1. POLICY:

Engaging with policymakers is an important, necessary and appropriate part of doing business as long as it is conducted in a legal and transparent manner. We track hundreds of proposed laws, rules, regulations and policies annually and engage in political activity to ensure that the perspectives of our company, shareholders, customers and employees are represented before lawmakers and regulators. When warranted, we may take positions for or against proposals and sometimes suggest amendments as part of the public policy process. In the U.S., there are federal, state and local lobbying registration and disclosure laws with which Sempra Energy and the Sempra Energy Companies comply, and the company has a robust training and reporting program in place to ensure compliance.

This policy sets forth rules and procedures regarding lobbying, political contributions and gift activities for the Sempra Energy Companies as well as employee contributions to political candidates and participation in political campaigns for office in the United States (U.S.) federal, state and local jurisdictions.

Political activities, including gifts and political contributions, outside of the U.S. jurisdictions are governed by the Anti-Bribery and Anti-Corruption policy as well as country-specific Sempra Energy Company policies. Management oversight for corporate political activity resides with the highest-ranking external affairs executive of the company.

Personal Political Activity

Allowable Activity:

- **Making Personal Campaign Contributions**: Most employees can make personal contributions to candidates without triggering any reporting obligation. However, company officers, registered lobbyists or any employee directly involved in bidding, negotiating, or contracting with a jurisdiction over which the candidate presides must contact Political Reporting and Compliance prior to making any contribution and, once the contribution is screened and approved by Political Compliance and Reporting, report his or her personal contribution using the Sempra Energy’s Lobbying Activity Tracking System (LATS). It is important to note that anything that benefits a candidate’s campaign for office (e.g., money, time, or use of the company’s facilities or assets) can be considered a contribution.

- **Running for Elected Office or Being Appointed to a Government Position**: It is an employee’s right to run for elected office or serve in an appointed government position; however, if the employee plans to continue to work for Sempra Energy or one of the Sempra Companies, he or she must be mindful of potential conflict of interest issues, both with the elected/appointed position and the employee’s position at Sempra Energy. Employees should be sure to check with their supervisor and contact the Political Reporting and Compliance department for specific guidance before deciding to run for elected office or being considered for an appointed position.

Prohibited Activity:

- Working on a political campaign for a candidate, ballot measure or proposition during working hours, or using the facilities or property of Sempra Energy for such purpose unless it is a campaign or measure sponsored by the Sempra Company and/or you are an employee who has been designated to support the effort.

- Coercing or bringing undue pressure on an employee, contract employee, company vendor or business partner to contribute to, support, or oppose any political group, candidate or ballot measure.

- Displaying political messaging in common areas. Employees should also use common sense when it comes to personal office space and the use of political buttons, pins, signage and other materials.

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- Mexico – 001-770-582-5249
- Chile: 600-320-1700
- Peru: 0800-7-0690
Corporate Political Contributions

Sempra Energy makes corporate political contributions as permitted by law only from special budgets funded at shareholder expense.
- Sempra Energy may contribute to candidates, political parties, ballot measure committees and political action committees (PAC), but does not make contributions to officeholder accounts or federal "Super PACs". The company rarely allows any contributions to 527 organizations. Any employee wanting to make a contribution to a state level 527 organization cannot do so unless approved, in advance, by the most senior Sempra Energy External Affairs officer prior to making a commitment.
- Sempra Energy will not use company funds to make independent expenditures to expressly advocate for the election or defeat of federal, state, or local candidates.
- Sempra Energy shall comply with all federal, state and local laws as well as reporting requirements governing corporate political contributions.
- Political contributions must always be submitted to the Political Compliance department and never processed in individual departments’ cost centers.
- Sempra Energy’s contributions are posted on Sempra.com semi-annually for transparency purposes.
- No contributions shall be given in anticipation of, in recognition of, or in return for, any official act.
- Employees are never allowed to make political contributions to candidates from personal funds and then seek reimbursement from the company.

Please refer to the procedures in APPENDIX 2 of this policy before committing to make a contribution to a Government Official.

Employee Political Action Committee Contributions

Employees of Sempra Energy or the Sempra Energy Companies meeting specific eligibility requirements can join the Sempra Energy’s federal FEC-registered political action committee, Sempra Energy Employee’s Political Action Committee ("SEEPAC").
- SEEPAC is a voluntary political action committee independent of any political party.
- The Company also sponsors a California-registered political action committee, also named SEEPAC, which may make contributions at the state and local level.
- Political spending by SEEPAC is reviewed and approved by the SEEPAC Board of Directors and receives political reporting and compliance clearance before checks are issued.
- SEEPAC complies with all applicable reporting requirements and political contribution laws.
- All SEEPAC contributions must be requested, submitted and approved by Federal Government Affairs before being sent to the Political Reporting and Compliance department for clearance and processing.
- Employees are never to make political contributions to candidates from personal funds, and then seek reimbursement from SEEPAC.
Lobbying

Lobbying is any action intended to influence legislative or administrative action, including activities to influence government officials ("Government Official"), political parties, or ballot measures. Lobbyists can be individual employees or the company that employees them, referred to as a Lobbyist-Employer.

- Only employees authorized to act on behalf of the company may perform lobbying activities and only if permitted by law.
- Even customary and ordinary communications with elected or appointed regulatory or agency officials or their staff may be considered lobbying activity that is subject to rules in certain jurisdictions.
- Employees who engage in these activities are required to report this activity in LATS and/or register as a lobbyist if certain thresholds are met.

Contact Political Reporting and Compliance to ensure compliance with applicable registration and reporting laws prior to engaging in any lobbying or communications activities with officials or their staffs at any level of government.

Retention of Lobbyists or Firms that Lobby

You must obtain prior approval before hiring a lobbyist or lobbying firm by following the process set forth in the procedures found here. You will subsequently need to enter all related expenses on a monthly basis into LATS. It is the responsibility of the employee who hires the firm to relay this policy to outside consultants and ensure compliance. These procedures apply for all jurisdictions.

Revolving-Door Laws

Former Government Officials who become employees of private or public companies may be subject to "revolving-door" restrictions on their work. If you are considering hiring former Government Officials who will be representing Sempra Energy externally, you must obtain approval in advance of hiring from the most senior Sempra Energy External Affairs officer.

Business Courtesies to Government Officials

Business courtesies ("Business Courtesies") that provide personal benefit to a Government Official or to their families are covered by rules and regulations that vary widely by jurisdiction.

For all U.S. jurisdictions, such gifts are often either prohibited or subject to strict yearly and/or monthly limits, and often trigger reporting requirements that can cause officials to be disqualified from voting on matters related to the Sempra Energy or can cause reputational damage to the company once publicly reported.

Please refer to the procedures in Appendix 1 of this policy before giving any gift or courtesy to a Government Official or any of their staff members.
**Political Activities**

**Responsible Dept.:** External Affairs  
**Responsible Officer:** VP Corporate Communications & Sustainability  
**Applicability:** All Employees of Sempra Energy & the Sempra Energy Companies  

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**Required Training**

All employees who are directly involved in activities that could involve contact with a Government Official as well as those who provide support to those employees, are required to complete Political Reporting training, which is provided on a periodic basis.

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**2. BACKGROUND INFORMATION**

Political activity is heavily regulated at all levels of government and often requires reporting to government agencies. U.S. law governing political reporting and compliance generally requires disclosure on a consolidated basis, including in many cases, direct and indirect relationships (e.g., subsidiaries, JVs, etc.). Accordingly, the compliance and reporting function for all the Sempra Companies is administered by Sempra Energy’s Political Reporting and Compliance department.

For guidance on non-U.S. political contributions and gifts, refer to the Anti-Bribery and Anti-Corruption Policy and contact the Legal Department. You must seek guidance prior to acting.

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**3. KEY TERMS**

**Business Courtesies** – Generally anything that has a value provided to an elected or appointed official. Examples include gifts, meals, drinks (e.g., cup of coffee), edibles (such as boxes of chocolates, fruit baskets), entertainment (such as tickets to sporting events or concerts), recreation (such as golf course fees or sailing excursions), raffles, honoraria, transportation, discounts, promotional items and accommodations.

**Government Official** – An officer, employee, agent or representative of any government agency, department, entity or political subdivision, or any candidate for political office, political party or an official of a political party at the federal, state and local level of government, as well as their staff members. Each jurisdiction defines Government Official differently and requires different levels of reporting.

**Lobbying** – Although definitions vary greatly by jurisdiction, lobbying is generally defined as communication with a Government Official intended to influence legislative or administrative action. You do not have to be a registered lobbyist to engage in lobbying.

**Political Action Committee or PAC** – An organization that raises money in order to contribute money to political campaigns. Sempra Energy sponsors an employee-funded political action committee (SEEPAC), which raises money from its eligible employees.

**Sempra Energy Company/Sempra Company** – A subsidiary or other entity as to which Sempra Energy has majority ownership and control.

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Political Activities

Responsible Dept.: External Affairs
Responsible Officer: VP Corporate Communications & Sustainability
Applicability: All Employees of Sempra Energy & the Sempra Energy Companies

EFFECTIVE DATE: 2/23/2012
REVISION DATE: 07/23/2018
REVIEW DATE: 07/23/2018
INFORMATION TYPE: Internal

Questions? See Policy Contact List

4. RELATED DOCUMENTS

Anti-Bribery and Anti-Corruption Policy
Business Courtesies Policy
Contributions Policy
Memberships Policy

5. INFORMATION RETENTION GUIDANCE

For guidance as to the appropriate retention period for information related to this policy, please refer to the Information Management Policy.

APPENDIX 1: Required Steps Before Giving a Gift or Extending a Courtesy to a Government Official

1. Obtain clearance. Due to strict restrictions on gifts at all levels of government, before giving any gift to any Government Official, obtain clearance from Political Reporting and Compliance. Send an email to PoliticalReporting@Sempra.com with an estimate of the gift value and the name, title and jurisdiction of the Official. If for any reason prior approval is not obtained, you must contact Political Reporting and Compliance immediately by phone at (619) 696-2599 or via email at PoliticalReporting@Sempra.com to report the gift.

2. Be transparent. Once clearance is obtained, you should let the Official know that if they choose to accept the gift/courtesy, they will receive a gift letter from you, as a courtesy, outlining the cost of the gift (e.g., ticket, meal, beverages) in case they want to reimburse the Company for these gifts within a 30-day period.

3. Retain all receipts. Once you have attended the meeting or event with the official, you should retain relevant receipts of the expenditures, clearly marking the names, titles and agencies of those who benefited from the expenditure. This will be required for your reimbursement of the expense, and may also be required by Political Reporting & Compliance.

As a general rule and unless otherwise noted on the receipt, the full cost of the tab will be divided equally by the number of people in attendance.

4. Report the expense. The gift expense must be reported in the Gift Section of LATS within 5 days of the event or meeting. This information will be used to track whether a particular official is approaching applicable limits. It is extremely important to be expedient with entering the data into LATS, as the window for seeking reimbursements or making changes is very narrow.

These procedures apply for all domestic jurisdictions, unless the most senior Sempra Energy External Affairs officer, in consultation with the Law Department, determines that a different procedure is appropriate under applicable law and approves the gift.

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APPENDIX 2: Required Steps Before Committing to Make a Political Contribution to a Government Official

Steps 1-3 are annual in nature and must be successfully addressed in Quarter 1 of each calendar year:

1. Obtain senior management budget approval: Corporate political spending plans are reviewed by senior management annually, based on input and feedback from government affairs employees.

2. Present to board for review: Political spending budgets are reviewed by the Sempra Energy Company boards of directors before being submitted to Sempra Energy for review and approval.

3. Obtain consolidated budget approval: The most senior Sempra Energy External Affairs officer shall approve consolidated budgets for political spending once the Sempra Energy Company boards have reviewed spending plans.

Steps 4-9 articulate what authorized employees must do prior to making a commitment to provide a political contribution to a candidate for office or Government Official throughout the course of the year:

4. Obtain VP approval for each contribution request: Send an email to PoliticalReporting@Sempra.com to request a political contribution request form. Once the form is completed, each contribution request must be approved and authorized by a vice president or higher level officer and submitted to the Political Reporting and Compliance department.

5. Submit to Political Reporting and Compliance for legal review: Send the request to the Political Reporting and Compliance department at PoliticalReporting@Sempra.com. The team will review the contributions and ensure compliance with all applicable laws. Contributions are never to be processed in cost centers other than the approved cost center.

6. Obtain Executive VP approval for certain contributions: Contributions over $100,000 and those in excess of the approved budget require approval of the most senior Sempra Energy External Affairs officer at the Company. In addition, any employee wanting to make a contribution to a candidate, PAC, or ballot measure under investigation, in legal trouble, or controversial in any way cannot do so unless approved, in advance, by the most senior Sempra Energy External Affairs officer.

7. Submit to AP for processing: Once legal review is complete, the Political Reporting and Compliance department will submit a check request for processing.

8. Send check: Once the check is received, the Political Reporting and Compliance department will send the check with instructions to the recipient, unless prior delivery plans have been made.

9. Report contributions: The Political Compliance department shall report all contributions to the government as required by law and posts them semi-annually on the Sempra Energy website.

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Responsible Officer: VP Corporate Communications & Sustainability
Applicability: All Employees of Sempra Energy & the Sempra Energy Companies

These procedures apply for all domestic jurisdictions, unless the most senior Sempra Energy External Affairs officer, in consultation with the Law Department, determines that a different procedure is appropriate under applicable law and approves the contribution.