

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name SEMPRA ENERGY		2 Issuer's employer identification number (EIN) 33-0732627	
3 Name of contact for additional information Shareholder Services	4 Telephone No. of contact (877) 736-7727	5 Email address of contact investor@sempra.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 488 8th Avenue, HQ15N2		7 City, town, or post office, state, and ZIP code of contact San Diego, CA 92101-7123	
8 Date of action April 15, 2021		9 Classification and description 6.75% Mandatory Convertible Preferred Stock, Series B	
10 CUSIP number 816851109	11 Serial number(s)	12 Ticker symbol SRE	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment.
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- 15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment.
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- 16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment.
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

4/26/2021

Print your name ▶ Paul H. Yong

Title ▶ Vice-President, Corporate Tax

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Attachment to Form 8937 – Report of Organizational Actions Affecting Basis of Securities

Sempra Energy (EIN: 33-0732627)

Conversion of 6.75% Mandatory Convertible Preferred Stock, Series B

Date of Organizational Action: April 15, 2021

Part II, Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On February 25, 2021, the Board of Directors of Sempra Energy ("Sempra") declared a quarterly common stock dividend which will be paid on April 15, 2021, to holders of record of common stock as of the close of business on March 25, 2021. As a result of this cash dividend to common stockholders, effective April 15, 2021, the Conversion Rate at which each share of 6.75% Mandatory Convertible Preferred Stock, Series B ("Series B") can be converted into common stock was increased. The value of the Conversion Rate increase is a deemed distribution for tax purposes.

Part II, Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Expected Minimum and Maximum Adjusted Conversion Rates increased from 0.7380 and 0.8855 shares of Sempra preferred stock to 0.7392 and 0.8869 shares, respectively, of Sempra common stock for each Series B share. The value of the increase at the Expected Minimum and Maximum Adjusted Conversion Rates is 0.0012 and 0.0014, respectively, per Series B share. To the extent supported by Earnings & Profits, the minimum 0.0012 or maximum 0.0014 per share is taxable to Series B holders and increases tax basis in their Series B stock. Sempra currently anticipates having adequate Earnings & Profits to support that the entire minimum 0.0012 or maximum 0.0014 per share is taxable. Should Sempra's Earnings & Profits be inadequate to support the entire minimum 0.0012 or maximum 0.0014 as taxable, this Form 8937 will be revised.

For the avoidance of doubt, for the Q1 2020 Series B dividend adjustment, the basis adjustment in dollars per preferred share would be \$0.15 if calculated using the Minimum Conversion Rate, or \$0.18 if calculated using the Maximum Conversion Rate (i.e., 0.0012 or 0.0014 multiplied by \$129.0930).

Part II, Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

			Stock Price				
	Quarter	Dividend [A]	Before Dividend [B]	Dividend Threshold [T]	Conv. Ratio Adj. Factor [C]	Adj. Min Conv. Ratio [PY] * [C]	Adj. Max Conv. Ratio [PY] * [C]
	0	\$0.8950	\$113.75	\$0.8950		0.7326	0.8791
9/30/2018	1	\$0.8950	\$117.70	\$0.8950	1.0000	0.7326	0.8791
12/31/2018	2	\$0.8950	\$109.71	\$0.8950	1.0000	0.7326	0.8791
3/31/2019	3	\$0.9675	\$124.44	\$0.8950	1.0006	0.7330	0.8796
6/30/2019	4	\$0.9675	\$136.85	\$0.8950	1.0005	0.7334	0.8801
9/30/2019	5	\$0.9675	\$142.30	\$0.8950	1.0005	0.7338	0.8806
12/31/2019	6	\$0.9675	\$151.37	\$0.8950	1.0005	0.7342	0.8810
3/31/2020	7	\$1.0450	\$99.63	\$0.8950	1.0015	0.7353	0.8823
6/30/2020	8	\$1.0450	\$120.64	\$0.8950	1.0013	0.7362	0.8834
9/30/2020	9	\$1.0450	\$118.49	\$0.8950	1.0013	0.7371	0.8845
12/31/2020	10	\$1.0450	\$129.27	\$0.8950	1.0012	0.7380	0.8855
3/31/2021	11	\$1.1000	\$129.09	\$0.8950	1.0016	0.7392	0.8869

The average VWAP per share of our common stock over the five consecutive trading day period ending on the trading day immediately preceding the ex-date.

Date	VWAP
3/17/2021	\$129.7801
3/18/2021	\$129.3062
3/19/2021	\$129.4511
3/22/2021	\$127.7103
3/23/2021	\$129.2172
3/24/2021	

VWAP \$129.0930

Notes:

- Conversion Ratio Adjustment Factor [C] formula: $(C = B - T / B - A)$
- Series B Prospectus Supplement, dated July 10, 2018, definition of stock price:
“For the purposes of determining the adjustment to the fixed conversion rate for the purposes of: clauses (2), (4) (but only in the event of an adjustment thereunder not relating to a spin-off) and (5) above, the “current market price” of our common stock is the average VWAP per share of our common stock over the five consecutive trading day period ending on the trading day immediately preceding the “ex-date” (as defined below) with respect to the issuance or distribution requiring such computation” – S-64
- “...”VWAP” per share of our common stock on any trading day means the per share volume weighted average price as displayed on Bloomberg page “SRE<EQUITY>AQR” (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such trading day; or, if such price is not available, “VWAP” means the market value per share of our common stock on such trading day as determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by us for this purpose, which may include any of the underwriters for this offering. The “average VWAP” means the average of the VWAPS for each trading day in the relevant period.” – S-54

Part II, Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

IRC Section 301: Distributions Of Property

IRC Section 305 (b) (2): Distributions Of Stock And Stock Rights - Disproportionate Distributions

IRC Section 305 (c): Distributions Of Stock And Stock Rights – Certain Transactions Treated As Distributions

IRC Section 316: Dividend Defined

Part II, Line 18: Can any resulting loss be recognized?

This is not a loss transaction.

Part II, Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The reportable tax year is 2021.

Disclaimer: The information contained in Form 8937 and the attachment does not constitute tax advice and does not purport to take into account any shareholder's specific circumstances. Shareholders are urged to consult their own tax advisors regarding U.S. tax consequences of the Organizational Action described herein and the impact to tax basis resulting from the Organizational Action.