SUSTAINABLE FINANCING REPORT

SOUTHERN CALIFORNIA EDISON

**First and Refunding Mortgage Bonds,
Series 2022A and 2022B**

June 2023

EDISON INTERNATIONAL®

SUSTAINABLE FINANCING AT 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, 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[1], a global energy advisory company that helps large corporate, industrial and institutional users deliver on their strategic, financial and sustainability 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.

In June 2021, Edison International published its Sustainable Financing Framework (the "Framework"), to demonstrate how the company and its subsidiaries intend to enter into financing transactions to support its sustainability-oriented strategy and vision. The Framework considers the full spectrum of sustainable financing products and covers sustainable financing issuances for Edison International and its subsidiaries and affiliates (any such issuer, an "Issuing Entity").

Use of proceeds bonds issued under the Framework are aligned with the Green Bond Principles 2018 ("GBP 2018"), Social Bond Principles 2020 ("SBP 2020"), and Sustainability Bond Guidelines 2018 ("SBG 2018") published by the International Capital Market Association ("ICMA") or as subsequently amended. Green, Social and Sustainability use of proceeds financing instruments will be referred to collectively as "GSS Financing Instruments" in the rest of this document.

SCE has issued four series of bonds under the Framework. In line with the commitments detailed in the Framework, a June 2022 Sustainable Financing Report was issued covering the allocation of SCE's GSS Financing Instrument proceeds and an estimate of their expected environmental and social impact. SCE-2021G and SCE-2021H bond series were fully allocated in the June 2022 report, while partial allocations were made to the SCE-2022A and SCE-2022B series bonds ("SCE's 2022 Series Bonds"). This Sustainable Finance Report ("Report") covers the full allocation of SCE's 2022 Series Bonds proceeds and an estimate of their expected environmental and social impact.

Assurance

Vasquez & Company LLP ("Vasquez") has examined management's assertion that the allocations reported herein were disbursed for Eligible Projects within the Sustainable Financing Framework criteria (see summary on p. 4) and in their opinion believe the management's assertion to be fairly stated in all material respects. Vasquez's independent accountant report is available on Edison International's website.

[1] 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.

FINAL TERMS OF EDISON INTERNATIONAL'S GSS FINANCING INSTRUMENTS

	SCE – 2022A	SCE – 2022B
Issuing Entity	SCE	SCE
Green/Social/Sustainability Eligibility	Sustainability	Sustainability
Second-Party Opinion	Framework SPO	Framework SPO
Size ($M)	$500	$700
Net Proceeds ($M)	$497	$692
Coupon	2.75%	3.45%
Trade Date	1/10/22	1/10/22
Settlement Date	1/13/22	1/13/22
Maturity Date	2/1/32	2/1/52
Denomination	$1,000	$1,000
CUSIP	842400HM8	842400HN6

ALLOCATION REPORT

ALLOCATION PRINCIPLES

An amount equivalent to the net proceeds from SCE's 2022 Series Bonds has been used to finance or refinance, in part or in full, Eligible Projects (as defined below), providing distinct environmental benefits (Eligible Green Projects) and/or social benefits (Eligible Social Projects). SCE followed the process described in the Framework along with its professional judgement, discretion and sustainability expertise when identifying the Eligible Projects.

ELIGIBLE PROJECT CATEGORIES

Additional detail on eligible categories is included in the Framework.

Project Category	Eligible Criteria	Alignment with UN SDG
Eligible Green Projects		
Renewable Energy[1]	▪ Direct interconnection, integration and delivery infrastructure for renewables ▪ Grid modernization projects that support customer adoption of carbon-free energy technologies ▪ Renewable energy generation	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Clean Transportation	▪ Clean transportation infrastructure ▪ Fleet electric vehicles (EVs)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Energy Efficiency and Carbon Reduction	▪ Grid modernization in investments that support customer energy efficiency, building electrification, reliability, resiliency and/or exchange of renewable electricity between users ▪ Energy storage ▪ Energy efficiency expenditures on replacements and/or improvements to reduce energy losses, improve resilience and improve energy efficiency through investment ▪ Customer sustainability program expenditures in programs and technology required to enable clean energy options for customers	7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION
Climate Change Adaptation	▪ Climate change adaptation for elevated wildfire risk ▪ Other climate adaptation expenditures related to minimizing the customer impacts resulting from climate change and its impact on SCE assets and the areas in which it operates	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Eligible Social Projects		
Socioeconomic Advancement and Empowerment, Including Gender Inclusion	▪ Diverse supplier procurement and empowerment enabling opportunities for small businesses that are minority-owned, women-owned, veteran-owned, and/or lesbian, gay, bisexual and transgender (LGBT)-owned	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES

In the case of refinancing existing Eligible Projects, investments and expenditures that have been made within the 24-month period preceding the date of issuance of a GSS Financing Instrument shall be considered for inclusion as Eligible Projects. The estimated refinancing share is disclosed in the Allocation Table on p. 6.

Exclusions

To avoid doubt, financing related to projects that involve fossil fuel energy, nuclear energy or large hydro (i.e., hydro units with capacity greater than 30 MW) are excluded from being Eligible Projects.

[1] Excludes projects with GHG intensity above 100 g CO_2e / kWh and bioenergy projects that do not have a sustainable feedstock (i.e., do not negatively impact food security or contribute to deforestation).

ALLOCATION OF BONDS

Eligible Green Projects allocated into SCE's 2022 Series Bonds reflect a broad range of projects and programs aligned with *Pathway 2045*, which is SCE's 2019 data-driven analysis of the steps the state of California must take to meet economywide climate goals, including net-zero GHG emissions by 2045. The paper concludes that economywide decarbonization is most affordably achieved through powering 100% of retail electricity sales with renewable and other carbon-free resources, coupled with high levels of transportation and building electrification. Eligible Social Projects allocated into SCE's 2022 Series Bonds are aligned with Edison International's enterprisewide commitment to diversity, equity and inclusion. Eligible Projects allocated into SCE's 2022 Series Bonds include:

Renewable Energy

- **West of Devers Project** upgraded 181 circuit miles of 220kV high voltage transmission lines in the desert areas of eastern California, tripling transmission capacity from 1,600 MW to 4,800 MW to support renewable generation.
- **Grid Modernization: Field Area Network** investments support the communications network that underpins the electric grid's ability to integrate increasing levels of distributed energy resources (DER) and electric technologies, including EVs and building applications, while enhancing grid reliability.
- **Renewable Transmission Projects** provide the infrastructure required to interconnect renewable generation to the transmission system.

Clean Transportation

- **Charge Ready programs** aim to help accelerate the transition to electrified transportation and support both California's greenhouse gas (GHG) reduction goal and local air quality requirements by providing low- to no-cost EV charging infrastructure for qualified participants across the light-, medium- and heavy-duty EV segments.

Energy Efficiency and Carbon Reduction

- **Reliability Utility-Owned Energy Storage Project (RUOES)** will add a total of 537.5 MW, 4-hour duration of battery energy storage capacity at three strategically located SCE substations in 2023. The new storage will increase SCE's ability to provide reliable service during times of peak demand and further improve the ability to supply reliable electricity from high levels of intermittent renewable resources, such as wind and solar.
- **LED Streetlights Conversion Program** enables cities to convert legacy high pressure sodium vapor fixtures into energy-efficient, light-emitting diode (LED) technology.
- **Grid Modernization: Reliability Driven Distribution Automation Project** will add intelligent automated devices to SCE distribution grid circuits to increase reliability, reduce customer interruptions and outage durations, and support increasing levels of DER and electric technologies including EVs and building applications.

Climate Change Adaptation

- The **Wildfire Covered Conductor Program (WCCP)** replaces overhead bare wire with covered conductor to improve resilience and prevent wildfire ignitions from wire contact with debris, such as tree branches or brush from strong wind events, in High Fire Risk Area (HFRA). Covered conductor is a key aspect of SCE's efforts to adapt its system to climate change-driven wildfires.
- **Targeted Undergrounding** redirects overhead distribution lines underground in severe risk areas to improve public safety, mitigate the risk of wildfires, and increase reliability during high winds and storms.
- **Ground Fault Neutralizers** are deployed to support distribution lines in HFRA as part of SCE's **Rapid Earth Fault Current Limiter (REFCL)** initiative to reduce the energy released from ground faults that contribute to wildfire ignitions.

Socioeconomic Advancement and Empowerment, Including Gender Inclusion

- **Supplier Diversity Program:** SCE partners with vendors who qualify as **Diverse Business Enterprises (DBEs)**, including women-, minority-, disabled veteran- and LGBT-owned businesses to execute on SCE's capital investment plan and strategic objectives related to the safe delivery of reliable, affordable and clean energy.

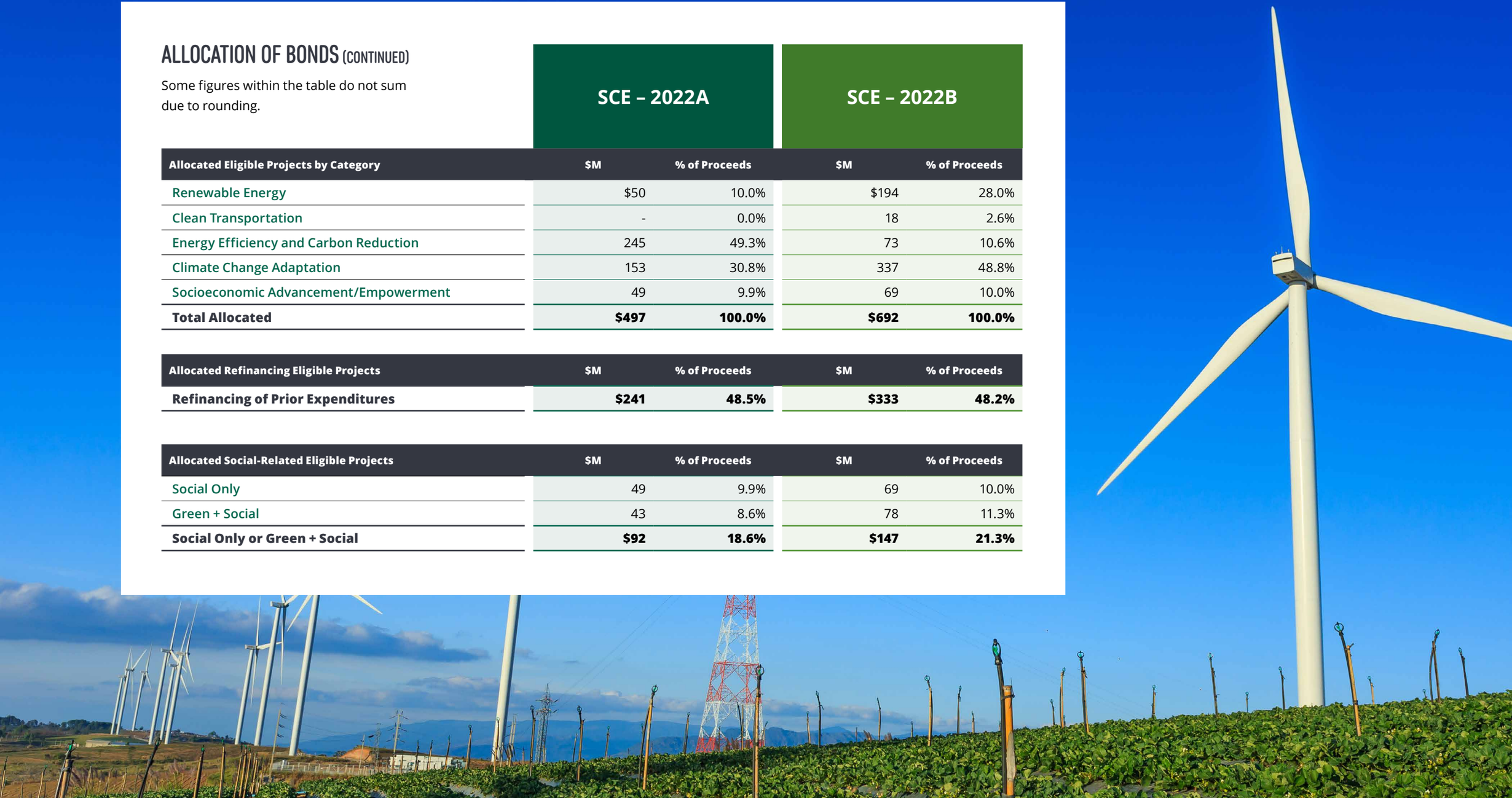
ALLOCATION OF BONDS (CONTINUED)

Some figures within the table do not sum due to rounding.

Allocated Eligible Projects by Category	SCE – 2022A $M	SCE – 2022A % of Proceeds	SCE – 2022B $M	SCE – 2022B % of Proceeds
Renewable Energy	$50	10.0%	$194	28.0%
Clean Transportation	-	0.0%	18	2.6%
Energy Efficiency and Carbon Reduction	245	49.3%	73	10.6%
Climate Change Adaptation	153	30.8%	337	48.8%
Socioeconomic Advancement/Empowerment	49	9.9%	69	10.0%
Total Allocated	**$497**	**100.0%**	**$692**	**100.0%**

Allocated Refinancing Eligible Projects	SCE – 2022A $M	SCE – 2022A % of Proceeds	SCE – 2022B $M	SCE – 2022B % of Proceeds
Refinancing of Prior Expenditures	**$241**	**48.5%**	**$333**	**48.2%**

Allocated Social-Related Eligible Projects	SCE – 2022A $M	SCE – 2022A % of Proceeds	SCE – 2022B $M	SCE – 2022B % of Proceeds
Social Only	49	9.9%	69	10.0%
Green + Social	43	8.6%	78	11.3%
Social Only or Green + Social	**$92**	**18.6%**	**$147**	**21.3%**



IMPACT REPORT

The following metrics estimate the expected environmental and/or social benefits related to Eligible Projects funded by SCE's 2022 Series Bonds. See details related to these calculations in the Notes on pp. 8-9. Some figures within the table do not sum due to rounding.

		CAPITAL	ENVIRONMENTAL IMPACTS						SOCIAL IMPACTS
		Allocated ($M)	Avoided GHG tCO_2e/yr	Renewable Energy Integrated (MW)	Charging Ports Supported (#)	LED Streetlights Converted (#)	Covered Conductor (# of circuit miles hardened)	Storage Created (MW)	Jobs Supported (#)
SCE-2022A	Renewable Energy	50	56,852	107					2
	Clean Transportation	-							
	Energy Efficiency and Carbon Reduction	245						97	56
	Climate Change Adaptation	153					199		152
	Socioeconomic Advancement/Empowerment	49							318
	Total	**497**	**56,852**	**107**	**—**	**—**	**199**	**97**	**528**
SCE-2022B	Renewable Energy	194	36,450	69					31
	Clean Transportation	18	28,526		801				10
	Energy Efficiency and Carbon Reduction	73				24,721		7	13
	Climate Change Adaptation	337					474		304
	Socioeconomic Advancement/Empowerment	69							447
	Total	**692**	**64,976**	**69**	**801**	**24,721**	**474**	**7**	**805**

IMPACT REPORT (CONTINUED)

NOTES TO THE EDISON INTERNATIONAL IMPACT REPORT

Reported impacts align with ICMA's June 2022 Handbook Harmonized Framework for Impact Reporting publication for Eligible Green Project expenditure impacts and ICMA's June 2022 Harmonized Framework for Impact Reporting for Social Bonds for Eligible Social Project expenditure impacts, where feasible. Impact reporting was completed on an aggregated portfolio basis.

The reporting was performed for allocated Eligible Projects on an estimated ex-ante annual impact basis or per unit installed basis. Reported impacts are consistent with the partial allocations of projects/programs based on the allocated portion of total project/program capital expenditures. For Eligible Projects not yet completed, allocated proportion was based on current forecast of project/program capital expenditures.

Certain impact metrics result from the actions undertaken not only by SCE, but other active participants in energy generation and consumption.

The impacts described in this report supercede the reporting of partial impacts provided for Bonds 2022-A and 2022-B in the June 2022 Sustainable Financing Report. While the methodology underlying the partial impacts provided in the 2022 Report remains consistent, certain assumptions and inputs have been updated such that the total is not the result of simple addition across the partial allocations.

Renewable Energy

Capacity of Renewable Energy Projects Interconnected (MW)

For transmission projects that enable the interconnection of new renewable energy projects, this metric represents an estimate of the incremental renewable energy project capacity expected to utilize the transmission capacity.

For the West of Devers project[1], 100% of the incremental 3,200 MW of transmission capacity is expected to enable the interconnection of renewable energy resources, some of which has already interconnected and the remainder of which is expected to be online by 2024. The renewable resource type is assumed to be 100% solar generation based on generation already interconnected and the current interconnection queue for resources relying on the project.

Annual GHG Emissions Avoided (metric tons CO_2e/yr)

This metric represents the estimated MT CO_2e per year savings from the expected incremental installed capacity of renewable energy generation enabled by the transmission project(s) compared to the amount of CO_2e that would have been emitted by installed capacity of average GHG emissions intensity.

For the West of Devers project, incremental renewable energy projects are assumed to be 100% solar resources based on generation already interconnected and the current interconnection queue for resources relying on the project. Avoided emissions were calculated by estimating annual GHG emissions abatement per MW of solar generation in 2021 ("Annual Abatement Value" in the year spend was allocated) and multiplying by the expected solar capacity enabled by the West of Devers project. The Annual Abatement Value was estimated by summing across all hours of the year the product of (1) the average hourly solar generation (MWh) per MW installed in the region supported by the West of Devers project and (2) the average hourly GHG emissions intensity (MT/MWh) across the California Independent System Operator (CAISO) grid. The data used to evaluate the Annual Abatement Value came from CAISO's Open Access Same-time Information System ("OASIS"). The MT/MWh is calculated from historical load data from OASIS, as well as historical emissions from the CAISO emissions outlook website.

Clean Transportation

Charging Ports Supported (#)

This metric represents the count of charging ports that support light- (Level 2 Charging), medium- and heavy-duty EVs that SCE has deployed within its service territory. The charging ports are the result of SCE's efforts to design, construct and install the necessary infrastructure to support EV charging.

Annual GHG Emissions Avoided (metric tons CO_2e/yr)

This metric represents the estimated average annual MT CO_2e avoided due to the installation of charging ports to support light-, medium- and heavy-duty EVs over the 25-year useful life of the ports. Annual GHG emissions avoided was calculated by converting expected annual kWh of charging by type of charging port into the avoided gallons of fuel that would have been required to power a similarly sized internal combustion engine vehicle, and comparing the emissions associated with burning the fuel with the annual average GHG emissions intensity of the electric grid. Assumptions related to electric energy density (EED), energy economic ratio (EER), fuel carbon intensity and grid carbon intensity based on time of day align with those defined by the California Air Resources Board (CARB). Future-year grid carbon intensity based on time of day is estimated as a linear decline between CARB-defined 2023 estimate and internal estimate of the carbon intensity of the grid in 2045. Charging port utilization was estimated based on a combination of external studies and internal projections.

[1] Additional Eligible Projects are allocated into SCE's GSS Financing Instruments with renewable energy-related benefits that have not been included in the impact metric calculations.

IMPACT REPORT (CONTINUED)

Energy Efficiency and Carbon Reduction

LED Streetlights Converted (#)

This metric represents the count of streetlights that have been converted from legacy high pressure sodium vapor fixtures into energy-efficient LED technology.

Storage Created (MW)

This metric represents the energy storage capacity created by the project capital allocated. In terms of RUOES, this project has not yet been placed into service and is expected to come online in 2023, providing reliability and intermittent renewable energy project integration benefits.

Climate Change Adaptation

Covered Conductor (# of Circuit Miles Hardened)

This metric represents the count of overhead distribution circuit miles of covered conductor, or wire coated with protective layers, installed through the WCCP in SCE's HFRA to reduce the risk of wildfires associated with electrical equipment.

The metric was calculated using both spend data and circuit miles hardened from SCE's WCCP program. WCCP capital spend was divided by the resulting covered conductor miles hardened to calculate the average cost per mile of covered conductor. The capital spend allocated to covered conductor within each bond was then divided by the average cost per WCCP mile to identify the miles of hardened circuit miles funded by each bond.

Socioeconomic Advancement/ Empowerment Including Diverse Business Enterprise Spending on Green Eligible Projects

Jobs Supported (#)

This metric represents an estimate of the direct impact from SCE's spend with DBEs. Inclusive procurement practices provide opportunities to DBEs that, in turn, provide greater representation, employment and economic advancement for minority, women, veteran, and LGBT communities.

Jobs supported was estimated by leveraging the ratio of direct spend with DBEs to direct jobs supported, as reported in SCE's 2020 Supplier Diversity Economic Impact Report for 2019, 2020 and 2021 and based on an internal estimate for 2022, and multiplying by the allocated Socioeconomic Advancement/Empowerment eligible capital in each bond portfolio.

In addition to the portion of capital spending with DBEs that qualified only as Eligible Social Projects, a portion of Eligible Green Projects involved DBE supplier spend. Expenditures that qualified as both Green Eligible Projects and Social Eligible Projects are reflected in the Impact Report as Green Eligible Projects.