



EDISON
INTERNATIONAL®

Energy for What's Ahead®

2020 SUSTAINABILITY REPORT



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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.

TOPIC	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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>References:</p> <ul style="list-style-type: none"> > Sustainability Report: 2020 Performance Incentives, Material ESG Topics, Corporate Governance > Edison International 2021 Proxy Statement, pp. 27-29 > Audit and Finance Committee Charter, Article IV, Section 5 > Nominating and Governance Committee Charter, Article V (b)

¹ 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 www.edisoninvestor.com. 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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GOVERNANCE (continued)		
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Edison International Managing Committee, comprised of the most senior Edison International and SCE officers,¹ 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.</p> <p>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.</p> <p>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.¹</p> <p>Links:</p> <ul style="list-style-type: none"> > 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

¹ 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 [About this Report](#).



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STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>Edison International's business strategy is focused on 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 societal trends around the rising importance of addressing climate change through the use of clean energy and new technologies.</p> <p>Edison International's principal subsidiary, SCE, is a heavily-regulated electric utility that conducts short (current year to 4 years forward), medium (5 to 10 years forward), and long-range (>10 years forward) planning around its power portfolio, grid planning, and other infrastructure investments through regulated proceedings at the California Public Utilities Commission (CPUC). In terms of its power portfolio, SCE has a long-term objective to supply 100% carbon-free power in terms of retail sales to customers by 2045, medium-term objective to deliver power with 80% carbon-free resources by 2030, and related short-term goals. SCE files an Integrated Resource Plan (IRP) every two to three years, as part of the IRP Proceeding at the CPUC focused on ensuring long-term resource plans meet reliability needs and state-designated GHG emissions reduction requirements in the most affordable way. In addition to seeking 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.</p> <p>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.</p> <p>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 20-year 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.</p> <p>Edison International's nonregulated competitive business Edison Energy¹ 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.</p> <p>Links:</p> <ul style="list-style-type: none"> > 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

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. 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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STRATEGY (continued)		
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>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.</p> <p>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.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 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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STRATEGY (continued)		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>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.</p> <p>In 2019, SCE released Pathway 2045, 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.</p> <p>In 2020, SCE released Reimagining the Grid, 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.</p> <p>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.</p> <p>References:</p> <ul style="list-style-type: none"> > 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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RISK MANAGEMENT		
<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>References: > SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 12, pp. 1-2, 17-23, 30-37</p>



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RISK MANAGEMENT (continued)		
	<p>b) Describe the organization's processes for managing climate-related risk</p>	<p>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 California Public Utilities Commission.</p> <p>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 and Edison International Board of Directors and Board Committees discussed in the Governance section of this TCFD disclosure.</p> <p>Once selected, mitigation and response options are planned for deployment, 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.</p> <p>References:</p> <ul style="list-style-type: none"> > SCE's 2018 Risk Assessment Mitigation Phase Report, Chapter 1 — Overview, in particular pp. 10-12 > 2021 General Rate Case SCE-04, Vol 1., Business Continuation, pp. 17-24



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RISK MANAGEMENT (continued)		
	<p>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</p>	<p>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.</p> <p>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.</p> <p>References:</p> <ul style="list-style-type: none"> > 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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METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>Edison International reports climate- and environmental-related metrics annually in its sustainability report related to topics identified by its ESG materiality assessment and based on industry benchmarking. The company also reports climate- and environmental-related metrics in accordance with third-party standards, including Sustainability Accounting Standards Board, Global Reporting Initiative, and Edison Electric Institute ESG/Sustainability reporting template.</p> <p>In addition, Southern California Edison reports climate- and environmental-related metrics through compliance filings with state and federal agencies. Examples of these filings include: Wildfire Mitigation Plan, Renewables Portfolio Standard compliance filing, Power Source Disclosure Program compliance filing, Charge Ready Pilot Quarterly Reports, and compliance filings related to SCE's operations, including GHG emissions and cap-and-trade compliance offsets associated with SCE's utility-owned generation.</p> <p>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</p>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>Edison International discloses its Scope 1, 2 and 3 emissions annually in its sustainability report.</p> <p>References: Sustainability Report: Scope 1, 2 and 3 Emissions; Sustainability Scorecard</p>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>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 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 outcomes on SCE's Pathway 2045, including promoting broader transportation and building electrification.</p> <p>References: Sustainability Report: ESG Material Topics; Sustainability Goals; 2020 Performance Incentives</p>