



EDISON
INTERNATIONAL®

Energy for What's AheadSM

EEI ESG/Sustainability Template Qualitative Section

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Introduction

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. The 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.
- Serves as a primary reporting channel for consolidated ESG information relevant to investors and other stakeholders.

ESG Strategy

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 generate and distribute 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 capabilities to develop and integrate energy solutions for the largest energy users nationwide. Edison Energy is independent from SCE.

✓ **Limiting global warming to 2 degrees Celsius**

Through our clean energy-led strategy, we look to partner with California to achieve ambitious climate change and air quality goals. California’s climate change goals include a 40% reduction in GHG emissions from 1990 levels by 2030 and an 80% reduction by 2050. These science-based goals are consistent with the 2015 Paris Climate Agreement to limit global warming to no more than 2 degrees Celsius over pre-industrial levels. In addition, California’s air quality goals include a 90% reduction in emissions of nitrogen oxides from 2010 levels in some of the state’s most polluted areas by 2032. In June 2017, we declared that “We Are Still In,” joining other U.S. businesses, universities, and state and local leaders in signing an open letter to the international community demonstrating support for the 2015 Paris Climate Agreement.

✓ **Our industry’s role**

The electric power sector in California has already made significant headway in reducing its GHG emissions, which are down 24% 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. Today, the electric power sector accounts for only 19% of California’s GHG emissions. The transportation sector (including fuel refining) and fossil fuels used in space and water heating now produce almost three times as many GHG emissions as the electric sector and more than 80% of the air pollution in California. With the size, scope, and infrastructure assets to deliver clean energy and support electrification for all

customers, electric utilities are uniquely positioned to facilitate the transformation to a clean energy economy.

✓ **Mapping a path forward**

In late 2017, SCE published the [“Clean Power and Electrification Pathway: Realizing California’s Environmental Goals”](#) white paper. Aligned with our vision and strategy, it outlines a path for California to meet its climate change goals and to significantly reduce today’s health-harming air pollution in local communities — and especially in disadvantaged communities. The Pathway analysis compares three different scenarios — led primarily by expanded use of renewable natural gas, hydrogen, and electricity, respectively — and finds the most cost-effective and feasible path to 2030 is the electricity-based path, which includes:

- Decarbonizing the electric sector through an electric grid supplied by 80% carbon-free energy;
- Electrifying the transportation sector, including having approximately 7 million light-duty and 200,000 medium- and heavy-duty electric vehicles (EVs) on California roads; and
- Electrifying buildings, using electricity to power nearly one-third of space and water heaters in increasingly energy-efficient buildings. This integrated multi-sector approach builds upon existing California policy and has the support of many parties, including the International Brotherhood of Electrical Workers (IBEW) Local 47.

✓ **Clean Energy**

In 2017, 46% of electricity that 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. This included 32% from eligible renewable resources, which help to meet California’s Renewables Portfolio Standard requirements. In 2017, SCE power producers emitted only about half of the GHG per unit of electricity provided to customers compared to the estimated U.S. average. SCE was also a leader in solar, adding 547.1 MW to the grid in 2017 (including customer-sited solar and utility and wholesale supply) and in energy storage, adding more MW of energy storage than any other utility in the nation according to Smart Electric Power Alliance.

At Edison Energy, we procured more than 400 MW of offsite renewable energy for some of the nation’s largest energy users in 2017. In corporate renewable energy purchasing alone, Edison Energy has advised customers on more than 2.1 GW of wind and solar transactions in total through 2017.

✓ **Efficient Electrification**

Edison International is taking a leading role to advance efficient electrification in California and nationally, through cross-sector partnerships, advocacy, analytical work, customer incentives, and investments.

SCE’s \$22 million Charge Ready Pilot launched in 2016 to accelerate the installation of EV charging stations for light-duty vehicles. With a goal of installing 1,250 EV charge ports across our service area, we collaborate with cities, employers, apartment and condo complex owners, business site owners, campuses, and other locations where people park their cars for four hours or more. The pilot is particularly focused on disadvantaged communities disproportionately affected by pollution from gasoline- and diesel-powered vehicles and with low EV adoption rates.

In 2018, SCE received approval of a plan to accelerate the expansion of electric transportation ownership and use, particularly for customers with medium- and heavy-duty vehicles. The approved plan includes over \$200 million in capital investments over five years to install infrastructure to support more than 8,000 medium- and heavy-duty EVs. SCE has additional funding for four infrastructure pilot projects. To help commercial customers make the switch to EVs, SCE also received approval for a new rate design.

✓ **Grid of the Future**

Customers are increasingly adopting distributed energy resources (DERs) – rooftop solar, on-site energy storage, EVs and energy management systems – to achieve cost savings, cleaner energy, conservation, and enhanced reliability. For the foreseeable future, SCE plans to invest at least \$4 billion per year in its system to create a safer, cleaner, more reliable, and more efficient grid that enables the integration of these new technologies. These modernization plans are transforming a one-directional system into a two-directional system through automation and communication to accommodate hundreds of thousands of DERs.

✓ **Customer Choice**

SCE is committed to helping customers make cleaner energy choices by making things like energy-efficiency, demand response, solar rooftops, and EV charging easy and accessible. SCE's [energy-efficiency and demand response programs](#) help customers manage their electricity usage.

Meanwhile, Edison Energy works with some of the nation's largest and most dynamic companies, including 17 of the Fortune 100. Edison Energy is working with commercial and industrial companies, universities, and hospitals across the nation to help them save money, improve resiliency and reach their sustainability goals. In corporate renewable energy purchasing alone, Edison Energy has advised customers on over 2.1 gigawatts of wind and solar transactions in total through 2017.

✓ **Building Climate Resilience**

The devastating wildfires that swept through parts of California in 2017 demonstrate the serious threat that climate change poses to California's communities and the environment. Mitigation and resilience in the face of climate change are vital, and we are working to address the effects of climate change on our infrastructure and in our communities and to adapt to the uncertainty of climate-related events. Since 2015, SCE has been involved in national efforts, partnering with the Department of Energy along with other utilities, to accelerate the development of and investment in technologies, practices, and policies that will create a more resilient energy system and reduce climate- and weather-related vulnerabilities. SCE has completed an initial analysis of its system using future climate models in order to understand better how to prepare for changes in its environment.

SCE is currently refining the initial analysis and preparing an investment plan to deal with near-term severe weather events that are becoming increasingly intense, as well as medium and long-term issues such as sea-level rise that will gradually impact our business. The company is focused on analyzing business processes, assets and infrastructure, as well as impacts to our customers and the communities we serve. Efforts include developing a consistent approach that will look at assessing hazards on a regular basis as the science matures, as well as coordinating with external stakeholders with the understanding that

climate adaptation is a shared responsibility that requires collaboration from the state, local governments, and other community stakeholders.

✓ **Workforce, Supplier, and Board Diversity**

A key enabler of our corporate strategy is building a diverse, innovative workforce that reflects the customers we serve. Edison International believes that diversity of thought is fueled by people engaged in an inclusive – and safe – work environment. In 2016, Edison International joined the [Paradigm for Parity \(P4P\) coalition and signed the Obama White House Equal Pay Pledge](#), committing to take action to achieve gender parity in executive leadership and on its board as well as supporting equal pay policies.

Edison International is also committed to an injury-free work place. In 2016, we officially added safety to the top of our list of existing values — integrity, excellence, respect, continuous improvement, and teamwork. Edison International’s values have implicitly shaped our 130-year history and are not just words to us. They are a way of working and living.

ESG Governance

✓ **Board Oversight**

Edison International’s Board of Directors oversees climate change and other ESG risks and opportunities as an integrated 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 such as energy and environmental legislation and regulation, risks arising from climate-related activities, stakeholder engagement on climate change and other ESG concerns, and corporate goals. Oversight of specific ESG-related issues is allocated among the Board’s four standing committees.

Read more about Edison International’s corporate governance practices at edison.com/corpgov or see our [2018 Joint Proxy Statement](#).

✓ **Management’s Role**

Edison International’s Senior Vice President of Strategy and Corporate Development leads the development of our ESG strategy and periodically briefs the Edison International Managing Committee on ESG risks and opportunities. In 2017, we formed a Sustainability Council, which includes a cross-functional group of company leaders to provide input into our ESG strategy and related activities.

✓ **Materiality Assessment**

We also recently completed an ESG materiality assessment in line with best practice. The assessment identified 19 ESG topics as priorities, many of which are related to our strategy and core operations. Learn more at Edison.com/sustainability.

Notes:

The qualitative portion of the EEI ESG template reflects relevant information covered in the Edison International and SCE [2018 Joint Proxy Statement](#), the [2017 Annual Report](#), the [2017 Sustainability Report](#), the [2017 Financial and Statistical Report](#), the [July 2018 Business Update](#), and the [Clean Power and Electrification Pathway](#) paper. White papers and other relevant documents are available on our websites <https://www.edison.com> and <https://www.insideedison.com>.