix using the methodology prescribed by the California Energy Commission's (CEC) Power Source Disclosure Program (PSDP) as of April 1, 2021. SCE's final PSDP report will be filed with the CEC on June 1, 2021 and may include data that differs from the estimate shown here to reflect subsequent changes or clarifications to PSDP's methodology and reporting template. Numbers do not sum due to rounding.

<sup>2 2019</sup> delivered power mix data reflects final data from SCE's PSDP filing on July 20, 2020, and has been updated from the estimate shown in the 2019 Sustainability Report. Restatements include: Wind, restated from 11% to 12%; Large Hydroelectric, restated from 6% to 8%; Other, restated from 3% to <0.5%; Unspecified restated from 31% to 33%; Natural Gas restated from 18% to 16%.

<sup>3 &</sup>quot;Other" consists of diesel from SCE-owned Pebbly Beach Generating Station on Catalina Island.

<sup>4</sup> Unspecified power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions administered by the California Independent System Operator (CAISO). The power is typically a mix of resources, largely dominated by natural gas and renewables. The generating resources in the CAISO market are getting cleaner as more renewables are added to the grid in line with California state law. Unspecified power also consists of energy from out-of-state wind projects that are not delivered into California. This energy is considered RPS-eligible for RPS compliance purposes, however.

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#### **CLIMATE CHANGE MITIGATION (CONTINUED)**

#### Scope 1, 2 and 3 Emissions

Edison International's GHG emissions inventory,¹ which covers Edison International and SCE, allows us to track emissions over time, identify reduction opportunities and communicate transparently about performance. We account for GHG emissions using The Climate Registry's General Reporting Protocol and the sector-specific reporting protocol for the Electric Power Sector.

Scope 1 and 2 emissions represent only 16% of our overall footprint, because SCE is a wiresfocused utility with fewer than 20% of retail sales coming from SCE-owned generation assets. Scope 3 emissions, including power purchased from third-parties to serve SCE's customers, represent the remaining 84%. In 2020, we expanded our Scope 3 emissions accounting to include employee commuting and business travel, and we have restated our 2019 calculations to include these added emissions categories.

In 2020, our Scope 1 emissions increased 7% compared to 2019. This was due to increased emissions from SCE's transportation fleet and stationary combustion at facilities stemming from COVID-19 worker safety measures and wildfire-related and other emergency operations. SCE's utility-owned generation (UOG) emissions, which contributed roughly 84% of our

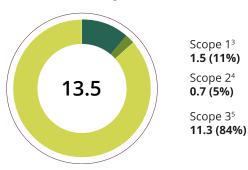
Scope 1 emissions in 2020, decreased 3% compared to 2019. SCE's largest natural gas asset, Mountainview Generating Station, which comprises more than 90% of SCE's UOG emissions, was economically dispatched by the California Independent System Operator (CAISO) for fewer hours than in 2019. Mountainview's emissions are covered under California's cap-and-trade market.

Our Scope 2 emissions are predominantly associated with line loss from SCE's owned and purchased power. Scope 2 emissions increased 14% in 2020, compared with 2019 due to sales of RPS-eligible energy to maintain affordable rates. This resulted in a reduced proportion of renewables as part of SCE's delivered power portfolio.

Similarly, our Scope 3 emissions increased 15% in 2020 compared with 2019 due in part to a smaller net proportion of renewables in SCE's purchased power portfolio resulting from sales for RPS-eligible energy. SCE anticipates that Scope 3 emissions from purchased power will decline to zero or near zero by 2045, depending on the residual carbon-emitting resources in the system attributable to line losses in the context of SCE's 2045 retail sales goal. Purchased Power makes up 84% of Scope 3 emissions. A portion is covered under California's <u>cap-and-trade</u> market.

#### Total Estimated Emissions 2020<sup>2</sup>

Million Metric Tons CO2e



More than 90% of our Scope 1 emissions are covered under California's cap-and-trade market

### Emissions Year-Over-Year Comparison Million Metric Tons COse

	2018	2019	2020 <sup>6</sup>
Scope 1	1.1	1.4	1.5
Scope 2	1.2	0.67	0.7
Scope 3	15.86,8	9.8 <sup>7, 8</sup>	11.3 <sup>8</sup>

<sup>1</sup> Our GHG emissions inventory includes emissions from Edison International and SCE only. Edison Energy® emissions are not yet included, though expected to be de minimis.

<sup>&</sup>lt;sup>2</sup> These calculations include as an input an estimate of SCE's 2020 delivered power mix using the methodology prescribed by the <u>CEC's PSDP</u> as of April 1, 2021. SCE's final PSDP report will be filed with the CEC on June 1, 2021 and may include updates to the inputs used in these calculations.

Scope 1 emissions are direct emissions under the control of the company, including utility-owned generation (9%), stationary and mobile combustion (<1% and 1%, respectively), and fugitives (SF<sub>6</sub> from T&D operations <1%).</li>
 Scope 2 emissions are indirect emissions required for business processes, including facility electricity (<1%) and Transmission & Distribution line losses (5%).</li>

<sup>&</sup>lt;sup>5</sup> Scope 3 emissions are emissions released as a consequence of our activities, including specified and unspecified power purchases to serve SCE customers (84%) and (added for data years 2019 and 2020) employee commuting and business travel (<1%).

<sup>&</sup>lt;sup>6</sup> Emissions calculations for 2020 are estimated and include as an input an estimate of SCE's 2020 delivered power mix using the methodology prescribed by the CEC's PSDP as of April 1, 2021. SCE's final PSDP report will be filed with the CEC on June 1, 2021 and may include updates to the inputs used in these calculations.

<sup>7</sup> Scope 2 and 3 emissions for 2019 have been restated from 0.8 MMT to 0.6 MMT and 13.6 MMT to 9.8 MMT, respectively, to reflect final purchased power data from SCE's 2019 PSDP filing, which was finalized and submitted after the publication of the 2019 Sustainability Report. The 2019 Scope 3 emissions calculation restatement also includes the addition of emissions from business travel and employee commuting for Edison International and SCE.

<sup>8</sup> Scope 3 emissions for 2019 and 2020 include business travel and employee commuting for Edison International and SCE. These inputs are not available for 2018.

<sup>9</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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### **CLIMATE CHANGE ADAPTATION**

Responsible climate change strategy focuses on adaptation as well as mitigation. SCE is adapting its operations and infrastructure to the evolving physical risks of climate change.

SCE is evaluating the potential long-term impacts of temperature, precipitation, sea-level rise and wildfire hazards on our infrastructure and operations, using 10 California-endorsed Global Climate Models as the best representation of weather patterns and a conservative, high-emissions global warming scenario to ground this assessment. We are also engaging with the community, with a particular focus on our stakeholders in environmental and social justice (ESJ) communities, to inform the assessment. SCE will submit its first climate adaptation vulnerability assessment to the California Public Utilities Commission (CPUC) in May 2022. Future climate projections are also being integrated into long-range planning as SCE works to achieve objectives outlined in Pathway 2045.

In the near-term, SCE continues to adapt our system to the threat of climate change-driven wildfires. In 2020, California experienced its largest wildfire season in modern history, including the largest fire ever recorded. In total, more than 4 million acres burned, doubling the previous record set in 2018. Rare dry lightning strikes in Northern California were the cause for many of the fires. For the second consecutive year we do not believe damage from any wildfire alleged to be caused by SCE equipment resulted in the catastrophic level of damage experienced in 2017 and 2018. Twenty-seven percent of SCE's service area is considered a high fire risk area (HFRA). SCE met or exceeded nearly all of our wildfire mitigation goals in 2020. For more details about our approach, see Climate Change Adaptation.



SCE contributed \$2.2 million toward the <u>Orange County Fire Authority's</u> lease of the CH-47 Chinook helitanker, the world's largest and most capable heavy-lift fire helicopter, able to drop 3,000 gallons of water or retardant in a single pass.

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# ENVIRONMENTAL & SOCIAL JUSTICE

Edison International is committed to doing our part to support communities that are particularly vulnerable to and face disproportionate economic, social, public health and other effects from climate change and other environmental hazards ("environmental and social justice," or ESJ, communities¹). The COVID-19 pandemic exacerbated challenges faced by ESJ communities, and we believe that the economic recovery can be driven by a clean energy future for everyone.

In coordination with the California Public Utilities Commission's (CPUC) expanded efforts to include ESJ communities in its decision-making process, SCE has also voluntarily increased its engagement with ESJ communities. Among other things, we work with members of ESJ communities to:

- Request early input on programs intended to benefit ESI communities
- Conduct outreach to businesses in or impacting ESJ communities to raise awareness about electrification opportunities
- Obtain insights into causes of disconnections
- Host events to identify, educate and develop diverse suppliers

SCE and the <u>Greenlining Institute</u> partnered to form the <u>Clean Energy Access Working Group</u> (CEAWG), consisting of key stakeholders to review clean energy-related policies, programs and projects targeting ESJ communities. In 2020, Edison International allocated close to \$300,000 in grants for clean-energy projects recommended by the CEAWG. Learn more about <u>Edison International's philanthropic focus on underserved communities</u>.

To ensure the needs and concerns of ESJ communities are included in our planning and decision-making, we're focused on elevating issues relevant to ESJ communities across our departments through internal forums and working groups.

For more details on our approach to ESJ, see <a href="Environmental">Environmental & Social Justice:</a>
Additional Details.



Jose Garcia, a resident of Tulare County, turned in his 1999 Ford Mustang for a used Ford Fusion Energi plug-in hybrid with the help of Valley CAN.

#### GIVING BACK TO REDUCE AIR EMISSIONS IN CALIFORNIA'S JOAQUIN VALLEY

For 20 years, <u>Valley Clean Air Now</u> (Valley CAN), a nonprofit partner of Edison International, has been helping to clean the air in the San Joaquin Valley, a region in SCE's service area with the worst air quality in the United States. Valley CAN serves as a contractor to the San Joaquin Valley Air Pollution Control District, managing its vehicle replacement and smog repair programs for incomequalified communities.

Since the COVID-19 pandemic began, Valley CAN has continued to provide online support so customers can make needed smog repairs to gas guzzlers or replace them with used EVs.

Environmental and social justice communities, as defined by SCE and the California Public Utilities Commission, are those that are predominantly communities of color or low income; underrepresented in the policy-setting or decision-making process; subject to disproportionate impact from one or more environmental hazards; and likely to experience disparate implementation of environmental regulations and socio-economic investments in their communities.

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### STRATEGIC FOCUS AREAS

#### **Clean Energy**

Edison International is a national leader in clean energy, with SCE focused on delivering 100% carbon-free power to customers by 2045 and Edison Energy¹ supporting organizations globally in meeting their climate change goals through renewable energy contracts.

As SCE increases the availability of clean energy on the grid, improving energy storage is a primary focus, along with <u>grid modernization</u>. Batteries and other technologies can store excess energy from renewables and supply it to the grid later (e.g., when the sun isn't shining or the wind isn't blowing), reducing dependence on natural gasfueled power plants.

With more than 2,000 MW of energy storage installed or contracted, SCE has one of the largest energy-storage portfolios in the nation. In 2020

alone, SCE procured 1,360 MW of energy storage through 11 new contracts. About 1,000 MW of battery storage are set to come online in 2021. SCE has also procured a number of co-located resources, wherein storage will be added to existing solar resources. SCE estimates that California will need to add 30,000 MW of utility-scale energy storage and 10,000 MW of storage from distributed energy resources by 2045 to support the transition to 100% carbon-free power delivered to customers.

Edison Energy partners with large organizations globally, including 15 of the Fortune 50, to help them reduce their carbon footprints and reach their own sustainability goals. Edison Energy has advised on more than 6,700 MW of power purchase agreements, including 2,187 MW of deals in 2020.

The AES Alamitos battery energy storage system, a 100 MW/400 MWh standalone storage facility in Long Beach, California, came online in January 2021 to serve SCE customers. Executed in 2014, the contract behind this facility is the first of now close to a dozen large battery storage contracts SCE has entered into in recent years to advance clean energy and support system reliability. Photo courtesy of AES Corporation.





### RENEWABLE ENERGY ADVISEMENT FOR VERIZON

Since 2019, Edison Energy has provided sourcing and negotiation expertise to Verizon for long-term renewable energy purchase agreements totaling nearly 1.7 GW of renewable energy capacity. These contracts are for new or repowered renewable energy projects in Illinois, Indiana, Maryland, New York, North Carolina, Ohio, Pennsylvania, Texas and West Virginia. Edison Energy expects the contracts to help Verizon achieve its goals of sourcing the equivalent of 50% of its annual electricity consumption from renewable energy by 2025 and achieving carbon neutrality in its operations by 2035.

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#### STRATEGIC FOCUS AREAS (CONTINUED)

#### **Electrification**

Significant electrification of transportation and buildings, coupled with advanced energy efficiency, is necessary to achieve California's decarbonization goals. As California's only investorowned electric utility without a natural gas distribution business, SCE is uniquely positioned to advance electrification initiatives.

#### **Transportation Electrification**

In 2020, SCE advocated for and strongly supported the state of California's landmark actions around electrification policy. Governor Gavin Newsom issued an <u>executive order</u> requiring instate sales of all passenger vehicles to be zero emission by 2035. In addition, the California Air Resources Board approved the <u>Advanced Clean Trucks regulation</u>, requiring truck manufacturers to transition to zero-emission trucks starting in 2024.

#### **Light-Duty Vehicle**

SCE continued installing infrastructure to support electric vehicle (EV) charge ports as part of our Charge Ready program, which helps businesses, local governments and members of the public switch to electric transportation by increasing the availability of charging stations. By year-end 2020, SCE had installed infrastructure to support approximately 2,700 charge ports at 149 sites through Charge Ready, adding infrastructure to support 1,442 charge ports at 61 sites in 2020. Through these installations, SCE exceeded the goal for the initial phase of the program, which was launched in 2016. In 2020, SCE received regulatory approval for a \$436 million expansion to the program that will add approximately 38,000 new charge ports in SCE's service area over the next several years. For more information on our goals and progress, see Sustainability Goals.

SCE's Charge Ready program is the largest light-duty electric vehicle charging program in the nation run by a single investor-owned utility (IOU).



Carolyn Sims, Senior Advisor in SCE's Government Relations department, and her daughters Carynn and Cashawn using one of the 200 EV chargers SCE installed at the Fairplex in Pomona as part of the Charge Ready Program.

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#### STRATEGIC FOCUS AREAS (CONTINUED)

#### Medium- and Heavy-Duty Vehicles

SCE continued to install EV-charging infrastructure for medium- and heavy-duty vehicles through our \$356 million Charge Ready Transport program, launched in 2019. In 2020, SCE completed construction on the program's first six sites, which will support 76 new electric school and transit buses. The investment will include 870 SCE customer sites by 2024, making it the largest truck and transit charging program run by a single IOU in the nation. For more information on our goals and progress, see Sustainability Goals.

#### SCE's Transportation Fleet Electrification

SCE is electrifying its fleet of nearly 5,000 vehicles in line with <u>Pathway 2045</u> and our clean energy strategy. We continued to make progress on our 2030 commitments across all weight-class categories.

SCE expects to need more than 1,600 chargers to achieve our 2030 fleet electrification goals, plus several hundred for off-road equipment such as forklifts. As of year-end 2020, we have installed over 400 chargers at our facilities.

In addition to our 2030 goals, SCE committed to dedicating at least 5% of our annual fleet acquisition spend to electric options starting in 2014. We continue to exceed this goal, achieving 15 5% in 2020

For more information on our goals and progress, see <u>Sustainability Goals</u>.



#### TESTING ELECTRIC BIG RIGS FOR MATERIAL TRANSPORT

In late 2020, SCE became the nation's first utility to receive and test the eCascadia, an electric big rig by Freightliner. The Class 8 truck will be used for a material transport test, which will include moving heavy utility equipment like transformers, wire reels and switch gears to SCE service centers and laydown yards. It has a range of up to 250 miles per charge while towing a 60,000-pound trailer.

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#### STRATEGIC FOCUS AREAS (CONTINUED)

#### **Building Electrification**

SCE promotes the electrification of commercial and residential buildings by educating stakeholders about the benefits of clean electric technologies and by promoting customer adoption of heat pumps and other efficient electric appliances and technologies. We do this through support for relevant policies, customer programs and industry outreach and training.

In 2020, SCE installed more than 15,000 clean, efficient electric space and water heat pumps through the Home Energy Efficiency Rebate (HEER) program for residential customers. The heat pumps, that provide both cooling and heating, replaced natural gas furnaces, and we exceeded our installation goal by 25%.



New condensing units for a dual heat pump HVAC system that both heats and cools using electricity. These types of systems can be three to four times more efficient than a gas furnace and a traditional stand-alone air conditioning system.

#### **Grid Modernization**

SCE is building the grid of the future to deliver 100% carbon free power in terms of retail sales to customers by 2045. In doing so, we aim to integrate distributed energy resources and other new technologies and services, while safely delivering reliable, affordable and resilient energy.

SCE's systematic approach to <u>Reimagining the</u> <u>Grid</u> starts with understanding the availability and composition of renewable and carbon-free resources to supply power, future customer needs and the potential impacts of climate change on the system.

In particular, SCE is shifting its grid planning capabilities from a systemwide-only focus to one that meets multiple objectives based on specific and localized needs, while also addressing systemwide needs.

Digitization is at the forefront of grid technology. SCE has invested in digital tools to automate grid management and inspections. We are increasing our use of drones to gather images in the field, as well as artificial intelligence and machine learning to drive automation and data integration. As SCE and other electric utilities introduce digital tools, the grid faces risks from malicious actors searching for new pathways to attack via these new technologies. SCE studies new and existing infrastructure to identify where defenses can be strengthened as the threat landscape evolves.

See <u>Cybersecurity & Customer Data</u>
<u>Management</u> and <u>Grid Modernization</u> for more details on our approach.

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#### STRATEGIC FOCUS AREAS (CONTINUED)

#### **Customer Solutions**

Edison International is committed to providing superior service and a high-quality experience to SCE and Edison Energy<sup>1</sup> customers.

#### **Clean Energy at SCE**

To meet evolving customer needs and improve the customer experience, SCE continues to develop new customer-facing programs to promote clean energy and energy-efficiency offerings for all of its customer classes, with a particular focus on equity and program participation in ESJ communities.

In addition to SCE's focus on evolving its customer programs, SCE is advancing data analytics to gain insights, build customer trust and improve customer satisfaction. Throughout 2020, we prepared for the 2021 transition to a new customer information and billing system, which consists of a suite of integrated tools

for employees to provide a better experience for our customers. The new system will help transform SCE's organization, making customer service calls more efficient and effective, while also enhancing cybersecurity through several new tools. The transition to the new system, which began in March 2021, created temporary inconveniences for customers, as some automated services became unavailable. SCE prepared for the transition by changing billing cycles and late fee policies to address the transition period.

Learn more about SCE's focus on Customer Solutions and Customer Experience.

#### **Edison Energy Insights**

Edison Energy invests in leading technology to better serve its clients across renewable energy, supply procurement and energy efficiency. Our "Insights Platform" provides organizations with unique transparency and intelligence to

improve management of energy activities and performance. Using the latest data analytics and user interface, clients can visualize, evaluate and decide on the most critical elements of their energy portfolio in real time, all in one place.



### SCE SIGNS PARTNERSHIP FOR VIRTUAL POWER PLANTS

SCE has entered into a partnership with solar, battery storage and energy services provider <u>Sunrun</u> to support energy capacity needs through "virtual power plants." Under the agreement, SCE will send signals to Sunrun during high-demand events, such as heatwaves, when the energy grid is strained. In response, Sunrun will dispatch energy from thousands of its Brightbox solar-powered battery systems installed at homes throughout SCE's territory, providing 5 MW of energy capacity to support the overall system.

The contract will participate in California Independent System Operator's (CAISO) Resource Adequacy (RA) program, which ensures the efficient and reliable operation of California's grid. At least 10% of the RA capacity will be provided from Brightbox systems installed at low- and moderate-income households.

#### **Creating the Virtual Power Plant**

SCE is in the process of creating one of the country's largest virtual power plants with the help of customers and Sunrun, a leading home solar, battery storage and energy services company. Here's how it works:



Home solar installations collect energy





Batteries store excess energy becoming, in effect, a virtual power plant



When SCE calls for energy, stored energy is sent to the grid



Reserve power remains in the battery for customer use

During 2020, SCE planned up to 80 calls for energy or energy events under six scenarios to better understand how the virtual power plant responds to different types of high-energy demands. For California to achieve net-zero GHG emissions economywide by 2045, SCE estimates that 10,000 MW of energy storage from distributed energy resources contributed by thousands of residential customers will need to be added to the grid.

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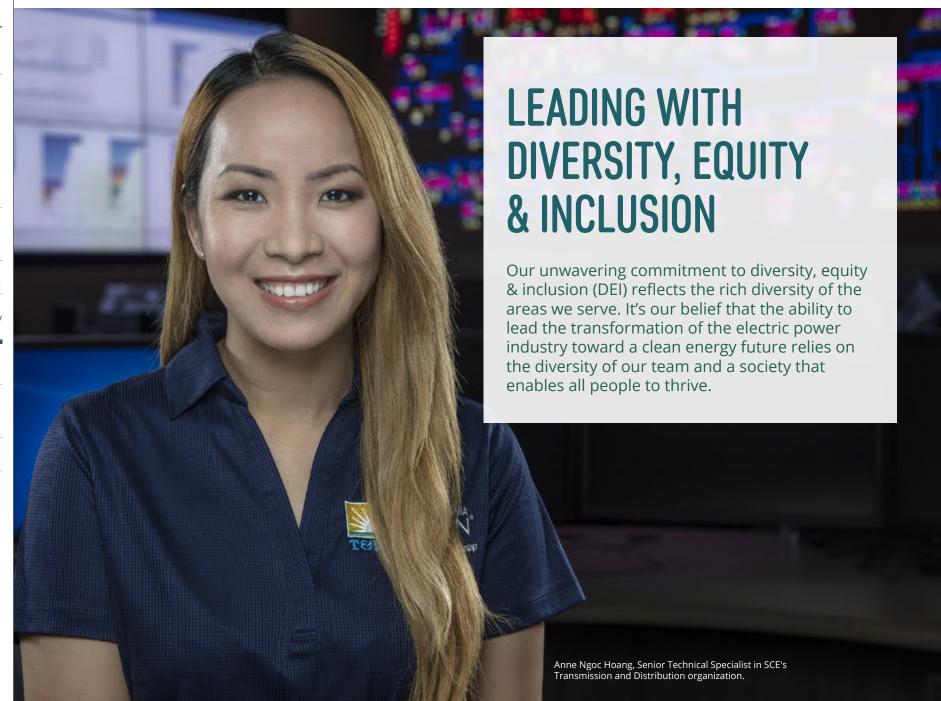
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# A COMMITMENT TO A DIVERSE, EQUITABLE & INCLUSIVE ENVIRONMENT

Edison International celebrates the unique experiences and perspectives of our team members, who come together to help us accelerate a clean energy future, better serve our customers and play an active role within the diverse communities we serve.

Throughout our history, we've taken steps to build a positive, equitable and inclusive environment for all team members and to create opportunities in our communities. In spite of new challenges presented by COVID-19, 2020 was a year in which our focus on DEI increased, due to the disproportionate effects on communities of color, as well as the killings of George Floyd, Breonna Taylor, Ahmaud Arbery and others. We are unwavering in our commitment to do our part to eliminate systemic discrimination within our broader society.

Our commitment to DEI begins with listening. No one is better positioned to shape our DEI priorities than the employees who come to work at Edison each day. For many years, we have gathered employee feedback through ongoing surveys and listening sessions and taken action to address issues such as bullying, harassment and poor behavior, to ensure we all can bring our best selves to work. By listening to employees first and then responding, we are better able to represent their voices and address the issues they care about most, in order to drive lasting change.



Bola Ayorinde, Director in SCE's Transmission and Distribution organization.

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#### A COMMITMENT TO A DIVERSE, EQUITABLE & INCLUSIVE ENVIRONMENT (CONTINUED)

#### **DEI Commitments**

In 2020, Edison International made 10 commitments to advance DEI throughout the company and the communities we serve. Many of our commitments have an immediate focus on supporting Black employees and external partners as a response to the social justice movement across the nation and lower inclusion ratings among Black employees in recent company employee engagement surveys. We embrace all forms of diversity, including age, disability, race, ethnicity, gender, LGBTQ+, religion, veteran status and diversity of thought, and continue to seek opportunities to support all our employees, partners, and our community. For more details, see our 2020 Diversity, Equity & Inclusion Report.

#### Greater Data Transparency/ Dashboard

Share data regarding representation, pay, turnover and employee sentiment

Create officer-level dashboard for continued visibility

### Inclusion & Cultural Literacy Training

Expand current training to include content on anti-racism and microaggressions

#### **Talent Accelerator**

Accelerate talent movement by pairing officers with highpotential talent (start with Black managers with plans to expand the initiative)

#### **Talent Pipeline**

Increase Black scholarship awardees and internships

#### **Career Counseling**

Hire career counselors to help employees navigate their careers at Edison International, starting with a pilot for the Networkers membership, our BRG supporting our Black employees

### Audit for Potential Bias in HR/Ethics Processes

Engage external third party to audit HR and ethics policies and processes for biases, such as racial and gender, and improve these based on findings

#### Annual Economic Impact Report

Issue annual economic impact report highlighting contributions of supplier diversity spend (e.g., jobs, wages and taxes)

Issue annual community impact report providing details of philanthropic contributions and featuring nonprofit partners

### Industry/External Partnerships & Allyship

Join the American Association of Blacks in Energy (AABE)
Energy Equity campaign
Commit incremental \$1 million shareholder funding over next five years to advance racial equity in our communities

#### **Skilled Craft Scholarship Program**

Commit \$1 million shareholder funding to <u>pilot four-year annual scholarship program</u> supporting lineworker students to expand diversity in the skilled craft workforce pipeline, with an initial focus on attracting Black participants

#### **Marketplace Development & Supplier Diversity**

Commission marketplace study to assess availability of diverse businesses in procurement categories where we have needs Use findings to inform access and spend targets, with an emphasis on Black-owned businesses

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### **DEI PERFORMANCE**

To remain transparent and accountable, we have committed to sharing detailed data on our workforce, suppliers and community investments. We report select data here. Full disclosures are available in our 2020 Diversity, Equity & Inclusion Report — one of the most comprehensive sets of DEI data in our industry and beyond. EEO-1-level data for SCE is available on our website.

#### **Board & Leadership Diversity**

Initiatives to expand diversity throughout our organization are overseen by our Board of Directors and led by our senior leadership. Currently, seven of Edison International's 11 Board members are diverse in terms of gender, race, ethnicity and/or LGBTQ+ identification, including four women. Among our executives, 36.1% are female and 34.0% are racially or ethnically diverse. Our broader leader base is 26.0% female and 49.4% racially or ethnically diverse. We are working to increase the racial and ethnic diversity of our leaders, and last year we met that goal through a year-over-year increase of 0.6%. The percent of women in both our executive and broader leader base also increased 1.4%. For more details see <u>Diversity</u>, <u>Equity & Inclusion</u> and <u>Sustainability Goals</u>

#### **Workforce Diversity**

Edison International has nearly 70% workforce diversity (female and/or racially or ethnically diverse). We're committed to an inclusive workplace that empowers diverse talent. One way we measure the effectiveness of our efforts is by regularly tracking employee demographic data, as well as new hires and turnover rates, by age, race, ethnicity and gender. We have seen an increase in workforce diversity for the past three years.

#### Positive Trends in Female & Diverse Representation<sup>1</sup>

#### Comparison

● Better O No change O Worse

Racially/Ethnically Diverse Representation

	CURRENT		INTERNAL TREND <sup>2</sup>		
Group	Edison Intl.	Labor Market Availability³	1 Year		3 Year
Executives <sup>4</sup>	34.0%	20.4% (national)	+0.0%	0	+4.5% •
Leaders <sup>5</sup>	49.4%	46.5% (local)	+0.6%	•	+3.7%
All Workforce <sup>6</sup>	60.7%	47.6% (local)	+1.3%	•	+3.7%

#### **Female Representation**

	CURRENT		INTERNAL TREND <sup>2</sup>			
Group	Edison Intl.	Labor Market Availability³	1 Year		3 Year	
Executives <sup>4</sup>	36.1%	36.4% (national)	+1.4%	•	+9.5%	
Leaders⁵	26.0%	28.0% (local)	+1.4%	•	+2.7%	
All Workforce <sup>6</sup>	32.0%	31.5% (local)	+0.7%	•	+1.4%	

<sup>&</sup>lt;sup>1</sup> Source: Edison International, SCE and Edison Energy data as of 12/31/2020, excludes interns and employees on leaves of absence.

<sup>&</sup>lt;sup>2</sup> This data represents the change in percentage. One year is a comparison between December 31, 2019 and December 31, 2020; three years is a comparison between December 31, 2017 and December 31, 2020.

<sup>&</sup>lt;sup>3</sup> Availability is based on the number of the working age population within an area (based on the latest census — 2010), with an occupational census code that aligns with the skills of our employee population. Relevant availability for executives is national. For leaders and workforce, relevant availability is local.

<sup>&</sup>lt;sup>4</sup> Executives include officers and directors (Edison Energy<sup>7</sup> executives include officers only).

<sup>&</sup>lt;sup>5</sup> Leaders include principal managers, senior managers, managers, senior supervisors and supervisors (Edison Energy leaders include directors).

<sup>&</sup>lt;sup>6</sup> Workforce is all employees, including leaders and executives.

<sup>&</sup>lt;sup>7</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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#### **DEI PERFORMANCE (CONTINUED)**

Additionally, employees are periodically invited to participate in a voluntary Self ID survey through which they can self-identify against metrics that include gender beyond the binary choice of female/male, as well as sexual orientation, veteran and disability status.

Edison International is committed to building a workforce that reflects the diversity of the communities we serve. When we bring together diverse talent, we better meet the unique needs of our customers, empower our communities and can build an even more inclusive workplace for our team members. Overall, we see positive trends in racially and ethnically diverse representation at all levels, with representation generally meeting or exceeding labor market availability. When Edison International exceeds labor market availability, it means the diversity of our workforce generally exceeds the diversity of the pool of available talent from which we recruit.

#### **Pay Equity**

In 2016, we signed the Obama Administration's White House Equal Pay Pledge to underscore our commitment to helping reduce the national pay gap. We recognize our role in ensuring pay equity, and we are committed to doing our part to level

the playing field. Our 2020 analysis confirmed that, on average, employees in the same role receive equal pay for equal work. However, we know that to achieve comparable pay for people in the same group but in different roles, more must be done to diversify the representation in those roles. For example, for women to have equal pay to men, we will need more women in traditionally male-held roles and vice versa.



Diana Valenzuela, Specialist in SCE's Transmission and Distribution organization.

#### Base Pay Analysis

### Pay Equity<sup>1</sup> for Employees in the Same Role

Pay for employees in the same role doing the same work compared across groups (e.g., female compared to male, racially/ethnically diverse compared to white).



### Pay Comparison<sup>1</sup> for Employees in the Same Group

Pay for all employees within a group compared to all (e.g., female compared to male, racially/ethnically diverse compared to white).



Disparity in pay comparison for employees in the same group is driven by representation rather than a pay gap. For these groups, underrepresentation in higher-paying roles drives the lower pay ratio.

Data shows female compared to male, and Asian, Black and Hispanic compared to white; the overall wage ratio is based on an average of wage ratios from four groups: Edison International, Edison Energy<sup>2</sup>, SCE and executives. Pay comparison for employees in the same group calculated using sample size weighting (which differs from our August 2020 DEI report). Sample size weighting ensures that the headcounts of Edison International, SCE and Edison Energy appropriately contribute to the analysis proportional to their size. With Edison Energy now being included in our DEI report, we concluded it was more appropriate to use this methodology, instead of unit weighting (which does not account for sample size). For comparison and transparency, if we had used unit-weighted pay ratios as we did in our August 2020 DEI report, the results would have yielded the following pay ratios: Female (0.87), Asian (.99), Black (.93), Hispanic (.94).

<sup>&</sup>lt;sup>2</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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### WORKFORCE ATTRACTION, DEVELOPMENT & ENGAGEMENT

Attracting, developing and engaging a diverse workforce with the skills needed to execute on the company's mission is a top priority for Edison International.

To ensure that our hiring process helps increase the diversity of our workforce, Edison International and SCE have enlarged the pool of candidates from which we are hiring and have adopted hiring practices that create equal appeal, such as writing inclusive job descriptions that are welcoming to all qualified candidates. We're also working with community partners to diversify the talent pipeline to our company. In 2020, Edison International committed \$1 million in shareholder funding to pilot a four-year annual scholarship program supporting lineworker students. The program aims to grow diversity in the lineworker role by increasing the number of underrepresented lineworkers, starting with an initial focus on attracting Black participants. The program launched in March 2021 in partnership with the International Brotherhood of Electrical Workers (IBEW) Local 47 and the Brotherhood Crusade, a Los Angeles-based nonprofit that provides support services.

In 2020, Edison International began to disclose its employee engagement survey results across race/ethnicity and gender categories as a metric to understand employee sentiment around inclusion. 92% of employees say they are proud to work at Edison International and 81% feel included. More needs to be done to increase inclusion for Black employees, however, and this is a focus area of our <u>DEI Commitments</u>. Another opportunity area for the company is around improving sentiment related to growth and development opportunities. Edison International has a low employee turnover rate compared to other industries and to other utilities. While this is a good indicator of satisfaction and positive experiences among employees, it also means that further diversifying the composition of our



James Hernandez, Engineer in SCE's Transmission and Distribution organization.

workforce and providing growth opportunities takes more time. We are focused on creating positive employee sentiment around developmental and growth opportunities by creating individual development plans for each employee, as well as providing programs such as the talent accelerator and career coaching commitments.

For more details, see Edison International's <u>2020 Diversity</u>, <u>Equity & Inclusion Report</u>, as well as <u>Diversity</u>, <u>Equity & Inclusion</u>.

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### **SCALING OUR EFFORTS**

Achieving Edison International's DEI vision requires collaboration with a range of partners, including suppliers, who underpin the success of the business, and community organizations that operate on the front lines of societal change.

#### **Supplier Diversity**

Diverse businesses drive economic growth and stability in communities. In turn, partnerships with diverse businesses provide us with a more competitive and sustainable supply base. SCE has a longstanding commitment to increasing partnerships with diverse suppliers, including women, minority, disabled veteran, and lesbian, gay, bisexual and transgender business enterprises. In particular, we look to work with diverse suppliers that can help us with our strategic objectives, primarily the safe delivery of reliable, affordable and clean energy, including wildfire mitigation efforts.

Between 2012 and 2019, SCE met or exceeded our aspirational goal to allocate at least 40% of our total annual procurement spend to diverse suppliers. We fell short of that aspirational goal in 2020, spending 37.66%, or \$2.4 billion, with diverse suppliers. This was largely due to SCE's rising wildfire insurance costs and limited diverse suppliers from which to procure the insurance. SCE's 2020 procurement spend with diverse suppliers was more than 40% when excluding wildfire insurance. While the percent of annual procurement spend declined in 2020, SCE's total spend with diverse suppliers increased by 9% compared to 2019, from \$2.2 billion to \$2.4 billion.

In 2021, SCE will commission a marketplace study to assess the availability of diverse businesses in procurement categories where we have needs, using the findings to inform access and spend targets, with an emphasis on Black-owned businesses.

More details, including additional data, about SCE's supplier diversity program are available in our Supplier Diversity Annual Report.

#### **Community Investment**

Edison International provides ongoing support to organizations and initiatives that share our dedication to promoting racial equality in our communities. In 2020, \$19 million of \$22 million in annual philanthropic funding went to organizations and initiatives focused on diverse and underserved communities. As part of this investment, we committed \$1 million in incremental shareholder funding over the next five years to support organizations that address racial and social justice.

This included a \$100,000 contribution to the Black Equity Collective. Our support will strengthen the long-term capacity and infrastructure of Black-led and Black-empowering social justice organizations in Los Angeles County, through a community public-private partnership with Black Equity Collective as its central, unifying force. Another \$25,000 went to the African American Alliance Fund in the Orange County Community Foundation to help the organization raise awareness of systemic racism and support programs that serve Black communities within Orange County and the surrounding area.

Learn more about how we <u>support our</u> <u>communities</u>, including our <u>approach to</u> community investments.

### SCE's Supplier Diversity Program: 2020 Highlights



600+

diverse business suppliers



\$2.4B

spent with diverse businesses, representing 37.66% of total annual purchases



\$601M+

of this spend is in subcontracting spend with more than 300 diverse businesses as reported by SCE's prime contractors

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### **SAFETY**

Safety is Edison International's top value. We are committed to keeping members of the public and our employees and contractors safe from harm.

#### **Public Safety**

SCE's approach to public safety begins with its \$5 billion investment annually to modernize the grid. It also includes year-round emergency planning and response, as well as public education.

One of the central elements of our public safety program is our "All-Hazards" response plan, which establishes the framework for how SCE will respond to emergencies such as earthquakes, cyberattacks, severe weather patterns and pandemics. In 2020, our pandemic hazard plan, which we have had in place since 2007, and business continuity program were put into action with COVID-19.

No serious injuries to the public from failure of SCE's electrical system is an annual corporate goal for both Edison International and SCE. In 2020, we did not meet this goal, with one serious injury to the public. See more details about SCE's approach to public safety.



SCE's Community Crew Vehicles were deployed to Bishop in late May 2020 when high heat and strong winds created dangerous wildfire conditions.

#### **Employee & Contractor Safety**

We programmatically identify and mitigate risk to keep our employees safe. We're on a journey to strengthen our safety culture, so that everyone who steps into our facilities or works at one of our sites in the field is protected from physical injury.

SCE has a framework in place to continue to evaluate and improve our risk-based safety programs and the cultural efforts that enhance them. Ultimately, ensuring that our employees have the right tools and work practices to identify and mitigate risks, and are intrinsically motivated to use them to protect themselves for who and what they value, is at the core of our approach.

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#### SAFETY (CONTINUED)

#### **Safety Performance**

In 2020, Edison International had zero employee fatalities. However, our serious injury and fatality (SIF) rate for employees increased by 126% compared to 2019 and 10% compared to 2018. Factors potentially contributing to the increase include stress, distractions and work-related changes related to the COVID-19 pandemic and wildfire response workload.

SCE was deeply saddened that three employees of our contractors suffered fatal injuries in 2020. We take these fatalities as seriously as if they were SCE's own employees. To improve contractor safety performance, we updated our contractor safety management standard in 2020, strengthening contractor requirements for hazard mitigation and

contractor oversight of their employees and subcontractors. The updated standard also added a requirement that contractors develop training for their leaders related to safety culture. In addition, SCE created a new category for certain types of work that require enhanced safety requirements for contractors, such as increased crew observations and field safety support.

Edison International's days away, restricted or transferred (DART) rate fell by 23% in 2020 compared to 2019, though it closely mirrored 2018. This was due to a higher-than-usual DART rate in 2019, with significant levels of field work related to wildfire mitigation as a likely contributor. However, in 2020, injuries resulting in DART categories were down 44% among office

workers compared to the past two years. This is likely attributable to high levels of teleworking among this demographic through most of 2020. In 2020, SCE executed a plan to target injuries among field employees that result in the most DART categories by providing leaders the tools to gather more safety analytics. SCE is expanding the plan to all field locations in 2021, leveraging the best practices of locations with strong safety performance to help improve other locations.

#### **Navigating Safety in the Pandemic**

A major threat to employee and contractor safety is the COVID-19 pandemic. Efforts in recent years to strengthen our safety culture helped establish the foundation for a swift, effective response to the pandemic that highlighted our focus on safeguarding the overall wellness of employees and contractors.

Approximately one-third of our employees have been designated by the state and federal governments as essential workers with job functions that require them to work in the field or at our facilities. We have adopted health and safety protocols for these essential workers and transitioned the remaining two-thirds of our employees to remote work.

In addition to keeping employees physically safe, SCE extended numerous benefits to deal with the psychological and financial challenges of the pandemic.

See more details about SCE's approach to Employee and Contractor Safety.

#### Safety Performance

	2018	2019	2020	PEER BENCHMARK AVERAGE 2020¹
Employee OSHA Recordable Rate	1.95	2.30	1.77	0.83
Employee DART Rate	0.96	1.15	0.89	0.44
Employee SIF Rate	0.111	0.054	0.122	0.07
Employee Fatalities	0	0	0	_
Tier 1 Contractor OSHA Rate	0.92	0.56	0.65	_
Tier 1 Contractor DART Rate	0.55	0.35	0.45	_
Tier 1 Contractor Fatalities	2	3	3	_

The Employee DART and OSHA Recordable Rate benchmark is based on an SCE-conducted 2020 survey of 20 electric companies (including SCE) from the Modified Philadelphia Utility Index. The Employee SIF Rate benchmark is based on results from an annual Edison Electric Institute (EEI) member company employee-focused survey and reflects 2020 data. Contractor benchmark data for 2020, which is obtained through a separate EEI survey, was not yet available when this report was published, and due to COVID-19, 2019 data is not available.

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#### SAFETY (CONTINUED)

#### **Safety Culture Survey**

Every three years, we undertake a safety culture assessment of Edison International and SCE team members. Our 2020 survey was the first opportunity to check progress against the cultural transformation work we began in 2018. More than 60% of employees took part in the survey, meeting our sample-size threshold.

The 2020 assessment indicates the company's safety culture has progressed from being squarely in Phase 2 ("I have to") in 2017, to strong leading elements of Private Compliance ("I choose to for me") with some lagging elements of Phase 2. While we aren't fully anchored in Phase 3, the 2020 safety culture assessment demonstrates strong indicators of progress. In particular, there was improvement in employees' making good personal decisions about their safety ("I choose to for me") relative to 2017 results when most felt they had to behave safely ("I have to"). At 78%, most employees indicated the safety culture has improved over the past two years, and 75% agreed they have seen an improvement in safety leadership. However, employees reported that some leaders still have "old school" attitudes. Safety culture efforts will continue to focus on fostering leader safety ownership to anchor safety culture gains. We track our progress as part of our <u>Sustainability Goals</u>.



SCE Troublemen Bill DeFranco, Pete Hilling and Tim Hauducoeur featured in an internal campaign that spotlighted employees' commitment to safety. Launched in 2019, the campaign continues today.

#### Edison International and SCE's Safety Culture Transformation Roadmap



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### RELIABILITY

SCE's responsibility to provide reliable service was heightened in 2020, as residential and critical care customers relied on SCE to provide uninterrupted power for education, work and lifesaving assistance during the COVID-19 pandemic.

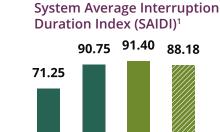
In 2020, SCE entered the final year of its three-year Reliability Roadmap, a progress plan that made lasting changes in four focus areas: performance management, work practices, engineering and technology. In addition to highlighting operational improvements, the roadmap identified key infrastructure improvements and modernization efforts that SCE continues through ongoing programs and investments. The Reliability Roadmap established foundational reliability benefits in just the first year, with SCE's SAIDI performance improving by 22% in 2018. However, since that time, in 2019 and 2020, SCE's performance has been largely influenced by its wildfire mitigation efforts. In 2020, SCE's performance was flat or fell slightly compared to 2019 across all three of its reliability metrics due in part to operating

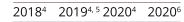
restrictions in high fire risk areas during periods with high wind and other fire-related climate conditions, some of which resulted in public safety power shutoffs.

As SCE continues to advance its grid hardening efforts, we anticipate that these operating constraints will be relieved and the long-term benefits of the roadmap will persist.

For more details about SCE's approach to tracking reliability performance, see <u>Reliability:</u> Additional Details.

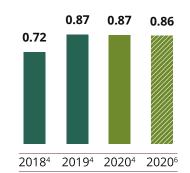
#### **Reliability Performance**





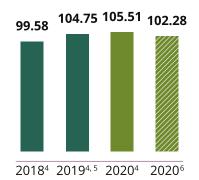
Cumulative duration (in minutes) of sustained repair outages experienced by the average SCE customer in a year

### System Average Interruption Frequency Index (SAIFI)<sup>2</sup>



Number of sustained repair outages (power outage lasting longer than five minutes) experienced by the average SCE customer in a year

### Customer Average Interruption Duration Index (CAIDI)<sup>3</sup>



Average repair outage duration (in minutes) per SCE customer interruption (average time to restore service)

<sup>&</sup>lt;sup>1</sup> SAIDI: A lower score means fewer cumulative minutes of interruption per customer and thus a better performance.

<sup>&</sup>lt;sup>2</sup> SAIFI: A lower score means a lower number of sustained outages per customer and thus a better performance.

<sup>&</sup>lt;sup>3</sup> CAIDI: A lower score means a shorter average duration per interruption and thus a better performance.

<sup>&</sup>lt;sup>4</sup> Excluding Major Event Days (MEDs).

<sup>&</sup>lt;sup>5</sup> SAIDI and CAIDI metrics for 2019 have been restated from 89.29 minutes to 90.75 minutes and 103.23 minutes to 104.75 minutes respectively to reflect further validation that occurred after the publication of the 2019 Sustainability Report.

<sup>&</sup>lt;sup>6</sup> Excluding Major Event Days and PSPS outages on non-MEDs.

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### **AFFORDABILITY**

SCE is committed to making the clean energy transition affordable for its customers, especially those who are economically vulnerable. In 2020, SCE maintained the lowest system average rate among California's investor-owned utilities, and SCE's average residential bill was 16% lower than the national average due to California's mild climate and high energy efficiency standards. With SCE's commitment to operational excellence, our rates have grown less than Los Angeles-area inflation for the past 30 years.

In 2020, SCE focused on providing bill relief and other forms of assistance to customers financially affected by COVID-19, including temporarily suspending service disconnections and verification of <u>California Alternate Rates for Energy</u> (CARE) and <u>Family Electric Rate Assistance</u> (FERA) eligibility requirements. We targeted information promoting income-assisted rates in communities most affected by the pandemic. As of year-end

2020, 32% of SCE households were enrolled in either CARE or FERA. Enrollment increased 21% compared to year-end 2019.

SCE has requested a rate increase for 2021 through 2023, due in part to the pressing need to undertake significant measures to reduce wildfire risk, in addition to other increases in the cost of service. The bulk of SCE's request relates to the foundational work that it has always performed to maintain and prudently improve the grid and support functions necessary to provide service to our customers. If approved, the average residential customer's electricity rate will increase 12.5%, or about \$14 per month. The increase would be less for SCE's customers enrolled in bill assistance programs. Even with this rate increase, SCE would maintain the lowest system average rate among California's large investor-owned utilities in 2021.

See <u>Affordability: Additional Details</u> for more details on income-qualified customer programs and COVID-19 assistance.

#### **SCE Customer Assistance Programs**

PROGRAM NAME	PROGRAM DESCRIPTION	2020 OUTCOMES
California Alternate Rates for Energy (CARE) Program	Provides a discount of 30-35% on monthly electricity bills for qualifying low-income customers	1.42 million (32%) SCE households enrolled
<u>Family Electric Rate Assistance</u> (FERA) Program	Provides a discount of 18% on monthly electricity bills for households of three or more with income that slightly exceeds the CARE program allowances	29,455 (<1%) SCE households enrolled
Energy Savings Assistance (ESA) Program	Offers energy-efficient appliances at no cost to participants	31.6 million kWh saved 4,700+ kW of demand reduced 61,000 customers served
Energy Assistance Fund (EAF) (Administered by United Way and funded by SCE employees, customers and shareholders)	Offers qualifying customers up to \$100 toward their energy bill each year; <u>SCE increased that amount to up to \$200</u> in 2020 to EAF customers impacted by COVID-19, (and up to \$300 for customers with all-electric homes)	10,000+ households assisted \$1.18 million donated by employees, customers and Edison International shareholders

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### CYBERSECURITY & CUSTOMER DATA MANAGEMENT

National security relies on a secure power grid. Edison International has been an industry leader in partnering across the electric power sector and with the federal government to defend SCE's network of generation, transmission and distribution infrastructure against cyberattacks. Edison International also takes seriously our responsibility to protect the personal information of our employees and customers, which has become increasingly important in recent years as we shift to cloud-based data management applications.

SCE maintains robust cyber infrastructure and governance controls. SCE's grid includes controls to identify and prevent potential interference from cyberthreats, and a team of highly-skilled engineers are dedicated to monitoring the grid and identifying and defending high risk areas. Edison International's Board of Directors provides oversight and receives regular cybersecurity-related updates. For more information about our approach to cybersecurity, see <a href="Cyber & Physical Security">Cyber & Physical Security</a> and <a href="Cdison International's 2021 Proxy Statement">Cgison International's 2021 Proxy Statement</a>, p. 30.

Edison International's <u>privacy policies and</u> <u>practices</u> ensure customer and employee



Nancy Dam, Senior Specialist in SCE's Cybersecurity department.

information is only used for the purpose for which it was collected

Guided by applicable privacy laws, including the California Privacy Rights Act and the California Consumer Privacy Act, SCE transparently shares with customers the personal information it collects and how that information is used. SCE provides data protection education at all levels of the organization, and data loss prevention

controls are employed to protect personal information from data breaches. In 2020, SCE did not suffer any customer data breaches. Find out more about how SCE is committed to protecting personal information.

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### **ENVIRONMENTAL STEWARDSHIP**

Edison International is committed to preserving and protecting the environment and implementing sustainable business practices for the benefit of employees, customers and the communities we serve.

An environmental management framework serves as the backbone for a strong compliance program and guides SCE operations to protect, mitigate and restore the environment. SCE works to improve air quality, conserve water and natural resources, reduce waste and promote biodiversity and habitat protection throughout our service area. Additionally, we strive to reduce our environmental footprint through operational and process improvements, collaboration with external partners and community engagement.

Unfortunately, in December 2019, SCE crews fixing storm-damaged access roads in the Mission Canyon area of Santa Barbara County caused environmental damage to the adjacent creek. SCE has taken full responsibility and is conducting a \$15 million shareholder-funded restoration effort. The repair projects SCE has undertaken include rebuilding berms along the road, installing equipment to improve drainage and reduce potential rockfall hazards and removing rock and debris from the road. SCE continues our efforts to restore the stream and surrounding natural areas.

We have rededicated ourselves to operational excellence in service to our customers and communities, with renewed focus on and the highest regard for safety and the environment.

For more information about SCE's Environmental Stewardship initiatives, see <a href="Environment">Environment</a>.



#### PROTECTING ENDANGERED SPECIES

SCE works year-round with the U.S. Fish and Wildlife Service and other wildlife resource agencies to minimize impacts to endangered species. The Yosemite toad is an endangered amphibian found in the Sierra Nevada, home to SCE's Big Creek Hydroelectric Plant, one of the largest hydroelectric systems in the country.

Throughout the year, SCE crews are often replacing equipment or performing vegetation management work in the same locations where the Yosemite toad lives. SCE scientists work with field personnel to put minimization and avoidance measures into place. They also provide education to ensure that crews understand the behavioral and migratory patterns of these species.

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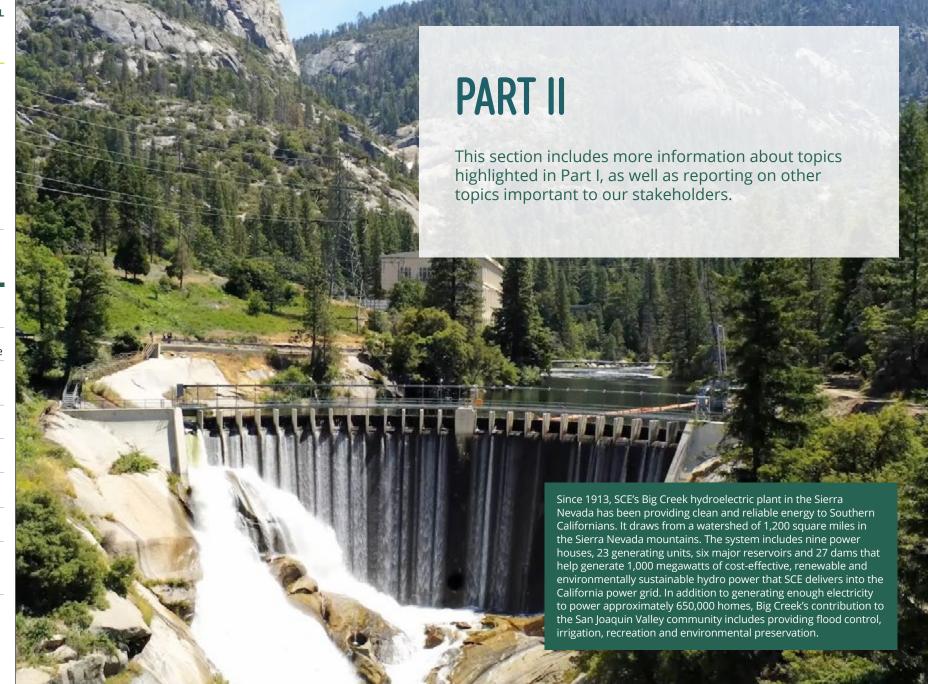
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## **SUSTAINABILITY**

### **Material ESG Topics**

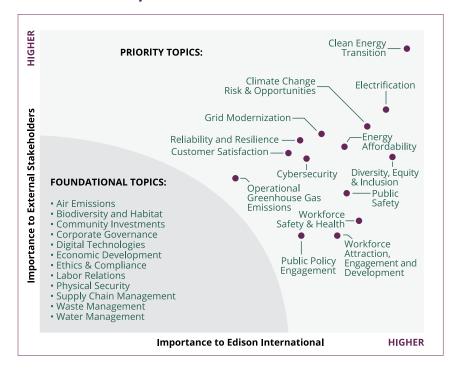
Edison International published our first materiality assessment in 2018. In 2021, we updated the assessment to reflect the evolution of our sustainability approach, as well as new insights related to stakeholder expectations and key and emerging trends.

This process included interviews with internal and external stakeholders between November 2020 and February 2021, as well as the use of a survey tool and relevant documents. Internal stakeholders included Board directors, senior leadership, employees and employee groups. External stakeholders represented customers, shareholders, community partners and nongovernmental organizations (NGOs), regulators and other government officials, and suppliers.

The assessment resulted in the identification of 26 material ESG topics that reflect our significant economic, environmental and/or social impacts, or that substantively influence the assessment and decisions of our stakeholders.¹ Internal and external stakeholders strongly aligned on the prioritization of the material ESG topics, and the results also aligned with our corporate strategy.

The resulting matrix comparing internal and external stakeholder prioritization of the material ESG topics shows topics clustering in two groups. Priority topics, in the upper right-hand corner of the matrix, are consistent with our strategic priorities and the topics

## 2021 ESG Materiality Assessment



necessitating greater focus in terms of reporting and the potential for further strategic analysis. Foundational topics, in the lower left-hand corner, are also important to the company and external stakeholders and will continue to be a focus for monitoring and reporting.

Looking ahead, this ESG materiality assessment will inform Edison International's ESG approach and reporting, while serving as an input into our strategy.

# United Nations Sustainable Development Goals (UN SDGs)

In 2015, the United Nations launched the Sustainable Development Goals (SDGs) to focus global efforts in 17 key areas to help bring peace and prosperity to people and the planet. Our major focus areas, given our core business and clean energy strategy, are SDG 7 and SDG 13. Based on our updated materiality assessment

<sup>36</sup> 

<sup>&</sup>lt;sup>1</sup> This is different from financial materiality, which is defined by the U.S. Securities and Exchange Commission, and these topics should not be construed as being characterized as financially material. For more details see About this Report.

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and sustainability goals, we have also added underlying targets related to SDG 9 (9.1) and SDG 11 (11.6) to our focus areas to reflect our commitment to building a resilient and modern power grid and to electrification. We include disclosures herein related to these priorities. We make contributions across a broader set of SDGs, however, including, but not limited to, specific targets associated with SDGs 5, 8 and 10.

Edison International's Board of Directors

# Oversight of ESG Risks & Opportunities

Edison International's Board of Directors oversees our approach to safety, climate change, diversity, equity and inclusion (DEI) and other ESG risks and opportunities as part of its oversight of the company's strategy. ESG topics are core to Edison International's strategy and incorporated into topics reviewed at each Board meeting and the Board's annual in-depth strategy meeting.

The Nominating and Governance Committee is responsible for reviewing significant ESG trends that may impact the company and ensuring that the Board and its committees have the appropriate oversight of relevant ESG issues. Board committees comprised entirely of independent directors have responsibility for risk and operational oversight of the specific ESG-related topics outlined below.

The Board regularly reviews and monitors risks arising from climate-related events that impact the business, such as wildfires, and provides

# OVERSIGHT OF COMPANY STRATEGY AND ESG ISSUES

#### **OVERALL RESPONSIBILITIES OF THE BOARD**

- Clean energy strategy and climate-related legislation and regulation
- Wildfire risk and other impacts of climate change
- Key objectives related to climate change, renewable energy, transportation and building electrification and energy storage, among other areas
- Corporate culture, talent planning and DEI initiatives
- Corporate goals related to safety, reliability, grid modernization, capital spending and DEI initiatives



## AUDIT AND FINANCE COMMITTEE

- Key risks related to safety, wildfire, climate change and reliability
- Political and charitable contributions
- Employee HelpLine data and ethics survey results on company culture
- Capital budgets and spending



# COMPENSATION AND EXECUTIVE PERSONNEL COMMITTEE

- Incentive compensation goals related to wildfires and safety, clean energy and electrification, diversity and inclusion and other ESG issues
- Senior leadership talent, development and diversity



## NOMINATING AND GOVERNANCE COMMITTEE

- Board composition and diversity
- Significant ESG trends and Board and committee oversight of relevant ESG issues
- Shareholder outreach efforts on ESG issues



## SAFETY AND OPERATIONS COMMITTEE

- Safety culture, operational goals and risks
- Employee, contractor and public safety
- Electric system reliability
- Cyber and physical security
- Wildfires

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direction and guidance to management on the mitigation of these risks. The Board oversees the impact of environmental legislation and regulation on our clean energy strategy and monitors progress on key objectives related to climate change, renewable energy, transportation and building electrification and energy storage, among other areas.

In addition, the Board approves capital budgets that reflect allocation decisions for grid modernization, transportation electrification, energy storage and customer-facing programs. The Board also reviews corporate goals related to safety, reliability, grid modernization, capital spending and DEI initiatives to ensure that they advance the company's strategy.

Edison International's Senior Vice President (SVP) of Strategy and Corporate Development, who reports to the President and CEO, leads

the company's approach to sustainability and integration of ESG issues into our overall strategy. The Edison International Managing Committee oversees the effort.

An executive-level sustainability steering group provides input and meets four to six times per year. Steering group members represent operational services, customer service, strategy, regulatory and public affairs, energy and environmental policy, human resources, corporate communications, sustainability, finance, corporate governance, the Edison International CEO's Office and others on an as-needed basis.

Employees are encouraged to participate in the company's sustainability efforts. Engagement occurs in a number of ways, including through business resource groups (BRGs), such as EcolQ, the company's BRG focused on environmental stewardship.

### **2020 Performance Incentives**

The Board's Compensation and Executive Personnel Committee approves annual performance incentive awards based on Edison International's financial, strategic, operational and safety goals. These goals relate to key areas of our clean energy strategy and core operations, including many of our material ESG topics. In particular, the committee has been increasing the weighting of safety and resiliency annual incentive goals in recent years. For 2021, the committee approved corporate performance scoring matrices for Edison International and SCE with 50% weighting — up from 45% in 2020 — for the safety and resiliency goal category, which covers worker safety, public safety, wildfire resiliency and cybersecurity goals.

Edison International ties pay to performance by making most officer compensation at risk.

## 2020 Annual Performance Incentive Awards

EDISON INTERNATIONAL		SCE	
Deduct Only	Foundational Goals Includes goals related to safety, compliance and systems operations	Deduct Only	Foundational Goals Includes goals related to safety, compliance and systems operations
45%	Safety and Resiliency	45%	Safety and Resiliency
	Includes goals related to worker safety, public safety, wildfire resiliency and cybersecurity		Includes goals related to worker safety, public safety, wildfire resiliency and cybersecurity
15%	Operational Excellence and Strategic Advancement	30%	Operational Excellence and Strategic Advancement
	Includes goals related to business and clean energy strategy, including diversity and inclusion, deployment of SCE's new customer billing platform, <u>San Onofre Nuclear Generating Station</u> (SONGS) decommissioning and other initiatives		Includes goals related to business and clean energy strategy, including reliability, diversity and inclusion, deployment of SCE's new customer billing platform, <u>San Onofre Nuclear Generating Station</u> (SONGS) decommissioning and other initiatives
40%	Financial Performance	25%	Financial Performance
	Core earnings goal		Core earnings goal

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## **SUSTAINABILITY (CONTINUED)**

Learn more about Edison International's annual incentive program, including corporate goals and performance and awards to named executive officers, in Edison International's 2021 Proxy Statement (pp. 47–51).

### **Stakeholder Engagement**

Edison International engages with customers, communities, partners and public officials in the areas where we operate to raise awareness about and invite feedback on our programs and services.

#### **Our Partners**

Edison International seeks input into our sustainability program and provides our own expertise through engagements with organizations advancing sustainability. Edison International is a member of several corporate sustainability-focused networks, including the Business for Social Responsibility (BSR) Ceres Company Network, The Conference Board ESG Center, and Electric Utility Industry Sustainable Supply Chain Alliance. In addition, Edison Energy¹ is a member of CDP, Renewable Energy Buyers Alliance and The Sustainability Consortium. See Climate-Focused Partnerships and Advocacy for additional engagements.

### **Customer and Community Engagement**

SCE regularly convenes advisory panels and discussion forums to promote open dialogue, strengthen relationships and better understand the diverse sets of customers, communities and stakeholders we serve. Panel members provide input on strategies to reach underserved communities across SCE's service area, among

other things. For example, SCE's Consumer Advisory Panel (CAP) members have played a role in connecting SCE with community-based organizations to conduct outreach on issues such as affordability, rate reform and customer programs, as well as the company's approach to diversity, equity and inclusion. In 2020, the CAP also provided input into SCE's response to COVID-19 and efforts to support a Complete Census Count in our service territory.

#### **Shareholder Engagement**

Edison International engages with our major institutional shareholders on strategy and financial and operational performance throughout the year. We also engage with these shareholders at least annually on corporate

governance, executive compensation and ESG issues.

During the past year, we reached out to the governance teams of our top 25 shareholders representing over 68% of our shares and were successful in meeting virtually or by telephone with holders of approximately 50% of our shares. This year's engagements centered on our clean energy strategy, wildfire risk mitigation, DEI efforts and the impact of COVID-19 on the company and our employees. The shareholders offered feedback on Edison International's executive compensation program and approach to ESG disclosures, which was then discussed with the Compensation and Executive Personnel and Nominating and Governance Committees of the Edison International Board of Directors.

### SCE ADVISORY GROUPS AND PARTNERS

SCE convenes advisory groups and also engages with independent entities to gain feedback from stakeholders, including:

- Consumers, including community-based nonprofit organizations
- California Large Energy Consumers Association<sup>2</sup>
- California Manufacturers & Technology Association<sup>2</sup>
- Local governments
- Multiple venues focused on commercial, institutional, water, small business and streetlight-specific customers

- Transportation Electrification Program Advisory Council
- SONGS Community
   Engagement Panel
- Keystone Group<sup>2</sup>, focused on local economic development
- Clean Energy Access Working Group

<sup>&</sup>lt;sup>1</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

<sup>&</sup>lt;sup>2</sup> These are independent groups that SCE does not convene, but with whom SCE engages.

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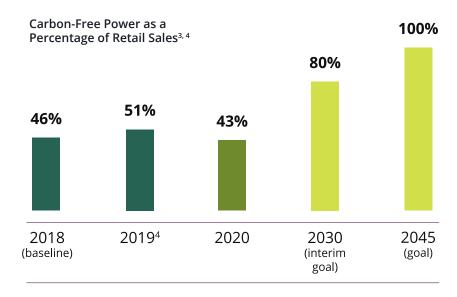
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### Sustainability Goals<sup>1</sup>

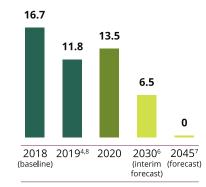
## **Clean Energy Transition**

**GOAL:** Deliver 100% carbon-free power in terms of retail sales to SCE customers by 2045<sup>2</sup>



See <u>Carbon Footprint</u> for more details about our performance.

#### GHG Emissions (MMT) 4, 5, 6, 7, 8



## GHG Emissions Intensity (MT/MWh)<sup>4, 5, 6, 7, 8</sup>



Wording across goals differs slightly from what appeared in the 2019 Sustainability Report, reflecting non-substantive updates for clarity and style. A substantive wording change to SCE's customer-facing light-duty electrification goal, reflecting regulatory authorization received after the goal was established, has been noted separately.

<sup>&</sup>lt;sup>2</sup> Edison International's Clean Energy Transition goal is aligned with state of California law, in particular California Public Utilities Code Section 454.53(a), which became law through Senate Bill (SB) 100 on September 10, 2018. It relates to the power SCE delivers to customers, in terms of retail sales, which is a combination of SCE's utility-owned generation and purchased power. The GHG emissions forecast covers a portion of SCE's Scope 1 and Scope 3 emissions.

<sup>&</sup>lt;sup>3</sup> Note that retail sales does not include line losses in accordance with California statute. SCE estimates line losses of up to approximately 10% in 2045.

<sup>&</sup>lt;sup>4</sup> 2019 carbon-free power as a percentage of retail sales, GHG emissions and GHG emissions intensity for data year 2019 have been restated as final numbers and were shown as estimates in the 2019 Sustainability Report. Carbon-free power as a percentage of retail sales has been restated as 51% compared to the estimated 48%. GHG emissions has been restated as 11.8 MMT compared to the estimated 14.8 MMT. GHG emissions intensity has been restated as 0.18 MT/MWh compared to the estimated 0.24 MT/MWh.

<sup>&</sup>lt;sup>5</sup> This forecast is dependent on variable factors including, but not limited to, SCE's load size, GHG emissions accounting rules in the state of California and regulatory approvals for procurement. SCE updates this forecast periodically through our Integrated Resource Plan filing at the California Public Utilities Commission.

<sup>&</sup>lt;sup>6</sup> 2030 interim forecasts for GHG Emissions and GHG Emissions Intensity restated from 5.1 MMT to 6.5 MMT and 0.11 MT/MWh, respectively, to reflect the "preferred portfolio" forecast provided in SCE's most recent Integrated Resource Plan (IRP), filed in September 2020. This forecast is more aggressive than the "compliance portfolio" forecast appearing in the same filing, and the inputs needed to achieve this level of reductions do not yet have regulatory approval.

<sup>&</sup>lt;sup>7</sup> SCE anticipates that the GHG emissions and GHG emissions intensity of its delivered power in terms of retail sales will be at or near zero in 2045. There may still be carbon-emitting resources in the system, however, as outlined in note 2. While retail sales would be considered carbon-free, any residual carbon-emitting resource in the system could result in Scope 1, 2 and 3 emissions above zero.

<sup>&</sup>lt;sup>8</sup> Forecast calculations are based on the methodology prescribed by the California Public Utilities Commission in the IRP proceeding and differ from The Climate Registry methodology used to calculate historical emissions.

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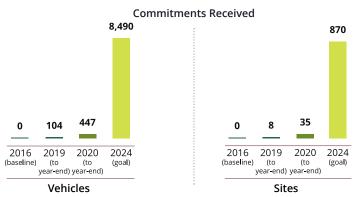
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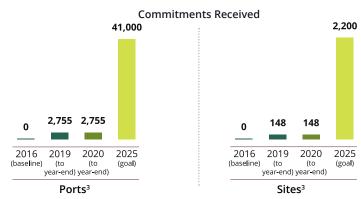
## **SUSTAINABILITY** (CONTINUED)

### **Electrification**

**GOAL:** By 2024, obtain SCE customer commitments to deploy 8,490 medium- and heavy-duty electric vehicles at 870 sites through SCE's Charge Ready Transport program<sup>1</sup>

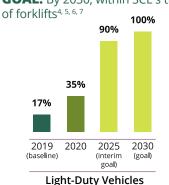


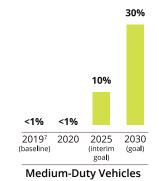
**GOAL:** By 2025, obtain SCE customer commitments to deploy (or commit to deploy for utility-owned installations) at least 41,000 electric vehicle charge ports to serve at least 2,200 sites through SCE's Charge Ready light duty vehicle charging programs<sup>2</sup>

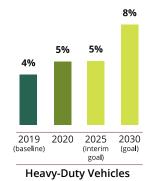


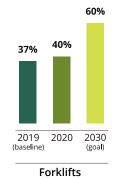
See <u>Electrification</u> for more details about our performance.

GOAL: By 2030, within SCE's transportation fleet, electrify 100% of light-duty vehicles, 30% of medium-duty vehicles, 8% of heavy-duty vehicles and 60%









See Electrification for more details about our performance.

<sup>&</sup>lt;sup>1</sup> This goal is tied to SCE's Charge Ready Transport application, which was approved on May 31, 2018. The program was formally launched on May 20, 2019.

<sup>&</sup>lt;sup>2</sup> This goal is tied to SCE's Charge Ready Pilot, approved on January 25, 2016; the pilot's extension, approved on December 13, 2018; Charge Ready Schools and Charge Ready State Parks & Beaches, approved on November 13, 2019; and Charge Ready 2 approved on August 27, 2020. Note that this goal has been updated from an estimated 52,700 charge ports across 4,150 sites to at least 41,000 charge ports across at least 2,200 sites to reflect the California Public Utilities Commission's (CPUC) authorized size for the Charge Ready 2 program, as well as the addition of the Charge Ready Schools and Charge Ready State Parks & Beaches programs, which launched in 2020.

<sup>&</sup>lt;sup>3</sup> In 2020, Charge Ready Pilot and Bridge were fully committed, and new light-duty vehicle programs were either pending CPUC approval or in an early launch phase. No new commitments were recorded in 2020.

<sup>4</sup> SCE's transportation fleet electrification goals align with Pathway 2045 and are based on the proportion of plug-in electric vehicles, including plug-in hybrids, within SCE's transportation fleet. Vehicles with plug-in, battery-powered, anti-idle job site work systems, such as electric power take-off units (ePTO), are also counted as part of the heavy-duty goal. Forklifts exclude rough terrain forklifts and telehandlers.

<sup>&</sup>lt;sup>5</sup> Vehicle weight classifications are as follows: Light-Duty Vehicles (DOT Class 1, ≤ 6k GVW), Medium-Duty Vehicles (DOT Classes 2 and 3, > 6k to ≤ 14k GVW) and Heavy-Duty Vehicle Class (DOT Classes 4-8, > 14k GVW)

<sup>&</sup>lt;sup>6</sup> Goals contingent on original equipment manufacturer (OEM) vehicle availability and funding approval through the CPUC.

<sup>&</sup>lt;sup>7</sup> 2019 baseline data has been restated in the light-duty, medium-duty and forklift categories from 13% to 17%, 1% to <1%, and 39% to 37%, respectively, to reflect adjustments made to the vehicle classification methodology.

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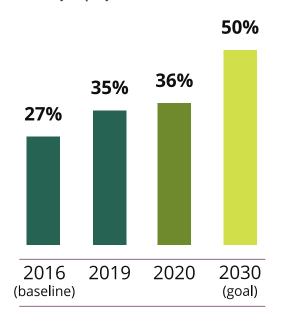
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## **SUSTAINABILITY** (CONTINUED)

**Diversity, Equity & Inclusion** 



**GOAL:** Achieve gender parity in executive roles by 2030

Measured by progress toward <u>Paradigm for</u> <u>Parity</u> commitment of full gender parity in executive roles by 2030<sup>1</sup>

See <u>DEI Performance</u> for more details.

<sup>&</sup>lt;sup>1</sup> Edison International's Diversity, Equity & Inclusion goal is framed around the public commitment Edison International made to <u>Paradigm for Parity</u> in 2016. Paradigm for Parity is focused on gender parity in "Senior Operating Roles," which Edison International defines as company executives, i.e. officers and directors (Edison Energy<sup>2</sup> executives include officers only).

<sup>&</sup>lt;sup>2</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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## **SUSTAINABILITY (CONTINUED)**

## **Public Safety**

**GOAL:** No serious injuries to the public from failure of SCE's electrical system<sup>1</sup>



## **Workforce Safety And Health**

**GOAL:** No worker (employee or contractor) fatalities<sup>1</sup>

#### **Employee Fatalities**



#### **Contractor Fatalities**



**GOAL:** By 2026, improve employee physical and psychological safety as measured by safety culture assessment

Measured by an in-depth safety culture survey of Edison International and SCE employees conducted once every three years<sup>3</sup>

Phase

"I'm Not Going To"

hase 2

"I Have To" (2019 baseline) (2020)

hase  $oldsymbol{3}$ 

3 "I Choose To For Me"

hase 4

"I Choose To For Us" (2026 Goal)

Phase 5

5 "I Choose To For Our Mission" (Aspirational)

See <u>Safety Culture Survey</u> for more details about our performance.

See <u>Safety Performance</u> for more details.

<sup>&</sup>lt;sup>1</sup> This goal is framed around a portion of Edison International and SCE's ongoing annual corporate performance foundational goals, which are tied to executive compensation. Learn more by visiting Edison International's 2021 Proxy Statement, pp. 47–51.

<sup>&</sup>lt;sup>2</sup> Three employees of SCE's contractors suffered fatal injuries in 2020, due to third-party vehicle impacts, falling equipment and electrical contact. See Safety Performance for additional details about SCE's response.

<sup>&</sup>lt;sup>3</sup> In 2017, SCE invested in an in-depth assessment of our safety culture because we care about the health and well-being of SCE employees, contractors and the public. We learned that many of our people think of our safety measures as something we do just for compliance. Using a maturity model, we are now tracking our evolution and conducting in-depth surveys every three years to determine our progress. Our goal is to evolve our culture to one where employees choose to act safely for not only themselves, but for their peers by 2026. The company's aspirational aim over the long term is to evolve our culture to one where employees take ownership of their own safety and the safety of those around them as a core part of their job and in support of the company's collective mission.

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## **CLIMATE CHANGE**

See Accelerating the Clean Energy Transition to Address Climate Change for more information about Edison International's climate change strategy and performance.

### <u>Climate Change Mitigation:</u> Additional Details

#### California State Law

California's goals include a 40% reduction in absolute greenhouse gas (GHG) emissions from 1990 levels by 2030, and 80% by 2050, as well as net-zero GHG emissions across its economy by 2045. Taken together, these goals are broadly considered to be consistent with keeping global temperature increases below 1.5°C, as set out in the United Nations Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C.

SCE is required by state of California law to meet the following retail sales requirements for the power it delivers to customers:

- By 2020 33% of power from Renewables Portfolio Standard¹ (RPS)-eligible resources (SCE met this requirement)
- By 2030 60% of power from RPS-eligible resources
- By 2045 100% carbon-free power

SCE's analysis indicates that California needs to achieve 80% carbon-free electricity by 2030, along with emissions reductions in other sectors through electrification (e.g., transportation, buildings), to affordably meet the state's GHG emissions reduction targets. SCE is advocating, as part of an economywide approach, for California to go beyond the current 2030 goal of 60% RPS-eligible power delivered to customers and to enact complementary policies that

reduce emissions from transportation and buildings through electrification.

#### **Climate-Focused Thought Leadership**

In addition to producing its own thought <u>leadership</u>, SCE has contributed to industry thought leadership. We partnered with other electric utilities in three West Coast states to commission the West Coast Clean Transit <u>Corridor Initiative</u>, a study that provides recommendations for electric charging infrastructure to support medium- and heavyduty electric trucks along the 1,300-mile I-5 corridor. In addition, SCE co-sponsored Energizing an Ecosystem: The Electric Mobility Revolution in Southern California, which found the electric vehicle industry in the region provides 120,000 direct jobs, with annual wages well above average. Electric vehicle-related jobs are expected to grow 27.8% between 2018 and 2023 in southern California.

<sup>&</sup>lt;sup>1</sup> The definition for the metric has been updated to clarify that it relates to the California Energy Commission's (CEC)'s RPS compliance program as opposed to the CEC's Power Source Disclosure Program. SCE retires renewable energy credits on an annual basis to meet its 2030 and 2045 RPS and carbon-free power goals and interim targets. See <u>Carbon Footprint for more details</u>.

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## **CLIMATE CHANGE (CONTINUED)**

#### **Climate-Focused Partnerships and Advocacy**

In addition to partnering with groups to advance sustainability, Edison International partners with and supports industry groups and other organizations to advance climate and environmental policy, particularly around electrification. Examples include:

#### Climate and Environmental Groups

- Center for Climate and Energy Solutions (C2ES)
- · Coalition for Clean Air
- · Valley Clean Air Now
- · California Resilience Challenge
- · Smart Electric Power Alliance
- The Climate Registry (TCR)

#### • Electrification Groups

- Zero Emission Transportation Association (ZETA)
- Alliance for Transportation Electrification (ATE)
- National Coalition for Advanced Transportation (NCAT)
- · Building Decarbonization Coalition
- Los Angeles Cleantech Incubator's Transportation Electrification Partnership
- CALSTART
- Ceres Corporate Electric Vehicle Alliance
- Edison Electric Institute (EEI) CEO Task Force on Electric Transportation

### <u>Delivered Power Mix & Greenhouse</u> <u>Gas (GHG) Emissions</u>: Additional Information

SCE procures unspecified energy resources from the California Independent System Operator (CAISO) market. This grid mix is predominantly natural gas and renewable resources, like wind and solar, with more renewables added to the grid each year.

SCE's long-term resource planning, including the need for new energy procurements, is approved via proceedings at the California Public Utilities Commission (CPUC). The Integrated Resource Plan (IRP) proceeding is the central regulatory forum to ensure SCE's long-term resource plans meet reliability needs, state-designated GHG emissions-reduction requirements and other factors for SCE's projected load in the most affordable way. SCE files an IRP every two to three years. Our most recent filling in September 2020 aligned with our goal to achieve 80% carbon-free power by 2030, above the state's current clean energy mandates.

### Owned Generation Assets for Local Reliability

SCE-owned generation assets consist of a portion of the Palo Verde nuclear plant in Arizona, natural gas plants, hydroelectric plants, battery energy storage, solar rooftop installations and a small diesel plant to serve Catalina Island. SCE is replacing the diesel generating station with new, cleaner diesel

generators to achieve two-thirds nitrogen oxide emissions reductions by 2023. Our natural gas assets are all based in Southern California and are SCE-owned and operated for local reliability purposes. The plants are some of the cleanest and most efficient natural gas generation resources in the state.

SCE's largest plant, Mountainview Generating Station, is a 1,104 MW efficient natural gas combined cycle (NGCC) resource. SCE also operates five peaker plants — power plants that are only turned on when energy demand is peaking. Two of these peaker plants, in Norwalk and Rancho Cucamonga, use enhanced gas turbines, which operate with a battery hybrid system. The technology can avoid burning fuel while still providing power, and delivers annual reductions in criteria pollutants and GHG emissions of roughly 60% compared to peakers that do not use the same technologies. In addition, SCE recently upgraded the plants to automatic control systems to improve their efficiency and environmental performance.

SCE's largest hydroelectric resource is Big Creek, located in the Sierra Nevada mountains. Through water planning and control system improvements, we have enhanced the flexible operation capacity of Big Creek. The improvements enable Big Creek to provide ancillary services that help the integration of renewable energy resources into the grid.

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## CLIMATE CHANGE (CONTINUED)

### <u>Climate Change Adaptation</u>: Additional Details About SCE's Wildfire Mitigation Plan

Every three years, SCE submits a Wildfire Mitigation Plan (WMP) to the California Public Utilities Commission (CPUC) that outlines our wildfire mitigation activities. In addition to three-year plans, SCE also provides annual updates to the CPUC Wildfire Safety Division (WSD). SCE met or exceeded nearly all our mitigation deployment goals laid out in the initial 2020-2022 WMP filing. In our annual 2021 WMP update, SCE has updated mitigation deployment activities based on advances in wildfire risk modeling and lessons learned from previous years.

In 2020, SCE continued to execute on our WMP. Below is a summary of SCE's accomplishments:

- Hardened Infrastructure: In 2020, SCE replaced more than 960 miles of overhead power lines with insulated wire and more than 6,090 poles with fire-resistant poles. We installed fast-acting fuses at 3,025 locations and sectionalizing devices at 49 locations. SCE also implemented technologies to detect equipment issues early in order to make repairs before the equipment fails. All of these efforts help us reduce wildfire risk, such as from sparks that occur when vegetation falls on a bare conductor wire.
- Vegetation Management: In 2020, SCE removed more than 12,200 hazard trees (double the number from 2019) that could

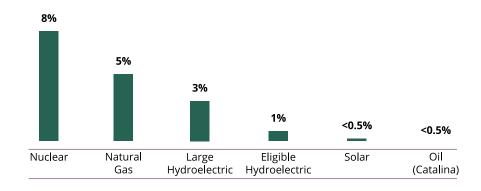
fall into power lines and lead to a fire ignition. We inspect approximately 1.4 million trees annually across our service area and prune nearly 900,000 of them to maintain clearances from electrical lines and equipment.

- High Fire Risk Inspections: In 2020, SCE inspected more than 199,000 distribution assets and 35,500 transmission assets from the ground. Where possible, we conducted aerial inspections to obtain a 360-degree view. We also performed corresponding repairs and replacements within due dates. Since December 2018, SCE has inspected 100% of our overhead equipment in our HFRA.
- Situational Awareness: In 2020, SCE installed five high-definition wildfire cameras, bringing our total to 166. These cameras in aggregate

continue to monitor approximately 90% of the HFRA in SCE's service area, which is the saturation point for cameras in our service area. SCE also installed 590 weather stations — making 1,050 in total — to provide granular weather data from which models can be created to forecast high fire risk conditions to within two miles and more precisely target public safety power shutoff (PSPS) de-energization events to reduce the number of customers affected. SCE is developing and applying technologies that help it determine wildfire threats in our HFRA with unprecedented accuracy, including where a large fire could start and the communities and structures that could be threatened.

## SCE's Estimated Owned Generation Mix as a Percent of Delivered Power in 2020<sup>1</sup>

In 2020, approximately 17% of power delivered to SCE's customers is estimated to have come from SCE's utility-owned generation.



<sup>&</sup>lt;sup>1</sup> This is an estimate of SCE's owned generation mix as a proportion of delivered power in 2020. The estimate is based on the methodology prescribed by the California Energy Commission's (CEC) <u>Power Source Disclosure Program</u> (PSDP) as of April 1, 2021. SCE's final PSDP report will be filed with the CEC on June 1, 2021, and may include data that differs from the estimate shown here to reflect subsequent changes or clarifications to PSDP's methodology and reporting template.

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## **CLIMATE CHANGE (CONTINUED)**

#### **Public Safety Power Shutoffs**

Another major element of SCE's public safety approach is ensuring our equipment does not contribute to sparking or propagating wildfires, which are more prevalent now due to a number of climate change-driven factors. SCE preemptively de-energizes circuits, or portions of circuits, that are experiencing extreme weather conditions or fire risks through PSPS. These necessary de-energizations are a tool of last resort to mitigate wildfire risk during extreme fire risk conditions. SCE knows PSPS can cause hardship to customers and is committed to reducing the duration and frequency of PSPS in a risk-informed manner to provide more customer resiliency, as outlined in our PSPS Action Plan which we submitted to the CPUC in February 2021. SCE's primary wildfire mitigation efforts are vital to reducing the impact of PSPS.

When using PSPS, SCE conducts community outreach to help customers and public safety partners prepare. We also maintain an interactive map of PSPS events on our website and continue to enhance our notification systems to alert customers in PSPS regions ahead of potential de-energizations, with the intent to give as much notice as possible when feasible.

By supporting community resource centers and deploying community crew vehicles to provide information, basic necessities and power access, SCE provides relief to customers affected by PSPS. In 2020, we provided 721 free portable backup batteries to income-qualified critical care

customers who depend on life-support medical equipment and live in an HFRA. SCE distributed 150W power inverters to over 170 customers who own electric vehicles and were impacted by three or more PSPS outages. Rebates on backup battery solutions and hotel discounts for customers experiencing an extended outage, including PSPS, were also available for customers.

# **Environmental & Social Justice:**Additional Details

SCE continues to sponsor the emPOWER program. The program is run by Liberty Hill and ValleyCAN, two California-based ESJ community organizations. It provides funding, training and other tools to community-based organizations for culturally appropriate and in-language education about the cost savings available from clean-energy programs. The program also helps residents apply for programs and incentives.

In 2020, SCE collaborated with ESJ community stakeholders to advance local building decarbonization policies. We co-hosted a webinar with the Sierra Club to inform local organizations about opportunities to advance building reach codes and how community organizations and individuals can help fight climate change and improve air quality.

SCE also engaged our Consumer Advisory Panel (CAP) throughout 2020 on activities and responses related to clean energy access. We provided the CAP, which includes several ESJ community leaders, with an overview of how SCE was handling increased demand for energy during the COVID-19 pandemic, and sought their recommendations about how to raise awareness of energy affordability programs in hard-to-reach communities.

#### **ESJ Initiatives**

SCE considers low-income customers and ESJ communities<sup>1</sup> when designing programs and incentives to connect customers with clean energy technologies.

In 2020, we:

- Committed \$68.5 million in customer incentives for the installation of solar through our Disadvantaged Communities

   Single-Family Solar Homes (DAC-SASH) and Solar on Multifamily Affordable Homes (SOMAH) programs
- Ended the year with 47% of sites participating in our Charge Ready electric vehicle charging program in state-designated "disadvantaged communities" (DACs); looking ahead, at least 50% of SCE's investments in the expansion of its light-duty electric vehicle charging program will be in DACs
- Installed fast-charging stations, which reduce charging times to 30 minutes or less, and electric bus-charging infrastructure in DACs.
- Installed one quarter of electric space and water heaters through the HVAC energyefficiency incentive program in DACs

Edison International also has a significant focus on underserved communities in our approach to <u>community investment</u>.

<sup>&</sup>lt;sup>1</sup> Installations were in state-designated "disadvantaged communities," which is a subset of ESJ communities and a definition the state of California uses to indicate communities that are most heavily impacted by pollution from multiple sources and most vulnerable to its effects.

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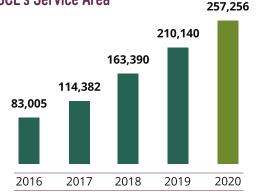
## **CLIMATE CHANGE (CONTINUED)**

# <u>Strategic Focus Areas</u>: Additional Details

#### **Electrification**

SCE administers the new <u>California Clean Fuel</u> <u>Reward</u> (CCFR) program, a statewide program launched in November 2020 that offers up to a \$1,500 electric vehicle (EV) rebate<sup>1</sup> at the time of purchase or lease of a new EV. In addition, in 2020, SCE offered residential customers \$6,000 cash back on a 2020 Nissan Leaf or Leaf Plus. SCE also plans to provide rebates for the purchase of pre-owned EVs in 2021. Through year-end 2020, SCE provided almost \$79 million in rebates on the purchase or lease of a new or used EV through the SCE Clean Fuel Reward program.





#### **Grid Modernization**

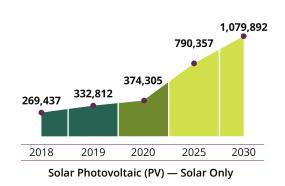
To optimize grid planning decisions, SCE is preparing the grid to recognize that different regions present different demands. Effective grid planning requires SCE to strengthen its forward-planning capabilities to reduce uncertainty. We are improving our ability to track early indicators of customer trends, such as EV sales, resource portfolio mix, climate model changes around temperature and precipitation, resource availability and new grid technologies.

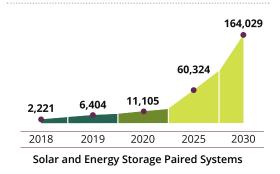
SCE is updating our grid design to reflect heterogeneity of specific and localized needs. We are also continuing to evolve our ability to sectionalize, or isolate certain components of, the grid. Expanding grid capabilities requires innovation, including within SCE's supply chain. SCE is working with our suppliers to develop hardware and software solutions that respond to the unique requirements of the grid in different regions or contexts. Traditionally, equipment suppliers developed standard solutions to address uniform needs across the grid. Today and in the future, we will need suppliers to develop more modular and customizable solutions that match our heterogenous needs.

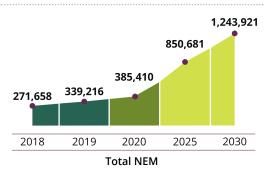
The grid also needs tools to handle the increasing complexity of future grid operations, such as more distributed energy resources (DERs) interconnected to the system. It will need to be equipped with sensors, high-speed and high-volume communications technologies, edge computing — a form of computing that operates

## Growth (Past and Projected) of Select Behind-the-Meter DERs in SCE's Service Area

Net Energy Metering (NEM) — Cumulative Installs







<sup>&</sup>lt;sup>1</sup> Actual rebate amount is determined by battery size of the electric vehicle.

<sup>&</sup>lt;sup>2</sup> Number of registered plug-in hybrid and battery electric vehicles in SCE's service area. Data is as of January 2021 and represents annual light-duty vehicle sales based on third-party registration data sourced from EPRI.

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on real-time data generated by sensors or users — predictive analytics and artificial intelligence.

#### **Customer Solutions**

SCE is continuing to transform infrastructure and operations to create a two-directional power system, enabling DER owners to supply carbon-free energy to the grid. Integrating DERs into the power distribution system benefits not only DER owners, but everyone connected to the grid. Delivering this energy at the right time, and in the right areas, can reduce the need for capital upgrades, lowering infrastructure costs and increasing overall system efficiency.

In 2020, SCE interconnected approximately 41,500 behind-the-meter solar installations to the grid. SCE did not halt approvals for interconnections at any time in 2020, but instead implemented new procedures to ensure social distancing and safety measures during site visits, in accordance with state and federal guidelines. SCE also inspected projects virtually and provided flexibility for customers to comply with Rule 21 — requirements governing interconnection, operating and metering for generation facilities to be connected to a utility's distribution system.

The use of behind-the-meter energy storage paired with solar continued to grow in 2020, increasing 12% from 4,183 DERs in 2019 to 4,701. SCE's incentives for energy storage systems contributed to this increase.

Through SCE's <u>Self-Generation Incentive Program</u>, we offer customers incentives that reduce the cost of installing new energy storage systems. SCE incentivizes customer-sited solar through our Net Energy Metering rate. By the end of 2020, more

than 385,000 SCE customers had connected solar or paired energy storage systems to the grid. SCE offers an online marketplace where customers can compare solar and energy storage system installers to find the best deal, as well as receiving a discount on those systems.

For customers who do not have the option to install solar or energy storage at their properties, SCE offers its Green Rate and Community Renewables programs. Customers who enroll can choose to power their home or business with 50%–100% solar energy through third-party renewable power purchase agreements that SCE procures on the customers' behalf.

#### Incentives for Efficient and Clean Energy Use

As intermittent renewable resources like wind and solar are added to the grid, the time and location of customers' energy use is increasingly important to meeting SCE's clean energy goals. Time-of-use (TOU) rates aim to lower energy demand during peak hours, which supports greenhouse gas (GHG) emissions reduction by encouraging customers to shift use to times of day when the energy supply is cleaner. In 2020, SCE expanded TOU rates for residential customers. More than 763,000 residential customers now use these rates. All commercial customers are on TOU rates, and SCE will expand this rate to more residential customers with a goal of reaching most customers by March 2022.

SCE's energy-efficiency programs incentivize customers to make changes resulting in efficient electricity use. These changes include replacing old appliances, like heating and air-conditioning systems, lighting and industrial process equipment, with energy-efficient models. In 2020,

SCE offered more than 90 energy-efficiency programs that saved 1,490 gigawatt hours (GWh) of energy. This translated to approximately 555,000 tons of GHG emissions saved, and saved customers \$39.7 million on their bills.

SCE also offers <u>Demand Response</u> (DR) programs that reward participants for making short-term reductions in their energy use based on alerts from SCE or our partner companies, thereby reducing the need for incremental gas-fired generation. SCE offers a variety of DR programs. More than 495,000 residential and commercial accounts were enrolled in DR in 2020, with 890 MW of resources made available for reduction.

#### **Clean Energy Partners**

There are many stakeholders involved in the planning and procurement of energy to serve customer needs. Local governments may choose to enter their communities into a Community Choice Aggregation program; commercial and industrial customers may enter into long-term contracts with third parties for energy as part of Direct Access; and individual customers may opt to install rooftop solar, connect energy storage and/or otherwise generate their own energy.

SCE is committed to partnering across this stakeholder landscape to provide customers with reliable service and optimal customer experiences. This means offering and supporting customer choices around how their energy is generated, while providing transmission and distribution services to all. SCE also takes seriously its role as a provider of last resort for customers.

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## **ENVIRONMENT**

SCE is a long-standing steward of the environment and considers our responsibility to reduce our environmental footprint as a foundation of our operations.

## **WE STRIVE TO:**

- Manage all operations to meet or exceed applicable environmental laws and regulations
- Implement environmentally sound policies and standards to avoid or reduce our impacts on the environment and our communities
- Promote the efficient use of natural resources, including energy and water, minimize emissions, reduce waste to landfill, and effectively manage discharges
- Protect biodiversity and cultural resources through our own forest management and programs to minimize impacts to wildlife, natural habitats, cultural resources and communities
- Engage tribal communities in SCE's service territory to ensure their concerns are considered when planning projects
- Consult stakeholders on environmental matters and impacts
- Embody the company's strategic focus areas across our facility, fleet and supply chain operations

# **Environmental Management System**

SCE's environmental management system (EMS) provides the framework through which SCE identifies, monitors and reduces environmental risks. SCE is committed to effectively and transparently managing its environmental impacts through best practices, including:

- Adopting an EMS that uses the enterprisewide integrated environmental risk management framework comprised of core compliance and risk management responsibilities of prevent, detect, monitor and respond to ensure environmental risk mitigation and compliance in our operations
- Monitoring and reporting our performance internally and externally
- Providing employee training and awareness regarding environmental policies and procedures
- Continually seeking ways to further improve environmental performance

EMS processes are documented in SCE's Environmental Compliance Program Manual and applied across 33 program areas. SCE manages environmental program objectives, targets and deadlines for our facility operations, as well as field maintenance, construction and mitigation projects. SCE evaluates adherence to industry best practices for EMS, including their implementation, striving to ensure that each element is effective and to identify opportunities for improvement.

#### **EMS Governance**

SCE's EMS outlines roles and responsibilities for environmental stewardship, beginning with the Environmental Services Department Director, who serves as the company's environmental compliance program leader.

SCE has an Environmental Leadership Council, a cross-functional, executive-level group responsible for evaluating environmental policies and procedures and providing guidance to ensure consistent implementation and support. Among other topics, the council evaluates noncompliance incidents and trends, sharing best practices and directing improvement opportunities.

Environmental program managers serve as environmental subject matter experts and are responsible for tracking regulatory changes, developing strategies for achieving compliance efficiently and documenting implementation steps in standards, manuals and operational guidance. Program managers monitor for adherence to compliance requirements and seek opportunities to improve their program's performance.

Environmental operations advisors serve as environmental field resources at operational sites and oversee the implementation of compliance programs at their assigned facilities, performing regular compliance assessments, providing front-line compliance assistance for operations and coordinating on-site regulatory agency inspections.

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#### **EMS Monitoring and Measurement**

As part of our EMS, SCE maintains a reporting system to document conformance with environmental processes, results of environmental inspections and releases of hazardous materials. We continue to look for ways to enhance our monitoring and measurement of the EMS, leveraging industry best practices. Monthly key performance indicator (KPI) reports, along with monthly and quarterly compliance reports which identify performance trends, are shared with the SCE Environmental Leadership Council. Environmental program managers develop and conduct risk assessments and program evaluations that include reviews of program data and field observations to identify gaps in compliance controls and improve compliance performance. SCE maintains environmental performance records per its Record Management Policy, communicates via regulatory filings and compliance reports to the appropriate agency, and shares notices of violations in aggregate through this report (see Sustainability Scorecard).

SCE's Environmental Services Department facilitates environmental reviews, permitting and compliance across the company. This includes managing nearly 1,500 environmental permits and submitting more than 1,400 reports to regulatory agencies annually, as well as reviewing the potential impacts of infrastructure construction and maintenance projects. In 2020, SCE conducted environmental reviews of more than 41,000 transmission, distribution and generation infrastructure projects and more than 160,000 vegetation management projects to identify and avoid or minimize impacts to

sensitive habitats, archaeological sites and other protected resources.

### **Regulatory Construct**

As a regulated utility, SCE undergoes environmental regulatory inspections. In 2020, we hosted 323 regulatory agency inspections, a 45% decrease compared with 2019, primarily attributed to COVID-19. Of these, 92% of the inspections had zero notices of violation, a decrease from 98% in 2019. SCE uses incidents of noncompliance to evaluate our EMS, conduct root cause analyses and identify operational improvements.

#### **EMS Training**

SCE's EMS includes a broad training and awareness program. There were more than 23,000 employee training course enrollments in 2020 across all company employees. Our training courses consist of computer-based learning modules, as well as instructor-led, role- or region-specific courses. Trainings cover material handling, spill awareness, hazardous waste management and dozens of other topics relevant to employees.

# Air Quality & Greenhouse Gas Management

Air pollution is a significant environmental challenge affecting public health across SCE's communities, particularly <u>disadvantaged</u> <u>communities</u>. Edison International is a long-standing partner of the state of California, customers and communities to improve air quality. SCE manages six air quality programs covering Major Stationary Sources (Title V), Minor Stationary Sources, Sulfur Hexafluoride, Climate

Change/Sustainability, Area Sources and Mobile Sources to achieve and maintain compliance with federal, state and local air pollution rules and regulations. These programs also go beyond mandatory compliance obligations in key areas, including related to criteria air pollutant quantification and benchmarking, <a href="Low-carbon-fuel standard">Low-carbon fuel standard</a> (LCFS) reporting on SCE's employee electric vehicle charging program, and reduction of mobile source pollution through electrification of SCE's transportation fleet.

SCE participates in programs to improve our air monitoring capability and understanding, with the goal of reducing our air pollutant and greenhouse gas emissions over time. We work with internal and external partners to test and pilot alternative technologies to reduce risks to air quality and health, especially as it relates to environmental and social justice communities. Edison International also supports initiatives that improve air quality through our community investment program.

# Water Management & Conservation

Water scarcity is a concern in California, and climate change exacerbates the stress on water resources in the state. Seventy-five percent of California's rain and snow falls in watersheds north of Sacramento, with 80% of the state's water demands and use falling in the southern two-thirds of the state. Water resources are stretched with California having the largest population, agricultural production and economy in the nation. California regularly experiences drought conditions, often with dry

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conditions lasting several years. Operating in this drought-prone environment makes SCE's water management practices a top priority.

SCE operates seven programs to protect water quality and conserve water. These programs cover construction projects, facility storm water, drinking water, industrial wastewater, spill response, well management and wetlands protection. Program managers oversee water use and discharge programs, collaborating with departments to embed water-reduction targets and deadlines into facility operations, construction activities and permits.

In addition to managing compliance through our EMS, SCE maintains an internal standard in general accordance with California's Sustainable Groundwater Management Act, which provides a framework to manage groundwater and drinking water. SCE manages surface water diversions for hydroelectric power separately under the Federal Energy Regulatory Commission structure.

SCE promotes sustainable water use in three categories:

- Strategically managing water in power generation facilities (water-energy nexus)
- Capturing and reusing storm water runoff (storm water harvesting)
- Reducing water consumption at SCE offices, facilities and construction projects

SCE monitors water consumption of our generation assets. In 2020, our water consumed for generation was 902 million gallons, the majority of which occurred at our Mountainview

Generating Station. Nearly all (99%) of the water Mountainview consumed was from non-potable sources, including groundwater withdrawal from the local contaminated aquifer and recycled water from the city. Further, 85% of the water discharged from Mountainview was recovered and reused in the plant.

During construction or facility upgrades, SCE captures storm water runoff and uses it for construction activities such as dust control and compaction, reducing the need to use potable water from hydrants and water purveyors. In 2020, the Mesa Substation construction project captured and re-used over 2 million gallons of storm water. The new construction at Mesa Substation includes a vegetated biofiltration swale to capture storm water runoff and filter potential pollutants.

SCE seeks to improve on-site water quality and water reuse. We have over 40 major facilities that use approximately 70 best management practice (BMP) features (e.g., infiltration basins, pervious pavement and biofiltration swales) designed to capture storm water runoff and minimize potential pollutants from off-site runoff

In 2020, SCE installed an underground infiltration and treatment system at Chino Substation that captures over 110,000 gallons of storm water runoff. The system will help prevent runoff from the substation and remove potential pollutants before they enter the surrounding storm drains and waterways.

SCE seeks to replace grass with drought-tolerant landscaping at our facilities and to improve

our irrigation systems to reduce water use. For example, at our San Joaquin Service Center, we replaced turf grass with low-water plant species, reducing potable water consumption by 75%.

# Waste Management & Asset Recovery

When materials are at the end of their useful life, SCE follows all federal, state and local laws and regulations to determine how they will be reused, recycled, resold or disposed. We seek opportunities to implement a circular economy by reselling or donating material and assets. Where these options don't exist, SCE evaluates the material for recycling or disposal.

SCE's internal standards and manuals outline procedures for identifying, handling, storing and transporting waste generated at SCE facilities. SCE manages over 30 different waste streams, including hazardous and nonhazardous waste. Items designated as waste (rather than investment recovery) are evaluated to determine if they are hazardous and sent to disposal facilities authorized to receive and process the waste. SCE's Environmental Liabilities Committee reviews and approves all hazardous waste transporters and disposal facilities for use by the company.

In 2020, SCE reused or recycled 4.5 million gallons of oil and 40.7 million pounds of asset material. SCE also recycled 3.5 million pounds of material from three dismantled substation power transformers and over 540,000 pounds of various universal wastes, including electronic devices and lamps. In addition, SCE recycled approximately 11,000 pounds of batteries.

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#### **SONGS Decommissioning**

In 2013, after more than 40 years of generating clean electricity, SCE permanently retired the San Onofre Nuclear Generating Station (SONGS). To guide our decommissioning efforts, SCE established the principles of safety, stewardship and engagement. With all spent nuclear fuel now moved to a safe and secure dry storage facility, and extensive environmental reviews by state agencies complete, in 2020 SCE began to dismantle the site, a process that will continue until approximately 2028. For more information, visit the SONGS website.

### Biodiversity, Natural Habitat & Cultural Resource Protection

Biodiversity, natural habitat and cultural resource protections are key considerations for SCE as we modernize and update our grid infrastructure and execute on our Wildfire Mitigation Plan. Most of SCE's service territory falls within the California Floristic Province (CFP), one of over 30 areas in the world recognized by Conservation International as a biodiversity hotspot, with significant levels of biodiversity threatened by human habitation. The CFP has over 3,000 species of vascular plants, 60% of which only occur in California. In addition, California has more federal- and state-listed threatened and endangered species than any other state, except Hawaii. Approximately 40% of SCE's utility corridors are located in areas that support threatened or endangered wildlife or plants and have become de facto wildlife corridors in many areas due to the surrounding urban development.

### EXAMPLES OF THREATENED SPECIES PROTECTED BY SCE



**California condor**, one of the largest flying birds in the world, overlaps in range with SCE's wildfire mitigation efforts. The installation of covered conductor prevents condor contact with bare wire.



**Least Bell's vireo**, a bird that requires riparian habitat for breeding, has experienced a sharp decrease of habitat over the last 150 years due to human activities. SCE created geographic information system tools to identify and avoid working in its habitat during the breeding season and implements measures to minimize habitat impacts outside of the breeding season.



**Desert tortoise**, California's official reptile, has seen its population shrink 90% in the last century. SCE is collaborating with wildlife resource agencies to develop a raven management plan to reduce instances of raven-desert tortoise predation. This plan will pool mitigation funds and allow the use of best-in-class treatments to protect this species. It will provide more flexibility on the use of emerging technologies and strategies and direct the resources where they are needed most for tortoise recovery and management.



Pacific pocket mouse, a tiny, endangered burrowing mammal endemic to the immediate coast of Southern California has been restricted to two locations due to urban development. The largest population is found on Marine Corps Base Camp Pendleton, where SCE has been working with USFWS on a long-term permit, covering habitat within SCE's transmission easement. SCE will help ensure the species is protected by implementing protective measures and contributing to the multiagency conservation program for the species.



**Yosemite toad**, an endangered amphibian found in the high elevations of California's Sierra Nevada, lost a significant portion of its natural habitat during the Creek Fire. SCE worked with the Sierra National Forest to develop site-specific measures to create habitat and minimize impacts while restoring power to the area. In addition, SCE created an educational compliance video to ensure crews understand the importance of protecting these toads.

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SCE is committed to protecting special status species, their habitats, ecosystems and cultural resources where we operate. For example, SCE surveyed more than 6,000 acres of United States Forest Service lands for cultural resources to identify and avoid these resources when conducting wildfire mitigation projects. These efforts protect and preserve cultural and tribal resources while supporting fire-hardening activities and are part of larger programmatic permitting initiatives to streamline the environmental compliance process. SCE has also protected, enhanced or restored nearly 5,200 acres of land throughout our service area. We conduct habitat restoration and mitigation consistent with professional standards and methodologies, with oversight by federal, state and local agencies.

SCE's primary goal is to avoid impacts to natural and cultural resources. Our Environmental Resources Management division works with hundreds of consultants and environmental experts, including over 100 nonprofit partners, to identify species and habitat resources, analyze potential effects, develop best management practices and conduct restoration efforts across our operational footprint. Additionally, SCE identifies and maps vegetation communities and sensitive ecosystems and uses avoidance measures to ensure the protection of wetlands, streams and riparian habitats, as well as other sensitive habitats. SCE minimizes unavoidable environmental impacts and consults with regulatory agencies to mitigate them and restore affected areas.

Our Environmental Services Department is on call 24 hours a day, seven days a week to

respond to emergencies. When a wildfire occurs in SCE's service area, biologists and water quality specialists are called out along with crews to ensure impacts to endangered species and their habitat are avoided or reduced, as well as to ensure the correct permits are acquired to work in the area.

SCE's biologists are dedicated to protecting species, habitats and ecosystems where the company operates and are engaged in efforts to protect species and streamline agency approval processes. We are also exploring the use of nonoperating properties for species mitigation and conservation opportunities to offset impacts from projects and maintenance activities.

Since 1988, SCE's avian-protection program has protected endangered, migratory and other birds from electrocution, while also preventing power outages that can be caused by birds. In 2020, we updated our overhead transmission design standards to expand protection for eagles.

#### **Forestry**

SCE manages 20,000 acres of Sierra Nevada forestland near Shaver Lake and Dinkey Creek, east of Fresno. For more than 40 years, SCE's forestry staff have fostered and maintained a healthy forest.

SCE developed a plan in coordination with San Bernardino National Forest to manage fuel load related to SCE's vegetation management activities on United States Forest Service land. SCE's efforts focus on healthy, diverse, wildfireresilient forest conditions and helping wildlife populations to thrive.

At SCE's Shaver Lake forest, we use historic information and leading research in forestry and ecology to help us restore the forest to a native structure, when fire was a natural part of the forest's ecology. SCE's goal is for the forest to become resistant to disease, bark beetles and catastrophic blazes that have become increasingly frequent and devastating in California due to increased fuel and climate change.



## FOREST MANAGEMENT PROGRAM

SCE's forest management program includes methods to minimize the threat of wildfires, increase forest resiliency and support healthy forest growth.

Strategically planting native trees and plants

Building firebreaks to help stop fires on or near utility land

Conducting prescribed burns to rid overgrown brush, small trees and dead material that could otherwise serve as fuel for a wildfire

Implementing an uneven-aged approach to forestry, where SCE removes mature trees, leaving room for young trees to grow

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#### Creek Fire

The Creek Fire, the largest single fire in California history, started on September 4, 2020, near the small town of Shaver Lake, California.¹ Burning more than 379,000 acres until contained in late December, the fire surrounded SCE's Big Creek hydroelectric system and Camp Edison and affected SCE customers and employees in the region. The ongoing forest management practices of SCE's forestry team to maintain a healthy, resilient forest, helped deflect the fire and support firefighting crews. Ultimately the town was spared.

#### **Community Engagement**

SCE collaborates with local communities to identify and protect environmentally and culturally sensitive areas. We conduct environmental reviews and stakeholder engagement to identify potential biodiversity and community impacts and seek input from residents, businesses, landowners, tribal communities, government and other stakeholders to address and mitigate concerns. SCE participates in multistakeholder collaboration groups, such as the California Biodiversity Initiative and the San Gabriel Mountains Community Collaborative, which are designed to improve biodiversity.

SCE also engages the tribal community under regulatory and public outreach processes to ensure their interests are considered when planning projects that have the potential to affect resources of Native American origin. We are committed to working collaboratively to understand cultural perspectives and avoid or minimize impacts.

#### **Facilities**

SCE facilities use electric technologies in line with our strategic focus on <u>electrification</u>. We also incorporate green-building attributes that reduce natural resource consumption and promote sustainable commuting by providing charging facilities and technologies to encourage the use of electric vehicles.

#### **Sustainable Buildings**

SCE's real estate portfolio is more than 1,300 buildings, including service centers, operations buildings, emergency response centers and traditional offices. More than 80% of our building square footage uses electricity as the primary fuel source. SCE invests over \$2.7 million annually in energy-efficiency measures at our facilities. Our corporate real estate group designs new occupied buildings to a minimum Leadership in Energy and Environmental Design (LEED) Silver-equivalent standard. SCE's portfolio has one LEED Platinum building — our Wildomar Service Center — two LEED Gold buildings and six LEED Silver buildings. We are currently installing a solar canopy for covered parking and EV charging at our Palm Springs Service Center in Cathedral City, California.

Through SCE's building management system, we control the temperature and lighting of facilities to minimize unnecessary energy use. We have retrofitted buildings with LED lighting, upgraded roofs to high-albedo materials, which keep buildings cooler by reflecting the majority of the solar radiation that hits them, and implemented energy-efficiency measures. In 2020, LED lighting

upgrades across 13 SCE locations saved 270,000 kWh per year, reducing energy usage by 71% while increasing lighting levels by 47%.

SCE reduces energy consumption as facility systems are replaced or upgraded. In 2020, we replaced old electric heat pumps with more efficient ones across 34 SCE locations and expect to save 124,000 kWh annually.

Older heat pump units typically contain R-22 (HCFC) refrigerant and are replaced with a non-CFC refrigerant, with a benign ozone-layer impact. Through facility upgrades, SCE captured and recycled 850 pounds of CFC-containing refrigerant. We also recycled 90% of the removed heat pump equipment, which totaled 83,000 pounds.

#### **Employee Commutes**

SCE supports employee electric vehicle (EV) adoption by providing charging infrastructure. In 2020, employee EV charging sessions decreased to 13,503 from approximately 49,870 in 2019, due to the work-from-home order. In parallel, GHG emissions from employee commutes were 56% lower in 2020 than in 2019. Due to COVID-19, SCE was unable to reach its targeted level of 120 new charge ports in 2020 and has extended the implementation plan into 2021.

#### Seismic Retrofitting

SCE conducts a voluntary seismic assessment and retrofitting program to reduce the risk of earthquake impacts to our employees, customers and energy generation and transmission and distribution infrastructure. Since 2016, SCE has

<sup>&</sup>lt;sup>1</sup> The origin and cause have not been attributed to SCE equipment.

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performed initial safety assessments for all 170 of the typically occupied buildings in our real estate portfolio, as well as for 150 buildings that are typically unoccupied, yet support critical operations. We plan five to seven retrofits per year to meet our building safety, service and operational criteria. These retrofits also consider the latest seismic retrofit building inventory risk management guidance provided by the Department of Homeland Security and the Federal Emergency Management Agency, the National Institute of Standards and Technology, the American Society of Civil Engineers and the Applied Technology Council. To date, more than half of the assessed buildings have already been retrofitted or do not require retrofitting.

sustainability self-assessment tool. SCE reviews the results of the self-assessments to gauge supplier performance against industry peers and monitors suppliers to ensure the completion of the survey. Areas of sustainability research with our suppliers include language used in requests for proposal to promote environmental action; supply chain emissions; technologies to reduce sulfur hexafluoride (SF<sub>6</sub>), a greenhouse gas used in switchgears; human capital; and environmental, social and governance performance tracking over time. SCE is also focused on Supplier Diversity.

### **Supply Chain**

SCE's supply chain is an important extension of our operations. The company partners with suppliers to find new ways of increasing supply chain resiliency and reducing their environmental footprints.

For the past 12 years, SCE has been a member of the Electric Utility Industry Sustainable Supply Chain Alliance, a collective formed to help reduce the environmental impact of the electric utility industry's supply chain. Alliance members evaluate and share best practices digitally and can access the results of a supplier

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## **CUSTOMERS**

SCE is dedicated to providing safe, reliable, affordable and clean power to our customers.

### **Public Safety: Additional Details**

#### **Public Education Campaigns**

SCE promotes annual safety campaigns to help the public stay safe near electrical equipment, including campaigns geared toward youth and people who work near power lines and other electrical infrastructure. Our 2020 campaigns were promoted via multiple channels and languages and achieved more than 1 billion advertising impressions.

In addition to tying content on our external website to safety, SCE's social media channels helped amplify timely and critical safety information, including the launch of our E-Smart safety website, downed wire and outage and emergency preparedness tips. These efforts generated more than 56 million impressions across SCE's social channels.

Edison International sponsors *Agents of Safety*, a live stage production that reaches young people with electrical safety information, through a partnership with The National Theatre for Children (NTC). In 2020, the production was delivered virtually through the theatre's livestreaming platform. NTC performed 75 livestream events for 40 schools and five livestream events at Southern California area Boys & Girls Clubs, reaching more than 16,000 students and 800 teachers. In 2020, SCE also sponsored an NTC pilot production for

elementary-aged students, entitled *Ready or Not: Preparing for Wildfires*. NTC performed 20 livestream events for 10 schools, reaching more than 4,300 students and 160 teachers.

#### **Inclusivity in Emergency Preparedness**

There is a heightened need to improve emergency preparedness for individuals with disabilities, access and functional needs. SCE participates in events and workshops that address public safety power shutoffs and how to better meet the needs of vulnerable communities through public, private and government collaboration.

### **Affordability: Additional Details**

### **Assistance During COVID-19**

The COVID-19 pandemic presented an affordability challenge for many customers due to the unprecedented job losses and business closures as a result of the economic shutdown and subsequent recession. SCE temporarily suspended service disconnections and past due payment charges to customers who qualified as a result of income losses. We extended our payment assistance programs and other forms of bill relief to affected customers. For example, customers qualifying for the Energy Assistance Fund usually receive \$100 toward their energy bill each year. In 2020, SCE increased that amount to \$200 (and up to \$300 for customers with all-electric homes).

To help residential customers whose households increased energy usage due to working and schooling from home, SCE

implemented a 30% reduction of its charge, a state-required addition to the Standard Rate Plan. The reduction remains in effect until early 2022.

SCE is permitted to securitize under collections from the pandemic and minimize the size of rate increases needed to recover these costs.

### **Reliability: Additional Details**

## Outage Management to Ensure Reliable Power

Customers may experience outages that are either unplanned due to emergencies such as severe weather events, or planned so that SCE can perform grid updates, grid hardening and grid modernization projects. SCE strives to inform customers and minimize impacts. SCE uses advanced analytics, including artificial intelligence and machine learning, to provide real-time insights into grid health. Our Reliability Operations Center (ROC) creates algorithms that notify SCE of dozens of different wiredown scenarios, as well as their locations. In response, SCE reduces the hazard by turning off the power at the location and instigating a priority dispatch. The ROC has also developed several algorithms to detect the location of other issues, such as failing equipment, and hazards such as overloads due to energy theft. In such cases, SCE dispatches a field technician to troubleshoot the problem. In 2020, SCE saved an estimated 675,000 minutes of customer power interruption by proactively identifying and replacing damaged transformers.

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## **CUSTOMERS** (CONTINUED)

SCE is partnering with customers to make microgrids a successful tool to allow a community or a designated mass care and shelter facility to have backup power in the event of a power outage caused by weather, fire or other emergencies. Microgrids are self-contained electric grids that can provide energy for a limited time and can operate both while tied to the larger grid and while separated from it.

When outages do occur, SCE works to keep customers updated in as close to real time as possible. We maintain an <u>outage progress</u> <u>tracker</u> on our website, which shows live service updates inputted by field crew through SCE's Customer Crew Connect (C3) smartphone app.

The company's outage communication work has been recognized with the 2020 Expanding Excellence Award for Innovation in People and Process. SCE was recently awarded the newly created Chartwell "Sustained Leadership in Outage Communications Award" in recognition of our track record of consistent high performance across all aspects of outage communications.

#### **Reliability During the COVID-19 Pandemic**

Throughout 2020, SCE's principal responsibility to customers during the COVID-19 pandemic was to ensure frontline critical infrastructure sectors, such as hospitals, medical clinics, research

facilities, public safety agencies, water districts and telecommunications networks, had the power necessary to support communities and fight COVID-19.

SCE temporarily postponed <u>noncritical projects</u> requiring temporary power outages. For critical projects requiring an outage, the company took additional steps to minimize the duration and impact, such as scheduling outages on weekends or overnight and increasing the number of crews on a project by reassigning them from noncritical work.

With Safer-at-Home orders in place, many residential customers also spent more time at home than usual. To ensure customers were aware of critical, planned outages, SCE maintained COVID-related, customer-facing information on our website and increased communications via live outbound calls, social channels and emergency response agencies. For longer outages that could cause food spoilage, we gave customers coupons for ice and provided \$50 rebates for portable power stations.

# California Independent System Operator (CAISO) Rotating Outages

In August 2020, the California Independent System Operator ordered all load-serving entities in its system, including SCE, to institute rolling power outages across our service territory. Approximately 200,000 SCE customers experienced an outage of one hour or shorter. SCE conducted these power outages after all other options to reduce demand on the system, including customers' conservation, had been exhausted. SCE is working to update current demand response programs and implementing new pilots to meet statewide 2021 summer readiness objectives in support of system reliability.

#### **Performance Metrics**

SCE tracks reliability trends for unplanned outages and uses the information to inform grid planning and design. Our reliability performance is also reported to the California Public Utilities Commission annually. SCE benchmarks performance against other utilities using industry-standard reliability metrics. These metrics are defined by the Institute of Electrical and Electronics Engineers (IEEE). They exclude major event days (MEDs), such as power outages due to natural or human-caused disasters exceeding a certain threshold for outage length. Public safety power shutoffs are included in all three metrics that SCE tracks. See Reliability and our Sustainability Scorecard for SCE's performance in 2020.

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## **CUSTOMERS** (CONTINUED)

## **Customer Experience**

#### **Customer Satisfaction**

SCE solicits customer feedback to understand what is working and where we could be doing better. Through our "Voice of the Customer" (VOC) survey, SCE collects daily feedback from over 1,000 customers on topics such as bill paying, power outages, our <u>public website</u> and experiences with energy advisors at our customer contact centers. The VOC, as well as results from industry surveys, are key measures of customer satisfaction.

In 2020, SCE ranked eighth among the 12 large utilities in the west in the J.D. Power Electric Utility Business Customer Satisfaction Study. The company also placed seventh in the west among 13 large utilities in the J.D Power Electric Utility Residential Customer Satisfaction Study. SCE is focused on ways to meet evolving customer needs and improve our customer experience.

## DIGITAL TOOLS TO IMPROVE THE CUSTOMER EXPERIENCE



**Frequently asked questions** on Amazon Alexa, so customers can inquire about energy bills and pay them using associated devices



Persona modeling to analyze customer characteristics and demographics, such as land use and zoning or areas with high numbers of medical baseline customers, in HFRAs in order to be more proactive to critical needs during power outages



**Speech analytics** to quickly understand and respond to customer feedback during large customer impacting events, like public safety power shutoffs



Voice assistant technology to offer customers information about SCE services through their smart speaker

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## **COMMUNITIES**

With 135-plus years of history, Edison International knows our success is tied to the success of the communities within which we operate.

### **Community Resilience**

Edison International and SCE have long-standing community partnerships at federal, state and local levels.

#### **Federal Collaboration**

Edison International's President and CEO is a member of the Electricity Subsector Coordinating Council. This group acts as the principal liaison between leaders in the federal government and organizations in the electric power sector. It is responsible for coordinating actions to prepare for incidents and threats to critical infrastructure on a national scale.

#### **State Collaboration**

As one of several electricity providers in California, SCE partners with industry peers to keep communities safe. For example, through mutual assistance agreements, we offer the services of our incident management teams and repair experts to help peer energy utilities following natural disasters.

SCE collaborates with Pacific Gas and Electric and San Diego Gas & Electric, as well as the state of California, through weekly meetings. At these meetings, the companies connect with members of the California Governor's Office of Emergency Services, California Department of Forestry and Fire Protection (CAL FIRE) and the California Public Utilities Commission (CPUC) to coordinate and standardize incident responses. In 2020, SCE also worked with CAL FIRE to deliver wire avoidance pilot training through our Air Operations department.

#### **Local Collaboration**

SCE supports Southern California's Critical Lifelines Workgroup, which was created to align service providers that support lives and livelihoods. The working group brings together organizations in energy, gas, water, communications and emergency services to manage accident protocols.

Edison International is a founding partner of the American Red Cross PrepareSoCal campaign, which is designed to build resilient communities that prevent, prepare for and respond to life-threatening crises. Through a community-led model, with an emphasis on communities most vulnerable to impacts from all types of disasters, the campaign focuses on coalition capacity building, preparedness education and wildfire safety.

### **Economic Development**

Edison International and SCE provide more than 13,000 direct jobs and support tens of thousands of contract roles, while spending \$5 billion annually (\$6.4 billion in 2020) with suppliers. Edison International also supports the southern California economy through its philanthropic support for community partners.

As one of the region's largest employers and electricity providers, Edison International will play a vital role in supporting the economic recovery. To help guide the broader recovery effort, Edison International's CEO and President Pedro Pizarro served on the Governor's Task Force on Business and Jobs Recovery, and Senior Vice President of Corporate Affairs, Caroline Choi, serves on the City of Long Beach Economic Recovery Advisory Group.

#### **Business Consultation**

SCE's economic development department helps businesses get a competitive edge, providing one-on-one consultation services at no cost to the customer. Following an assessment of business needs and issues, SCE can propose a package of incentives, tools and programs designed to help business customers lower operational costs and remain competitive in their market. In 2020, SCE retained, expanded and/or attracted more than 10,500 direct jobs in our service territory through 34 projects. This translated into an extra \$5.4 million in revenue for these areas.

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## **COMMUNITIES** (CONTINUED)

Learn more about how <u>Economic Development</u> Services (<u>EDS</u>) can help customers develop their business in SCE's service area.

#### **Economic Development Rate**

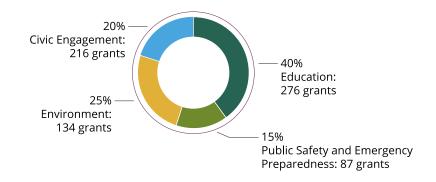
SCE's economic development rate (EDR) program offers a 12% discount on electric bills over five years to help attract, retain and expand businesses. The EDR program is available to businesses, including small businesses, where electricity costs are a primary incentive for seeking alternatives and where real and viable out-of-state location alternatives would be the preferred choice "but for" the incentives afforded under SCE's EDR program or in combination with other financial incentives. The program is also available to businesses considering closure.

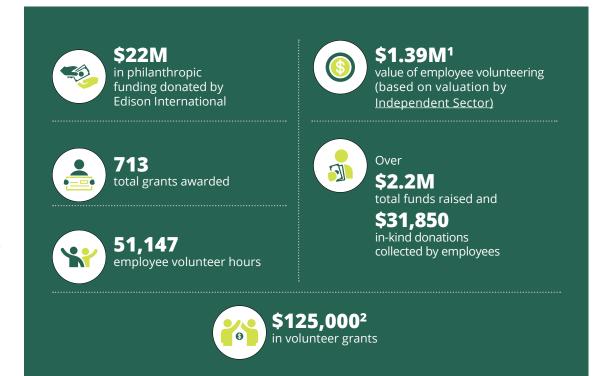
Learn more about the EDR program.

### **Community Investments**

Edison International's community investments focus on environment, education, public safety and emergency preparedness and civic engagement. Within these four pillars, we target projects and organizations that help meet our <u>DEI commitments</u>, as well as our target, developed in partnership with The Greenlining Institute, to commit at least 80% of our philanthropic giving to underserved communities.

## Edison International's 2020 Community Investments





<sup>&</sup>lt;sup>1</sup> Restated from \$1.39B to \$1.39M due to error identified after initial publication of the report.

<sup>&</sup>lt;sup>2</sup> "\$125,000 in volunteer grants" restated from "125,000 volunteer grants" due to error identified after initial publication of the report.

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# **COMMUNITIES (CONTINUED)**

#### **Environment**

Edison International supports nonprofits that share our dedication to the environment and have the expertise to address the state's most critical issues. This includes funding initiatives that improve air quality, conserve green spaces, restore habitat areas and build local awareness of environmental issues. Examples of our 2020 partnerships included:

- · California ReLeaf, which provides grants to community groups for tree planting and educational events to grow the urban tree canopy in areas at considerable risk for the urban heat island effect
- · California Resilience Challenge, an initiative of the Bay Area Council Foundation, partly sponsored by Edison International, which funds projects that help diverse communities across California prepare for droughts, wildfires, floods and extreme heat made more severe by climate change
- · Valley Clean Air Now (CAN), which manages the San Joaquin Valley Air Pollution Control District's vehicle replacement and smog repair programs for income-qualified communities; Valley CAN continued to provide online support during the pandemic so customers could make needed smog repairs to gas guzzlers or replace them with used electric vehicles

#### Education

Edison International supports initiatives that focus on increasing diversity in science, technology, engineering and math (STEM), particularly for underrepresented talent and ESI community residents. We are also committed to supporting the innovators of the future. Every year, through our Edison

<u>Scholars</u> program, we award 30 high school seniors with a \$40,000 scholarship to support college study in STEM subjects. Since 2006, Edison Scholars has awarded over \$10 million in scholarships to 670 students, 84% of whom are racially and/or ethnically diverse and 50% of whom are first-generation college students. In 2020, Edison International hosted a virtual reception for the 2020 scholars, who carried out their studies in virtual environments.

In addition, we made cash and in-kind donations, including:

- A \$520,000 donation to the <u>California Bridging</u> the Digital Divide Fund, including 600 laptops that the company inspected and upgraded and sent to schools in San Bernardino County
- A \$150,000 grant to the Parent Institute for Quality Education (PIQE), which provides lowincome, predominantly Latinx parents of K-12 students with knowledge and skills to create a

college-going culture; it also demystifies STEM studies and careers for parents so they can help their children build a solid foundation in math and science

#### **Public Safety and Emergency Preparedness**

Edison International supports initiatives that focus on electrical safety, emergency preparedness, first responder capacity building, community engagement and resiliency and wildfire mitigation. In 2020, we supported:

- California Academy for Economic Development's Outsmart Disaster Campaign to provide tools and training to help Edison International's nonprofit and business communities become more resilient in times of disaster
- 2-1-1 service providers and independent living centers in SCE's service area to better prepare our most vulnerable populations during events and disasters

### **COVID-19 RESPONSE**

In addition to Edison International's four community investment pillars, in 2020, the COVID-19 pandemic required an increased commitment to support the most vulnerable communities that were disproportionally affected by the virus and the economic shutdowns. Edison International and our employees took several actions, including:

- \$1 million (from the company) and nearly \$260,000 (from employees) to nonprofits Direct Relief, Community Action Partnership of Orange County, Inland Empire Community Foundation and Los Angeles Regional Food Bank. This included \$500,000 to five Southern California food banks
- Donating more than 25,000 N95 and P100 respirator masks to local hospitals
- Partnering with Inland Empire Community Foundation and three other nonprofits to launch a COVID-19 Resilience Fund

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## COMMUNITIES (CONTINUED)

 Scholarships for fire technology programs at community colleges throughout the service area to help prepare the next generation of firefighters

#### Wildfire Mitigation and Response

Following one of the most severe wildfire seasons on record, Edison International collaborated with several nonprofit partners and local authorities to help communities affected. We also supported local programs that work year-round on mitigation, including:

- <u>California Conservation Corps</u>, which provides job opportunities for disadvantaged young people clearing hazardous brush and trees in SCE's service area
- Local fire safe councils, such as the <u>Ventura</u> <u>Regional Fire Safe Council</u>, to help reduce wildfire risk for vulnerable communities
- Local nonprofits focused on relief and recovery efforts following the Creek Fire
- Sponsoring an employee-led fundraiser for those affected by the <u>Creek Fire</u>, which included \$3,000 worth of in-kind donations and a collective total of \$50,200 from employee donations and Edison International's matching gift to the Sierra Club Foundation and the Big Creek Volunteer Fire Department

#### **Civic Engagement**

Edison International partners with organizations that provide vital services to help communities thrive and stay strong. In 2020, our civic engagement contributions included:

 Sponsoring the Los Angeles LGBTQ Center's Models of Pride virtual youth conference, which brought together more than 1,500 LGBTQ and allied youth, ages 12 to 24, for two days of learning, reflection, sharing, celebration and leadership development; STEM scholarships for LGBTQ youth are included in the \$25,000 grant

#### **Volunteering and Board Service**

In addition to grants, Edison International supports nonprofit partners through executive service on boards. Many of the nonprofit boards on which executives serve align with our strategic priorities, such as American Red Cross Los Angeles Region, Electric Transportation Community Development Corporation, United Way of Greater Los Angeles, Coalition for Clean Air and numerous university and university-based programs, among others.

Edison International promotes volunteering at all levels of the company through volunteer grants. We give employees who volunteer 40 hours \$100 to donate to a nonprofit organization of their choice, up to \$600 per year. In 2020, we hosted several virtual volunteer activities for employees to lend their support during the COVID-19 pandemic. Opportunities included DIY mask making, caseworker programs for the Military and Veterans H.E.R.O.E.S. Care Program and numerous opportunities with the American Red Cross.

For more information about our approach to community investment, see SCE's Community Impact Report, available in June 2021.

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## **WORKPLACE**

Edison International strives to create and maintain an environment rooted in safety and where all our team members are encouraged to bring their whole selves to work.

# **Employee & Contractor Safety:** Additional Details

## COVID-19 Employee and Contractor Protections

SCE extended health and wellness benefits to employees throughout the COVID-19 pandemic, protecting their physical and mental well-being. These benefits included additional paid leave due to illness or to care for family members, as well as reimbursement of expenses for at-home office ergonomic equipment. We also expanded the availability of our telemedicine service provider to our represented workforce and the use of our employee preventive health account to include reimbursement for in-home gym equipment purchased in 2020.

SCE introduced a "Daily Wellness Check" app for employees to complete prior to visiting an SCE facility or job site. Supervisors complete the wellness check for employees without an electronic device. If an employee indicates either an illness or an exposure to someone who is ill with COVID-19-like symptoms, the app instructs them to remain at home, and an automated notification is sent to their supervisor and to SCE's COVID-19 Response Team for follow-up with the employee.



## **ESSENTIAL WORKER PROTECTION DURING COVID-19**

During the COVID-19 pandemic, SCE introduced several initiatives to ensure the safety of employees whose critical work required them to stay in the field or at the company's facilities.

## **Facial coverings**

All employees and contractors performing work in the field or at an SCE facility required to use a facial covering consistent with the safety requirements for their job and SCE's COVID-19 mitigation protocols

### **COVID-19 Response Team**

Team established to assist employees and contractors when ill or exposed to someone with COVID-19, ensuring those who fell ill could be isolated and nonaffected employees kept safe

#### **Pods/Intact crews**

SCE crew members were assigned to individual "pods," isolated groups that travel in individual vehicles and work only within their groups

### **Vehicle limits**

SCE adopted guidelines to ensure there was only one person per vehicle whenever feasible and increased availability of company-issued vehicles to accommodate single occupancy

### **Restricted crew movement**

SCE restricted crews from going out of town to help other districts

### Sequestration

Early on and at times when the critical nature of the work required it, employees with key job responsibilities volunteered to sequester at SCE facilities, so they could remain healthy and keep those facilities operational

# Enhanced facility and vehicle cleaning and sanitization

SCE adopted cleaning and sanitizing protocols aligned with guidance from scientific and medical communities

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## WORKPLACE (CONTINUED)

#### **Safety Support Through the Hiring Process**

SCE has implemented workstyle assessments to support the hiring of safety-minded leaders and employees. These new hiring practices will ensure that the company is selecting leaders, represented leads and individual contributors who reflect and are aligned with safety and other core values. In addition, SCE has implemented one of the most comprehensive and effective employment testing programs in the utility industry to ensure field craft workers perform at an exceptional level with safety as the top priority.

#### **Safety Support Through Training**

SCE promotes a holistic culture of safety by providing employees with regular training, particularly for those who work in the field on higher-risk projects. In 2020, we continued to deliver best-in-class safety culture training to all employees, and developed new programs that help employees prevent incidents and injuries that result from human error.

To enhance our safety culture, SCE collaborates and partners with our union, the <u>International Brotherhood of Electrical Workers</u> (IBEW) Local 47, on our Craft Driven Safety Program (CDSP), which focuses on reducing on-the-job injuries.

#### **Safety Management**

Edison International and SCE have two safety governing bodies, the Executive Safety Council (ESC) and the Senior Safety Council (SSC), which meet monthly to strategically direct and implement enterprise improvements to create and sustain a healthy and safe working environment. The ESC is chaired by the CEO of SCE, and the SSC is chaired by the VP of Safety. They respectively comprise executive leaders and senior leaders who represent all departments within the company.

SCE's safety programs are focused on driving systematic risk identification and mitigation, and are enhanced by safety culture tools, which work to embed shifts in employee safety mindset and behaviors to reduce injuries. SCE educates employees on identifying hazards, assessing risks and employing mitigation tactics. Programs that aim to support employees in hazard identification and risk assessment include:

- Job hazard analyses that document known hazards based on specific tasks that teams can use prior to the start of a job
- The Risk-Based Safety Program, which systematically prioritizes, assesses and reduces safety risk for life-threatening and life-altering outcomes
- The Safety Predictive Model, which calculates risk based on the type of work being performed and scores the job based on the level of risk; SCE introduced this model to five more districts in 2020, to date reaching eight of our targeted 32
- Formal learning from actual and potential life-threatening and life-altering incidents and serious injuries, which enables corrective action to be taken

### SAFETY TRAINING PROGRAM CRITERIA

SCE's safety programs teach technical skills based on employee skillsets and/or job function and use new tools and software to teach soft skills. Safety training programs may be required or offered based on three criteria:



# As part of compliance training relative to the employee's job function. Examples include:

- Cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) certifications
- Tower rescue training



# As part of the implementation of a new safety program. Examples include:

- Training on a new industrial ergonomic program
- Training on a new safety system, such as the Safety Predictive Model



# As a refresher for compliance requirements or existing safety programs. Examples include:

Switch, Engage and Connect workshops, which integrate training on physical and psychological safety, along with core elements of our culture, such as DEI and the need to develop strong communication channels, for leaders across the organization

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SCE also shares lessons and provides additional information targeted to employees who are most at risk for safety issues, including formal operational guidelines based on regulatory compliance, SCE standards and expectations and subject matter expert input. These documents are available to all employees on the company portal.

#### **Contractor Safety Management**

SCE's safety culture extends to our contractors, especially contractors who perform the highest-risk work. SCE is requiring these contractors to develop and implement safety culture training for their leaders by December 2021.

SCE's contractor safety team leads strategic initiatives and implements programs to prevent contractor-related serious injuries and fatalities and other safety incidents. The team works with other departments responsible for contractor management and supply management to implement standards for SCE personnel who conduct company business with contractors. Additionally, SCE provides an "Environmental Health & Safety for Contractors" document that serves as a guide for contractors to understand SCE's requirements and expectations as part of their terms for doing work with the company.

Similar to employee safety performance, SCE tracks contractor safety performance through contractor reporting based on the Edison Electric Institute definitions for serious injuries. In the event of an injury, SCE's response may range from requiring the contractor to develop their own corrective action to reducing or terminating the contract based on the contractor's safety performance. SCE requires the submittal of Incident Evaluation Reports for

all incident severities and requires contractors to outline mitigation measures to prevent similar incidents from recurring. SCE sends multiple communications to our contractor workforce to raise awareness, which include weekly incident reports, significant safety event communications, construction methods communications, safety alerts, tool and equipment recalls and leader communications.

SCE and our contractors have partnered to identify critical observable actions (COAs) in high-risk work environments in an effort to reduce serious injuries and fatalities. COAs are defined as observable mitigation measures that protect against primary hazards that can lead to serious injuries and fatalities.

Business representatives ensure contractor safety incidents are reported while working for SCE. We analyze contractor safety performance data to identify trends and to implement targeted approaches in areas of opportunity. We use historical data to set objectives for contractor safety performance.

### **Safety Performance Tracking**

Edison International and SCE set annual corporate and organizational goals and targets that directly and indirectly aim to eliminate serious injuries and fatalities and reduce all injuries. We measure progress against these targets through safety performance metrics. We learn from individual incidents as well as collective trends to target areas of opportunity. See <u>Safety Performance</u> and our <u>Sustainability Scorecard</u> for our enterprisewide safety performance.

# Promoting a Healthy and Rewarding Workplace

Recognizing and rewarding employee contributions with competitive pay and benefits, while also promoting a healthy work-life balance, contributes to the holistic well-being of employees. Eligible employees may receive variable, performance-based pay linked to achievement of corporate- and job-specific goals. Visit Edison's Careers website for information on benefits for full-time employees. Part-time employees are also offered a select range of benefits.

#### Wellness Ambassadors

Edison International's Wellness Ambassador Initiative, with more than 1,000 self-selected volunteers, was developed to promote healthy activities throughout our workforce. Employees design and implement initiatives that cover topics important to them, such as stress management, workplace safety and active lifestyles.

# <u>Diversity, Equity & Inclusion</u>: Additional Details

#### **Governance and Transparency**

We believe it is important to fully integrate DEI into the business with a C-suite executive who has the ultimate authority and responsibility to continue the progress we've made in representation, pay, access and employee sentiment. Our Chief Human Resources Officer has executive responsibility for DEI. We have a dedicated Diversity & Inclusion (D&I) team within Human Resources responsible for the development, leadership and execution of strategies, programs, tools and processes to

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build and sustain a culture of equity, inclusion and belonging at Edison. The D&I team provides thought leadership and collaborates with their internal partners across the company to advance DEI initiatives. Additionally, our robust network of <a href="business resource groups">business resource groups</a> (BRGs) amplifies the voices of our diverse employees and fosters connectivity and collaboration across all levels.

#### **DEI Training and Education**

Edison International invests in education and training that provides employees with skills and resources to activate DEI in their day-to-day interactions and decisions. In 2020, we introduced Leading with Courage on Inclusion sessions in which employees and leaders engaged in conversations about racial issues in psychologically safe environments led by trained volunteer facilitators. Leading with Courage on Inclusion toolkits are available to all employees. Other programs we used to build DEI skills among employees in 2020 include:

- Empower, a one-year leadership training and mentoring program that teaches new leaders about Edison International's values and provides tools to practice inclusive behavior on a daily basis
- Inclusive Leadership Workshops, an intensive four-day virtual experience led by a professional facilitator and designed to help Edison International and SCE leaders understand unconscious bias and explore issues such as microaggression

### **Racial/Ethnic Diversity**

We compare the diverse representation of our workforce against labor market availability and

the composition of the communities we serve. Labor market availability is calculated by taking the latest census data to give a sense of the reporting working-age population in a local or national area, depending on occupational census codes that align with the skills of our employees.¹ Relevant availability for executives is national, but local for leaders and workforce, based on where we typically source candidates. Comparisons are helpful in determining where we might address larger societal issues, such as socioeconomic factors that can limit access to higher education, through grantmaking or community programs.

#### A Focus on Gender Parity

Representing 32% of the workforce, women play a large part in our success.

We are working to achieve full gender parity in executive roles by 2030, a goal we set when we joined <u>Paradigm for Parity</u>, a coalition of business leaders dedicated to addressing the leadership gender gap in corporate America. Our latest data show the representation of females in our executive roles has gone up by almost 10% over the last three years.

Gender parity will continue to be a major focus for Edison International in the next few years until we achieve this goal. Working toward gender parity also depends in part on broader societal trends, including the diversity of our candidate pool. We partner with organizations that address this challenge in society, including:

 Association of Women in Water, Energy and Environment (AWWEE), an organization

- dedicated to supporting women's professional growth through mentoring programs, panel discussions and networking opportunities
- Catalyst, a global nonprofit that helps leading companies accelerate and advance women through pioneering research, practical tools and proven solutions
- Fairygodboss, a leading career community for women

#### **Solving Business Problems With BRGs**

As the cornerstone of our diverse and inclusive culture, <u>BRGs</u> play a critical role, with 12 BRGs now established, and the first of which was founded more than 45 years ago. BRGs represent employees at Edison International and SCE across a range of cultures, racial and ethnic groups, sexual orientations and abilities and cover topics including safety and environmental stewardship.

### **Employee Engagement**

Edison International employees contribute to a positive culture within the company through culture teams designed to engage them in building an inclusive environment. The culture teams focus on DEI, SCE values and other culture-related initiatives.

Throughout 2020, employee engagement took on new significance with the onset of the COVID-19 pandemic.

To maintain engagement with employees early in the pandemic, Edison International President



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## Edison International's Current Employee-Based Business Resource Groups

BRGs are voluntary, employee-led groups that serve as a resource for their members and Edison International and SCE. They foster a diverse and inclusive workplace aligned with our company mission, values, goals and business priorities. BRGs strive to provide maximum benefits to their members through leadership development, increased employee retention and engagement and enhanced community involvement.



# Abilities Beyond Limits and Expectations (ABLE)

Founded 2017

Unites and supports employees with disabilities, their caregivers and their family members



### Asian Pacific Islander Edison Employee Resource Group (ASCEND)

Founded 2016

Celebrates the diverse Asian Pacific Islander cultures and promotes growth and leadership through various community and cultural events, corporate initiatives and outreach



### **Caregivers Connect**

Founded 2019

Provides resources and advocates on behalf of families by providing support systems and fostering a culture of diversity and inclusivity



#### **EcolQ**

Founded 2008

Supports company environmental initiatives, community partnerships, volunteer events and environmental campaigns



### Latinos for Engagement, Advancement & Development (LEAD)

Founded 1992

Promotes awareness of Latino culture and contributions; provides opportunities for employee development and drives corporate initiatives



### Lighthouse

Founded 1999

Engages LGBTQ+ and allies in personal and professional growth by providing career development opportunities, networking, mentoring and community involvement



### **Native American Alliance**

Founded 2007

Promotes awareness of Native American cultures, ancestry and heritage, focusing on company and community events and educational development



#### **Networkers**

Founded 1985

Promotes diversity, advances career enhancement strategies, and provides targeted coaching, mentoring and support to the company's Black employees



#### NextGen

Founded 2016

Empowers employees to lead the company into the future by educating them about technologies that are shaping the company's culture, business and industry



# Safety Ambassadors for Edison (S.A.F.E 24/7)

Founded 2012

Strengthens SCE's safety culture and supports the goal of working and living injury-free



#### Valor

Founded 2010

Promotes the awareness and understanding of the roles and contributions made by active and non-active military employees and their families



#### Women's Roundtable

Founded 1976

Empowers and promotes women's career advancement

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and CEO Pedro Pizarro held weekly all-hands meetings to keep employees abreast of the situation, its impact on the company and Edison International's response.

#### **Demonstrating the Company's Values**

Edison International's values define the company and how we work. To promote and reinforce our values, Edison International and SCE have over 75 employee representatives who work to positively influence change within their departments and locations. Selected by local and senior leadership, these "Values Ambassadors" reinforce values-based behavior, direct employees to company resources and provide context about companywide change and culture initiatives. Values Ambassadors also provide Ethics and Compliance (E&C) and Human Resources with input and insight into company culture, and they align efforts within each department's culture team.

#### The Edison Award

The Edison Award is the company's most prestigious award and is presented approximately every two years. Employees are nominated by their peers and awarded for their contributions to Edison International's culture, outstanding performance, and living the company's values and guiding behaviors every day.

#### **Employee Pulse Survey**

We conduct pulse surveys throughout the year, seeking input from each employee once annually, to understand what employees think is working and where we can improve. This survey includes questions pertaining to DEI and tracks employee sentiment on trust, engagement, the work itself, growth and development and inclusion.

Employees have indicated that they are proud to work at Edison International and feel a strong alignment with the company's strategy. We saw positive year-over-year trends in 2020 among almost all employee groups and strengths in the areas of trust, engagement and the work itself. However, the feeling of inclusion among Black employees decreased from 2019 to 2020. While concerning, we are optimistic that ongoing DEI efforts, as well as the commitments we made in August 2020, will help to improve feelings of inclusion in future years.

Read Edison International's <u>2020 Diversity</u>, <u>Equity & Inclusion Report</u> for detailed pulse survey results broken down by demographic.

#### **Formal Grievance Escalation Process**

We are committed to fostering an environment of open, honest communications. We have instituted multiple formal mechanisms to promote an open feedback culture, including a process that encourages reporting work environment, policy violation and noncompliance issues through management, Human Resources, Ethics and Compliance, the Edison HelpLine and other various channels. The Edison HelpLine offers confidential and anonymous reporting by phone, website and our employee mobile application. Our nonrepresented employees (other than certain leadership positions) have access to an alternative dispute resolution process (Focus on Resolution) whereby they can request a review of a specific corrective action and related investigation to determine if the corrective action was appropriate. Our represented employees have specific grievance reporting and escalation procedures as outlined in their collective bargaining agreements.

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#### **Union Partnerships**

About one-third of SCE's employees are covered by collective bargaining agreements. SCE and the International Brotherhood of Electrical Workers (IBEW) Local 47 partnered to implement the IBEW Code of Excellence (COE), a program that emphasizes safety, high-quality work and craftsmanship. The COE, which reinforces SCE's longstanding company values, provides a set of expectations about employees' duties and behaviors on the job. All IBEW members are held to these expectations and hold their peer members accountable to strict standards. Learn more about the work SCE is doing with our represented employees through the Craft Driven Safety Program.

#### **Workforce Development**

Edison International and SCE accelerate the development of high-potential employees through nine-month programs that stretch participants' leadership capabilities, preparing them to address business priorities through a targeted curriculum, action-learning team projects, coaching and networking opportunities. In 2020, 92 employees graduated from or were enrolled in one of these programs. Our full range of high-potential development programs includes:

- EDGE A high-potential leadership development program for principal managers and executives; during the EDGE program, participants work on action-learning team projects addressing significant business challenges
- SPARK A high-potential leadership development program for supervisors and managers; the program includes workshops

with content facilitated by the Center for Creative Leadership, site visits combined with conversations with local leaders, actionlearning team projects addressing strategic business challenges, executive coaching and peer/leadership networking

- AMP for Individual Contributors A high-potential development program for individual contributors who are looking to become senior-level experts in their field; AMP participants attend workshops focused on innovation, influencing others, managing multiple priorities, executive presence and business acumen
- AMP for Leaders A high-potential leadership development program for individual contributors who are interested in a leadership career path
- MBA Leadership Development Program (MLDP) A program for recent MBA graduates to strengthen our leadership pipeline; MLDP associates complete four rotations throughout the company to accelerate their industry knowledge, business acumen and leadership skills

To support employee retention and advancement, Edison International and SCE have an annual performance and development process (PDP), which begins with all full-time, nonrepresented employees and their managers working together to create a set of business and development goals to foster professional and personal advancement. Managers and employees then engage in structured ongoing conversations throughout the year where progress on performance and development goals is regularly discussed and updated.

#### Summer Interns

We see the value of early career talent programs and recruit students through programs like Edison International and SCE's internship, recent graduate and MBA talent programs. The summer generally runs for 10 to 12 weeks and gives students hands-on experience with SCE's projects, supplying mentoring from senior leaders and company peers.

Edison International and SCE's 2020 internship program was fully virtual due to the COVID-19 pandemic. Students were able to integrate into their departments, thanks to the infrastructure and remote working culture the company established at the start of the pandemic.

Student internships develop skills needed for full-time roles within the company following graduation. Edison International and SCE's summer 2019 intern conversion to full-time roles in 2020 was 83%, exceeding the 2019 national average of 56% according to the National Association of Colleges & Employers (NACE).

2020 summer intern conversions are currently in process and will continue throughout the 2021 year as students graduate.

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## **GOVERNANCE**

Good governance is the foundation of Edison International's business and critical to our success.

## **Corporate Governance**

Edison International's corporate governance structure, risk management, compliance practices and security protocols reflect our ongoing commitment to responsible conduct and transparent and accountable engagements with stakeholders.

### **Board of Directors**

Edison International's Board of Directors provides independent oversight of the management of the organization with the best interest of our stakeholders in mind. Edison International's directors are elected annually by the company's shareholders and 10 of the 11 are independent. The only nonindependent director is Edison International's President and CEO.

Among its primary responsibilities, the Board oversees company strategy, financial performance, safety, enterprise risk management and ethics and compliance programs. Guiding the activities of the Board are its Corporate Governance Guidelines, which outline the Board's policies for overseeing the company. The Board performs a self-evaluation annually to ensure it and its committees are functioning effectively.

#### **LEARN MORE ABOUT THE BOARD'S:**

- ESG Oversight
- Risk Management Oversight
- Cybersecurity Oversight
- Political Contributions Oversight
- Board Diversity

Please also refer to Edison International's 2021 Proxy Statement for further information

## **Risk Management**

Edison International's Enterprise Risk Management (ERM) process is designed to identify, anticipate and provide oversight of business risks, risk management options and development and selection of risk mitigation and response activities.

Operating one of the country's largest utilities brings unique risks in addition to those faced by any large enterprise or public company. Many of the key risks managed by ERM are discussed elsewhere in this report and in Edison International's 10-K disclosure, including wildfire, cybersecurity, pandemic, public and workforce safety and climate change mitigation and adaptation. ERM presents the risks to the Audit and Finance Committee of Edison International's Board of Directors regularly and also participates in ensuring that all

financially material risks are disclosed in Edison International's <u>U.S. Securities and Exchange</u> <u>Commission (SEC) filings</u>.

ERM works closely with other departments to develop and maintain consistent risk management tools and systems. Departments provide ERM data, analysis and guidance on their business risks, and ERM performs periodic risk identification surveys. ERM also engages senior leadership on emergent and ongoing risk issues through various committees. These committees include the SCE Risk Management Working Group, a senior leadership forum designed to integrate operations and risk and provide a common framework for decisionmaking; the SCE Finance and Risk Management Committee; that oversees and approves enterprise risk management; the Edison International Managing Committee; and Edison International Board of Directors and Board Committees. ERM manages the key, secondary and emerging risks process for the company, utilizing an enterprise risk register and several other tools.

In 2020, Edison International enhanced the integration of risk into our major planning and decision-making processes by formalizing approved threshold triggers for when a department-identified issue must be risk-evaluated prior to a funding decision. ERM provides oversight to both risks and opportunities associated with company strategy, and the strategic risks of the company are accounted for in the enterprise risk register.

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SCE expanded our ERM department considerably in 2020 to bolster technical and operational risk capabilities and enhance the overall risk process from intake to decision making. Risks related to environmental, social and governance (ESG) issues are a priority for ERM and are now being integrated directly into the process alongside departmentidentified issues. SCE has created and filled a dedicated role for climate and sustainability risk management.

#### **Risk Oversight**

Edison International's Board of Directors has broad responsibility for the oversight of significant strategic, operational, financial and reputational risks, and actively reviews our enterprise risk management process and monitors strategic and emerging risks. The Board exercises this responsibility through direct engagement with management and through its committees, which regularly report back to the Board. The Board monitors key risks through management reports and discussions at Board meetings and focuses on specific strategic and emerging risks during periodic strategy reviews. At least annually, the Board also reviews corporate goals and approves capital budgets to ensure they are aligned with our strategy. For more information, please see Edison International's 2021 Proxy Statement, pp. 27-28.

### **Monitoring and Verification**

ERM works with the internal audit department and various quality-control functions embedded in the business to provide risk insights into the development of the scope of assurance verifications performed by those groups. Senior ERM leadership, as well as departmental

leadership, also provide support for assurance. The risk management process informs the annual audit plan. ERM is responsible for ensuring risks are considered in decisions about the company's business strategy, financial planning, significant operational and regulatory decisions and goal-setting.

#### **Mitigation Based on Risk Assessments**

Edison International follows a comprehensive protocol to assess and mitigate public and worker safety risks across our operations. SCE's risk-informed decision-making process builds upon processes for risk-informed ratemaking required by the California Public Utilities Commission. SCE's 2018 RAMP report, which analyzed key safety risks including wildfires, climate change and cybersecurity threats, informed expenditures requested through the first track of SCE's 2021 General Rate Case, filed in 2019. Risk analysis was a major component of SCE's Wildfire Mitigation Plan.

In 2022, SCE's RAMP report will consider our Climate Adaptation Vulnerability Assessment and Community Engagement Plan pursuant to the California Public Utility Commission's Climate Change Adaptation orders. This detailed, localized assessment of climate impacts and SCE's mitigation options is expected to factor into many areas of the RAMP report.

### **COVID-19 and Supplier Risks**

ERM has played a key role in the company's management of the pandemic. Edison International's VP of ERM chairs the COVID-19 Public Health Advisory Panel, a senior leadership forum that provides oversight of the objectivity and science-based justifications for COVID-19

policy and protocol changes. The Director of ERM leads the COVID-19 Public Health vertical in the development of company positions related to COVID-19 health and safety, including decisions about testing, contact tracing, quarantine requirements and mask usage.

To ensure we can maintain business continuity for an extended and unknown period, SCE is evaluating, monitoring and mitigating supply chain risks for both materials and services. SCE has had insignificant material supply chain disruptions since the beginning of the pandemic and is working with vendors and manufacturers to ensure we have sufficient inventory to meet business needs through 2021.

## **Cyber & Physical Security**

# Our Approach to Cybersecurity and Physical Security

Security at Edison International supports grid reliability by protecting our people, facilities, systems and data; mitigating the risk posed by potential threats; deploying state-of-the-art monitoring technologies; providing timely response to incidents; and maintaining a close collaboration of shared intelligence across local, state and federal government agencies. We do this while also cultivating a culture of security.

To defend against a dynamic threat landscape, we implement a multilayered <u>strategy</u> called "defense in depth." The strategy combines physical and cybersecurity awareness education and training, security countermeasures, close coordination among industry and government

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partners at all levels, rigorous mandatory and enforceable reliability regulations and efforts to prepare, respond and recover in the event an incident impacts the grid.

SCE also increases situational awareness of the security of our assets and secures our sites against theft of ground wires. We collaborate with local law enforcement to investigate and prosecute crimes against our facilities to deter future theft. Only authorized personnel can access facilities and critical areas by using electronically encoded identification badges.

### Employee, Contractor and Supplier Awareness

Our employees play an important role in protecting our system. To increase employee awareness, Edison International provides annual training courses and simulates phishing exercises, ensuring everyone is aware of potential threats, such as suspicious emails and websites, and is equipped to defend against cyberattacks.

Edison International also has processes and procedures for suppliers, vendors and other business partners to strengthen their security postures.

# Cyber and Physical Security Standards and Requirements

SCE is subject to the North American Electricity Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Standards, which are designed to secure the assets required to operate North America's bulk electric system.

SCE leverages globally applied frameworks including the National Institute of Standards and Technology (NIST) Cyber Security Framework, as a guiding principle for Edison's network architectural designs and deployments within the IT and grid environments. We also leverage standards such as Crime Prevention Through Environmental Design and the American National Standards Institute, which are used to protect facilities and assets.

#### **Cyber and Physical Security Oversight**

Edison International's Board of Directors has assigned primary responsibility for cybersecurity oversight to its Safety and Operations Committee, which receives regular cybersecurity updates from SCE's Chief Information Officer and our Vice President of Cybersecurity. The Board also receives an annual report on cybersecurity from an independent consultant that includes an assessment of our program and organization. We have established a cybersecurity oversight group comprised of a multidisciplinary senior management team to provide governance and strategic direction for the identification, protection and detection of cybersecurity risks. The Board has identified a liaison who regularly attends.

Physical and cybersecurity risks are included in key enterprise risk reports to the Board's Audit and Finance Committee. Briefings are also provided to Board members on specific security topics during meetings of the Board's Safety and Operations Committee, including information about the dynamic physical and cybersecurity threat landscape and Edison International's defense and risk mitigation strategies. Additional

aspects of Edison International's physical and cybersecurity programs receive oversight from other senior management committees to ensure that these programs effectively, appropriately and responsibly address identified risks from a holistic and broad perspective for the company.

#### **Industry and Government Partnerships**

At Edison International, we monitor systems and protect against cyber and physical threats 24 hours a day, seven days a week, 365 days a year. Given the evolving nature of these threats, partnerships and information sharing among peer electric companies, government agencies and other trusted organizations is critical.

One important partnership is with the CEOled Electricity Subsector Coordinating Council (ESCC). The ESCC is the principal liaison between federal government leaders and the electric power sector and facilitates the preparation of action plans in response to national, critical infrastructure threats.

Edison International is an industry leader in partnering with governments through the ESCC, which develops a unified response to all hazards, including cyber or physical attacks. Specifically, we work to identify and break down barriers to industry — government cooperation during technical-, legal- or policy-based national emergencies. We have also led efforts to foster greater information sharing and collaboration between the federal government and utilities through the development of an all-purpose cooperation agreement.

Edison is a participating member of several state and federal regulatory agencies tasked

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with ensuring the security and reliability of our electric infrastructure. We serve on advisory groups to extend best practices across our industry nationwide. We are involved with collaborative groups established by local, state and federal agencies to promote the exchange of security and intelligence information between the public and private sector. Finally, we also validate our security plans and infrastructure by participating in broad internal and multiagency exercises, such as the Grid Security Exercise (GridEx), which allows stakeholders from across the electricity industry and federal agencies to respond to simulated cyber and physical attacks that affect the reliable operation of the grid.

#### **Cybersecurity and COVID-19**

In 2020, Edison International's corporate workforce moved to remote working during the COVID-19 pandemic, raising the risk of infiltration through external home networks and increasing reliability requirements of remote workforce solutions, such as virtual private networks (VPNs). Earlier efforts to allow remote working ensured that most of the company's networks were ready. Edison International pivoted into the new work environment quickly, safely and without business disruption or safety compromise.

As part of our efforts to secure our network with employees working remotely, Edison International also worked with suppliers at the start of the pandemic to help them protect their networks and eliminate business disruption.

SCE leveraged our physical security assets, controls and procedures during COVID to protect

critical functions by limiting access to key facilities, implementing additional screening protocols and utilizing our existing technology to perform contact tracing to limit the spread of the virus.

## **Ethics & Compliance**

Edison International expects our employees and contractors to act ethically and to follow all relevant laws and regulations.

#### **Compliance Effectiveness**

To ensure compliance standards are upheld throughout the organization, Edison International maintains a Compliance Management Framework designed to prevent and detect noncompliance. As part of this framework, we conduct compliance risk rankings and assessments, program maturity reviews, supplier screening and due diligence for mergers and acquisitions. We also benchmark our compliance program against Department of Justice guidelines and other companies, and we use outside entities to assess program effectiveness.

### **Edison HelpLine**

Edison International encourages employees to seek advice or report misconduct through several channels, including by contacting their supervisors or the Edison HelpLine, a 24/7 service staffed by dedicated operators. When contacting the HelpLine, employees can identify themselves or remain anonymous. We do not tolerate retaliation against anyone for making a report or seeking advice. Edison International also deploys a periodic culture survey to help ensure an ethical and compliant culture.

Edison International investigates all reports of alleged ethics and compliance violations. In the event of substantiated allegations, we take corrective action that includes retraining and, in severe cases, termination of employment.

#### **Codes of Conduct**

### **Employee Code of Conduct**

Edison International's <u>Employee Code of Conduct</u> outlines our expectations for ethical behavior in the workplace. Edison International requires employees to take part in regular training sessions and certify annually that they comply with the Code.

### **Supplier Code of Conduct**

Edison International's Supplier Code of Conduct (SCOC) outlines our expectations that our suppliers, as well as their employees and subcontractors, adhere to Edison International's ethics and compliance standards. The SCOC also reflects principles and standards recognized and implemented across a range of industries.

# Ethics and Compliance Code for Board Directors

Edison International's Ethics and Compliance Code for Directors outlines how members of the Board are expected to conduct themselves. The Code covers topics such as conflicts of interest, confidentiality and fair dealing. The Board also receives regular ethics and compliance oversight training conducted by Edison International's Chief Ethics and Compliance Officer.

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#### **Ethics@Work Mobile Application**

To help employees access guidance from Edison International's Code of Conduct, we deployed the Ethics@Work app, available to all employees since January 2019. Through this mobile platform, employees can access the Code and company policies, find useful resources and report concerns to the Edison HelpLine.

#### **Third-Party Reputational Screening**

As part of our Compliance Management Framework, Edison International regularly screens suppliers and other third parties to detect reputational and compliance risks.

The company's screening and monitoring service scans over 120,000 sources across 240 countries in over 70 languages. The service checks globally for sanctions against third parties and organizations that have been placed on government watchlists. It also scans for adverse media coverage. In cases where issues are found, Edison International takes corrective action, up to and including termination of a relationship. In 2020, we monitored over 8,000 third parties.

## **Post-Investigation Survey**

We ask for feedback on our misconduct investigation process at Edison International and SCE through a post-investigation survey aimed at driving continuous process improvement.

### **Policy Updates**

Edison International periodically reviews all corporate policies to ensure that they remain current and implements changes based on lessons from audits and current events.

#### **Information Governance**

To protect Edison International's confidential information, we maintain a combination of policy, procedure and technical controls. To manage rapidly growing information volumes and changing formats, we deployed standards and procedures to help employees appropriately store, access and share company information. Edison International has also established companywide standards to improve data quality, including monitoring and remediation of high-risk repositories. Our records retention schedule guides employees with retention and disposition decisions.

### **Political Activities**

Political developments at the federal, state and local level can have a significant impact on the company and our stakeholders. Edison International believes it is the company's responsibility to participate in the political process, consistent with our values, by advocating to elected officials and making contributions to candidates, parties and political action committees that support policies that help advance our business strategy, including clean energy and efficient electrification.

Edison International supports candidates and committees that understand the importance of financially healthy businesses to advance policy priorities such as delivering clean energy. The company will only make political contributions that comply with the law and adhere to our

Political Contribution Policy. Following the January 6, 2021 attack on the U.S. Capitol, Edison International paused giving by the Edison International Political Action Committee (EIPAC) to U.S. House and Senate members and implemented an indefinite freeze on any further EIPAC campaign contributions to members of Congress who voted not to certify a state's electoral college results.

All contributions are approved by the most senior officer responsible for government affairs or the Edison International President and CEO. As a best practice for effective corporate governance, the Board of Directors' Audit and Finance Committee has responsibility for oversight of political contributions and receives semiannual updates on the company's political contributions, including from its political action committees and certain payments to trade associations and other organizations.

Edison International makes payments to 501(c) (4) organizations, which under the Internal Revenue Code are permitted to participate in some political campaign, legislative and political educational activities. Since 2013, the Edison International Managing Committee has required that contributions provided to 501(c)(4) entities cannot be used for lobbying or political purposes. In 2020, the company strengthened its requirements to add a year-end confirmation that 501(c)(4) organizations who received contributions must certify that they adhered to this prohibition.

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#### **Transparent Political Engagement**

Edison International is transparent about our political contributions and publicly discloses them on our <u>website</u>. In 2020, the company was again recognized as a "Trendsetter" (highest rating) by the <u>Center for Political Accountability</u>, an independent nonprofit, nonpartisan organization, for our commitment to transparency and accountability in corporate political spending.¹ This is the fifth year in a row Edison International has received this recognition.

Lobbying

Edison International ethically communicates with elected and appointed officials and members of their staffs about our policy priorities. We follow all lobbying registration and disclosure requirements for influencing legislative or administrative action. We are also a member of several trade associations that engage in lobbying activity. Edison International discloses trade association payments of at least \$50,000 annually as part of our Corporate Political Contributions Report. In 2020, these organizations included:

- Edison Electric Institute
- Business Roundtable
- <u>California Council for Environmental and Economic Balance</u>
- California Electric Transportation Coalition
- · California Chamber of Commerce

In some instances, the agenda and views of these associations differ from those held by Edison International. For example, some trade associations hold policy positions around electrification and the pace of building and transportation electrification that may not always align with ours. When this occurs, Edison International ensures that our position is clearly communicated to stakeholders to advance the company's interests and clearly differentiate us from the position of the organization.

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## **ABOUT THIS REPORT**

Edison International continues to seek ways to improve disclosures that are meaningful to our business and stakeholders. This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option, including referencing the GRI Electric Utility Sector Supplement for industry-specific information.

Edison International also reports disclosures referencing the Sustainability Accounting Standards Board (SASB) Electric Utilities & Power Generators Standards, the Task Force on Climate-related Financial Disclosures (TCFD) and our contributions to the United Nations Sustainable Development Goals (SDGs).

The inclusion of information in this report, including as part of the aforementioned disclosures, should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding Edison International, please see our filings (including our Form 10-K and Forms 10-Q) with the Securities

and Exchange Commission (SEC). Edison International's SEC filings, as well as direct links to certain presentations, documents and other information that may be of interest to investors are available on our website.

Edison International has not sought external assurance of the data in this report. Edison International's internal audit department was engaged to perform an independent validation of certain data in the report, such as power mix; air emissions; diversity, equity and inclusion; reliability; affordability; and electrification metrics.

This report is reviewed by the Edison International Managing Committee<sup>1</sup> and the Nominating and Governance Committee of the Edison International Board of Directors.

Edison International strives to respond to all stakeholder inquiries and to be transparent about our sustainability performance. To share your thoughts and suggestions, please contact us at <a href="mailto:sustainability@edisonintl.com">sustainability@edisonintl.com</a>.

#### OTHER DISCLOSURES

Edison International discloses additional environmental, social and governance (ESG) information on a voluntary basis through a template developed by the Edison Electric Institute (EEI), the investor-owned electric utility industry's trade association. Through this disclosure, Edison International and industry peers provide investors and other stakeholders relevant, consistent and easy-to-access ESG data. Our EEI disclosure is publicly available on our website.<sup>2</sup>

In order to support corporate customers in their sustainability report efforts, Edison International also provides SCE power mix and GHG emissions intensity data through an <u>EEI-developed customer facing database</u>. This database launched in 2020.

<sup>&</sup>lt;sup>1</sup> The Edison International Managing Committee consists of the most senior Edison International and SCE executive officers. Edison International members include the President and CEO, Executive Vice President (EVP) and Chief Financial Officer, EVP and General Counsel and the Senior Vice President (SVP) of Strategy and Corporate Development. SCE members include the President and CEO and the EVP of Operations. Joint Edison International and SCE members include the SVP of Corporate Affairs and SVP of Human Resources.

<sup>&</sup>lt;sup>2</sup> Data included in the EEI disclosure may differ from data included herein in order to conform to the reporting requirements of the EEI disclosure, which is industry-standardized.

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## FORWARD-LOOKING STATEMENTS

Statements contained in this report, including the message from Edison International's President and CEO, about future performance, plans, expectations, objectives and forecasts, and other statements that are not purely historical, are forward-looking statements. These forward-looking statements reflect our current expectations; however, such statements involve risks and uncertainties. Actual results could differ materially from current expectations. These forward-looking statements represent our expectations only as of the date of this report, and Edison International assumes no duty to update them to reflect new information, events or circumstances. Some of the factors that could cause actual results to differ materially are discussed under the headings "Forward-Looking Statements," "Risk Factors," and "Management's Discussion and Analysis" in Edison International's Form 10-K for the year ended December 31, 2020 and other reports filed with the Securities and Exchange Commission, which are available on our website. These filings also provide additional information on historical and other factual data contained in this report.

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## NON-GAAP RECONCILIATION

## Reconciliation of Net Income (Loss) to Core Earnings

## Earnings Per Share Attributable to Edison International

Reconciliation of Edison International Basic Earnings per Share (EPS) to Edison International Core Earnings per Share

(in millions) Year Ended December 31, Year Ended December 31,

	2018	2019	2020	
NET INCOME (LOSS) ATTRIBUTABLE TO EDISON INTERNA		2019	2020	E/
Continuing Operations	TIONAL			
Southern California Edison	¢ (210)	£ 1 400	\$ 810	Sc
	\$ (310)	\$ 1,409	,	Ec
Edison International Parent and Other	(147)	(125)	(71)	Di
Discontinued operations	34	_	_	Ec
Edison International	\$(423)	\$1,284	\$739	LI
LESS: NON-CORE ITEMS				_ 5
Southern California Edison				
2017/ 2018 Wildfire/ Mudslide Events claims and expenses, net of recoveries	(1,825)	(157)	(899)	
Wildfire Insurance Fund expense	_	(109)	(242)	
Disallowed historical capital expenditures in SCE's 2018 GRC decision	_	(123)	_	_
Sale of San Onofre nuclear fuel	9	8	108	
Re-measurement of tax assets and liabilities	66	88	18	E
Edison International Parent and Other				
Sale of Vidalia lease	_	_	96	-
Goodwill impairment	_	(18)	(25)	
Sale of SoCore Energy and other	(46)	_	_	
Re-measurement of tax liabilities	(12)	_	(3)	-
Discontinued operations	34	_	_	
Total non-core items	\$(1,774)	\$(311)	\$(947)	To
CORE EARNINGS (LOSSES)				C
Southern California Edison	1,440	1,702	1,825	5
Edison International Parent and Other	(89)	(107)	(139)	E
Edison International	\$ 1,351	\$ 1,595	\$1,686	E
				1.5

		rear Erre	aca Decem	ibei 51,
1		2018	2019	2020
	EARNINGS (LOSS) PER SHARE TO EDISON INTERNATIONAL			
_	Southern California Edison	\$(0.95)	\$4.15	\$2.17
1	Edison International Parent and Other	(0.45)	(0.37)	(0.19)
)	Discontinued Operations	0.10	_	_
	Edison International	\$(1.30)	\$3.78	\$1.98
	LESS: NON-CORE ITEMS <sup>1</sup>			
	Southern California Edison			
_	2017/ 2018 Wildfire/ Mudslide Events claims and expenses, net of recoveries	(5.60)	(0.46)	(2.65)
	Wildfire Insurance Fund expense	_	(0.32)	(0.71)
	Disallowed historical capital expenditures in SCE's 2018 GRC decision	_	(0.36)	_
	Sale of San Onofre nuclear fuel	0.03	0.02	0.32
	Re-measurement of tax assets and liabilities	0.20	0.26	0.05
	Edison International Parent and Other			
	Sale of Vidalia lease	_	_	0.28
	Goodwill impairment	_	(0.06)	(0.07)
)	Sale of SoCore Energy and other	(0.14)	_	_
	Re-measurement of tax liabilities	(0.04)	_	(0.01)
)	Impact of share dilution	_	_	0.25
	Discontinued Operations	0.10	_	_
	Total non-core items	\$(5.45)	\$(0.92)	\$(2.54)
	CORE EARNINGS (LOSSES)			
,	Southern California Edison	4.42	5.01	4.89
)	Edison International Parent and Other	(0.27)	(0.31)	(0.37)
	Edison International	\$4.15	\$4.70	\$4.52
	<sup>1</sup> For comparability to 2019, 2020 non-core EPS items except for the impact	of share dilu	tion are cal	culated

For comparability to 2019, 2020 non-core EPS items except for the impact of share dilution are calculated based on 2019 weighted average share count of 339.7 million. Weighted average shares outstanding are 372.7 million for 2020 and 325.8 million for 2018.

### **USE OF NON-GAAP FINANCIAL MEASURES**

Edison International's earnings are prepared in accordance with GAAP. Management uses core earnings (losses) internally for financial planning and for analysis of performance. Core earnings (losses) are also used when communicating with investors and analysts regarding Edison International's earnings results to facilitate comparisons of the company's performance from period to period. Core earnings (losses) are a non-GAAP financial measure and may not be comparable to those of other companies. Core earnings (losses) are defined as earnings attributable to Edison International shareholders less non-core items. Non-core items include income or loss from discontinued operations and income or loss from significant discrete items that management does not consider representative of ongoing earnings, such as write downs, asset impairments and other income and expense related to changes in law, outcomes in tax, regulatory or legal proceedings, and exit activities, including sale of certain assets and other activities that are no longer continuing.

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## SUSTAINABILITY SCORECARD

#### Comparison between 2019 and 2020

■ BetterO No changeO Worse

COMPANY OVERVIEW			
	2018	2019	2020
Net Income (millions \$)	(423)	1,284	739
Core Earnings (millions \$)1	1,351	1,595	1,686
Basic Earnings per Share (\$)	(1.30)	3.78	1.98
Core Earnings per Share (\$)1	4.15	4.70	4.52
Total Operating Revenue (millions \$)	12,657	12,347	13,578
Total Assets (millions \$)	56,715	64,382	69,372
Total Annual Capital Expenditures (millions \$)*	4,363	4,815	5,536
Number of Customer Accounts*	5,126,985	5,151,098	5,183,307
Board of Directors: Total Number of Directors	11	11	11
Total Number of Employees	12,574	12,937	13,351

TRANSITION TO A CLEAN ENERGY FUTURE							
	2018	2019	2020	2019-2020 Comparison			
Carbon-free Power (% of retail sales)*	46	51 <b>4</b>	43°	<b>©</b> 2			
Renewables Portfolio Standard (RPS) Compliance (% Retail Sales) <sup>3*</sup>	36.4	38.1	34.2	<b>@</b> 2			
CO <sub>2</sub> e Emissions From Owned Electricity Rate (lbs/MWh)*	186	2254	271 <sup>9</sup>	<b>③</b> 5			
CO <sub>2</sub> e Emissions From Delivered Electricity Rate (lbs/MWh)*	513	393 <sup>4</sup>	512 <sup>9</sup>	<b>@</b> 2			
Scope 1 Emissions (million metric tons CO <sub>2</sub> e)*	1.1	1.4	1.5	<b>⊙</b> 6			
Scope 2 Emissions (million metric tons CO <sub>2</sub> e)*	1.2	0.64	0.79	<b>⊙</b> ²			
Scope 3 Emissions (million metric tons CO <sub>2</sub> e)*	15.8	9.84,8	11.38,9	<b>②</b> 2			
SF <sub>6</sub> Emissions (million metric tons CO <sub>2</sub> e)*	0.21	0.11	0.15	⊙7			
NOx Emissions Rate of UOG (lbs/MWh)*	0.15	0.08	0.08	0			
NOx Emissions from UOG (metric tons)*	147.6	114.1	109.2	•			
SO <sub>2</sub> Emissions Rate of UOG (lbs/MWh)*	0.005	0.005	0.005	0			
SO <sub>2</sub> Emissions from Power Generation (metric tons)*	4.7	6.6	6.4	•			
Mercury Emissions from UOG (lbs/MWh)*	0	0	0	0			
Customer Energy Efficiency: GWh % of CPUC Goals*	140	116	155	•			
Customer Energy Efficiency: MW % of CPUC Goals*	139	110	128	•			
Customer Energy Efficiency: (MW)*	286	238	242	•			
Percent of Active Customer Accounts with Smart Meters (%)*	99.17	99.18	99.19	•			

Note: All metrics reflect data associated with Edison International and its consolidated subsidiaries, with the exception of metrics denoted by (\*), which reflect SCE data only, and the "Community Investments" metrics related to contributions to nonprofit organizations by employees and employee and retiree volunteer hours, which reflect Edison International and SCE data only.

<sup>&</sup>lt;sup>1</sup> See Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures on p. 80 in the Appendix

<sup>&</sup>lt;sup>2</sup> Carbon-Free Power, Renewables Portfolio Standard (RPS) Compliance, CO<sub>2</sub>e Emissions from Delivered Power, Scope 2 Emissions and Scope 3 Emissions show worse performance in 2020 compared to 2019 due primarily to the sale of excess renewable energy credits to community choice aggregators (CCAs) and other load-serving entities. These actions help keep SCE's rates affordable for customers, while allowing SCE's actions in renewable energy procurement to continue to support the clean energy transition in California. SCE remains well-positioned to meet its 2030 and 2045 RPS and carbon-free power goals and interim targets. See <u>Carbon Footprint</u> for more details.

<sup>&</sup>lt;sup>3</sup> The definition for this metric has been updated to clarify that it relates to the California Energy Commission's (CEC)'s RPS compliance program as opposed to the CEC's Power Source Disclosure Program. SCE retires renewable energy credits on an annual basis to meet its RPS compliance requirements. 2019 data has been restated from 35.0% to 38.1% to reflect this updated definition, which is available under "Definitions."

<sup>&</sup>lt;sup>4</sup> Carbon-free Power and certain GHG emissions figures have been restated to reflect final purchased power data from SCE's 2019 Power Source Disclosure Program filing, which was finalized and submitted after the publication of the 2019 Sustainability Report. Restatements include: Carbon-free Power from an estimated 48% to 51%, CO2e Emissions from Owned Electricity Rate from 227 lbs/MWh to 295 lbs/MWh, CO2e Emissions from Delivered Electricity Rate from 534 lbs/MWh to 393 lbs/MWh, Scope 2 emissions from 0.8 MMT CO2e to 0.6 MMT CO2e and Scope 3 emissions from 13.6 MMT CO2e to 9.8 MMT CO2e. The 2019 Scope 3 emissions calculation restatement also includes the addition of emissions from business travel and employee commuting for Edison International and SCE.

<sup>&</sup>lt;sup>5</sup> SCE's owned electricity rate had higher CO<sub>2</sub>e emissions in 2020 than in 2019 due to lower output from SCE's hydroelectric facilities related to lesser rainfall and damage to SCE's Big Creek facility as a result of the Creek Fire, coupled with increased economic dispatch by CAISO of SCE's peaker plants, whose faster start-up times and more flexible operations make them attractive in California's competitive energy market.

<sup>&</sup>lt;sup>6</sup> Scope 1 emissions increased in 2020 compared to 2019 due to increased emissions from SCE's transportation fleet and facilities stemming from COVID-19 employee and contractor protections and wildfire-related and other emergency operations.

<sup>&</sup>lt;sup>7</sup> SCE uses SF<sub>6</sub> alternative technologies such as vacuum and oil-filled equipment when practicable and seeks to phase out additional SF<sub>6</sub> gas-insulated equipment classes as the alternative technology becomes available.

<sup>8</sup> Scope 3 Emissions for 2019 and 2020 expanded to include business travel and employee commute emissions. These inputs are not available for 2018.

<sup>&</sup>lt;sup>9</sup> Certain 2020 data, as noted, is an estimate and includes as an input SCE's estimated 2020 delivered power mix using the methodology prescribed by the California Energy Commission's (CEC's) Power Source Disclosure Program (PSDP) as of April 1, 2021. SCE's final PSDP report will be filed with the CEC on June 1, 2021, and may include updates to the inputs used in these calculations.

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# **SUSTAINABILITY SCORECARD (CONTINUED)**

#### Comparison between 2019 and 2020

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DIVERSITY, EQUITY AND INCLUSION							
	2018	2019	2020	2019-2020 Comparison			
Board of Directors: Females as % of Directors	27	36	36	0			
Board of Directors: Diverse Race/Ethnicity as % of Directors	36	36	36	0			
Board of Directors: Self-Identified LGBTQ+ as % of Directors		9	9	0			
Board of Directors: Combined Diversity as % of Directors	55	64	64	0			
Diversity: Females as % of Workforce	31	31	32	•			
Diversity: Females as % of Leaders	25	25	26	•			
Diversity: Females as % of Executives	33	35	36	•			
Diversity: Diverse Race/Ethnicity as % of Workforce	58	59	61	•			
Diversity: Diverse Race/Ethnicity as % of Leaders	48	49	49	0			
Diversity: Diverse Race/Ethnicity as % of Executives	33	34	34	0			
Diversity: Combined as % of Workforce	68	69	70	•			
Diversity: Combined as % of Leaders		58	60	•			
Diversity: Combined as % of Executives	55	59	59	0			

OPERATIONS AND ENVIRONMENT							
	2018	2019	2020	2019-2020 Comparison			
Safety: Employee OSHA Recordable Rate	1.95	2.30	1.77	•			
Safety: Employee Lost Workday Case Rate	0.72	0.83	0.75	•			
Safety: Employee DART Rate	0.96	1.15	0.89	•			
Safety: Employee Fatalities	0	0	0	0			
Safety: Employee Serious Injuries	14	7	17	<b>①</b> 1			
Safety: Employee SIF Rate	0.111	0.054	0.122	<b>⊙</b> 1			
Safety: Contractor OSHA Recordable Rate	0.92	0.56	0.65	<b>@</b> 2			
Safety: Contractor DART Rate	0.55	0.35	0.45	<b>©</b> 2			
Safety: Contractor Fatalities	2	3	3	<b>©</b> 2			
Safety: Tier 1 Contractor Serious Injuries	25	11	18	<b>@</b> 2			
System Reliability: SAIDI (minutes, repair only)*	71.25	90.75°	91.40	⊚3			
System Reliability: SAIFI (occurrences, repair only)*	0.72	0.87	0.87	0			

2019	2020	2019-2020 Comparison
		Companison
)4.75 <sup>9</sup>	105.51	<b>③</b> 3
4,616	9,463	<b>⊙</b> 4
985	92	<b>©</b> 6
2,900 <b>\$3</b> ,	,561,250	⊚7
0	1	<b>©</b> 6
0	1	<b>6</b> , 7
407	566	<b>®</b> 8
4,401	5,195	•
2	4,616 98 <sup>5</sup> 2,900 <b>\$3</b> 0 0	9,463 98 <sup>5</sup> 92 2,900 \$3,561,250 0 1 0 1 407 566

Note: All metrics reflect data associated with Edison International and its consolidated subsidiaries, with the exception of metrics denoted by (\*), which reflect SCE data only, and the "Community Investments" metrics related to contributions to nonprofit organizations by employees and employee and retiree volunteer hours, which reflect Edison International and SCE data only.

<sup>1</sup> Stress, distractions, and work-related changes related to the COVID-19 pandemic and wildfire response were potentially contributing factors to the 2020 increase in employee number of serious injuries and SIF rate.

<sup>2</sup> SCE was deeply saddened by contractor fatalities, serious injuries, and decrease in contractor safety performance in 2020. We updated our contractor safety management standard in 2020. For more details, see Safety.

<sup>3</sup> SCE's 2020 performance was due in part to wildfire mitigation measures, including additional operating restrictions in high fire risk areas during periods with high wind and other fire-related climate conditions.

<sup>4</sup> In 2020, there was an increase in the amount of hazardous waste soil and debris disposed due to increased field project work, including related to SONGS decommissioning, other construction activities, and wildfires, such as the Creek Fire, affecting SCE infrastructure.

<sup>5</sup> Restated from 97% in 2019 Sustainability Report to 98% to account for date of NOV issuance.

<sup>6</sup> A number of factors affected SCE's environmental-related performance in 2020, including receiving multiple violations on large projects, such as Mission Canyon (see Note 7). SCE has used incidents of noncompliance to evaluate its EMS, conduct root cause analyses and identify operational improvements.

<sup>7</sup> In December 2019, SCE crews fixing storm-damaged access roads in the Mission Canyon area of Santa Barbara County caused environmental impacts and damage to the area resulting in increased Environmental-Related Settlements, Fines and Penalties. SCE has taken full responsibility and is conducting a \$15 million company-funded restoration to the area. For more details, see <u>Environmental Stewardship</u>.

8 In 2020, SCE's freshwater consumptive water use for generation increased compared to 2019 due to lack of available recycled water supply from the city source for Mountainview Generating Station.

<sup>9</sup> SAIDI and CAIDI metrics for 2019 have been restated from 89.29 minutes to 90.75 minutes and 103.23 minutes to 104.75 minutes, respectively, to reflect further validation that occurred after the publication of the 2019 Sustainability Report.

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## SUSTAINABILITY SCORECARD (CONTINUED)

#### Comparison between 2019 and 2020

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CUSTOMERS AND COMMUNITIES							
	2018	2019	2020	2019-2020 Comparison			
Supplier Diversity Spend (billions \$)*	2.13	2.21	2.40	•			
Supplier Diversity Spend Rate Percentage (%)*	46.73	40.11	37.66 <sup>1</sup>	<b>⊙</b> 1			
Customer Satisfaction: J.D. Power & Associates Survey Results — Electric Residential (out of possible score of 1000)*	725	726	756	•			
Customer Satisfaction: J.D. Power & Associates Survey Results — Electric Business (out of possible score of 1000)*	776	786	792	•			
Community Investments: Contributions by Shareholders from Pre-Tax Earnings from Operations (millions \$)	20.0	23.0	22.0	⊚3			
Community Investments: Contributions to Nonprofit Organizations by Employees (millions \$)	1.8	2.0	2.3	•			
Community Investments: Employee & Retiree Volunteer Hours	118,733	106,485	51,147	<b>⊚</b> ²			

## **DEFINITIONS**

#### **Amount of Hazardous Waste Disposed (tons)**

Includes federal and state regulated hazardous waste disposed of via landfill, incineration, wastewater treatment or chemical treatment.

#### **Board of Directors: Combined Diversity as % of Directors:**

Female and/or diverse race/ethnicity as % of total number of directors. See "Diversity" metric definitions.

#### Carbon-Free Power (% Retail Sales)

Renewable energy or other carbon-free resources, such as power from nuclear or large hydroelectric, calculated based on the <u>California Energy Commission (CEC)</u>. <u>Power Source Disclosure Program</u> methodology for the Power Content Label as prescribed for each respective reporting year and as % of retail sales.

#### CO<sub>2</sub>e Emissions from Delivered Electricity Rate (lbs/MWh)

 ${
m CO_2e}$  (carbon dioxide equivalent) emissions associated with electric power generation from all sources of SCE equity-owned generation and purchased power (specified and unspecified power purchases) delivered to electric power customers. The denominator includes electric power generation from all sources of SCE equity-owned generation and purchased power (specified and unspecified power purchases) delivered to electric power customers.

#### CO<sub>2</sub>e Emissions from Owned Electricity Rate (lbs/MWh)

CO<sub>2</sub>e emissions associated with electric power generation from all sources of SCE equity-owned generation. The denominator includes electric power generation from all sources of SCE equity-owned generation delivered to electric power customers.

#### Consumptive Fresh Water Use — Fossil Fuel Generation (million gallons)

Consumptive water use is water removed from available supplies without return to a water resource system (e.g., water used in manufacturing, agriculture and food preparation that is not returned to a stream, river or water treatment plant). The rate of fresh water consumed for use in thermal generation. 'Fresh water' includes water sourced from fresh surface water, groundwater, rain water and fresh municipal water. It does not include recycled, reclaimed or gray water.

Note: All metrics reflect data associated with Edison International and its consolidated subsidiaries, with the exception of metrics denoted by (\*), which reflect SCE data only, and the "Community Investments" metrics related to contributions to nonprofit organizations by employees and employee and retiree volunteer hours, which reflect Edison International and SCE data only.

<sup>&</sup>lt;sup>1</sup> SCE's performance in 2020 compared to 2019 was largely due to SCE's rising wildfire insurance costs and limited diverse suppliers from which to procure the insurance. While the percent of annual procurement spend declined in 2020, SCE's total spend with diverse suppliers increased by 9% compared to 2019.

<sup>&</sup>lt;sup>2</sup> 2020 volunteer hours were lower due to COVID-19 restrictions.

<sup>&</sup>lt;sup>3</sup> Edison International contributed an additional \$2 million above its standard annual contribution of \$20 million in 2020 to support nonprofit partner needs caused by the pandemic.

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## **DEFINITIONS** (CONTINUED)

#### **Customer Energy Efficiency: GWh % of CPUC Goals**

Percentage toward SCE energy savings goals adopted in CPUC decision 17-09-025 in 2017.

#### **Customer Energy Efficiency: MW % of CPUC Goals**

Percentage toward SCE energy savings goals adopted in CPUC decision 17-09-025 in 2017.

#### **Diversity: Combined**

Female and/or racially/ethnically diverse (i.e. not 'white' and 'male').

#### **Diversity: Diverse Race/Ethnicity**

All races/ethnicities other than 'white.'

#### **Diversity: Board of Directors**

Edison International Board of Directors.

#### **Diversity: Executives**

Officers and directors (Edison Energy<sup>1</sup> executives include officers only).

#### **Diversity: Leaders**

Principal managers, senior managers, managers, senior supervisors and supervisors (Edison Energy leaders include directors).

#### **Diversity: Workforce**

All employees, including leaders and executives.

# Environmental-Related Inspections with No NOVs Issued (% of total inspections)

Percentage of regulatory agency inspections related to environmental compliance requirements that did not result in an issuance of Notices of Violation by the regulatory agency. Notices of Violation are typically issued when the regulatory agency believes the recipient was noncompliant with one or more regulatory requirements.

#### **Environmental-Related Settlements, Fines and Penalties (\$)**

Payment made in response to an environmental-related noncompliance activity. Payment is attributed to the year in which the payment was made.

#### NO Emissions from Power Generation (metric tons)

 $NO_x^2$  Emissions rate associated with electric power generation includes Mountainview Generating Station, the five Peakers and Pebbly Beach Generating Station, using <u>EPAPart 75 Acid Rain</u> reported values.  $NO_x$  (nitrogen oxide) emissions rate associated with electric power generation from all sources of SCE equity-owned generation, using EPA Part 75 Acid Rain methodology.

#### NO Emissions Rate of UOG (lbs/MWh)

 $NO_x^{\circ}$  emissions rate associated with electric power generation from all sources of SCE equity-owned generation, using the EPA Part 75 Acid Rain methodology. The denominator includes electric power generation from all sources of SCE equity-owned generation.

#### **Number of Air Permit Noncompliance Events with Fine**

Number of noncompliant air permit events that required a payment by the regulatory agency. Noncompliance event is attributed to the year in which the agency issued the letter or notice of noncompliance/violation.

#### **Number of Water Permit Noncompliance Events with Fine**

Number of noncompliant water permit events that required a payment by the regulatory agency. Noncompliance event is attributed to the year in which the agency issued the notice or letter.

#### Renewables Portfolio Standard (RPS) Compliance (% Retail Sales)

Eligible renewable energy generation (or compliance credits) as prescribed by the <u>California Energy Commission in its RPS Eligibility Guidebook</u>, 9th Edition as a % of retail sales.

#### **Safety: Contractor DART Rate**

Contractor Days Away, Restrictions and Transfers (DART) sum of work-related restricted duty and lost time injuries that result in at least one whole day away from work after the date of the incident calculated as (count of DART incidents x 200,000)/ hours worked.

#### **Safety: Contractor Fatalities**

Number of contractor work-related deaths.

#### Safety: Contractor OSHA Recordable Rate

Contractor work-related injuries and illnesses (including lost time injuries) that result in loss of consciousness, restricted duty, job transfer, medical treatment beyond first aid, fatality or a significant injury or illness according to the Occupational Safety and Health Administration.

#### **Safety: Employee DART Rate**

Days Away, Restrictions and Transfers (DART) sum of work-related restricted duty and lost time injuries that result in at least one whole day away from work after the date of the incident calculated as (count of DART incidents x 200,000)/hours worked.

#### **Safety: Employee Fatalities**

Number of employee work-related deaths.



<sup>&</sup>lt;sup>1</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

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## **DEFINITIONS** (CONTINUED)

#### Safety: Employee Lost Workday Case Rate

Work-related injuries that result in at least one whole day away from work after the date of the incident, calculated as (count of injuries resulting in at least one lost workday  $\times$  200,000)/hours worked.

#### Safety: Employee OSHA Recordable Rate

Work-related injuries and illnesses (including lost time injuries) that result in loss of consciousness, restricted duty, job transfer, medical treatment beyond first aid, fatality or a significant injury or illness according to OSHA, calculated as (count of OSHA recordable injuries and illnesses x 200,000)/hours worked.

#### **Safety: Employee Serious Injuries**

Number of employee work-related serious injuries as defined by EEI criteria.

#### Safety: Employee SIF Rate

Total company Serious Injury and Fatality rate as defined by EEI criteria, calculated as (count of serious injuries and fatalities x 200,000)/hours worked. EEI has 13 criteria for serious injuries and fatalities, including fatalities, amputations (involving bone), second- or third-degree burns, bone fractures and severe heat exhaustion.

#### **Safety: Tier 1 Contractor Serious Injuries**

Number of contractor work-related serious injuries as defined by <u>Edison Electric Institute</u> (EEI) criteria.

#### Scope 1 Emissions (million metric tons CO<sub>2</sub>e)

Scope 1 includes GHG emissions under the direct control of SCE, including utility-owned generation (UOG), stationary combustion (heating equipment, emergency generators), transportation (SCE-owned and/or operated fleet) and fugitives (refrigerants and sulfur hexafluoride (SF<sub>c</sub>) from transmission and distribution (T&D) equipment).

#### Scope 2 Emissions (million metric tons CO<sub>2</sub>e)

Scope 2 includes indirect emissions required for business processes, including facility energy use (electricity) and transmission losses.

#### Scope 3 Emissions (million metric tons CO<sub>e</sub>e)

Scope 3 includes indirect emissions released as a consequence of the activities of the company, including specified power purchases and unspecified power purchases, and (for 2019 and 2020 only) employee commuting and business travel.

#### SF<sub>6</sub> Emissions (million metric tons CO<sub>2</sub>e)

SF<sub>6</sub> emissions associated with SCE T&D equipment, as reported to the <u>EPA</u>.

#### SO, Emissions Rate of UOG (lbs/MWh)

 $SO_2$  emissions rate associated with electric power generation from all sources of SCE equity-owned generation, using EPA Part 75 Acid Rain methodology. The denominator includes electric power generation from all sources of SCE equity-owned generation.

#### SO, Emissions from Power Generation (metric tons)

SO<sub>2</sub> (sulfur dioxide) emissions associated with electric power generation from all sources of SCE equity-owned generation, using <u>EPA Part 75 Acid Rain</u> methodology.

#### SO, Emissions from UOG (metric tons)

SO<sub>2</sub> (sulfur dioxide) emissions associated with electric power generation from all sources of SCE equity-owned generation, using EPA Part 75 Acid Rain methodology.

#### **Supplier Diversity Spend Rate Percentage (%)**

SCE's total annual supplier diversity spend/total annual procurement spend. <u>Diverse suppliers</u> are defined as Women, Minority, Disabled Veteran and Lesbian, Gay, Bisexual and Transgender Business Enterprises.

#### System Reliability: SAIDI (minutes, repair only)

System Average Interruption Duration Index is the cumulative duration (in minutes) of sustained repair outages experienced by the average SCE customer in a year. Excludes major event days in alignment with <u>Institute of Electrical and Electronics Engineers</u> (IEEE) recommendations.

#### System Reliability: SAIFI (occurrences, repair only)

System Average Interruption Frequency Index is the number of sustained repair outages (power outage lasting longer than five minutes) experienced by the average SCE customer in a year. Excludes major event days in alignment with IEEE recommendations.

#### System Reliability: CAIDI (minutes, repair only)

Customer Average Interruption Duration Index is the average repair outage duration (in minutes) per SCE customer interruption (average time to restore service). Excludes major event days in alignment with <u>IEEE</u> recommendations.

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## **SASB INDEX**

## **ELECTRIC UTILITIES AND POWER GENERATORS STANDARD**

This is Edison International's second year reporting metrics in accordance with the <u>Sustainability Accounting Standards Board</u> (SASB) framework. Data included in this disclosure may differ from data included elsewhere in the report or in other disclosures in order to conform to the SASB reporting standards. Unless otherwise specified, metrics reflect SCE performance only. Reporting on several metrics has evolved this year to match more closely SASB's definitions. Remaining deviations are noted.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATIONAL COMPANY RESPONSE
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions, percentage covered under a regulatory program	Quantitative	Metric tons (t) CO <sub>2</sub> e, Percentage (%)	IF-EU-110a.1	Appendix: <u>Sustainability Scorecard</u> 94% of Scope 1 are covered under a regulatory program
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	Metric tons (t) CO <sub>2</sub> e	IF-EU-110a.2	Appendix: Sustainability Scorecard
		Discussion	n/a	IF-EU-110a.3	Part I: <u>Carbon Footprint</u>
	term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	nissions I an analysis			Part II: <u>Climate Change</u>
	(1) Number of customers served	Quantitative	Number, Percentage (%)	IF-EU-110a.4	(1) 5,167,816
	in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market				(2) 100%
Air Quality	Air emissions of the following	Quantitative	Metric tons (t),	IF-EU-120a.1	Appendix: Sustainability Scorecard
	pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>y</sub> , (3) particulate		Percentage (%)		100% in or near areas of dense population.
	matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population				Note: SCE does not include emissions from particulate matter (PM10) or lead (Pb) in these calculations, as no standardized calculation methodology is available for these pollutants.

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATIONAL COMPANY RESPONSE
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	IF-EU-140a.1	Appendix: Sustainability Scorecard  (1) Total water withdrawn for SCE's utility-owned generation was 2.067 million cubic meters in 2020. SCE does not have consolidated water withdrawal data for its non-generation operations.  (2) 100% of groundwater withdrawn for generation is from a region of Extremely High Baseline Water Stress. SCE does not track total water consumed across generation and non-generation operations.
	Number of incidents of non- compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	2
Water Management (continued)	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-EU-140a.3	Part II: Environment Part II: Appendix  SCE is addressing current and evolving water management risks through our environmental management system and a published standard for water systems to ensure management of groundwater rights in accordance with California's Sustainable Groundwater Management Act (SGMA). The SGMA provides the state a framework to manage its groundwater resources, and as basins in California are adjudicated, SCE determines our legal entitlement to authorize water rights for the applicable groundwater basins within SCE's service area. Accordingly, SCE collects and submits pumping reporting records to the state and local groundwater management agencies. The applicable agencies include the State Water Resources Control Board (SWRCB), state Division of Drinking Water (DDW), state Department of Water Resources (DWR), and local watermasters established under the SGMA.

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATIONAL COMPANY RESPONSE
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	IF-EU-150a.1	SCE does not own or have specified coal generation contracts.
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	SCE does not own or have specified coal generation contracts.
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	(1) Residential: 18.4¢/kwh (2) Commercial: 17.8¢/kwh (3) Industrial: 12.7¢/kwh
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Reporting currency	IF-EU-240a.2	(1) \$120.35 (2) \$287.45
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Number, Percentage (%)	IF-EU-240a.3	Residential Disconnections: 68,946 Residential Reconnections: 65,727 Percent reconnected within 30 days: 95%
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	n/a	IF-EU-240a.4	Part I: Operating with Excellence, Affordability Part I: Environmental & Social Justice
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	<ul><li>(1) Total recordable incident rate (TRIR): 1.77</li><li>(2) Fatality rate: 0.00</li><li>(3) Near miss frequency rate: 2.60</li></ul>

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATIONAL COMPANY RESPONSE
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Percentage (%)	IF-EU-420a.1	(1) 100% (2) 0%
	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	Appendix: Sustainability Scorecard
	Customer electricity savings from efficiency measures, by Market	Quantitative	Megawatt hours (MWh)	IF-EU-420a.3	1,490,330
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Number	IF-EU-540a.1	SCE has a 15.8% equity share of the Palo Verde Nuclear Generating Station. The station is comprised of three pressurized water reactors that produce approximately 1,412 MWe each, or 4,236 MWe for the site.
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	n/a	IF-EU-540a.2	Decommissioning San Onofre Nuclear Generating Station
Grid Resiliency	Number of incidents of non- compliance with physical and/ or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	This information is confidential.
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Minutes, Number	IF-EU-550a.2	(1) 201.32 min. (2) 1.06 min. (3) 190.47 min.

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# **SASB INDEX (CONTINUED)**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATIONAL COMPANY RESPONSE
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	(1) Residential: 4,531,144 (2) Commercial: 567,805 (3) Industrial: 8,908
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	<ul><li>(1) Residential: 32,465,350</li><li>(2) Commercial: 43,391,335</li><li>(3) Industrial: 7,152,378</li><li>(4) Other Retail: 73,177</li><li>(5) Wholesale: 4,185,296</li></ul>
Length of transmission and distribution lines	Quantitative	Kilometers (km)	IF-EU-000.C	189,903 kilometers

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# **SASB INDEX (CONTINUED)**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	EDISON INTERNATION COMPANY RESPONS		
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative Megawatt I hours (MWh), Percentage (%)		IF-EU-000.D	Total electricity generated (10,184,000 MWh) SCE Total Energy Requirement (millions of kWh):		
				Total Owned:	10,184	
				Nuclear Coal	4,984	8.0%
				Hydroelectric	2,160	3.5%
				Solar	65	0.1%
				Fuel Cell	10	-
				Oil (Catalina) Gas-fired peakers	27 124	0.2%
				CCGT	2,814	4.5%
				100% in regulated ma	rkets	
Total wholesale electricity purchased	Quantitative	Megawatt hours	IF-EU-000.E	2020: 52,216,000		
	(MWh)			2019: 52,024,000, restated from 52,572,540 appearing in 2019 SASB index to match updated source		
				Source: Edison International 2020 Financial & Statistical Report, p. 15, calculated by subtracting utility-owned generation from SCE's total energy requirement. Note figures converted from millions of KWh		

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## **TCFD INDEX**

This is Edison International's second year referencing the Task Force on Climate-related Disclosures (TCFD). The index has evolved this year to include not only a mapping of our existing public disclosures to the TCFD framework, but also additional TCFD-specific narrative.

ТОРІС	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
GOVERNANCE		
Describe the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate- related risks and opportunities	Sustainability is integral to our clean energy strategy, which is aligned with California's ambitious, economywide goals to combat climate change. Our material ESG topics — including climate change risks and opportunities, clean energy transition, electrification, and grid modernization — are incorporated into our strategy; as a result, these topics are reviewed at Board meetings as strategy is discussed. Our enterprise risk register — including climate change as a key risk — informs our ESG materiality assessment, and the Board regularly reviews and monitors risks arising from climate-related events that impact our business.
		The Board has broad responsibility for the oversight of significant strategic, operational, financial and reputational risks, and actively reviews our enterprise risk management process and monitors strategic and emerging risks. The Board monitors key risks through management reports and discussions at Board meetings and focuses on specific strategic and emerging risks during periodic strategy reviews. The Audit and Finance Committee oversees the company's guidelines and policies to govern the process by which risk assessment and risk management is undertaken, and the steps taken to monitor and control enterprise level risks.
		At least annually, the Board reviews corporate goals and approves capital budgets to ensure they are aligned with our clean energy strategy. The Board also oversees the impact of legislative and regulatory actions on our clean energy strategy and monitors progress on key objectives, goals and targets related to climate change, including renewable energy, transportation and building electrification, and energy storage, among other areas.
		The Nominating and Governance Committee is responsible for reviewing significant ESG trends that may impact the company and ensuring that the Board and its committees have the appropriate oversight of relevant ESG issues. Board committees comprised entirely of independent directors have been delegated responsibility for risk and operational oversight of the specific ESG-related issues outlined in the proxy statement and their charters.
		<ul> <li>References:         <ul> <li>Sustainability Report: 2020 Performance Incentives, Material ESG Topics, Corporate Governance</li> </ul> </li> <li>Edison International 2021 Proxy Statement, pp. 27–29</li> <li>Audit and Finance Committee Charter, Article IV, Section 5</li> <li>Nominating and Governance Committee Charter, Article V (b)</li> </ul>

<sup>&</sup>lt;sup>1</sup> The inclusion of information in this report, including as part of the aforementioned disclosures, should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding Edison International, please see our filings (including our Form 10-K and Forms 10-Q) with the Securities and Exchange Commission (SEC). Our SEC filings as well as direct links to certain presentations, documents and other information that may be of interest to investors are available at <a href="https://www.edisoninvestor.com">www.edisoninvestor.com</a>.

Note: Information provided herein should not be construed as being characterized as financially material. For more details see <a href="https://www.edisoninvestor.com">About this Report</a>.

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TOPIC	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
GOVERNANCE (co	ntinued)	
	b) Describe management's role in assessing and managing climate-related	The Edison International Managing Committee, comprised of the most senior Edison International and SCE officers, manages climate-related issues, including the company's clean energy strategy, which is aligned with California's ambitious, economywide goals to combat climate change; climate adaptation, including wildfire mitigation activities and SCE's vulnerability assessment; long-term sustainability goals related to the clean energy transition and electrification; and the company's advocacy on climate-related issues.
	risks and opportunities.	Edison International also convenes an executive-level sustainability steering group that serves as an advisory body for the company's sustainability program and approach, including on climate change-related topics. Members represent operational services, customer service, regulatory and public affairs, energy and environmental policy, human resources, corporate communications, sustainability, finance, the Edison International CEO's Office, and others on an as-needed basis.
		SCE has formal governance over the development of SCE's climate adaptation vulnerability assessment, which is overseen by SCE's EVP of Operations and who is required by California Public Utilities Commission regulation to brief the Edison International Board of Directors on climate change and related planning. The governance structure also includes an officer-level advisory committee that meets regularly to review, monitor and provide oversight of ongoing climate change adaptation activities throughout the company. <sup>1</sup>
		Links: Sustainability Report: Oversight of ESG Risks & Opportunities  CPUC Decision 20-08-046; Ordering Paragraph 13  SCE Advice Letter 4456-E filed 3/31/2021, pp. 2-4

<sup>&</sup>lt;sup>1</sup> Edison International members include the President and CEO, Executive Vice President (EVP) and Chief Financial Officer, EVP and General Counsel, and the Senior Vice President (SVP) of Strategy and Corporate Development. SCE members include the President and CEO and the EVP of Operations. Joint Edison International and SCE members include the SVP of Corporate Affairs and SVP of Human Resources. Note: Information provided herein should not be construed as being characterized as financially material. For more details see <u>About this Report</u>.

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## TCFD INDEX (CONTINUED)

TOPIC **RECOMMENDED EDISON INTERNATIONAL COMPANY DISCLOSURES RESPONSE/LOCATION OF INFORMATION STRATEGY** Disclose the actual a) Describe the Edison International's business strategy is focused on the clean energy transition and the company's role in helping to and potential climate-related meet broader, economywide climate change goals. The company's strategy is aligned with societal trends around the impacts of climaterisks and rising importance of addressing climate change through the use of clean energy and new technologies. related risks and opportunities Edison International's principal subsidiary, SCE, is a heavily-regulated electric utility that conducts short (current year opportunities on the organization to 4 years forward), medium (5 to 10 years forward), and long-range (>10 years forward) planning around its power the organization's has identified portfolio, grid planning, and other infrastructure investments through regulated proceedings at the California Public over the short, businesses, Utilities Commission (CPUC). In terms of its power portfolio, SCE has a long-term objective to supply 100% carbonstrategy, and medium, and free power in terms of retail sales to customers by 2045, medium-term objective to deliver power with 80% carbonfinancial planning long term free resources by 2030, and related short-term goals. SCE files an Integrated Resource Plan (IRP) every two to three where such years, as part of the IRP Proceeding at the CPUC focused on ensuring long-term resource plans meet reliability needs information is and state-designated GHG emissions reduction requirements in the most affordable way. In addition to seeking material. to be granted approval to procure the clean resources needed to meet its decarbonization goals through the IRP proceeding. SCE conducts reliability assessments to identify additional system needs as the climate change affects customer demand and clean resource production. SCE is also focused on its role in helping the state achieve net-zero GHG emissions economywide by 2045 through an electric-led strategy. Through SCE's vision to decarbonize large parts of the economy using clean and reliable power, SCE has identified significant opportunities to facilitate this transition through investments in electric vehicle charging infrastructure and proposed programs to support building electrification. SCE also has goals to electrify its own fleet. In addition, SCE publishes white papers about the clean energy transition, including economywide actions needed to meet carbon neutrality, as well as the changes needed to SCE's grid to deliver high levels of carbon-free resources. On the physical risk side, SCE performs climate adaptation vulnerability assessments. In May 2022, SCE will submit its first climate adaptation vulnerability assessment pursuant to CPUC direction, using a conservative (i.e. high emissions, absent global climate mitigation) RCP8.5 scenario and considering long-term impacts of temperature, precipitation, sea-level rise and wildfire hazards on SCE's assets, operations and services. This assessment evaluates mitigation needs in the 10- to 20year time frame, as well as in the 30- to 50-year timeframe. In the near-term, SCE is also focused on mitigating the risk of climate-change-driven wildfires and files annual Wildfire Mitigation Plans with the CPUC detailing its progress. Edison International's nonregulated competitive business Edison Energy<sup>1</sup> provides customers with energy solutions to meet their global sustainability cost goals. Renewable power purchase agreement advisory services are a key element of Edison Energy's business and the company is well-positioned for the clean energy transition. Links: 2020 Edison International Form 10-K, p. 11 ("Electricity Industry Trends"), p. 44 ("Operating Risks"), p. 47 ("Competitive and Market Risks"), p. 145 ("Environmental Considerations") SCE Integrated Resource Plan filed on September 1, 2020 CPUC Decision 20-08-046; Ordering Paragraph 9 Pathway 2045, pp. 1-2 Reimagining the Grid, pp.1–2 SCE Wildfire Mitigation Plan and annual updates

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Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission. Note: Information provided herein should not be construed as being characterized as financially material. For more details see About this Report.

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TOPIC	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
STRATEGY (continued)	)	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Edison International's business strategy is grounded in the clean energy transition and the company's role in helping to meet broader, economywide climate change goals. The company's strategy is aligned with the political and regulatory environment in California, along with wide public support for climate policies such as the state's GHG emissions reduction goal, renewables portfolio standard, and zero-emission truck rule (77% support for each in July 2020 Public Policy Institute of California survey). Edison International's Board of Directors oversees and reviews the company's strategy, including societal trends and factors that might affect the strategy, through an annual in-depth strategy meeting and other updates, as needed.  In addition to clean energy and electrification, Edison International's principal subsidiary, SCE, is focused on mitigating the risk of climate-change-driven wildfires, which have become increasingly common over the past decade.  References:  2020 Edison International Form 10-K, p. 11 ("Electricity Industry Trends"), p. 44 ("Operating Risks"), ("Competitive and Market Risks"), p. 145 ("Environmental Considerations")  Pathway 2045, pp. 1–2  Pathway 2045 Appendices, pp. 1–21  SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 12, pp. 1–2, 7, 17–23, 30–37  Reimagining the Grid, pp. 1–2  SCE Wildfire Mitigation Plan and annual updates

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ТОРІС	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
STRATEGY (cor	ntinued)	
	c) Describe the resilience of the organization's strategy,	Edison International's business strategy is aligned with the transition to a net-zero economy. Edison International's principal subsidiary, SCE, delivers power to customers entirely within the state of California, which has some of the most aggressive climate change goals in the nation and when taken together, are broadly considered to be consistent with a 1.5°C scenario.
	taking into consideration different climate-related scenarios, including a 2°C or lower scenario	In 2019, SCE released <u>Pathway 2045</u> , which examined the energy implications of California's long-term decarbonization goals on both the economy as a whole and the electric sector and mapped out a feasible and low-cost path to meeting those goals. The paper concludes that aggressive electrification across the economy, coupled with clean electricity, is the most affordable path to achieve net-zero GHG emissions economywide. In terms of risks, moving to a decarbonized energy supply represents significant changes to electric system planning that has largely been based on reliance on dispatchable generation resources supplied by fossil fuels. As shown in Pathway 2045, SCE is exploring how to manage the changes to the grid that may present reliability risks with new technologies such as long duration energy storage and generation supplied from low or zero carbon fuels such as hydrogen.
		In 2020, SCE released <u>Reimagining the Grid</u> , an assessment of the future electric grid needed to enable the efficient integration of these clean resources while ensuring climate adaptation and broader resilience. These analyses support SCE's continued investment in electrification and clean energy-related technologies, including related to the grid.
		On the physical risk side, SCE performs vulnerability assessments for climate adaptation. In May 2022 SCE will submit a climate change vulnerability assessment pursuant to CPUC direction, using a conservative (i.e. high emissions, absent global climate mitigation) RCP8.5 scenario and considering long-term impacts of temperature, precipitation, sea-level rise and wildfire hazards. SCE's vulnerability assessment and ongoing planning for future grid architectures envisioned in Reimagining the Grid will form the bases for grid investments that harden the decarbonized grid against current and future climate risks.
		References:  Pathway 2045, pp. 1–2  Pathway 2045 Appendices, pp. 1–21  SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 12, pp. 1–2, 7, 17–23, 30–37  Reimagining the Grid, pp.1–2  SCE Integrated Resource Plan filed on September 1, 2020  CPUC Decision 20-08-046; Ordering Paragraph 9

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ТОРІС	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
RISK MANAGEMEN	IT	
Disclose how the organization identifies, assesses, and manages climate-related risks.	the organization organization's dentifies, assesses, processes for identifying and assessing	Edison International's Enterprise Risk Management (ERM) process is designed to identify, anticipate and provide oversight of business risks, risk management options and development and selection of risk mitigation and response activities. This includes climate-related risks both directly and as a factor that compounds other business risks. ERM works closely with other departments to facilitate collaboration in developing and maintaining consistent risk management tools and systems.
HSKS.	climate-related risks	Climate-related risks are included within Edison International and SCE's list of key enterprise risks, both as a stand- alone climate change risk, and as a cross-cutting risk factor that is evaluated for its impact on other enterprise risks. As a stand-alone risk, climate change is reviewed over the near term on a likelihood and consequence basis in comparison to other key enterprise risks at the company, and it is reviewed but not scored over a time period extending to 2070.
		SCE's risk-informed decision-making process builds upon processes for risk-informed ratemaking required by the California Public Utilities Commission. SCE's <u>2018 Risk Assessment and Mitigation</u> (RAMP) report analyzed key safety risks including wildfires, climate change and cybersecurity threats.
		At Edison International and SCE, several complementary processes are in place for identifying and addressing climate-related risks. Climate-related risks are identified by strategy and operational departments within the organization. Each department is responsible for providing data, analysis and guidance on their business' risks to ERM, and ERM also performs periodic risk identification surveys. ERM works in close coordination with SCE's cross-departmental climate change team on a company-wide climate change adaptation vulnerability assessment. This assessment has identified disadvantaged vulnerable communities in SCE's service area and will include extensive community stakeholder engagement.
		In 2022, SCE will file a new RAMP report that will consider SCE's climate adaptation vulnerability assessment and corresponding community engagement. This detailed, localized assessment of climate impacts and SCE's mitigation options is expected to factor into many areas of the RAMP report.
		References: SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 12, pp. 1–2, 17–23, 30–37

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ТОРІС	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
RISK MANAGEMEN	NT (continued)	
	b) Describe the organization's processes for managing climate-related risk	As stated in response to Risk Management, Part A, SCE's risk-informed decision-making process builds upon processes for risk-informed ratemaking required by the <u>California Public Utilities Commission</u> .  We follow a comprehensive protocol to assess and mitigate risks across our operations. Once a risk is identified and assessed, risk treatment and response options (including decisions to mitigate, transfer, accept and respond, or control the risk) are identified and evaluated based on a number of factors, including cost effectiveness, impact to operations, scalability and feasibility of execution. These options are developed by assigned teams of risk owner(s), risk manager(s) and subject matter expert(s). ERM consults with these individuals to support assessment of the risks and their mitigations, which are ultimately reviewed and approved by management through various committees. These committees include the SCE Risk Management Working Group, a senior leadership forum designed to integrate operations and risk and provide a common framework for decision-making; the SCE Finance and Risk Management Committee, which oversees and approves enterprise risk management; and the Edison International Managing Committee, which oversees and approves enterprise risk management; and the Edison International Managing Committee, which oversees and approves enterprise risk management; and the Edison International Managing Committee, which oversees and approves enterprise risk management, and monitored during their lifecycle for effectiveness. A detailed alternatives analysis discussing multiple approaches to treat top safety risks to Edison (including climate change) is discussed within SCE's 2018 RAMP filing. In 2022, SCE will file a new RAMP report as noted in response to Risk Management, Part A.  References:  SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 1 — Overview, in particular pp. 10–12  COLUMN C

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TOPIC	RECOMMENDED DISCLOSURES	EDISON INTERNATIONAL COMPANY RESPONSE/LOCATION OF INFORMATION
RISK MANAGEM	/IENT (continued)	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management; organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management	Climate-related risks are identified, assessed and managed with the same risk management processes used for all other risks. Ongoing efforts, such as SCE's vulnerability assessment, support these processes.  Edison International follows a comprehensive protocol to assess and mitigate risks across its operations. SCE's risk-informed decision-making process builds upon processes for risk-informed ratemaking required by the California Public Utilities Commission. SCE's 2018 Risk Assessment and Mitigation (RAMP) report analyzed key safety risks including wildfires, climate change and cybersecurity threats. In 2022, SCE will file a new RAMP report as noted in response to Risk Management, Part A.  References:  SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 1 — Overview, in particular pp. 10–12 and Chapter 12, pp. 1–2, 17–23, 30–37  CPUC Decision 20-08-046; Ordering Paragraph 9

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## TCFD INDEX (CONTINUED)

TOPIC RECOMMENDED **EDISON INTERNATIONAL COMPANY DISCLOSURES RESPONSE/LOCATION OF INFORMATION METRICS AND TARGETS** Disclose the metrics a) Disclose Edison International reports climate- and environmental-related metrics annually in its sustainability report related and targets used to the metrics to topics identified by its ESG materiality assessment and based on industry benchmarking. The company also assess and manage used by the reports climate- and environmental-related metrics in accordance with third-party standards, including Sustainability relevant climateorganization to Accounting Standards Board, Global Reporting Initiative, and Edison Electric Institute ESG/Sustainability reporting related risks and assess climatetemplate. opportunities related risks and In addition, Southern California Edison reports climate- and environmental-related metrics through compliance filings where such opportunities with state and federal agencies. Examples of these filings include: Wildfire Mitigation Plan, Renewables Portfolio information is in line with its Standard compliance filing, Power Source Disclosure Program compliance filing, Charge Ready Pilot Quarterly material. strategy and risk Reports, and compliance filings related to SCE's operations, including GHG emissions and cap-and-trade compliance management offsets associated with SCE's utility-owned generation. process References: Sustainability Report: ESG Material Topics; 2020 Performance Incentives; Sustainability Scorecard > SCE Wildfire Mitigation Plan and annual updates Renewables Portfolio Standard (RPS) Compliance and Reporting California Energy Commission (CEC) Power Source Disclosure Program California Air Resources Board (CARB) Mandatory Reporting Requirement Charge Ready Pilot Quarterly Report, 2020 Q4 Edison International discloses its Scope 1, 2 and 3 emissions annually in its sustainability report. b) Disclose Scope 1. Scope 2, and, References: if appropriate, Sustainability Report: Scope 1, 2 and 3 Emissions; Sustainability Scorecard Scope 3 greenhouse gas (GHG) emissions. and the related risks c) Describe the Edison International has set long-term goals related to several of the climate-related topics identified in its ESG Materiality Assessment, including Clean Energy Transition and Electrification. The company tracks progress toward targets used by the organization these goals annually in its sustainability report. In addition, Edison International and SCE establish annual performance incentives tied to priority topics including related to climate change; e.g. goals related to wildfire resilience and policy to manage climate-related outcomes on SCE's Pathway 2045, including promoting broader transportation and building electrification. risks and References: opportunities Sustainability Report: ESG Material Topics; Sustainability Goals; 2020 Performance Incentives

and performance against targets

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# **GRI INDEX**

This is Edison International's sixth year referencing the <u>Global Reporting Initiative</u> (GRI) Standards. Our responses are aligned to the Core application. Data included in this disclosure may differ from data otherwise included in the report or other disclosures in order to conform to GRI reporting requirements.

DISCLOSURE #	DISCLOSURE TITLE	RESPONSE
GRI 102: GENEI	RAL DISCLOSURES	
ORGANIZATIO	NAL PROFILE	
102-1	Name of the organization	Edison International
102-2	Activities, brands, products, and services	Intro: About Edison International, p. 5 2020 Edison International Form 10-K, Business, pp. 136–145
102-3	Location of headquarters	Rosemead, California
102-4	Location of operations	Intro: About Edison International, p. 5 2020 Edison International Form 10-K, Subsidiaries of Edison International, p. 136
102-5	Ownership and legal form	2020 Edison International Form 10-K, Management Overview, p. 3
102-6	Markets served	Intro: About Edison International, p. 5 Part I: Climate Change Mitigation, p. 8  2020 Edison International Form 10-K, Business, pp. 136–145
102-7	Scale of the organization	Intro: About Edison International, p. 5
102-8	Information on employees and other workers	Part I: Leading with Diversity, Equity & Inclusion; Employee & Contractor Safety, pp. 28–30 Part II: Workplace, p. 64  2020 Edison International Form 10-K, Human Capital, pp. 137–139 Edison International 2020 Diversity, Equity & Inclusion Report
102-9	Supply chain	Part I: <u>Leading with Diversity, Equity &amp; Inclusion</u> , p. 26 Part II: <u>Environment</u> , p. 56 2020 Edison International Form 10-K, Purchased Power & Fuel Supply, p. 142
102-10	Significant changes to the organization and its supply chain	2020 Edison International Form 10-K, Management Overview, pp. 3–12

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE
102-11	Precautionary Principle or approach	Edison International does not apply this principle formally across all of our risk management decisions, but it informs our thinking about sustainability issues and risk management.
102-12	External initiatives	Part I: Climate Change Mitigation, pp. 8–9 Part I: Climate Change, pp. 9–14 Part I: Environmental & Social Justice, p.14 Part I: Leading with Diversity, Equity & Inclusion, pp. 22–26 Part II: Communities, pp. 60–63 Appendix: Contributing to the UN Sustainable Development Goals, pp. 122–128
102-13	Membership of associations	Part I: Leading with Diversity, Equity & Inclusion, pp. 22–26 Part II: Stakeholder Engagement, p. 39 Part II: Climate-focused Partnership and Advocacy, p. 45 Part II: Communities, pp. 60–63 Part II: Trade Associations, p. 76  Edison International 2020 Political Contributions and Expenditures, p. 14
STRATEGY		
102-14	Statement from senior decision- maker	Intro: A Message From Our CEO, p. 2
102-15	Key impacts, risks, and opportunities	Intro: A Message From Our CEO, p. 2 Part I: Accelerating the Clean Energy Transition to Address Climate Change, pp. 7–19 2020 Edison International Form 10-K, Risk Factors, pp. 42–49
ETHICS AND INT	EGRITY	
102-16	Values, principles, standards, and norms of behavior	Intro: About Edison International, p. 5 Part I: Safety, p. 30 Part II: Workplace, p. 69 Part II: Governance, pp. 74–75  Edison International and Southern California Edison Ethics and Compliance Code for Directors  Edison International Employee Code of Conduct  Edison International Supplier Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Part II: Workplace, p. 69 Part II: Governance, pp. 74–75  Edison International and Southern California Edison Ethics and Compliance Code for Directors  Edison International Employee Code of Conduct  Edison International Supplier Code of Conduct

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE
GOVERNANCE		
102-18	Governance structure	Part II: Oversight of ESG Risks & Opportunities, pp. 37–38 Part II: Governance, pp. 71–72  Edison International 2021 Proxy Statement, Corporate Governance, pp. 21–31
102-19	Delegating authority	Part II: Sustainability at Edison International, pp. 37–38
102-20	Executive-level responsibility for economic, environmental, and social topics	Part I: <u>Leading With Diversity, Equity &amp; Inclusion, DEI Performance</u> , p. 23 Part II: <u>Sustainability</u> , pp. 37–38 Part II: <u>Environment</u> , p. 50 Part II: <u>Workplace</u> , p. 65 Part II: <u>Governance</u> , p. 71
102-21	Consulting stakeholders on economic, environmental, and social topics	Part I: Accelerating the Clean Energy Future to Address Climate Change, pp. 9, 13 Part I: Operating With Excellence, Safety, p. 30 Part II: Sustainability, pp. 37–38 Part II: Communities, p. 60 Part II: Workplace, p. 69  Edison International 2021 Proxy Statement, Shareholder Engagement, p. 20
102-22	Composition of the highest governance body and its committees	Edison International 2021 Proxy Statement, Board Committees pp. 24–27
102-23	Chair of the highest governance body	Edison International 2021 Proxy Statement, p. 17
102-24	Nominating and selecting the highest governance body	Edison International 2021 Proxy Statement, Director Nomination Process pp. 21–22
102-25	Conflicts of interest	<ul> <li>Edison International Employee Code of Conduct</li> <li>Edison International Supplier Code of Conduct</li> <li>Edison International and Southern California Edison Ethics and Compliance Code for Directors</li> </ul>
102-26	Role of highest governance body in setting purpose, values, and strategy	Part II: <u>Sustainability</u> , pp. 37–39  Edison International 2021 Proxy Statement, Strategy, Risk and ESG Oversight, p. 27
102-27	Collective knowledge of highest governance body	Edison International 2021 Proxy Statement, Experience, Skills and Attributes for the Board, p. 8; and Board Qualifications and Diversity, p. 22

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE
102-28	Evaluating the highest governance body's performance	Edison International 2021 Proxy Statement, How We Make Compensation Decisions pp. 55–58
102-29	Identifying and managing economic, environmental, and social impacts	Part II: Sustainability, Material ESG Topics, p. 36  Edison International 2021 Proxy Statement, ESG, p. 29
102-30	Effectiveness of risk management processes	Part II: Governance, pp. 71–72  Edison International 2021 Proxy Statement, Risk, pp. 27–28
102-31	Review of economic, environmental, and social topics	Part II: <u>Sustainability</u> , pp. 37–38  Edison International 2021 Proxy Statement, ESG, p. 29
102-33	Communicating critical concerns	> Edison International Web Site: How to Contact Our Board of Directors
102-35	Remuneration policies	Part II: Sustainability, 2020 Performance Incentives, pp. 38–39  Edison International 2021 Proxy Statement, Compensation Discussion and Analysis, pp. 41–62; Executive Compensation, pp. 63–79
102-36	Process for determining remuneration	Part II: Sustainability, 2020 Performance Incentives, pp. 38–39  Edison International 2021 Proxy Statement, Compensation Discussion and Analysis, pp. 41–62; Executive Compensation, pp. 63–79
102-37	Stakeholders' involvement in remuneration	Edison International 2021 Proxy Statement, Shareholder Engagement, CEO Pay-Ratio Disclosure, pp. 78–79
102-38	Annual total compensation ratio	Edison International 2021 Proxy Statement, pp. 20, 56

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STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	Part II: <u>Sustainability, Stakeholder Engagement</u> , pp. 36–39  Statement, p. 20		
102-41	Collective bargaining agreements	Part II: <u>Workplace</u> , p. 70  2020 Edison International Form 10-K, Human Capital, p. 137		
102-42	Identifying and selecting stakeholders	Part II: <u>Sustainability</u> , pp. 36–39		
102-43	Approach to stakeholder engagement	Part I: <u>Diversity, Equity &amp; Inclusion</u> , pp. 25, 30 Part II: <u>Sustainability</u> , pp. 36–39 Part II: <u>Customer Experience</u> , p. 59 Part II: <u>Workplace, Employee Pulse Survey</u> , p. 69 Part II: <u>Governance &amp; Risk Management</u> , <u>Political Activities</u> , pp. 75–76		
102-44	Key topics and concerns raised	Part I: <u>Diversity, Equity &amp; Inclusion</u> , pp. 25, 30 Part II: <u>Sustainability</u> , pp. 36–39		
REPORTING PRA	CTICE			
102-45	Entities included in the consolidated financial statements	> 2020 Edison International Form 10-K, Notes to Consolidated Financial Statements, p. 68		
102-46	Defining report content and topic Boundaries	Edison International developed the content for this report based on the requirements of the <u>GRI principles</u> for defining report content, including sustainability context, completeness, stakeholder inclusiveness and the results of Edison International's latest <u>ESG materiality assessment</u> . Part II: <u>Sustainability, Material ESG Topics</u> , p. 36		
102-47	List of material topics	Part II: Sustainability, Material ESG Topics, p. 36		
102-48	Restatements of information	Restatements are noted throughout report where applicable.		
102-49	Changes in reporting	Introduction: <u>About This Year's Report</u> , p.1 Part II: <u>Sustainability, Material ESG Topics</u> , p. 36 Appendix: <u>About This Report</u> , p. 78		
102-50	Reporting period	This report includes updates on our sustainability strategy, performance and related metrics, covering the period January 1, 2020, to December 31, 2020, with additional information on activities, where appropriate, up to May 2021.		

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102-51	Date of most recent report	May 2020			
102-52	Reporting cycle	Annual			
102-53	Contact point for questions regarding the report	Appendix: About This Report, p. 78			
102-54	Claims of reporting in accordance with the GRI Standards	Appendix: About This Report, p. 78 Appendix: GRI Index, pp. 102–121			
102-55	GRI content index	Appendix: GRI Index, pp. 102–121			
102-56	External assurance	Part I: <u>Scope 1, 2, and 3 Emissions</u> , p. 12 More than 90% of our Scope 1 emissions are covered under California's cap-and-trade market Appendix: <u>About This Report</u> , p. 78			
GRI 200: ECON	GRI 200: ECONOMIC				
GRI 201: ECONOMIC PERFORMANCE					
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, p. 36 Our Material ESG Topics			
103-2	The management approach and its components	2020 Edison International Form 10-K, Management's Discussion and Analysis of Financial Conditions and Results of Operations, pp. 3-17			
103-3	Evaluation of the management approach	2020 Edison International Form 10-K, Management's Discussion and Analysis of Financial Conditions and Results of Operations, pp. 3-17			
201-1	Direct economic value generated and distributed	2020 Edison International Form 10-K, Management's Discussion and Analysis of Financial Conditions and Results of Operations, p. 3			
201-2	Financial implications and other risks and opportunities due to climate change	Part I: Accelerating the Clean Transition to Address Climate Change, p. 7 Appendix: <u>TCFD</u> , pp. 94–101  2020 Edison International Form 10-K, Risk Factors, pp. 42–48, Electricity Industry Trends, p. 11, Environmental Considerations, pp. 145–146			
201-3	Defined benefit plan obligations and other retirement plans	2020 Edison International Form 10-K, Notes to Consolidated Financial Statements, Note 9 Compensation and Benefit Plans, pp. 95–108			

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GRI 203: INDIR	ECT ECONOMIC IMPACTS	
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36 Our Material ESG Topics
103-2	The management approach and its components	Part II: Communities, p. 60  2020 Edison International Form 10-K, Management's Discussion and Analysis of Financial Conditions and Results of Operations, pp. 3–17
103-3	Evaluation of the management approach	Part II: Governance, p. 71  Edison International 2021 Proxy Statement, Board Committee Evaluation Process p. 23
203-1	Infrastructure investments and services supported	Part I: Accelerating the Clean Energy Transition to Address Climate Change, Strategic Focus Areas, pp. 15–19 Part II: Communities, Community Investments, pp. 60–61
203-2	Significant indirect economic impacts	Part I: Operating With Excellence, Safety, Public Safety, p. 28 Part II: Communities, pp. 60–61 Supplier Diversity Economic Impact Report
GRI 300: ENVIR	ONMENTAL	
GRI 302: ENERG	SY	
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics
103-2	The management approach and its components	Part II: <u>Environment</u> , p. 50
103-3	Evaluation of the management approach	Part II: <u>Environment</u> , p. 50
302-3	Energy intensity	118,674 Btu/SF represents 2020 energy consumption of metered facilities. In addition, the 2019 Energy Intensity has been re-stated from 117,721.95 Btu/SF to 114,684 Btu/SF, to conform to the calculation methodology and conversion factors used for the 2020 calculation.  Part II: Environment, Facilities, p. 55

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GRI 303: WATER AND EFFLUENTS					
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36 Our Material ESG Topics			
103-2	The management approach and its components	SCE is addressing current and evolving water management risks through our environmental management system and a published standard for water systems to ensure management of groundwater rights in accordance with California's Sustainable Groundwater Management Act (SGMA).			
103-3	Evaluation of the management approach	The SGMA provides the state a framework to manage its groundwater resources, and as basins in California are adjudicated, SCE determines our legal entitlement to authorize water rights for the applicable groundwater basins within SCE service area. Accordingly, SCE collects and submits pumping reporting records to the state and local groundwater management agencies. The applicable agencies include the <u>State Water Resources Control Board</u> (SWRCB), state <u>Division of Drinking Water</u> (DDW), state <u>Department of Water Resources</u> (DWR) and local watermasters established under the SGMA.  Part II: <u>Environment</u> , p. 50 <u>State Management of Water Resources</u> (DWR) and local watermasters established under the SGMA.			
303-3	Water withdrawal	Part II: Environment, Water Management & Conservation, pp. 51–52 Appendix: SASB Codes IF-EU-140a.1, 2 and 3, p. 88  Sedison Electric Institute, ESG Initiative Quantitative Section — Southern California Edison, p. 4			
GRI 304: BIODI	VERSITY				
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36 Our Material ESG Topics			
103-2	The management approach and its components	Part II: Environment, pp. 50–51			
103-3	Evaluation of the management approach	Part II: Environment, pp. 50–51			
304-3	Habitats protected or restored	Part II: Environment, Biodiversity, Natural Habitat & Cultural Resource Protection, pp. 53–55 Appendix: Sustainability Scorecard, p. 82			
GRI 305: EMISS	IONS				
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36  Our Material ESG Topics			

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103-2	The management approach and its components	Part I: Accelerating the Clean Energy Transition to Address Climate Change, pp. 7-19 Part II: Environment, pp. 50-51  Edison International 2021 Proxy Statement, pp. 1-2  2020 Edison International Form 10-K, Electricity Industry Trends, Environmental Considerations, pp. 145-146
103-3	Evaluation of the management approach	Part II: Environment, pp. 50–51  Selson International 2021 Proxy Statement, pp. 23, 29
305-1	Direct (Scope 1) GHG emissions	Part I: Accelerating the Clean Energy Transition to Address Climate Change, Carbon Footprint, p. 12 Appendix: Sustainability Scorecard, p. 81
305-2	Energy indirect (Scope 2) GHG emissions	Part I: Accelerating the Clean Energy Transition to Address Climate Change, Carbon Footprint, p. 12 Appendix: Sustainability Scorecard, p. 81
305-3	Other indirect (Scope 3) GHG emissions	Part I: Accelerating the Clean Energy Transition to Address Climate Change, Carbon Footprint, p. 12 Appendix: Sustainability Scorecard, p. 81
305-4	GHG emissions intensity	Part I: Accelerating the Clean Energy Transition to Address Climate Change, Carbon Footprint, p. 10  Edison Electric Institute ESG Initiative Quantitative Section — Southern California Edison, p. 3
305-5	Reduction of GHG emissions	Part I: Accelerating the Clean Energy Transition to Address Climate Change, pp. 7–19 Part II: Sustainability Goals, pp. 40–41 Part II: Climate Change, pp. 44–46 Part II: Environment, Air Quality, p. 51 Appendix: Sustainability Scorecard, p. 81
305-7	Nitrogen oxides $(NO_x)$ , sulfur oxides $(SO_x)$ , and other significant air emissions	Part II: Environment, Air Quality, p. 51 Appendix: Sustainability Scorecard, p. 81  Section Electric Institute ESG Initiative Quantitative Section — Southern California Edison, p. 4
GRI 306: WAST		
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics
103-2	The management approach and its components	Part II: <u>Environment</u> , p. 50

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103-3	Evaluation of the management approach	SCE has an <u>environmental management system</u> with standards, manuals and project-specific requirements for managing water runoff and discharges, spill management and waste management.
		SCE has four types of potential discharges: we are governed by the <u>State Water Board</u> under a <u>National Pollutant Discharge Elimination System</u> (NPDES) permit for discharges from utility vaults and underground structures; we manage a facility storm water program with best management practices to manage potential pollutants in storm water runoff; we operate under the Construction General Permit for stormwater management for our construction projects; and we develop Spill Prevention, Control and Countermeasure plans to prevent or control the release of oil from our facilities in the event of a spill. In order to monitor the effectiveness of our programs, monthly inspections and annual field assessments are conducted. In addition, SCE benchmarks with other companies covered under the utility vault discharges permit.
		From our day-to-day operations and project work, SCE generates nonhazardous, hazardous, electronic and universal waste. SCE manages waste for reuse, recycle or disposal in accordance with all federal, state and local laws and regulations, as determined by the United States Environmental Protection Agency, California Environmental Protection Agency and the Department of Toxic Substances Control. SCE maintains an asset recovery program that strives to ensure materials are repurposed, if possible, or managed to recover recyclable materials. Specific electronic items, such as computers, are offered to third-party vendors to be repurposed when possible or managed for recycle.
		SCE utilizes formal internal program assessments and audits to evaluate the hazardous waste program. The assessments include a review of written documents, including standards, manuals and required records, in conjunction with facility visits, to evaluate the implementation of the programs in the field.
		Appendix, Part II: Environment, pp. 50–52

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE			
306-3 <sup>1</sup>	Waste generated <sup>2</sup>	WASTE BY COMPOSITION, IN METRIC TONS (T)			
		Waste Composition		,	Total
		Hazardous Waste <sup>3</sup> includes contaminated soil, sulfuric acid			984
		Non-Hazardous Waste <sup>4</sup> including debris and soil, soil and water, clarifi	ier water, non- friable asbestos		8,746
		Total Waste			9,730
306-4 <sup>1</sup>	Waste diverted from disposal <sup>2</sup>	WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS, IN	METRIC TONS (T)		
		Hazardous Waste <sup>3</sup>	Onsite	Offsite	Total
		Recycling	0	2	2
		Total			2
		Non-Hazardous Waste <sup>4</sup>			
		Recycling	0	4,500	4,500
		Total			4,500
306-5 <sup>1</sup>	Waste directed to disposal <sup>2</sup>	WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATIONS, IN MET	RIC TONS (T)		
		Hazardous Waste <sup>3</sup>	Onsite	Offsite	Total
		Incineration (with energy recovery)	0	13	13
		Incineration (without energy recovery)	0	5	5
		Landfilling	0	780	780
		Other disposal operations (treatment)	0	184	184
		Total			982
		Non-Hazardous Waste <sup>4</sup>			
		Incineration (without energy recovery)	0	1	1
		Landfilling	0	4,208	4,208
		Other disposal operations (treatment)	0	38	38
		Total			4,246

<sup>&</sup>lt;sup>1</sup> Data is for SCE only.

<sup>&</sup>lt;sup>2</sup> Metrics do not include investment recovery materials.

<sup>&</sup>lt;sup>3</sup> Hazardous Waste defined by national legislation (Federal RCRA). <u>Federal RCRA</u> hazardous waste does not include California regulated Non-RCRA Hazardous Waste, utility wood waste, or universal waste. SONGS is included in this metric

<sup>&</sup>lt;sup>4</sup> Non-hazardous waste is defined as waste that is not regulated by California or Federally. The total does not include California regulated non-RCRA hazardous waste, utility wood waste, or universal waste. SCE's Hazardous Waste Program does not capture all non-hazardous disposal for the organization. There is other non-hazardous waste that is managed by contractors outside of the program and there are other projects such as engineering, procurement, and construction (EPC) projects where contractors are permitted to manage SCE non-hazardous wastes. SONGS is not included in this metric.

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE				
GRI 307: ENVIR	GRI 307: ENVIRONMENTAL COMPLIANCE					
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics				
103-2	The management approach and its components	Part II: Environment, pp. 50–51				
103-3	Evaluation of the management approach	Part II: Environment, pp. 50–51				
307-1	Non-compliance with environmental laws and regulations	Appendix: <u>Sustainability Scorecard</u> , p. 83  Edison International 2020 Form 10-K, Environmental Remediation, pp. 123–125				
GRI 400: SOCIA	L					
GRI 401: EMPLO	DYMENT					
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics				
103-2	The management approach and its components	<ul> <li>Part II: Workplace, Employee Engagement, 67–70</li> <li>Edison International 2020 Form 10-K, Human Capital, pp. 137–139</li> <li>Edison International 2021 Proxy Statement, ESG, p. 29</li> </ul>				
103-3	Evaluation of the management approach	Part II: Workplace, Employee Engagement, 67–70  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28				

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# **GRI INDEX** (CONTINUED)

DISCLOSURE #	DISCLOSURE TITLE	RESPONSE			
401-1	New employee hires and	2020 by Age	Number	Percentage <sup>1</sup>	Rate
	employee turnover	Board of Directors	Nullibel	reicentage	Kate
		Under 30	0	0%	_
	Data is for Edison International,	30-50	0	0%	
	SCE, and Edison Energy <sup>1</sup>	Over 50	11	100%	
		Total	11	100%	
		All Employees	- ''	10070	_
		Under 30	1,065	8%	
		30-50	7,799	58%	
		Over 50	4,487	34%	
		Total	13,351	100%	
		External Hires	13,331	10070	_
		Under 30	352	34%	3%
		30-50	569	55%	4%
		Over 50	106	10%	1%
		Total	1,027	99%	8%
		Voluntary Separation	1,027	3370	070
		Under 30	54	12%	0%
		30-50	153	35%	1%
		Over 50	229	53%	2%
		Total	436	100%	3%
			.55	10070	
		2020 by Gender	Number	Percentage	Rate
		All Employees			
		Female	4,266	32%	_
		Male	9,085	68%	_
		Total	13,351	100%	_
		External Hires			
		Female	409	40%	3%
		Male	618	60%	5%
		Total	1,027	100%	8%
		Voluntary Separation			
		Female	148	34%	1%
		Male	288	66%	2%

436

100%

3%

Total

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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul> <li>Edison International Careers Website, Benefits Overview</li> <li>2020 Edison International Form 10-K, Human Capital, p. 139</li> <li>Part-time employees are also offered a select range of benefits.</li> </ul>
401-3	Parental leave	567 employees took parental leave for bonding in 2020 (125 female (22%) and 442 male (78%). Of these bonding claims, 24 employees (4%) separated from the company. Six percent of female employees who opened claims separated and 4% of male employees who opened claims separated.
GRI 402: LABO	R/MANAGEMENT RELATIONS	
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics
103-2	The management approach and its components	2020 Edison International Form 10-K, Human Capital, p. 137
103-3	Evaluation of the management approach	Part II: Workplace, Employee Engagement, 67–70
402-1	Minimum notice periods regarding operational changes	Edison International typically provides 60 days' advance notice for any substantive changes that may require bargaining. This is based on the <u>National Labor Relations Act</u> and legal precedent set and past interactions with our unions.
GRI 403: OCCU	PATIONAL HEALTH AND SAFETY	
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics
103-2	The management approach and its components	Part I: Operating with Excellence, Safety, p. 28 Part II: Workplace, Employee & Contractor Safety: Additional Details, pp. 64–66  Edison International Proxy Statement, Safety, pp. 29–30  2020 Edison International Form 10-K, Human Capital, pp. 137–138
103-3	Evaluation of the management approach	Intro: <u>Sustainability Goals</u> , p. 6 Part I: <u>Operating with Excellence, Safety</u> , p. 28–30 Part II: <u>Workplace, Employee &amp; Contractor Safety: Additional Details</u> , pp. 64–66 <u>Staison International 2021 Proxy Statement</u> , <u>Board and Committee Evaluation Process</u> , p. 22; <u>ESG</u> , p. 28; <u>Safety</u> , pp. 29–30

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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Appendix: <u>Sustainability Scoreca</u> Part I: <u>Operating with Excellence</u> Data is for Edison International, Injury rate, occupational disease gender are confidential.	<u>, Safety</u> , p. 29 SCE, and Edison Ene	ergy¹ nd abser
		2020 Injury Type	Count	%
		Sprain/Strain	105	43%
		Repetitive Motion	27	11%
		Illness	26	11%
		Contusion	23	9%
		Open Wound	22	9%
		Dermatitis	13	5%
		Fracture	11	4%
		Foreign Object	6	2%
		Burns	3	1%
		Sensory	3	1%
		Crushing	2	1%
		Internal Injury	2	1%
		Loss of consciousness	2	1%
		Dislocation	1	0%
		Chipped/Cracked Tooth	1	0%
		Grand Total	247	100%²

<sup>&</sup>lt;sup>1</sup> Edison Energy is not the same company as Southern California Edison, the utility, and Edison Energy is not regulated by the California Public Utilities Commission.

<sup>&</sup>lt;sup>2</sup> Numbers do not sum due to rounding.

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GRI 404: TRAINING AND EDUCATION					
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics			
103-2	The management approach and its components	Part II: Workplace, Employee Engagement, 67–70 Part II: Environment, EMS Training, p. 51  Edison International Employee Code of Conduct			
103-3	Evaluation of the management approach	Part II: Workplace, Employee Engagement, 67–70  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28			
404-3	Percentage of employees receiving regular performance and career development reviews	All full-time non-represented employees receive regular performance reviews. Thirty percent of Edison's full-time employees are non-represented. Performance reviews for represented employees depend on their collective agreement.			
GRI 405: DIVER	SITY AND EQUAL OPPORTUNITY				
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics			
103-2	The management approach and its components	Part II: Workplace, pp. 66–67  Edison International 2021 Proxy Statement, ESG, p. 29  2020 Edison International Form 10-K, Human Capital, p. 138  Edison International Employee Code of Conduct  2020 Diversity, Equity & Inclusion Report, pp. 3–6			
103-3	Evaluation of the management approach	Intro: Sustainability Goals, p. 6 Part I: Leading With Diversity, Equity & Inclusion, DEI Commitments, p. 22 Part II: Workplace, Employee Engagement, 67–70  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28  2020 Edison International Form 10-K, Human Capital, p. 138  2020 Diversity, Equity & Inclusion Report, pp. 5–6			
405-1	Diversity of governance bodies and employees	Part I: Leading With Diversity, Equity & Inclusion, p. 23  2020 Diversity, Equity & Inclusion Report, pp. 13–17  Edison International 2021 Proxy Statement, Our Board of Directors, p. 7			
405-2	Ratio of basic salary and remuneration of women to men	Part I: Leading with Diversity, Equity & Inclusion, Pay Equity, p. 24			

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GRI 406: NON-I	GRI 406: NON-DISCRIMINATION					
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics				
103-2	The management approach and its components	Part I: Leading With Diversity, Equity & Inclusion, DEI Commitments, p. 22 Part II: Workplace, Employee Engagement, 67–70  2020 Diversity, Equity & Inclusion Report, pp. 3–6 Edison International Employee Code of Conduct				
103-3	Evaluation of the management approach	Part I: Leading With Diversity, Equity & Inclusion, A Commitment to a Diverse, Equitable & Inclusive Environment, p. 21 Part II: Workplace, Employee Engagement, 67–70  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28  2020 Diversity, Equity & Inclusion Report, pp. 5–6  Edison International Employee Code of Conduct				
406-1	Incidents of discrimination and corrective actions taken	We do not report this information because it is confidential.				
GRI 407: FREED	OM OF ASSOCIATION AND COLL	ECTIVE BARGAINING				
103-1	Explanation of the material topic and its Boundary	Part II: <u>Material ESG Topics</u> , p. 36 Part II: <u>Sustainability</u> , p. 36 Part II: <u>Workplace</u> , <u>Union Partnerships</u> , p. 70				
103-2	The management approach and its components	2020 Edison International Form 10-K, Human Capital, p. 137				
103-3	Evaluation of the management approach	Collective bargaining normally occurs prior to the expiration of current Collective Bargaining Agreements (CBAs) and negotiations include the broad primary topics of wages, hours, working conditions and benefits. Negotiations are between the union's bargaining team (representing the covered employees) and the company's bargaining team (representing the company). Responsibility for the negotiation strategy and process lies with SCE Labor Relations and Senior Leadership of specific organizations covered by the CBA and SCE Senior Leadership. We adhere to the mandated guidelines by the National Labor Relations Act (NLRA) as governed by the National Labor Relations Board (NLRB).  Additionally, we abide by the governing act, NLRA as governed by the NLRB, in regards to employees and organizing, a component of which is stated here: "Employees shall have the right to self-organization, to form, join or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities, and shall also have the right to refrain from any or all such activities." We do not have policies prohibiting such.				

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We have a long-standing relationship with the <u>IBEW Local 47</u> . The unions hold certifications for the work performed by their members. Moreover, we do not prohibit our non-represented employees the right to self-organization, to form, join or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purposes of collective bargaining or other mutual aid.
GRI 413: LOCAI	L COMMUNITIES	
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36  Our Material ESG Topics
103-2	The management approach and its components	Part II: Communities, pp. 60–63
103-3	Evaluation of the management approach	Part II: <u>Communities</u> , pp. 60–63
413-1		Part II: Communities, pp. 60–63  SCE 2019 Supplier Diversity Economic Impact Report
413-2	Operations with significant actual and potential negative impacts on local communities	Part I: <u>Public Safety</u> , p. 28 Part II: <u>SONGS Decommissioning</u> , p. 53 Part II: <u>Public Safety: Additional Detail</u> , p. 57
GRI 415: PUBLI	C POLICY	
103-1	Explanation of the material topic and its Boundary	Part II: <u>Sustainability, Material ESG Topics</u> , p. 36  Our Material ESG Topics
103-2	The management approach and its components	Edison International 2021 Proxy Statement, ESG, p. 28
103-3	Evaluation of the management approach	Part II: Governance, Political Activities, pp. 75–76  Edison International Political Contribution Activity  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28
415-1	Political contributions	Part II: Governance, Political Activities, pp. 75–76  Edison International Political Contribution Activity

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE	
GRI 416: CUSTOMER HEALTH AND SAFETY			
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics	
103-2	The management approach and its components	Part I: Operating with Excellence, Safety, p. 28 Part I: Cybersecurity & Customer Data Management, p. 33  Edison International 2021 Proxy Statement, Safety, pp. 29–30	
103-3	Evaluation of the management approach	Part I: Operating with Excellence, Safety, p. 28 Part II: Public Safety: Additional Details, p. 57  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; ESG, p. 28	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Part I: Operating with Excellence, Safety, p. 28 Part II: Sustainability, Sustainability Goals, p. 43	
GRI 418: CUSTOMER PRIVACY			
103-1	Explanation of the material topic and its Boundary	Part II: Sustainability, Material ESG Topics, p. 36 Our Material ESG Topics	
103-2	The management approach and its components	Part II: Governance, Cyber & Physical Security, p. 72–74  Edison International 2021 Proxy Statement, ESG, p. 28	
103-3	Evaluation of the management approach	Part I: <u>Cybersecurity &amp; Customer Data Management</u> , p. 33 Part II: <u>Governance</u> , <u>Cyber &amp; Physical Security</u> , p. 72–74  Edison International 2021 Proxy Statement, Board and Committee Evaluation Process, p. 22; <u>ESG</u> , p. 28; <u>Safety</u> , pp. 29–30	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2020, SCE did not suffer any customer data breaches.	

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DISCLOSURE #	DISCLOSURE TITLE	RESPONSE	
ELECTRIC UTILITY SECTOR SUPPLEMENT			
SECTOR-SPECIFIC GENERAL DISCLOSURES			
EU1	Installed capacity, broken down by primary energy source and by regulatory scheme	Edison International and Southern California Edison 2020 Financial and Statistical Report, SCE Operating Statistics, p. 15	
EU3	Number of residential, industrial, institutional and commercial customer accounts	Edison International and Southern California Edison 2020 Financial and Statistical Report, SCE Operating Statistics, p. 13	
EU4	Length of above and underground transmission lines by regulatory scheme	Intro: <u>About Edison International</u> , p. 5	
SECTOR-SPECIFIC ECONOMIC DISCLOSURES			
Management Approach	Demand-side management programs including residential, commercial, institutional and industrial programs (former EU7)	Part I: Operating with Excellence, Affordability, p. 32 Part II: Strategic Focus Areas: Additional Details, Customer Solutions, p. 49	
SECTOR-SPECIFIC PRODUCT RESPONSIBILITY DISCLOSURES			
Management Approach	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services (former EU23)	Part I: Environmental & Social Justice, p. 14 Part I: Operating with Excellence, Affordability, p. 32 Part II: Environmental & Social Justice, p. 47	
EU28	Power outage frequency	Part I: <u>Operating with Excellence, Reliability</u> , p. 31 Appendix, <u>Sustainability Scorecard</u> , p. 83	
EU29	Average power outage duration	Part I: Operating with Excellence, Reliability, p. 31 Appendix: Sustainability Scorecard, p. 83	

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# CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## MAJOR FOCUS: AFFORDABLE AND CLEAN ENERGY

Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All

### WHY IS THIS A PRIORITY

### **HOW WE'RE CONTRIBUTING**

### **MEASURING PROGRESS**

Our vision is to lead the transformation of the electric power industry toward a clean energy future. SCE is committed to delivering 100% carbon-free power in terms of retail sales by 2045 in accordance with California law. We are also investing in and partnering across a multistakeholder landscape to advance electrification across the economy, which our analysis and that of others shows to be among the most cost-effective ways to reach economywide GHG emissions reduction targets.

SDG Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services

- SCE invests \$5 billion in capital expenditures annually to support the clean energy transition through a modern and resilient electric grid
- SCE has the lowest system average rate of the three California investorowned utilities due to concerted focus on keeping operations and maintenance costs low
- SCE offers reduced energy bill programs to income-qualified customers, which make up nearly one-third of SCE customers
- SCE considers low-income customers and ESJ communities when designing programs and incentives to connect customers with clean energy technologies
- SCE's Reliability Roadmap, a three-year progress plan that ended in 2020, made lasting changes in four focus areas: performance management, work practices, engineering and technology
- SCE uses advanced analytics, including artificial intelligence and machine learning, to provide real-time insights into grid health to improve reliability.
- SCE's Reliability Operations Center creates algorithms that notify SCE of dozens of different wire-down scenarios, as well as their locations. In 2020, we saved 675,000 minutes of customer power interruption by proactively changing damaged transformers

We have set a goal to deliver 100% carbon-free power in terms of retail sales to SCE customers by 2045. In 2020, 43% of SCE's total delivered power came from carbon-free sources.

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## **MAJOR FOCUS: AFFORDABLE AND CLEAN ENERGY**

Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All

### More Information

### Part I

- Accelerating A Clean Energy Transition to Address Climate Change
- Operating with Excellence

### Part II

- <u>Climate Change</u>
- Customers

# SDG Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

- SCE is required by state of California law to meet the following retail sales requirements for the power it delivers to customers:
- By 2020 33% of power from Renewables Portfolio Standard (RPS)eligible resources (SCE met this requirement).
- By 2030 60% of power from RPS-eligible resources.
- By 2045 100% carbon-free power.
- SCE is advocating, as part of an economywide approach, for California to go beyond the current 2030 goal of 60% RPS-eligible power delivered to customers and to reach 80% carbon-free power.
- With more than 2,000 MW of energy storage installed or contracted, SCE has one of the largest energy-storage portfolios in the nation
- Edison Energy<sup>1</sup> has advised on over 6,700 MW of power purchase agreements (PPAs), including 2,187 MW of executed deals in 2020
- Since 2019, Edison Energy¹ has provided sourcing and negotiation expertise to Verizon for long-term renewable energy purchase agreements (REPAs) totaling nearly 1.7 GW of renewable energy capacity.
- In 2020, SCE interconnected approximately 41,500 behind-the-meter solar installations and 4,200 energy storage and solar paired systems to the grid.

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## MAJOR FOCUS: AFFORDABLE AND CLEAN ENERGY

Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All

# SDG Target 7.3: By 2030, double the global rate of improvement in energy efficiency

- Edison Energy¹ partners with large organizations globally, including 15 of the Fortune 50, to identify solutions to help them reduce their carbon footprints and reach their own sustainability and cost goals
- Edison Energy's "Insights Platform" provides organizations with unique transparency and intelligence to better manage energy activities and performance
- In 2020, 1,490 gigawatt hours (GWh) of energy were saved through the more than 90 energy efficiency programs that SCE offers. This translates into a reduction in GHG emissions of approximately 555,000 metric tons
- SCE has entered into a partnership with solar, battery storage and energy services provider <u>Sunrun</u> to support energy capacity needs through "virtual power plants"

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# CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## MAJOR FOCUS: INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

### WHY IS THIS A PRIORITY

### **HOW WE'RE CONTRIBUTING**

### **MEASURING PROGRESS**

SCE's role to provide safe, reliable, affordable and clean power underpins the southern California economy and fosters growth. It's imperative that the grid is resilient enough to withstand physical and cyber threats to ensure that businesses can continue to deliver goods and services to customers and innovate for the future.

More Information

#### Part I

- Accelerating A Clean Energy Transition to Address Climate Change
- Operating with Excellence

#### Part II

Climate Change

SDG Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

- SCE's latest white paper, <u>Reimagining the Grid</u>, published in 2020, is a comprehensive assessment of the grid changes needed to support California's GHG emissions reduction goals, while adapting to evolving customer and climate change-driven needs
- SCE is building the grid of the future to deliver 100% carbon-free power to
  customers by 2045, integrate distributed energy resources and other new
  technologies and services, and remain safe, reliable, affordable and resilient to
  climate change and cyber threats. SCE's systematic approach to Reimagining
  the Grid starts with understanding the availability and composition of
  renewable and carbon-free resources to supply power, future customer needs,
  and the potential impacts of climate change on the system
- SCE is shifting its grid planning and capabilities from a systemwide-only focus to one that meets multiple objectives based on specific and localized needs, while also addressing systemwide needs
- SCE is increasing its use of drones to gather images in the field, as well as artificial intelligence and machine learning to drive automation and data integration
- In 2020, SCE replaced more than 960 miles of overhead power lines with insulated wire and more than 6,090 poles with fire-resistant poles. We also installed fast-acting fuses at 3,025 locations and sectionalizing devices at 49 locations
- SCE was named to the <u>Smart Electric Power Alliance</u> Top 10 Utility Transformation Leaderboard for accelerating transformation to a carbon-free, modern grid

SCE invests \$5 billion in capital expenditures annually to support the clean energy transition through a modern and resilient electric grid.

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# CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## **MAJOR FOCUS: SUSTAINABLE CITIES AND COMMUNITIES**

Make cities and human settlements inclusive, safe, resilient and sustainable

### WHY IS THIS A PRIORITY

### **HOW WE'RE CONTRIBUTING**

### **MEASURING PROGRESS**

Significant electrification of transportation and buildings, coupled with advanced energy efficiency, is necessary to achieve California's decarbonization goals. It also improves air quality in the communities most impacted by pollution and vulnerable to its effects. As California's only investor-owned electric utility without a natural gas distribution business, SCE is uniquely positioned to advance electrification initiatives.

#### More Information

### Part I

Accelerating the Clean
 Energy Transition to Address
 Climate Change

### Part II

- Climate Change
- Environmental Stewardship

SDG Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

- SCE's Pathway 2045 identified a clean power and electrification-led strategy as customer adoption of electric the most affordable way to achieve economywide net-zero GHG emissions vehicles, as well as electrifying
- In 2020, SCE advocated for and strongly supported the state of California's landmark actions around electrification policy
- In 2020, SCE collaborated with ESJ community stakeholders to advance local building decarbonization policies
- SCE is installing infrastructure to support electric vehicle (EV) charge ports to help customers switch to electric transportation
- SCE is electrifying its own fleet in line with Pathway 2045
- SCE promotes the electrification of commercial and residential buildings by educating people about the benefits of clean electric technologies and by promoting customer adoption of heat pumps and other efficient electric appliances and technologies
- In 2020, SCE installed more than 15,000 clean, efficient electric space and water heat pumps, replacing natural gas furnaces, through the Home Energy Efficiency Rebate (HEER) program for residential customers.
- Edison International has invested in a range of companies that accelerate the transition to electric transportation.

We have set electrification goals related to investing in infrastructure to support SCE customer adoption of electric vehicles, as well as electrifying SCE's own vehicle fleet.

<sup>1</sup> This goal is tied to Southern California Edison's Charge Ready Transport application, which was approved on May 31, 2018. The program was formally launched on May 20, 2019.

<sup>&</sup>lt;sup>2</sup> This goal is tied to SCE's Charge Ready Pilot, approved on January 25, 2016, the Pilot's extension was approved on December 13, 2018, SCE's Charge Ready [State and Parks], approved on November 13, 2019 and SCE's Charge Ready 2 program, approved on August 27, 2020. Note that this goal has been updated from an estimated 52,700 charge ports across 4,150 sites to at least 41,000 charge ports across 2,200 sites to reflect the CPUC's authorized size for the Charge Ready 2 program.

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# CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## **MAJOR FOCUS: CLIMATE ACTION**

Take urgent action to combat climate change and its impacts

### WHY IS THIS A PRIORITY

### **HOW WE'RE CONTRIBUTING**

### **MEASURING PROGRESS**

We believe we have a responsibility to respond to the climate challenge by working towards mitigation, while adapting our business to climate change-driven effects. Through programs, investments, analysis and partnerships with key stakeholders, we're committed to doing our part.

SDG Target 13.1: Strengthen resilience and adaptive capacity to climaterelated hazards and natural disasters in all countries

- SCE is evaluating the potential long-term impacts of temperature, precipitation, sea-level rise and wildfire hazards on its infrastructure and operations. To do so, we are using California-endorsed 10 Global Climate Models (GCMs) as the best representation of California weather patterns and the conservative, high-emissions "RCP8.5" global warming scenario to ground this assessment
- SCE will submit our first climate adaptation vulnerability assessment to the California Public Utilities Commission (CPUC) in May 2022
- SCE has partnered with a range of organizations, including the American Red Cross and Climate Resolve, as well as government agencies to develop community resilience programs
- Future climate projections are also being integrated into long-range planning as SCE works, in parallel, to achieve objectives outlined in Pathway 2045
- Through SCE's Wildfire Mitigation Plan, SCE is increasing grid resiliency against wildfire risks
- SCE's systematic approach to <u>Reimagining the Grid</u> starts with understanding its evolving customer needs, how the supply mix will change and the regional climate change effects that the grid will need to endure

See goals outlined in SDG 7, 9 and 11. In addition, SCE files a Wildfire Mitigation Plan every three years outlining wildfire mitigation activities.

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## **MAJOR FOCUS: CLIMATE ACTION**

Take urgent action to combat climate change and its impact

### More Information

### Part I

 Accelerating A Clean Energy Transition to Address Climate Change

### Part II

- Climate Change
- Environment

# SDG Target 13.2: Integrate climate change measures into national policies, strategies and planning

- We partner with local, state and federal leaders to advance policies on climate change mitigation and adaptation, transportation and building electrification and innovation to advance clean energy technologies
- We also participate in national organizations and coalitions to advance climate and clean energy policy, with a particular advocacy focus on electrification
- In April 2021, Edison International joined a coalition of companies led by the <u>We Mean</u>
   <u>Business Coalition</u> and <u>Ceres</u> to urge <u>President Biden</u> to set a strong U.S. climate goal of
   at least a 50% reduction in GHG emissions from 2005 levels by 2030
- In 2020, Edison International signed onto collaborative efforts to address climate change, including "America Is All In." We also signed onto a statement led by the <u>Center</u> <u>for Climate and Energy Solutions</u> (C2ES), to jointly urge President Biden and the new Congress to work together to enact ambitious, durable and bipartisan climate solutions
- In 2020, SCE advocated for and strongly supported the state of California's landmark actions around electrification policy that will require in-state sales of new passenger vehicles to be zero emission by 2035
- Edison International's public policy engagement is centered on influencing the political agenda to help deliver clean energy
- Edison International senior executives, including the President and CEO, hold several leadership positions to advance the company's clean energy objectives
- SCE partners with the <u>Greenlining Institute</u> to convene the <u>Clean Energy Access Working</u> <u>Group</u> (CEAWG), consisting of key stakeholders to review clean energy-related policies, programs and projects targeting ESJ communities
- In 2020, SCE collaborated with ESJ community stakeholders to advance local building decarbonization policies
- SCE is installing infrastructure to support electric vehicle (EV) charge ports to help businesses, local government and members of the public switch to electric transportation

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## **MAJOR FOCUS: CLIMATE ACTION**

Take urgent action to combat climate change and its impact

SDG Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

- SCE sponsors the <u>emPOWER program</u>, which provides funding, training and other tools to community-based organizations for culturally appropriate and in-language education about the cost savings available from clean-energy programs
- SCE contributes to industry-wide thought leadership projects, including the West Coast Clean Transit Corridor Initiative and Energizing an Ecosystem: The Electric Mobility Revolution in Southern California
- Edison International has partnered with the <u>American Red Cross</u>

  <u>PrepareSoCal campaign</u> since 2012 and was a founding partner