

Greener Power for a Better Environment



PG&E
CSR 2020

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Our Mission

To Safely and reliably deliver affordable and clean energy to our customers and communities every single day, while building the energy network of tomorrow.

Our Vision

With a sustainable energy future as our North Star, we will meet the challenge of climate change while providing affordable energy for all customers.

EXECUTIVE SUMMARY

To Our Stakeholders:

Today, after more than a century of servicing Northern and Central California, PG&E humbly stands at a turning point unlike any other in our history.

We have taken responsibility for the devastating wildfires caused by our electric equipment in recent years, including the 2018 Camp Fire. We pleaded guilty to involuntary manslaughter in the deaths of the 84 people who lost their lives in that tragedy. We settled billions of dollars in damage claims by fire victims, as well as cities, counties, and other public entities.

We have concluded an 18-month Chapter 11 proceeding while fending off hostile takeover attempts. And we have emerged with a plan of reorganization that includes strong commitments regarding our corporate governance, operations, and financial structure that are designed to further prioritize safety and were forged with guidance from both the California Governor's Office and our state regulator.

Now, we are beginning a new era for PG&E, charting a new path

towards a different future as a different company – one that will provide a better outcome and more sustainable results for all those who depend on us.

We will not do business as we did in the past. Rather, we will use the hard lessons we have learned as a driving force for continuous improvement, accountability, and sustained performance in the work we do every day. Amid a global pandemic, we are intensifying our focus on the health and safety of our customers, workforce, and communities. And we are responding to calls for racial equality by deepening PG&E's lone-standing decision to diversity, inclusion, and equal opportunity in the workplace.

Earning back the trust we have lost will require us to meet each one of our obligations without faltering. Overall, we believe that the agreements that underlie our plan of reorganization position PG&E as a sustainable, financially sound utility with the appropriate governance and oversight to safety serve our customers for the long term, while also making the investments required

to help the state achieve its climate and clean energy goals.

Accordingly, we are recommitting our support for California's Climate leadership, including electrification of the energy grid, sufficient charging Infrastructure to power millions of electric vehicles, and carbon-neutral economy by 2045. We are adapting our systems to climate risks, particularly the rising threat of wildfires and extreme weather. And we are doing so with the recognition that both the costs and benefits of these innovations must be shared equitably across the economic spectrum. As we pursue that vision, we understand that our success will be measured in the results we deliver, not the sincerity of our words. We invite you to judge us by that standard, and we welcome your feedback on our progress in the days ahead

Sincerely

William L Smith

A handwritten signature in black ink that reads "W L Smith". The signature is written in a cursive, flowing style.

CEO and President
PG&S Corporation

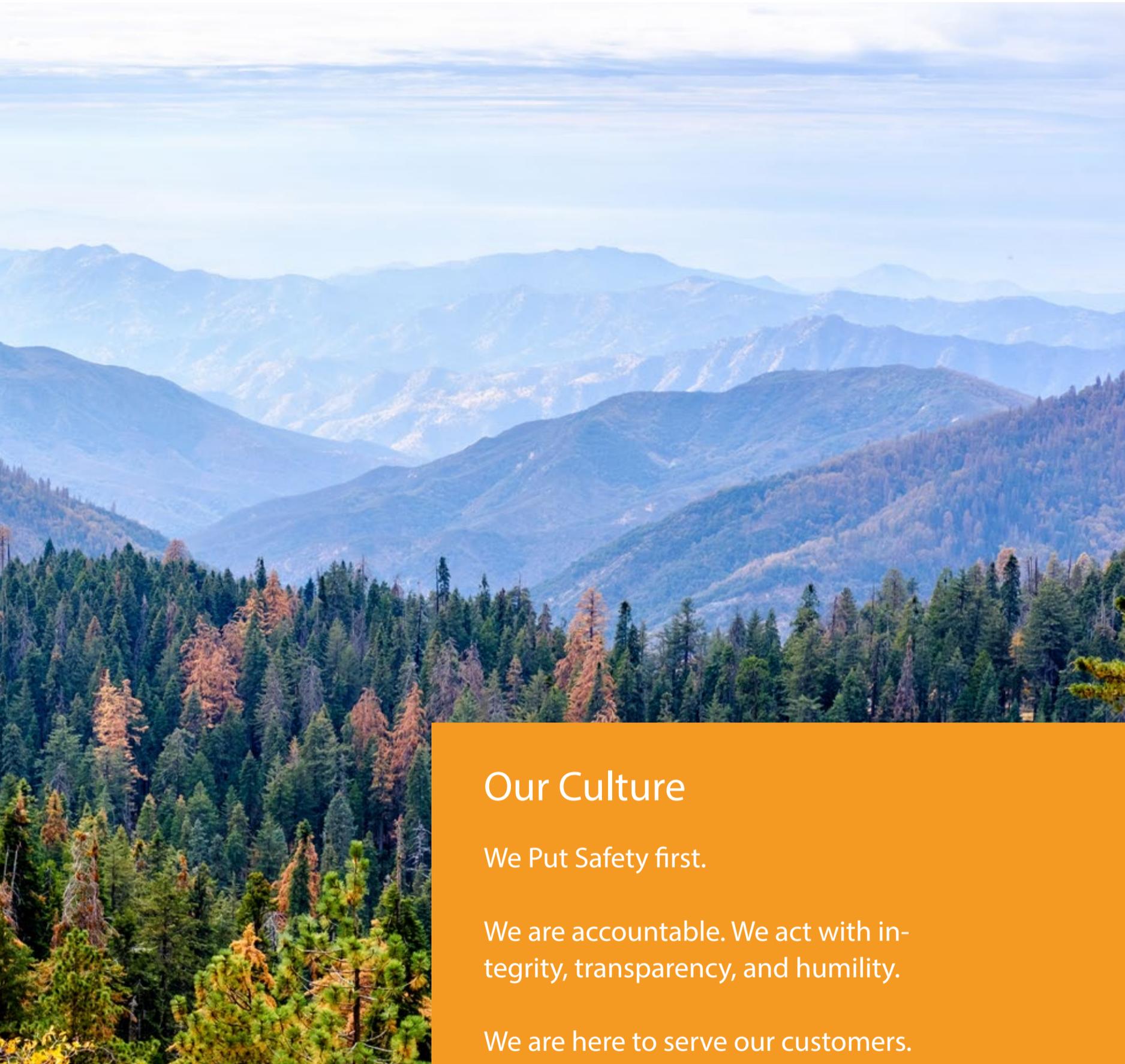


As an energy provider rooted in California, PG&E confronts choices and challenges with environmental, social, and economic factors that affect the customers and communities we serve. Finding the right balance between these factors in the decisions PG&E makes is essential to achieving our goals of providing safe, reliable, affordable, and clean energy – today and into the future.

Corporate sustainability as business strategy has never been more important – taking an approach that considers PG&E operations throughout the Lens of preparing for the Future and providing long-term values to our many stakeholders. In fact, doing so is what customers, investors, policymakers, regulators, environmental and social justice advocates and many others have come to expect from PG&E.

To Help guide our decisions, we rely on our Mission, Vision, and Culture framework, developed through extensive outreach and interactions with our employees, customers and other stakeholders. Importantly, it places a sustainable energy future at the center as our North Star.





Our Culture

We Put Safety first.

We are accountable. We act with integrity, transparency, and humility.

We are here to serve our customers.

We embrace change, innovation, and continuous improvement.

We value diversity and inclusion. We speak up, listen up and follow up.

We succeed through collaboration and partnership. We are one team.

Ethics & Compliance

With our Mission, Vision and Culture as the foundation, our Code of Conduct identifies the expectations and requirements for which employees are accountable. In that spirit, PG&E promotes a culture in which employees are encouraged to speak up and empowered to meet the standards laid out in our Code of Conduct at all times.

Our Approach

Within senior leadership, the companies' Chief Ethics and Compliance Officer (CECO) leads compliance and ethics. The CECO reports to the PG&E Corporation Chief Executive Officer (CEO) and President and has additional reporting responsibility to the Audit Committees of the PG&E Corporation and Pacific Gas and Electric Company Boards of Directors and the Compliance and Public Policy Committee of the PG&E Corporation Board.

During 2019, we integrated culture and ethics into strategic planning discussions with PG&E's senior executives from every line of business in order to consider how PG&E's culture impacts risk and compliance work. During line of business Risk and Compliance

Committee meetings, we focus on the impact of behavior on compliance performance as issues arise.

Beginning in 2016, we developed and implemented a standardized framework called the Compliance and Ethics Maturity Model, which includes eight elements derived from the U.S. Federal Sentencing Guidelines that define the parameters of an effective compliance and ethics program. To assess and monitor the compliance and ethics program for each line of business, we completed an initial baseline assessment of each line-of-business program in 2016 and established maturity level targets across PG&E.

Throughout 2019, PG&E's Compliance and Ethics organization supported the lines of business in advancing their own programs' maturity, while concurrently seeking to advance its own program. Advancements include documenting and testing controls, developing training and communications programs, performing compliance investigations, and promoting adherence to the Code of Conduct. Management-level governance bodies help drive and coordinate our compliance and ethics activities:

Compliance and Ethics Committee:

Made up of officers, this committee provides leadership, strategic guidance and oversight of PG&E's compliance and ethics program. It works to promote an organizational culture committed to integrity, ethical conduct



and compliance with all applicable laws, regulations and PG&E requirements.

Compliance and Ethics Leadership Team:

This cross-functional team of non-officer compliance and ethics leaders within PG&E is accountable for promoting the effectiveness of PG&E's compliance and ethics program by coordinating across the lines of business on strategy, goals and programs, as well as sharing best practices.

Risk and Compliance Committee in each line of business:

This committee includes the line-of-business officer and senior leaders, and provides

leadership, strategic guidance and oversight for each line of business' compliance and ethics program and work to promote compliance with all laws and regulatory requirements, as well as maintain focus on operational risk management and ethics.

Ethics Council:

We maintain an Ethics Council, which includes management and union-represented employees at multiple levels. The Council meets five times throughout the year, including one meeting that is open to all employees, and helps raise and address issues relating to ethics and conduct at PG&E.

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ENVIRONMENTAL GREENER ENERGY

Based in San Francisco, PG&E delivers some of the nation’s cleanest energy to nearly 16 million people in Northern and Central California.

Customer Accounts

5.5 million electric distribution accounts:

4.8 million residential

0.7 million commercial, industrial and other

4.5 million natural gas distribution accounts:

4.2 million residential

0.3 million commercial and industrial

Employees

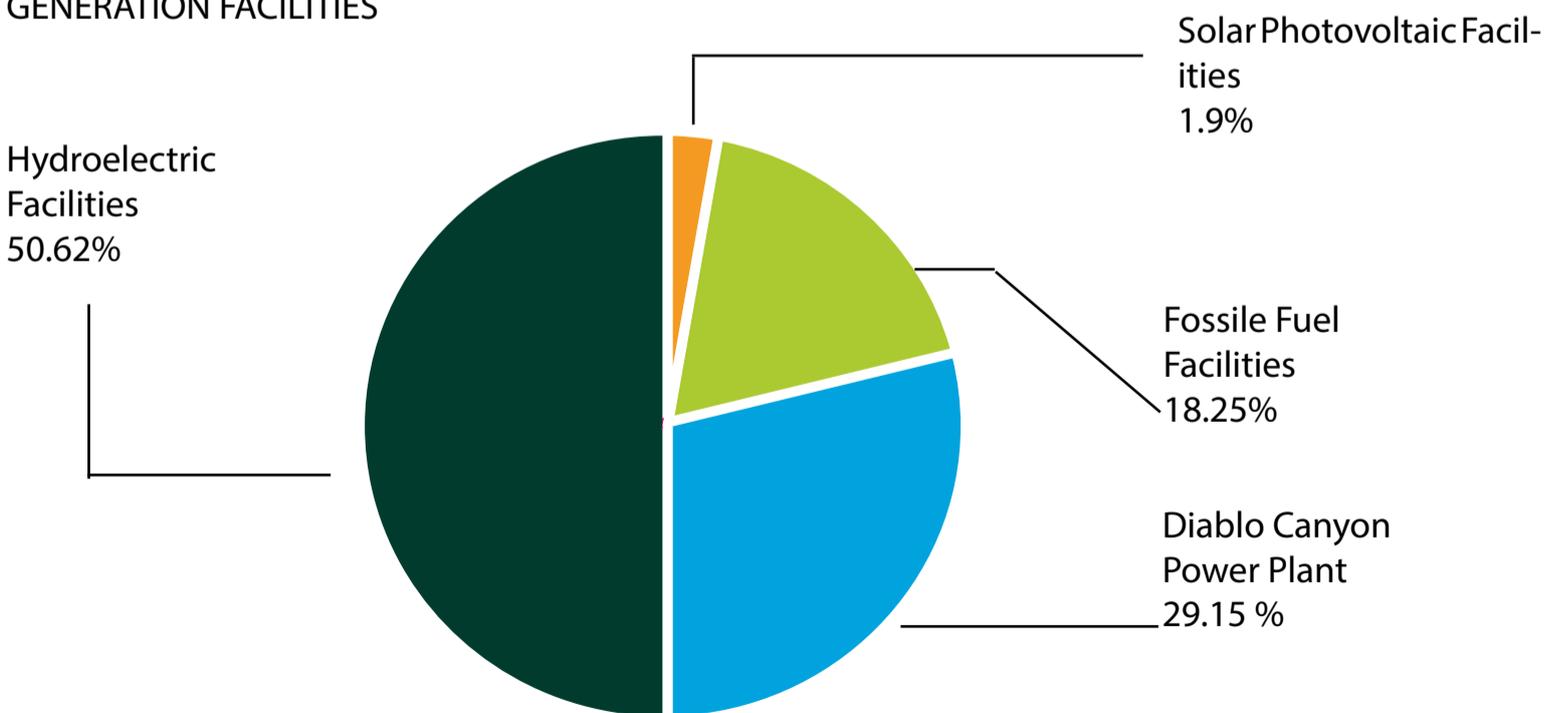
Approximately 23,000 regular employees

Approximately 15,000 employees are covered by collective bargaining agreements with three labs.

System

7,686 MW of PG&E-owned hydroelectric, nuclear, natural gas, solar and fuel cell generation. Approximately 107,000 circuit miles of electric distribution lines and approximately 18,000 circuit miles of electric transmission lines. Approximately 43,000 miles of gas distribution pipelines, 6,600 miles of backbone and local gas transmission pipelines and three gas storage facilities

NET OPERATING CAPACITY OF OWNED GENERATION FACILITIES



Renewable Energy

PG&E remains committed to meeting California's evolving clean energy policies and standards, which we are working to achieve by delivering some of the nation's cleanest energy, reducing our greenhouse gas emissions, and providing safe and reliable energy, all while working to keep service affordable for customers.

Clean energy plays a foundational role in the transition to a decarbonized economy, and PG&E strongly supports California's clean energy policies, renewable goals and efforts to limit and adapt to climate change. These policies and investments have created a robust renewable energy market in California and have contributed to substantial greenhouse gas emissions reductions from the electric sector.

Our Approach

Approved in 2003, California's Energy Action Plan establishes a "loading order" that

prioritizes energy efficiency, demand response and renewable energy over using fossil fuels to meet customer demand.

In September 2018, SB 100 was signed into law, increasing California's Renewables Portfolio Standard (RPS) target to 60 percent by December 31, 2030, and establishing a new statute that sets a policy of meeting 100 percent of retail sales from eligible renewables or zero-carbon resources by December 31, 2045. Additionally, a state Executive Order directs all sectors of the California economy to achieve carbon neutrality by 2045 and to be net greenhouse gas negative thereafter. PG&E is committed to meeting California's vision for a sustainable energy future in a reliable and cost-effective manner for customers.

In recent years, the dynamics of California's energy landscape have changed, highlighted by the expansion of retail customer choice and the growth of distributed generation, such as private rooftop solar. These dynamics have affected PG&E's renewables portfolio, allowing us to shift from a focus on incremental procurement to now managing and optimizing our existing portfolio, including through the sales of excess renewable energy. This ultimately influences our end-of-year RPS position.

Reflecting California's changing energy landscape, the CPUC approved in 2018 several key elements of a joint proposal with labor and environmental organizations that would phase out PG&E's production of nuclear power in California by 2025 while still meeting California's

Climate Change

Working to meet the challenge of climate change is central to PG&E's long-term vision. Our commitment includes aligning our resources and business strategy with the state's clean energy goals, and advocacy for policies and programs that enable safe, reliable, affordable and clean energy for our customers. We do so while also working to reduce the ever-growing threat of extreme weather and wildfires.

We are delivering clean and renewable energy to customers, strengthening our infrastructure in response to changing climate conditions and reducing our operational carbon footprint. We are also committed to supporting efforts at the local level to make the communities we serve more resilient to climate threats.

Our Approach

PG&E is committed to California's vision of a sustainable energy future. Led by significant greenhouse gas emissions reductions in the electric sector this decade, California is on track to achieve the 2020 target established by California's Global Warming Solutions Act, or Assembly Bill (AB) 32, of reducing economy-wide greenhouse gas emissions to the 1990 level of 431 million metric tons of carbon dioxide-equivalent (CO₂-e) by 2020.

PG&E also remains actively engaged with policymakers and various stakeholders on the implementation of Senate Bill (SB) 32, which requires that the California Air Resources Board (CARB) ensure a 40 percent reduction in economy-wide greenhouse gases by 2030 compared to 1990 levels.



Wildfire Mitigation Progress

Our Community Wildfire Safety Program includes immediate and comprehensive actions to upgrade our infrastructure, monitor fire threats in real time and institute new wildfire safety measures.

Metric

	2019 Target	2019 Results	2020 Target
Wildfires Safety			
System harhlining (line miles): Stronger poles, covered lines and/or targeted underground	150	150	150
Enhanced Vegetation Management (lineMiles): Inspecting, pruning and removing vegetation	2450	2498	1800
Visual and Areal Inspections on: 50,000 transmission, 700,000 Dustrobution and 200 substation assets in High Fire Threat Districts (HFTD)	100%	100%	see note ¹
High-Definition Cameras (cameras): Improving real-time monitoring of high risk areas and conditions	96	133	200
Weather Stations (stations): Enhance weather forecasting and modeling	400	426	400
Sectionalizing Devices (devices): Separating the grid into sall sections for opreational flexibility	N/A	287	592
Transmission Line Switches (devices): Enabling targeted transmission outages to lessen downstream customer impacts	N/A	N/A	23

1. Target is annual inspections for Tier 3 HFTD facilities and three-year cycles for Tier 2 HFTD facilities.¹

03

SOCIAL RESPONSIBILITY

Customers Engagement

At PG&E, we value the rich diversity of the customers and communities we serve. Notably, our Mission, Vision, Culture statement—the guiding principles of how we operate—puts the customer front and center.

Our centralized customer service model coupled with local field-based operations allows us to serve customers through our contact center and web services, while working with customers on a local level to help them better understand their energy needs and manage their energy costs. Over the last several years, PG&E has also significantly enhanced our wildfire safety education and awareness efforts to improve customer preparedness and safety.

Our Approach

Pacific Gas and Electric Company's Customer Care organization, led by the company's Chief Customer Officer, works to deliver the best experience for each and every customer. This

includes using data-informed insights to improve the customer experience, localizing our presence and strategies in the communities we serve, and empowering customers with greater choice and control over how they manage their energy use. We also continuously integrate customer feedback to develop, enhance and improve our products and services.



Energy Affordability

At PG&E, we're committed to providing affordable energy to all of our customers. One important tool is our wide range of energy efficiency programs, which help customers reduce their energy use and save money. We also offer several financial assistance programs to help customers who are facing financial challenges, who live in disadvantaged communities or who face issues of environmental and social justice.

Our Approach

Energy efficiency programs play an essential role in energy affordability. Pacific Gas and Electric Company's website includes an extensive set of energy-saving tips and lists of appliances and equipment that are eligible for rebates. It also provides tools, like Home Energy Checkup and Home Energy Reports, that help customers analyze their usage and pinpoint ways to save.

PG&E is also transitioning toward a new program model that will result in an updated portfolio of energy efficiency programs by 2020 that are proposed, designed and delivered by third parties. The goal of the initiative is to scale

energy efficiency cost-effectively and make energy efficiency offerings easier to access for customers.

Community Investments

At PG&E, we are dedicated to building and maintaining charitable partnerships with non-profit organizations, local and tribal governments and others to address critical social, educational and environmental challenges in the communities we serve.

Our programs continue to support enhancements in resiliency in the face of disaster, with the goal of helping to ensure the state's critical social safety net is robust and available when emergencies strike. Our charitable contributions programs are funded entirely by our shareholders and have no impact on our customers' energy rates.

Our Approach

The Better Together Giving Program provides grant each year to 501(c)(3) non-profit organizations, schools, and local and tribal governments across Northern and Central California. This support can come from PG&E or from The PG&E Corporation Foundation, and generally focuses on five areas: emergency preparedness and safety, economic and community vitality, education and workforce development, the environment and employee engagement.

