



EI ESG/Sustainability Template

Qualitative Section

Data Year: 2019

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Introduction

At Edison International (NYSE:EIX), our vision is to lead the transformation of the electric power industry toward a clean energy future. Through our subsidiaries, we distribute and generate electric power as well as provide energy services and technologies, including renewable energy. Headquartered in Rosemead, California, Edison International is the parent company of Southern California Edison (SCE), one of the nation's largest electric utilities. Edison International is also the parent company of Edison Energy, an independent advisory and services company with advanced analytic capabilities to design the optimal energy portfolio solution for large commercial and industrial customers. Edison Energy is independent from Southern California Edison.¹

Edison International is among Edison Electric Institute (EEI) member companies voluntarily disclosing environmental, social, and governance (ESG)/sustainability (collectively, "ESG") metrics and information using a template developed by EEI in collaboration with member companies and investors. Metrics are provided in response to the desire of investors and other stakeholders for ESG/Sustainability information that is consistent across the electric sector in terms of accessibility, content, timing, and presentation. Edison International shares in the goals of this effort to provide investors with relevant information that:

- Allows integration of ESG data and performance;
- Provides clarity of risks (e.g., stranded assets, regulatory issues, etc.) and opportunities (e.g., investments in renewables, etc.) and how they are being managed;
- Provides insight into growth strategy, assumptions, and future trajectory;
- Provides both qualitative and quantitative information; and
- Serves as a primary reporting channel for consolidated ESG information relevant to investors and other stakeholders.

Note that data provided as part of this disclosure conforms to the requirements of the EEI ESG/Sustainability template and thus may differ from data provided in Edison International's annual Sustainability Report and other disclosures. In particular, the carbon-free percentage has been finalized since the estimated percentage in our May 2020 Sustainability Report (see ESG Strategy section).

Sustainability Goals

In 2019 Edison announced its long-term public commitments related to four of our material ESG issues: Climate Change & GHG Emissions, Transportation Electrification, Safety & Health, and Diversity & Inclusion. Our Climate Change & GHG Emissions reduction goal is aligned with California law. They are listed under each respective ESG topic in this document.

ESG Governance

- **Board Oversight**

Edison International's Board of Directors consists of 11 directors, 10 of which are independent. The Board oversees ESG risks and opportunities as an integral part of its oversight of the company's strategy. The Board's oversight includes annual in-depth strategy meetings and regular updates from management on corporate sustainability issues and corporate goals. Oversight of specific ESG-related issues is allocated among the Board's four standing committees. The Board's Nominating/Governance Committee periodically reviews any significant ESG trends that may impact the company, ensures the oversight of relevant ESG issues by the Board and its committees, and makes recommendations

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.

to the Board as appropriate.

Read more about Edison International's corporate governance practices at [edison.com/corpgov](https://www.edison.com/corpgov) or see our [2020 Joint Proxy Statement](#).

Cybersecurity Governance

The Board and its Safety and Operations Committee oversee cybersecurity and receive regular updates on critical assets, cybersecurity drills and efforts to mitigate cyber risks. Cyber risks are also included in key risk reports to the Audit and Finance Committee. Our Cybersecurity Oversight Group, consisting of a multidisciplinary senior management team, provides governance and strategic direction to SCE's cybersecurity program for the identification, protection, and detection of cybersecurity risks to the company. The Board has assigned a director to regularly participate in Cybersecurity Oversight Group meetings and activities and report periodically to the Board and its Safety and Operations Committee.

In addition to infrastructure and governance controls, we collaborate with public sector and utility partners to share lessons learned, best practices and threat intelligence, as well as forward-leaning research and development initiatives. Our most important collaboration is participation in the CEO-led [Electricity Subsector Coordinating Council \(ESCC\)](#), which is the principal liaison between leadership in the federal government and the electric power sector to prepare for national-level incidents and threats to critical infrastructure. Edison International's President and CEO is co-chair of ESCC's Industry-Government Coordination Strategic Committee.

- **Management's Role**

Edison International's approach to sustainability and integration of ESG issues into the company's overall strategy is led by the SVP of Strategy and Corporate Development and overseen by the Edison International Managing Committee. A cross-functional, executive-level sustainability steering group was formalized in 2019 to provide input to the company's sustainability program.

- **Materiality Assessment**

In 2019, we began a refresh of our 2018 ESG materiality assessment consistent with industry best practice. The 2018 assessment identified 19 ESG priority topics, many of which are related to strategy and core operations. Our refreshed assessment will be completed in early 2020. Learn more at [Edison.com/sustainability](https://www.edison.com/sustainability).

- **Our Stakeholders**

Edison International was one of nearly 200 companies to sign the Business Roundtable's (BRT's) Statement on the Purpose of a Corporation. The statement is consistent with our commitment to make a positive impact and deliver value to all stakeholders.

ESG Strategy

- **Limiting global warming to 1.5 degrees Celsius**

At the core of our strategy at SCE is a strong partnership with the state of California and other stakeholders to help California achieve ambitious, science-based climate change goals at the state level, including a 40% reduction in greenhouse gas (GHG) emissions from 1990 levels by 2030 and economy-wide carbon neutrality by 2045. Taken together, these goals are broadly considered to be consistent with limiting future global temperature rise to no more than 1.5°C above pre-industrial levels in accordance with the October 2018 United Nations Intergovernmental Panel on Climate Change (IPCC) [Special Report on Global Warming of 1.5°C](#).

The electric power sector in California has already made significant headway in reducing its GHG emissions, which

are down 43% since 1990, and we are prepared for the work that lies ahead. We cannot do it alone, however. This shift requires a collaborative effort across the California economy. The electric power sector accounts for only 15% of California's GHG emissions. The transportation sector now produces almost three times as many GHG emissions as the electric sector.

Over the past three years, we have published two thought leadership pieces outlining the cross-sector collaboration we believe is needed to reach the state's climate goals. In 2019, SCE published [Pathway 2045](#), which outlines our blueprint for how California can meet its ambitious goal to achieve carbon neutrality by 2045. Pathway 2045 updates and extends SCE's November 2017 [Clean Power and Electrification Pathway: Realizing California's Environmental Goals](#) white paper, which summarized an analysis SCE undertook to identify the most cost-effective and feasible set of actions to reach California's interim 2030 goals.

Pathway 2045 concludes that the changes required across California's economy are profound. Economy-wide decarbonization can be achieved through:

- Deep decarbonization of the electric sector through 100% carbon-free retail electric sales supported by more than 110 GW of additional utility-scale clean generation and storage;
- Significant electrification of transportation and buildings, including 75% of vehicles and 70% of buildings, coupled with advanced energy efficiency; and
- Use of low-carbon fuels for hard-to-electrify applications such as industrial and heavy-duty transportation and sequestering the remaining carbon.

Significant grid investment will be required to enable and integrate this new renewable generation and storage capacity and to serve the substantial load growth associated with transportation and building electrification. Electrification will further increase customers' reliance on the grid, underscoring the need to build in additional resilience to withstand the more frequent and severe weather conditions due to climate change impacts.

Utility-scale generation and storage and the supporting grid represent up to \$250 billion of clean energy investments and include thousands of sustaining craft and skilled jobs across the California economy.

- **Adapting to a new climate reality**

Climate change is a current reality versus a distant threat. 15 of the 20 most destructive California wildfires have occurred since 2015. As of March 2020, approximately 35% of SCE's service area was in a high fire risk area. We are implementing measures to minimize the impacts of severe weather both in the short and long term. We are strengthening the grid, building resilience against the increasing risks of wildfires and other extreme weather events, and are changing the way we operate as a company. More broadly, we are evaluating the potential long-term impacts of climate-related hazards on our infrastructure and operations using climate change emissions scenarios and models endorsed by the state of California. This information is being integrated into long-range planning as we work to achieve objectives outlined in Pathway 2045. SCE is also an active participant in the Order Instituting Rulemaking (OIR) at the California Public Utilities Commission (CPUC), focused on integrating climate adaptation into utility planning and operations.

For more details, see: [Grid Safety and Resiliency Program](#), filed in September 2018; the [Risk Assessment and Mitigation Phase](#) of our 2021 General Rate Case (GRC), filed in November 2018; our [Wildfire Mitigation Plan](#), filed in February 2019; the [2021 GRC filing](#) in August 2019, and our updated [2020 – 2022 Wildfire Mitigation Plan](#), filed in February 2020.

- **Clean Energy**



	CLIMATE CHANGE & GHG EMISSIONS
	Deliver 100% carbon-free power to SCE customers by 2045: <ul style="list-style-type: none">• 2019: 51%• 2045 goal: 100%

In 2019, 51% of the electricity SCE delivered to customers came from carbon-free resources, more than halfway to the 80% we estimate is needed by 2030 to meet California’s climate change goals.

In 2019, our delivered power emitted approximately 45% fewer GHG emissions per unit of electricity compared to the U.S. national average. The Smart Electric Power Alliance (SEPA) has named SCE a [national leader in solar](#) since it began publishing solar rankings in 2007. In August 2019, SEPA also named SCE the [no. 1 utility for battery storage](#).

In 2019, Edison Energy structured renewable energy purchasing agreements for some of the nation’s largest energy users with deals for over 1.85 GW publicly announced. In corporate renewable energy purchasing alone, Edison Energy has advised customers on more than 4.5 GW of wind and solar transactions in total.

- **Efficient Electrification**

	TRANSPORTATION ELECTRIFICATION
	Increase medium- and heavy-duty electric vehicle charging infrastructure across SCE’s service area: 2019: 104 vehicles across 8 sites committed 2024 goal: 8,490 vehicles across 870 sites committed
	Increase light-duty electric vehicle charging infrastructure across SCE’s service area: 2019: 2,755 ports across 148 sites committed 2025 goal: 52,700 ports across 4,150 sites committed
	Increase electrification of SCE’s transportation fleet in alignment with Pathway 2045: 2019: 13% light-duty, 1% medium-duty, 4% heavy-duty vehicles and 39% forklifts 2030 goal: 100% light-duty, 30% medium-duty, 8% heavy-duty vehicles and 60% forklifts

Through [SCE’s Charge Ready Program](#), launched in 2016, we help businesses, local governments and members of the public make the switch to electric transportation by increasing the availability of charging stations.

Following the launch of our initial \$22 million pilot, we have since doubled this investment to expand the reach of the program to 2,700 charge ports. To date 1,800 charge ports at more than 100 sites have been installed. We also proposed investing an additional \$760 million to install over 50,000 charge ports across SCE’s service area over four years. Additionally, the California Public Utilities Commission recently approved our \$436-million Charge Ready 2 program, which will continue to focus on providing charging infrastructure at workplaces, public parking lots, schools, hospitals and destination centers. Charge Ready 2 sets a target to locate 50% of the chargers in state-designated disadvantaged communities or economically impacted communities that suffer most from the effects of air pollution. It will be the nation’s largest light-duty electric vehicle charging program run by an investor-owned utility.

Since building electrification eliminates GHG emissions by up to 60% in buildings that would otherwise be fueled by natural gas, there are many positive climate and health impacts by electrifying gas end uses in buildings. The Building Electrification team has a goal to advance progress towards achieving Pathway 2045 building electrification goals, such as helping customers install 10,000 heat pumps in 2020. To do this, new incentive programs were created to help customers make the switch in both new construction and retrofit applications.

SCE also works to advance “reach codes”, or local building energy codes. The codes range in rigidity, from favoring electrification to banning the use of gas in new construction. In 2019, SCE worked with the City of Santa Monica to pass an “All-Electric Preferred” reach code for new constructions, which incentivizes all-electric buildings by requiring mixed-fuel buildings, – including those fueled by natural gas, – to exceed Title 24 energy-efficiency standards by 5–10%.

Additionally, we work to advance efficient electrification by investing in companies developing electric technologies and services. Examples of companies we invest in include Proterra, a leader in the design and manufacture of zero emission electric buses, ViriCiti, which provides monitoring and smart charging solutions for electric vehicle fleets, AMPLY Power, which offers charging as a service to help fleets transition to electric vehicles, and Optimus Ride, an autonomous software and mobility service provider for shared e-fleets.

Edison International’s President and CEO is co-chair of the EEI CEO Electric Transportation Task Force and is past chair of the Electric Power Research Institute board working group on efficient electrification.

- **Grid of the Future**

Over the long term, SCE is proposing to invest more than \$5 billion per year to create a safer, cleaner, more reliable and more efficient grid that enables the integration of new technologies and is resilient in the face of climate change. SCE is modernizing its distribution business by:

- Leveraging advanced hardware and software to enable advanced grid management of an increasingly complex and intelligent grid;
- Connecting distributed energy resources (DERs) to markets to maximize the value of those DERs and to incentivize customers to adopt them at the right location and dispatch them at the right time; and
- Empowering customers to partner in making the grid more reliable, efficient, and clean.

SCE has received national recognition for its leadership in grid modernization. In August 2019, [SCE was honored the top prize \(Tier 1, Gold\) in the U.S. DOE’s inaugural “Electricity Industry Technology and Practices Innovation Challenge”](#) for a project related to virtualizing components of electric grid substations and operating them using a human machine interface. SCE’s Reliability Operations Center was honored as [one of five U.S. industry finalists for the prestigious 2019 EEI Edison Award](#). The center uses advanced analytics to detect system faults and energized downed wires, provides advance notice of potential equipment failure and identifies grid anomalies before customers report any issues.

- **Customer Choice**

At SCE, we support our customers’ option to purchase power through Community Choice Aggregation (CCA) and Direct Access (DA). We are expanding our customer-facing programs to include more clean energy offerings accessible to all with a particular focus on increasing customer adoption of solar, storage and electric end-uses like vehicles and appliances.

We implemented a new [Time-Of-Use \(TOU\)](#) rate in March 2019, providing customers using select green technologies with lower rates at off-peak times of day. We also offer incentives to customers reducing the cost of installing new


energy storage systems through our [Self Generation Incentive Program](#).

SCE has a range of other programs to help customers manage their electricity use and lower costs. Read more about our [energy savings rebates and incentives](#) and [demand response programs](#).

In underserved communities, we committed \$42 million in customer incentives in 2019 for the installation of solar through our [Single-family Affordable Solar Homes \(SASH\)](#), Disadvantaged Communities – [Single-Family Solar Homes \(DAC-SASH\)](#), and [Solar on Multifamily Affordable Homes \(SOMAH\)](#) programs.

Edison Energy¹ is helping large commercial, industrial and institutional customers align their investments to lower costs, mitigate risk, and improve efficiency and resiliency, including 14 of the Fortune 50. In 2019 alone, Edison Energy helped customers source, evaluate and execute renewable energy agreements totaling 1.85 GW and facilitated the [largest clean energy procurement in automotive history](#).

- **Safety**



SAFETY & HEALTH

Achieve public and worker safety goals at SCE:

No serious injuries to the public from system failure

- 2019: 1 (goal not met)
- Goal: Ongoing

No worker (employee or contractor) fatalities:

Employee	Contractor
<ul style="list-style-type: none"> • 2019: 0 (goal achieved) • Goal: Ongoing 	<ul style="list-style-type: none"> • 2019: 3 (goal not met) • Goal: Ongoing

Improve employee physical and psychological safety through culture transformation:

- 2019: “I have to”
- 2026: “I choose to for us”

Safety continues to be our top value. We are protecting our communities by increasing the resiliency of our operations and partner with them to mitigate the risk of natural and human-induced disasters — including wildfires and the current pandemic.

SCE actively prepares for events of all kinds, including pandemics, and has had a Pandemic Response Plan in place since 2007. In early March 2020, SCE launched the plan by activating a dedicated incident management team tasked with adapting and refining the plan to the specific circumstances of the escalating COVID-19 crisis. When the World Health Organization (WHO) officially declared COVID-19 a pandemic on March 11, SCE was ready and took swift action to support our customers and communities while ensuring the safety of our workforce. Both the federal government’s Department of Homeland Security and the state of California recognize electric service as part of the critical infrastructure needed to effectively respond to the COVID-19 pandemic. Edison International’s Board of Directors is actively engaged in overseeing the Company’s COVID-19 response, focusing on health and safety, human capital management, customer affordability, supply chain needs, and other business and financial impacts of the pandemic.

SCE’s top priority is the health and safety of its employees and the public while continuing to provide safe and reliable service to all customers. The company is focused on ensuring frontline critical infrastructure sectors have the



electricity they need to fight COVID-19 including hospitals, medical clinics, research facilities, public safety agencies, water districts and telecommunications networks.

As wildfire-related risks continue to increase we are implementing a comprehensive wildfire mitigation strategy that includes further grid hardening, enhanced situational awareness and expanded operational practices. SCE has comprehensive programs to plan for and respond to earthquakes and other emergency situations including by conducting more than 20 drills and exercises annually to prepare incident management teams to respond to potential natural and human-induced disasters. Helping to build a resilient region in partnership with all regional stakeholders, through partnerships, philanthropic funding, public education, and more is foundational to SCE's approach.

Our goal is for every one of our employees and contractors to return home safely every day, and we are investing a significant amount of time, energy, and focus to make sure that happens. We have been transparent about the fact that our 2018 performance did not meet our expectations. Real improvements in our safety performance will be driven by a shift in our safety culture and we remain committed to that journey. In 2018, we enhanced our safety training particularly for field employees who work on higher risk jobs. The training is focused on our culture around being both physically and psychologically safe.

For more details, see: our [Wildfire Mitigation Plan](#), filed in February 2019; our updated [2020 – 2022 Wildfire Mitigation Plan](#), filed in February 2020; and safety topics and performance in our [2019 Sustainability Report](#).

- **Diversity, Equity and Inclusion**

	DIVERSITY, EQUITY AND INCLUSION
	Achieve gender parity in senior operating roles by 2030: <ul style="list-style-type: none">• 2019: 35% women• 2050: 50% women

We have an unwavering commitment to diversity, equity and inclusion (DE&I). Our goal is to create a positive and equitable work environment for all team members and build increased opportunities in the diverse communities we serve:

- We signed onto [Paradigm for Parity \(P4P\)](#), a public commitment to achieve gender parity in senior roles by 2030;
- We signed the [CEO Action for Diversity & Inclusion™](#), the largest CEO-driven business commitment to advance diversity and inclusion within the workplace; and
- We supported the [Human Rights Campaign Business Coalition for Equality Act](#) advocating federal legislation that would provide the same basic protections to lesbian, gay, bisexual, transgender, and queer (LGBTQ) employees as to other protected groups

We received several recent recognitions as one of the best places to work for disability inclusion, LGBTQ equality, and for women. For a full list of awards please visit our [2019 Sustainability Report](#).

We are a diverse workforce. Of the more than 13,000 women and men of Edison, nearly 70% are female and/or racially diverse. As an important step in our journey we shared detailed information on our workforce and the status of our business partners and our community investment in our [Diversity, Equity & Inclusion report](#) published in August 2020. This unprecedented level of transparency is a critical step in creating greater accountability and identifying those areas where we can have the greatest impact. Also see SCE's latest [diversity figures derived from](#)

EEO filings.

While we recognize the progress we've made to date, we remain committed to making even more meaningful change. Through our internal survey, we track employee sentiment on trust, engagement, the work itself, growth and development and inclusion. Since 2017, our employee sentiment survey results generally show positive trends for all employees.

We also value the diversity of ethnicity, gender, skills, backgrounds, and qualifications on the Board. Of the 11 directors currently on our Board, four are female (36%) and four are from a diverse racial/ethnic background (36%), which exceeds the average gender and racial/ethnic diversity at S&P 500 companies.

In terms of our suppliers, SCE spent more than \$2.21 billion, or 40.11% of SCE's overall spend, procuring goods and services from diverse business enterprises. This represents the seventh consecutive year that we exceeded our 40% aspirational spend goal. Read more about our [2019 Supplier Diversity Report](#) here.

Southern California Edison turned to small and diverse business enterprises as it made 40.1% of its corporate purchases. This spending, totaling \$2.2 billion, had an economic impact of more than \$3.3 billion and sustained more than 19,000 jobs. Read more about our [2019 Supplier Diversity Economic Impact](#) here.

Notes:

For more information on these and our other material ESG issues, please visit our [2019 Sustainability Report](#).

Sources:

The qualitative portion of the EEI ESG template reflects relevant information covered in the Edison International and SCE [2020 2020 Joint Proxy Statement](#) the [2019 Annual Report](#) the [2019 Sustainability Report](#), the [2019 Financial and Statistical Report](#), [Pathway to 2045](#) paper, and [Clean Power and Electrification Pathway](#) paper. White papers and other relevant documents are available on our websites <https://www.edison.com> and <https://energized.edison.com>. Corporate governance information is available at: [edison.com/corpgov](https://www.edison.com/corpgov). Investor information can be found at [edisoninvestor.com](https://www.edisoninvestor.com).