

# 2019/2020 Corporate Responsibility Executive Summary



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## CEO Message

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### Energy for Today, a Plan for Tomorrow

Energy connects people, business and future generations to growth, possibility and opportunity. Driven to realize this potential, Southern Company continues to build the future of energy for the advancement of our customers and communities. Core to these objectives is consistent engagement by independent directors and company leadership with a wide range of stakeholders. We listen to their perspectives and integrate feedback into our business strategy, goals and objectives.

The term ESG, which stands for Environmental, Social and Governance, has been used increasingly by investors and others over the past few years. Since our inception more than a century ago, Southern Company and its operating companies have prioritized these important topics — responsibility, sustainability, commitment to community and transparency — in how we operate our business.

This Executive Summary serves as a roadmap, highlighting key areas of interest to help stakeholders access ESG disclosures available on our website, including subject-specific reports. Based on feedback from investors and others, we are working to migrate our reporting on corporate responsibility topics toward a web-based approach in 2022, with the aim of further enhancing transparency and accessibility.

### Solid Progress Toward Net Zero Goal

In our most recent in-depth climate report, Implementation and Action Toward Net Zero, we set a long-term goal of achieving net zero greenhouse gas (GHG) emissions by 2050 and reaffirmed our interim goal of reducing GHG emissions 50% by 2030, as compared to 2007 levels. For 2020, we reported that we reduced emissions 52% and expect to consistently achieve GHG reductions of greater than 50% by 2025, a full five years earlier than our 2030 goal.

We are accountable to customers and other stakeholders as we develop generation, transmission, distribution, fuel and sales strategies that enable us to reduce GHG emissions while maintaining reliability and affordability. Southern Company will continue to work with policymakers at both the state and federal levels as we seek to balance these important factors. Our environmental goals and progress remain core to Southern Company's overall strategy and corporate responsibility — a responsibility that extends not only to the communities we serve, but also our nation and our world.

### COVID-19 Pandemic Response Prioritizes Health and Safety

In the face of the ongoing COVID-19 pandemic, our top priority remains the health and safety of our customers, our neighbors and our employees as we provide clean, safe, reliable and affordable energy. Across Southern Company, we have never stopped working to serve our 9 million customers every day, whether on-site, in the field or remotely. We continue to employ work practices that help safeguard both our employees and our communities.

Southern Company has demonstrated unwavering dedication to our employees in the form of enhanced benefits targeting physical, emotional and financial well-being. We also have developed new, creative ways of communicating and connecting with our employees, no matter where they may be working.

### Committed to be a Role Model Among Companies Forging Change

We find ourselves at a critical moment in history. Over the past two years, our communities, corporations and policymakers have entered into necessary and important discussions about racism and racial injustice. A growing recognition of the cumulative and compounded effects of systemic racial barriers and bias across institutions and society has awakened. Southern Company has formalized commitments and actions toward preventing racism, and I pledge that this work will not be episodic but rather will continue and become reflected in Our Values that we live each and every day.

Representative of our commitment, Southern Company is transitioning toward a more holistic goal of diversity, equity and inclusion (DE&I) with the aim that all groups, and especially historically underrepresented and marginalized groups, are well represented, included and fairly treated. One key to effectuating DE&I change is through the training and retention of our employees. Southern Company utilizes a range of programs to facilitate career development and provide new opportunities for our existing employees. We have further increased our efforts to recruit and train diverse talent, with the ultimate goal of having our workforce mirror the diverse communities we serve.

Embedded in our culture is the philosophy of being “A Citizen Wherever We Serve.” Employee volunteerism and support of community initiatives, both large and small, are hallmarks of Southern Company and our subsidiaries. We will be vocal and clear, internally and externally, about our racial equity beliefs and will align our volunteer, giving and community investment strategies to three key pillars we have prioritized for impact: education, criminal justice reform and economic empowerment.

## Corporate Responsibility Core to Corporate Strategy

At Southern Company, we have long believed corporate responsibility and corporate strategy are inextricably linked. The Board of Directors of Southern Company provides substantive oversight to our management team on strategy and risk issues across the ESG spectrum, and each Board committee has responsibility for key elements of risk oversight. By focusing on these issues, we aim to effectively align and link our commitments to customers, communities, employees, policymakers and stockholders. Importantly, engagement with our stakeholders will remain a priority as we collectively shape the future of our company.

As we rise to meet the challenges of today and new ones that will undoubtedly materialize, the culture of our company continues to grow even stronger. Individually and collectively as a company, we will be more resilient in the long run because of our efforts.

Thank you for your interest in our company.  
We will continue our hard work on your behalf.

*Thomas A. Fanning*

September 2021



**Thomas A. Fanning**

Chairman, President and CEO  
Southern Company

# Introduction

It is our mission to provide clean, safe, reliable and affordable energy to the customers and communities we are privileged to serve.

# Southern Company

## Overview

Southern Company<sup>[1]</sup> is a leading energy company known for excellent customer service, high reliability and affordable prices below the national average. We are committed to supporting and improving our communities and the environment at the local level and beyond, while conducting business with honesty, integrity and fairness. Through industry-leading innovation and a commitment to a net zero future, we are delivering sustainable and resilient energy solutions that help drive growth and prosperity. Our uncompromising values put the needs of those we serve at the center of everything we do and govern our business to the benefit of our world.

[1] In this document, the terms we, us and our all refer to Southern Company. Southern Company is a holding company that conducts its business through its subsidiaries. Accordingly, unless the context otherwise requires, references in this document to Southern Company's operations, such as generating activities, greenhouse gas emissions and employment practices, refer to those operations conducted through its subsidiaries.

### SOUTHERN COMPANY CORPORATE RESPONSIBILITY GOALS



**50%** GHG emissions reduction by 2030 relative to 2007 levels



Achieve **net zero** GHG emissions by 2050



**50%** light-duty fleet vehicle electrification by 2030<sup>[2]</sup>



Invest **\$200 million** by 2025 to advance racial equity and social justice in our communities



Increase our minority business enterprise (MBE) spend to **20%** and total diverse spend to **30%** by 2025

[2] Goal applies to traditional electric operating companies.



# Our Companies

Southern Company is a holding company that conducts its business through its subsidiaries, including:

- **Alabama Power, Georgia Power and Mississippi Power:** Traditional electric operating companies that provide service to both retail and wholesale customers in the Southeast.
- **Southern Power:** A leading wholesale energy provider that develops, constructs, acquires, owns and manages power generation assets to provide wholesale renewable energy in 14 states.
- **Southern Company Gas:** An energy holding company that provides natural gas in four states through local distribution companies (LDCs) including Atlanta Gas Light (Ga.), Chattanooga Gas (Tenn.), Nicor Gas (Ill.), Virginia Natural Gas (Va.) and other complementary non-utility natural gas businesses.
- **Southern Nuclear:** An innovative leader among the nation's nuclear energy industry.
- **PowerSecure, Southern Linc and Southern Telecom:** Complementary non-utility businesses.

## Sustainable Financing

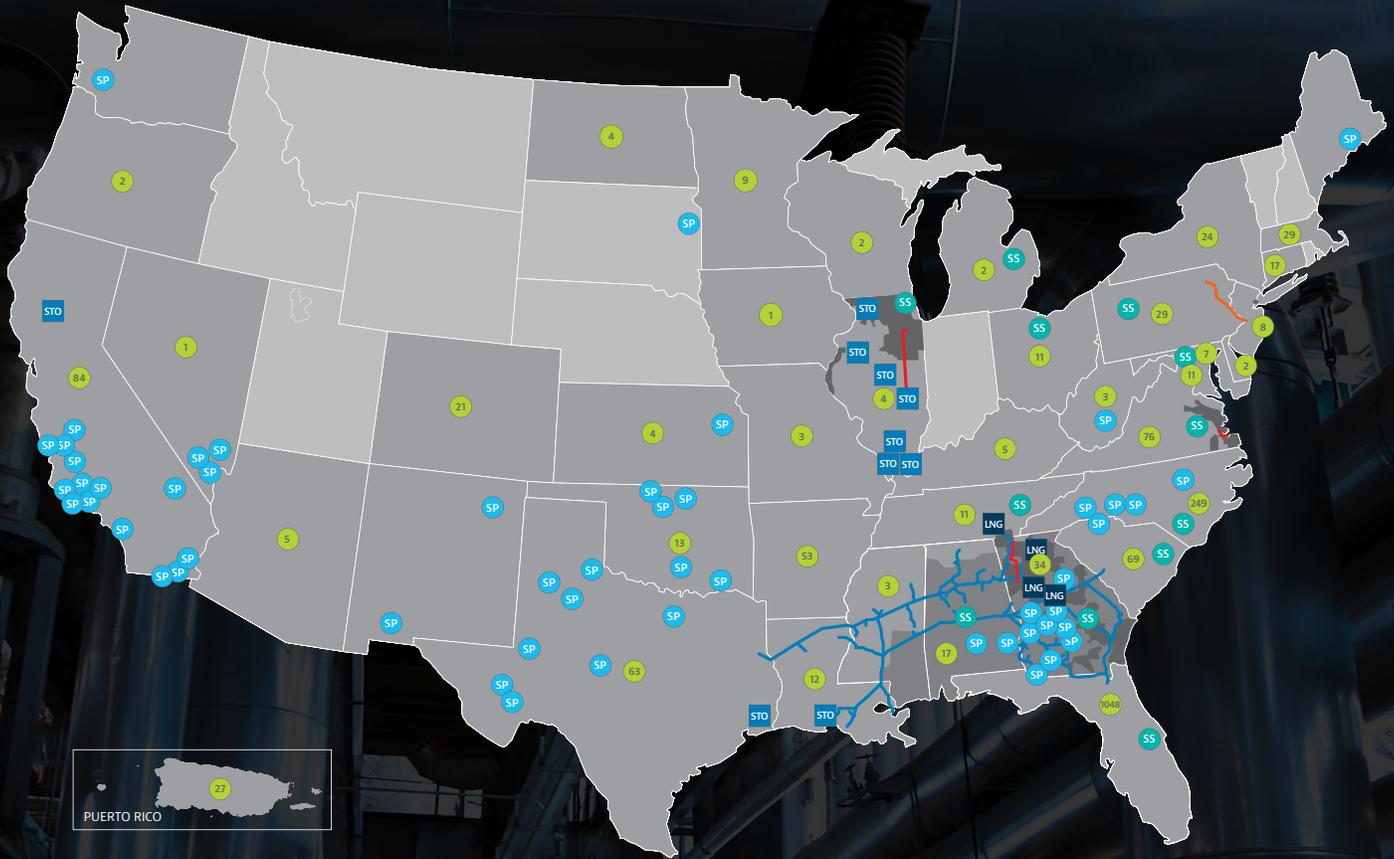
Southern Company has demonstrated its commitment to sustainability through its financing efforts. In 2021, we became the first large cap U.S. utility holding company to publish a Sustainable Financing Framework. Under this framework, several Southern Company entities have issued green, sustainability and social bonds linked to renewable energy projects, supplier diversity goals and other key ESG metrics. Leveraging the framework allows us to attract sustainability-focused investors, optimize our balance sheet and benefit our customers. Southern Company subsidiaries, in aggregate, are among the Top 5 U.S. issuers of green bonds.



[Sustainable Financing Framework](#) >



# SOUTHERN COMPANY SYSTEM



	Electric Service Territory		Southern Natural Gas		Pipeline Projects		SouthStar Energy Services		Natural Gas Storage Facilities
	Gas Service Territory		Southern Company Gas		Southern Power		LNG Plants		PowerSecure Owned and Managed Sites



[Our Companies | Southern Company](#) 

# Environmental

We are proud to support the communities we serve, and we are committed to protecting the environment we all share. We recognize an obligation to meet all environmental laws and regulations, and we demonstrate that commitment each day. Further, we hold ourselves accountable through our Environmental Principles and transparent communication about our environmental performance.

# Commitment to GHG Emissions Reduction

Climate change is real, and Southern Company is committed to reducing our GHG emissions and providing the customers and communities we serve a clean energy future. The Paris Agreement is an opportunity for the U.S. to engage on a coordinated, global strategy to address the threat of climate change, and we support this objective by actively advancing a net zero by 2050 goal in direct alignment with the commitments of this landmark accord. We also have an interim target to achieve 50% GHG emissions reduction by 2030 relative to 2007 levels.

We are proud of our recent progress in reducing GHG emissions by 52% in 2020 relative to 2007 levels, and we expect to achieve reductions of 50% or greater on a consistent basis by 2025, a full five years ahead of our goal.<sup>[1]</sup> Our net zero goal includes direct GHG emissions across our electric and natural gas businesses.<sup>[2]</sup>

To reach our net zero by 2050 goal, we are focused on transitioning our generating fleet and making the necessary related investments in our transmission and distribution (T&D) grids. Components of Southern Company's decarbonization strategy include: reduced reliance on coal-fired generating assets, use of natural gas to enable the low-carbon energy transition, further growth in our portfolio of zero-carbon resources, enhanced energy efficiency initiatives, negative carbon solutions and continued investment in research and development (R&D) of clean energy technologies.

In addition to focusing on carbon emissions from our generating fleet, we continue to invest in infrastructure and technologies to further reduce methane and other GHG emissions from our natural gas businesses. While fugitive methane emissions represent approximately 1% of Southern Company's direct GHG emissions, Southern Company Gas has led the industry in fostering significant progress to voluntarily minimize fugitive methane emissions across the natural gas supply chain.

[1] 2020 energy mix was impacted by temporal factors including lower demand related to the COVID-19 pandemic and milder than normal weather. We expect to reach a consistent reduction of 50% GHG emissions by 2025, if not sooner.

[2] The GHG emission goals are calculated using the equity share approach presented in the World Resources Institute/World Business Council for Sustainable Development GHG Protocol for all of Southern Company's owned facilities. The GHG emissions included are Scope 1 direct facility emissions that are required to be tracked by EPA's Greenhouse Gas Reporting Program (GHGRP) and calculated using methods required by the GHGRP. Additional emissions sources for the gas distribution sector are also included consistent with EPA's GHG Inventory and ONE Future.



## Key Links

[Implementation and Action Toward Net Zero](#) ↗

[Planning for a Low Carbon Future](#) ↗

[CDP Climate Disclosure](#) ↗

[Our Environmental Principles](#) ↗

[Southern Company — ESG — Policy Engagement and Advocacy](#) ↗

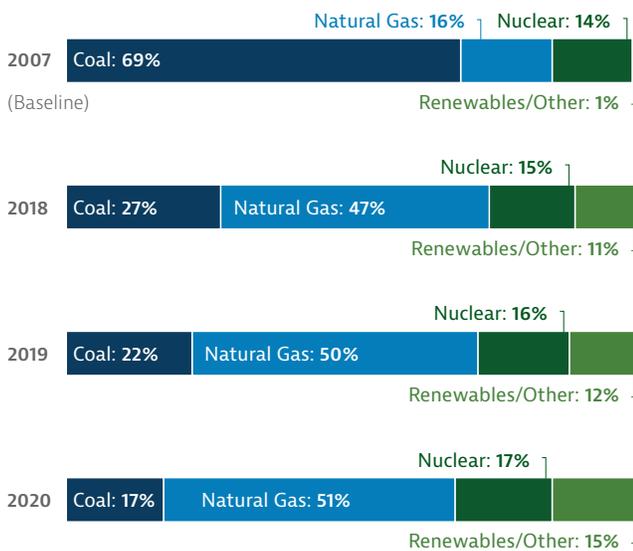
[Southern Company Gas | Sustainability](#) ↗



## Energy Portfolio Transition

We believe having a diversified energy portfolio is crucial to reducing emissions while maintaining reliability and affordability, and we are one of the only utilities in the U.S. following an "all of the above" net zero strategy. Since 2007, we have significantly reduced our reliance on coal-fired generation and meaningfully increased generation from zero-carbon resources.

## ANNUAL ENERGY MIX<sup>[3]</sup>



[3] Annual energy mix represents all of the energy the Southern Company system uses to serve its retail and wholesale customers during the year. It is not meant to represent delivered energy mix to any particular retail customer or class of customers. Annual energy mix percentages include non-affiliate power purchase agreements.

Renewables/Other category includes wind, solar, hydro, biomass and landfill gas.

With respect to certain renewable generation and associated renewable energy credits (RECs), to the extent an affiliate of Southern has the right to the RECs associated with renewable energy it generates or purchases, it retains the right to sell the energy and RECs, either bundles or separately, to retail customers and third parties.

Across both our regulated and unregulated subsidiaries, we are committed to increasing our renewable and carbon-free generation footprint. In 2020, nearly one-third of our energy supply from electric generation came from zero-carbon sources, including solar, wind, biomass, landfill gas, hydro and nuclear. Southern Power owns and operates 12,500 megawatts (MW) of wind, solar and battery storage in 14 states. In addition, Georgia Power expects to more than double its renewable energy resources by 2025, and Alabama Power and Mississippi Power continue to increase the renewable resources available in their portfolios to adapt to customer preferences. Southern Nuclear also operates a sizeable fleet of clean, reliable nuclear units, which will grow with the addition of Plant Vogtle Units 3 and 4 currently under construction.

While we actively support the advancement of renewable and carbon-free energy, we believe that natural gas will continue to play an important part in the nation's effective transition to a net zero future. As we deploy increasing amounts of renewable energy across our system, natural gas is required to maintain

reliability for our electricity customers. In addition, many of our natural gas customers, especially those who use it for home heating in colder climates, require natural gas due to its affordability, reliability and efficiency. We are thoughtfully considering the future optionality of these resources in an increasingly carbon-constrained world including carbon capture, hydrogen blending and renewable natural gas technologies. We seek to minimize the possibility of stranded asset risk as we make all new infrastructure recommendations and decisions.



↓73%

The number of coal units owned and operated by Southern Company has decreased by 73% since 2007.

## System Resilience

As we transition to cleaner fuel sources, we are also modernizing our infrastructure to improve system resilience. Since 2000, we have invested nearly \$17 billion to modernize our T&D infrastructure, building system-wide resilience and enhancing our ability to identify problems and avoid service disruptions. Over the next three years, we aim to invest \$8 billion across our T&D systems, including smart grid and advanced meter infrastructure, energy storage, microgrids and demand response technology. These efforts help maintain and enhance resilience for our customers in the face of extreme weather events, natural disasters and increased cyber threats.



### Key Links

[Building the Future of Energy](#) ↗

[Environment | Southern Company](#) ↗

## Energy Efficiency

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Energy efficiency programs play an important role in Southern Company's resource planning and energy solutions. We offer innovative electric and natural gas efficiency programs to help customers use energy more effectively, and we support adoption and enforcement of cost-effective building codes and appliance standards. We promote efficient energy use through educational programs, competitive pricing and cost-effective solutions for economically vulnerable communities. In addition, we support energy efficiency research programs and work closely with energy trade associations, vendors, industry leaders, U.S. Department of Energy national laboratories and appliance standards development organizations to improve the economics, reliability and adoption of new technologies. Since 2007, Southern Company's regulated electric subsidiaries have invested approximately \$1.2 billion in energy efficiency and demand response programs — which can reduce peak demands by over 5,600 MW.



### Key Links

[Energy Efficiency | Southern Company](#) >

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## Research and Development

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For more than five decades, Southern Company's R&D organization has provided innovative energy solutions and created value for customers in the evolving energy landscape. Our research is facilitating the transition to a net zero future by exploring a full spectrum of solutions — such as more cost-effective and longer duration energy storage, investing in hydrogen as a low-carbon energy carrier, advancing microgrids as a way to modernize and optimize energy distribution infrastructure and creating next-generation power delivery and end-use innovations like Smart Neighborhood®. Through strategic partnerships with forward-thinking companies, government organizations, universities and research institutes, Southern Company is developing the reliable and resilient decarbonized energy system of the future. For example, we manage and operate the National Carbon Capture Center, a world-class facility that works with global innovators to accelerate the development of GHG reduction technologies including carbon capture, utilization and storage and direct air capture solutions.

### Innovating Our Energy Future

Southern Company was a founding member of Energy Impact Partners (EIP), a utility-backed venture capital fund that is dedicated to creating a clean energy future through its investment in technology startups. Since 2015, EIP has invested around \$500 million in over 30 companies across the energy value chain, resulting in significant reductions of GHG emissions, gasoline usage and energy consumption. In 2021, we made a founding investment in Elevate Future Fund (Elevate), a sub-fund of EIP that will work to identify companies founded or run by diverse talent that are driving innovation within EIP's core mission of advancing the low carbon economy. Elevate already has made three investments in diverse companies focused on the energy transition.



[Energy Impact Partners](#) >



In addition, our R&D team is leading a robust program to accelerate the commercialization of high-potential, advanced nuclear technology. As part of our efforts, we are collaborating with TerraPower, the U.S. Department of Energy and several partners to develop and demonstrate the molten chloride fast reactor, a transformational Generation-IV nuclear technology designed to enable low-cost, economy-wide decarbonization.



## Key Links

[Southern Company | Research and Development](#) >

[Implementation and Action Toward Net Zero](#) >

[National Carbon Capture Center](#) >



## Research and Development

The National Carbon Capture Center, managed and operated by Southern Company, has completed more than 117,000 hours of technology testing for carbon capture innovators from seven countries. Through pilot testing of approximately 70 technologies from more than 40 developers, the facility has reduced the projected cost of carbon capture by approximately 40%.

## Vehicle Electrification

We are currently testing a prototype battery unit on trucks within the Southern Company fleet, designed to power trucks at work sites without running the engines. Implementation of these batteries will reduce fleet emissions, lessen noise at work sites and save money on vehicle maintenance.



## Vehicle Electrification and Alternative Fuels

Southern Company works closely with customers and communities to implement lower and zero-emission transportation solutions and to evaluate cost saving opportunities. We are actively involved in the R&D of both on-road and non-road electric vehicles and are part of several coalitions working to improve electric vehicle (EV) capabilities. We partner with organizations such as the Electric Power Research Institute, vehicle manufacturers, R&D laboratories and other utilities to bring the next generation of efficient EVs to market. We also are leveraging our natural gas infrastructure to build public and private compressed natural gas fueling stations that can help to significantly reduce the carbon footprint of vehicles when compared to gasoline or diesel fuels.



## Key Links

[Electric Transportation | Southern Company](#) >

[Internal Fleet Electrification Goal](#) >

# Additional Environmental Priorities and Stewardship

In addition to monitoring, reporting and reducing GHG emissions, Southern Company's environmental priorities and stewardship efforts aim to promote a healthy environment in areas such as air quality, water usage reduction, waste management and biodiversity.

## Air

Southern Company has actively reduced air emissions through the installation of emission controls and fuel switching that target mercury, nitrogen oxides (NOx) and sulfur dioxide (SO<sub>2</sub>). Since 1990, we have reduced NOx emissions by 93% and SO<sub>2</sub> emissions by 99%, and we have lowered mercury emissions by 97% from 2005 levels.

## Water

Water is an important resource in Southern Company's operations, and we remain committed to responsible water usage. According to the World Resources Institute Aqueduct Water Risk Atlas, none of our steam electric generating facilities are in locations designated as having high water stress. Nevertheless, we recognize the importance of reducing our impact on water resources wherever possible. We are leveraging and exploring emerging technologies to address short- and long-term solutions for issues related to the water-energy nexus. Between 2018 and 2020, Southern Company thermoelectric plant operations returned 92% of the 2.6 billion gallons of water withdrawn daily back to its source. During this same period, surface water withdrawals were also reduced by more than 30%.

## Waste

Southern Company operates rigorous waste management programs focused on continuous improvement with the goal to safely and effectively manage power generation waste such as coal ash. For example, we have a long history of beneficial use of coal combustion residuals, and in 2019 we stopped sending coal ash to unlined ash ponds. In addition, we adhere to state and federal



guidelines regarding the on-site storage of spent nuclear fuel, in compliance with operating licenses. Southern Company, when practicable, also uses measures like replacing everyday materials with safer options, such as non-chlorinated cleaners and water-based paints in routine electric utility work, to reduce hazardous waste.

## Biodiversity and Land Stewardship

Protecting biodiversity and natural resources for future generations is important to both Southern Company and the communities we serve. We have a long history of partnering with communities, conservation organizations and natural resource agencies to help threatened and vulnerable species, restore forests, clean waterways and increase environmental awareness. We amplify our efforts to conserve and recover species and their habitats through strategic, high-value collaborations. For instance, through our partnership with the National Fish and Wildlife Foundation, we have supported hundreds of projects and invested more than \$21 million in grants with a total on the ground conservation impact valued at over \$180 million, restoring and enhancing over 1.9 million acres.



### Key Links

[Water | Southern Company](#) ↗

[Air | Southern Company](#) ↗

[Solid Waste | Southern Company](#) ↗

[Environmental Stewardship | Southern Company](#) ↗

# Social

We are committed to the success of our employees, customers, communities, stockholders and other stakeholders. This commitment is exemplified through Our Values and Our Code of Ethics, including Safety First and our human capital pillars.

# Our Values and Our Code of Ethics

How we do our work is just as important as what we do. Our uncompromising values and ethics are key to our sustained success. They guide our behavior and ensure we put the needs of those we serve at the center of all we do.

**OUR VALUES**

	<b>Safety First</b>		<b>Superior Performance</b>
	<b>Unquestionable Trust</b>		<b>Total Commitment</b>

These values foster a safe, diverse, equitable, inclusive and innovative culture that enables employees to successfully execute our business strategy and provides the foundation for all Southern Company efforts.

Our Code of Ethics is more than just policy and legal compliance. It means taking personal responsibility for our work and speaking out when witnessing a possible code violation. Our Code of Ethics makes Our Values come to life in the work we do every day. It applies to all employees, officers and board members of Southern Company, its subsidiaries and affiliates, and it reminds us that how we do our jobs is meaningful. Our Code of Ethics encourages us to be positive role models and to support the values and behaviors that make Southern Company a great employer, business partner and community member. We also contractually require our trusted suppliers to agree to compliance principles, to help ensure ethical behavior applies to every part of our business.

We utilize a Concerns Program to report any activity that does not meet our ethical standards, creates an unsafe work environment or violates the law or company policy. Our Concerns Program provides employees, contractors, customers and business partners a safe and secure way to make sure any concern is heard and addressed.

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## Key Links

[Code of Ethics | Southern Company](#) 

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# Safety First

At Southern Company, we realize people are the power behind a safe workplace and prioritize Safety First. Working safely is a shared core value of the company that guides decision-making and our actions in everything we do. We value the health, safety, well-being and security of our employees, customers, contractors and communities, and we will not compromise an individual's well-being for any reason.

Southern Company sustains a world-class safety and well-being culture through employee involvement and management commitment. We demonstrate Safety First by focusing on safety risk mitigation, meeting and exceeding applicable laws and regulations and investing in research and cutting-edge safety technologies and processes.

To achieve our target of excellence, we pursue and sustain high standards, establish stretch goals, embrace benchmarking and aggressively identify and close gaps in performance. We are focused on proactive indicators of success that keep our people safe before an event occurs. We strive to meet these objectives with our Safety Focus Areas:

- **Serious Injury Incident Performance** — A focus on eliminating life-altering events, serious injuries and fatalities.
- **Manage Critical Risks and Controls** — A systematic approach of ensuring critical controls are in place and effective during critical risk activities.
- **Learning Organizations** — The facilitation of an “Event Learning” enables us to capture relevant information after an event occurs and share learnings so that we can prevent similar instances in the future.
- **Continuous Improvement** — A continuous improvement process that allows us to be systematic and proactive in our approach to identifying key risk areas and how we can close risk gaps at all levels of the system.

## Safety First

One of the ways Southern Company fosters safety is through Operating Experience Alerts. These short bulletins share best practices and learnings on a variety of safety and technical topics that can help all teammates work more safely and effectively. More than 60 alerts were shared across Southern Company in 2020 — an increase of almost 50% — after a team within Operations worked to enhance the process for producing these critical alerts.

### Safety Awards

In 2020, our resolute commitment to safety earned us the American Gas Association's (AGA) Accident Prevention Certificate, acknowledging our achievement in having one of the lowest DART (Days Away, Restricted or Transferred) incident rates in the country. This marked the 5th consecutive year that we have been recognized by AGA for outstanding safety performance.



# Commitment to Human Capital

Southern Company's human capital efforts center on five core pillars: Diversity, Equity and Inclusion; Rewards and Well-Being; Talent Development; Workforce Sustainability; and Community. Through these pillars, we demonstrate our dedication to our employees' well-being and the rights of all people.

HUMAN CAPITAL PILLARS	
Diversity, Equity and Inclusion	
Rewards and Well-Being	
Talent Development	
Workforce Sustainability	
Community	

## Diversity, Equity and Inclusion

Southern Company is committed to an equitable and inclusive workplace that mirrors the diverse communities we serve. We promote an actively anti-racist culture and strive to create a workplace where everyone is welcomed, valued and respected, and all groups are well-represented, included and fairly treated within all levels of the organization.

Over the next five years, we commit to increase and improve outreach, recruitment, hiring and retention of diverse groups at all levels of the workforce; foster equity in leadership development programs; and seek diverse candidate slates for management roles. We have updated our recruiting strategies, training and employee development programs to achieve these commitments. We have also expanded our support for employee-led groups to promote belonging, improve retention and support development. We will continue to focus on listening, learning and responding to our employees' concerns to help ensure that we can provide a diverse, equitable and inclusive workplace.



### Diverse Talent Recruitment

Southern Company and its subsidiaries have committed to a \$50 million, multi-year investment in its service territory's historically black colleges and universities (HBCUs). This investment will support career readiness of students by providing them with scholarships, internships, leadership development, access to technology and innovation. As part of this commitment, Southern Company and Apple Inc. joined educators and community stakeholders in a partnership to launch the Propel Center, a new digital learning hub, business incubator and global innovation headquarters in Atlanta, Georgia for students of HBCUs.

 [Propel Center](#) 

## Employee Well-Being

Southern Company is leading the way with best-in-class employee well-being programs. Our approach is to provide comprehensive, inclusive and affordable programs for employees. Our healthcare programs provide inclusive benefits for employees, family members and domestic partners. We provide coverage for fertility treatments, adoption and gender confirmation. Our financial programs include an award-winning Financial Literacy Month campaign and one-on-one financial coaching services. Our emotional programs provide resources for many of life's challenges, including stress, elder care and relationship challenges.



## Rewards and Well-Being

We invest in the well-being and engagement of our employees through a comprehensive total rewards strategy which includes compensation, benefits and employee well-being. Our well-being strategy focuses on:

- **Physical Well-Being:** Providing employees with access to preventive care, wellness programs and healthcare.
- **Financial Well-Being:** Helping employees with financial wellness across all stages of their career, as well as in retirement.
- **Emotional/Social Well-Being:** Supporting employees' emotional wellness and helping them to be fully engaged in life, family, their community and at work.

Our strategy helps to ensure all employees are paid market competitive salaries, are treated equitably (through regular pay equity, pay gap and glass ceiling studies), receive eligibility in annual incentive awards, and have access to health and retirement benefits and best-in-class well-being programs.

## Talent Development

The development of talent is a priority as we consider it critical to employee readiness, engagement and retention. We provide both internal and external leadership development opportunities for employees and support the filling of leadership roles through succession planning. We also offer employee training programs to facilitate specific developmental plans for personal growth and career progression.

## Workforce Sustainability

Southern Company focuses on having the right people with the right skills who are trained to perform their jobs safely to meet current and future business requirements. With a foundation of trust, Southern Company collaborates with labor unions to help ensure the safety of our employees and the public in the communities we serve, high reliability of our electric and gas systems and operational success. Approximately one-third of our employees are covered by agreements with unions, and this partnership allows us to work toward common goals on topics such as employee training and development, recruitment efforts and best practice sharing. These efforts benefit the communities we serve and provide sustainable jobs.

## Community

At Southern Company, we are committed to being “A Citizen Wherever We Serve,” meaning our employees are inextricably woven into the communities we are privileged to serve. Retirees and employees across our subsidiaries on average dedicate approximately 200,000 hours of volunteer service annually to support and improve our communities, and total annual company giving across our system typically exceeds \$65 million. We also form partnerships in our communities with businesses, academic and other STEM institutions, charities and government bodies. We are committed to investing more than \$200 million in community social justice efforts over the next five years.



### Key Links

[Moving to Racial Equity](#) ↗

[Suppliers](#) ↗

[Outreach and Engagement | Southern Company](#) ↗

[Southern Company | Be the Change](#) ↗

[Southern Company — ESG — Social](#) ↗



### Supplier Diversity

Southern Company has a goal of increasing our MBE spend to 20% and total Diverse spend to 30% by 2025 and is committed to developing and doing business with more Black-owned businesses in our industry and communities.



[Suppliers](#) ↗

# Governance

We aspire to establish corporate governance standards and practices that drive long-term value for our stakeholders. Core to effective governance is consistent dialogue with our stakeholders, including customers, regulators, employees and investors. We are receptive to stakeholder concerns, and we are committed to transparency and proactive interactions.

## Constructive Regulation and Public Policy

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As a leading energy company, Southern Company values relationships with policymakers to help ensure we can deliver clean, safe, reliable and affordable energy to our customers. Our company's success relies on supportive and constructive regulation and public policy, and our work requires continued active and productive engagement with government officials, investors and many other stakeholders. We have established ourselves as a leader in the public and private arenas as a business that advances ideas and leverages benefits for our customers, communities and employees.

Southern Company directly engages with lawmakers and regulators and participates in trade associations, groups and coalitions that advocate and lobby on various matters that are important to our business. To help ensure governmental relations activities are conducted in accordance with all applicable laws and regulations, we have implemented decision-making and oversight processes that follow our commitment to act with integrity in all business activities. Annually, the Southern Company Board of Directors receives a report on our political, lobbying and trade association activities and monitors Southern Company's memberships in trade associations and industry groups that engage in lobbying efforts on our behalf.



### Key Links

[Southern Company | Policy Engagement and Advocacy](#) ↗

## Board Governance

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Sound corporate governance is of utmost importance, and Southern Company's Board of Directors sets high standards for employees, officers and directors. It is the duty of the board to serve as a prudent fiduciary for stockholders and to oversee the management of our business strategies and related risks and opportunities, including ESG topics.

The board is committed to regular refreshment and believes that a diverse variety of perspectives facilitates effective decision-making and helps drive long-term value. Since March 2018, we have added four new independent directors to the board, with two of those directors being women of color. Over 30% of our board members are diverse. The board aims to further refresh its membership in the coming years, including a continued focus on diverse candidates.



**>30%**

Southern Company actively seeks women and minority candidates to include in the pool from which board nominees are chosen. Our current Board of Directors has more than 30% diverse membership.

## Board Risk Oversight

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Southern Company's independent directors provide substantive oversight on strategy and risk issues across the ESG spectrum, and each committee of the board is responsible for key elements of risk oversight. Our committee structure facilitates oversight of issues that affect our business, and committees report to the full board on key issues. Key elements of risk oversight for which committees are responsible include future capital investments, stranded and physical asset risk, climate issues, human capital management, policy advocacy and cybersecurity.



### Key Links

[Code of Ethics | Southern Company](#) ↗

[Southern Company — Corporate Governance](#) ↗

[2021 Notice of Annual Meeting of Stockholders and Proxy Statement](#) ↗

Environmental, social and governance (ESG) data is of increasing importance to our investors. We continue to evaluate and enhance our reporting in response to investor feedback. Additional quantitative and qualitative information is available in our reports, including the EEI ESG/Sustainability Reporting Template, CDP Climate Disclosure and other publications that are posted on our website.

## Environment

Metric	2017	2018	2019	2020
<b>Energy Use and Emissions</b>				
<b>Enterprise-Wide</b>				
Reduction in greenhouse gas emissions since 2007 (percent) <sup>[1]</sup>	35	34	44	52
Scope 1 greenhouse gas emissions (million metric tons CO <sub>2</sub> e) <sup>[2]</sup>	101.2	102.6	88.2	75.1
Scope 2 greenhouse gas emissions (million metric tons CO <sub>2</sub> e) <sup>[3]</sup>	N/A	N/A	0.2	0.2
Scope 3 greenhouse gas emissions (million metric tons CO <sub>2</sub> e) <sup>[4]</sup>	37.0	39.4	38.8	36.6
<b>Electric</b>				
Generation greenhouse gas emissions (million metric tons CO <sub>2</sub> e) <sup>[5]</sup>	96.6	97.2	83.1	70.4
Generation greenhouse gas emissions intensity (lb. CO <sub>2</sub> e/net MWh) <sup>[6]</sup>	1,124	1,080	983	886
Generation NOx emissions intensity (lb./net MWh) <sup>[6]</sup>	0.45	0.46	0.37	0.30
Generation SO <sub>2</sub> emissions intensity (lb./net MWh) <sup>[6]</sup>	0.23	0.25	0.18	0.11
Generation lead emissions (lbs.) <sup>[7]</sup>	1,034	842	763	461
GHG emissions associated with power deliveries by business division (million metric tons CO <sub>2</sub> e):				
Alabama Power Company <sup>[8]</sup>	36.7	36.5	33.4	28.2
Georgia Power Company <sup>[9]</sup>	38.9	39.9	37.4	30.0
Mississippi Power Company <sup>[10]</sup>	6.5	6.5	6.1	6.4
<b>Gas</b>				
Emissions from fugitive methane (million metric tons CO <sub>2</sub> e) <sup>[11]</sup>	N/A	0.78	0.79	0.91
Distribution methane intensity (MtCH <sub>4</sub> emitted ÷ MtCH <sub>4</sub> delivered) <sup>[12]</sup>	0.134	0.134	0.135	0.181

Metric	2017	2018	2019	2020
<b>Water Management</b>				
Withdrawn (million gallons/day)	2,962	3,282	2,385	1,862
Consumed (million gallons/day)	226	260	208	196
Percentage of facilities in "High" or "Extremely High" baseline water stress <sup>[13]</sup>	0	0	0	0
<b>Waste Management</b>				
Hazardous waste disposal (thousand lb.) <sup>[14]</sup>	793	502	570	432
Percentage of ash sold for beneficial use	62	58	87	89
Percentage of gypsum sold for beneficial use <sup>[15]</sup>	62	68	110	100
Percentage of coal combustion residual products sold for beneficial use <sup>[16]</sup>	62	62	97	93
Coal combustion residual products (thousand tons)	4,203	4,251	3,126	2,160

## Social

Metric	2017	2018	2019	2020
<b>Workforce</b>				
Total employees <sup>[17]</sup>	28,606	28,670	27,739	27,700
Full-time employees (percent)	99.8	99.8	99.8	99.8
Part-time employees (percent)	0.2	0.2	0.2	0.2
Women as a percent of workforce	26	25	26	25
Women as a percent of management	23	23	24	24
Minorities as a percent of workforce	27	27	28	28
Minorities as a percent of management	19	20	21	22
Veterans as a percent of workforce	N/A	8	8	8
Minorities as a percent of new external hires	37	39	39	38
Women as a percent of new external hires	29	24	30	24

Metric	2017	2018	2019	2020
Percentage of employees by business:				
State regulated electric companies (percent)	51	51	51	50
Southern Company Gas (percent)	15	15	16	16
Southern Nuclear Operating Company (percent)	13	13	14	14
Southern Company Services (percent)	13	13	13	14
Other (percent)	7	8	5	5
Employee turnover:				
Total turnover as a percent of workforce	8.0	7.3	6.7	5.7
Voluntary turnover as a percent of workforce	2.0	2.2	2.2	1.6
Involuntary turnover as a percent of workforce	2.0	1.5	1.2	1.5
Retirement as a percent of workforce	4.0	3.6	3.3	2.7
Average employee tenure (years)	16	15	15	15
Employees expected to retire in next 5 years	3,394	3,934	2,975	3,300
Employees expected to retire in next 10 years	7,899	8,260	6,247	6,400
<b>Safety</b>				
Percentage of employees that worked without an injury that met OSHA recordable requirements	99.0	98.5	98.6	98.9
Serious Injury Incident Rate	N/A	0.13	0.08	0.10
Recordable Incidence Rate	1.08	1.37	1.37	1.11
Days Away, Restricted and Transfer (DART) Rate	0.67	0.84	0.78	0.81
Lost-time Case Rate	0.26	0.39	0.26	0.39
Work-related Fatalities	1	0	0	0
<b>Supply Chain</b>				
<b>Gas</b>				
Total supplier spend (millions) <sup>[18]</sup>	1,632	1,572	1,701	1,799
Small business supplier spend (millions) <sup>[18]</sup>	121	98	52	126

Metric	2017	2018	2019	2020
Diverse business supplier spend (millions) <sup>[18]</sup>	474	557	691	714
<b>Electric</b>				
Total supplier spend (millions) <sup>[18]</sup>	4,022	4,355	4,630	4,744
Small business supplier spend (millions) <sup>[18]</sup>	429	474	535	534
Diverse business supplier spend (millions) <sup>[18]</sup>	680	777	894	881
<b>Customers</b>				
Number of customers (thousands, year end):				
Electric operations <sup>[19]</sup>	4,640	4,685	4,270	4,322
Gas distribution operations	4,623	4,248	4,277	4,308

## Governance

Metric	2017	2018	2019	2020
<b>Board of Directors</b>				
Total number of directors <sup>[20]</sup>	15	15	15	14
Number of independent directors <sup>[20]</sup>	14	14	14	13
Number of female directors <sup>[20]</sup>	3	3	2	2
Number of minority directors <sup>[20]</sup>	3	3	4	3
<b>Operations</b>				
Electricity generation:				
Coal (percent) <sup>[21]</sup>	28	27	22	17
Natural gas (percent) <sup>[21]</sup>	47	47	50	51
Nuclear (percent) <sup>[21]</sup>	15	15	16	17
Renewables/other (percent) <sup>[21]</sup>	10	11	12	15
Total (owned nameplate MW, year end)	46,937	45,824	45,560	42,548
Percent revenue from coal <sup>[22]</sup>	N/A	N/A	14	14

<b>Metric</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Transmission system average interruption duration index (SAIDI):				
Alabama Power Company	5.0	8.6	5.1	6.2
Georgia Power Company	8.2	6.5	5.4	9.3
Mississippi Power Company	3.2	4.7	1.5	3.4
Southern Company System	6.9	6.7	5.0	8.0
Distribution system average interruption duration index (SAIDI):				
Alabama Power Company	112.6	113.2	127.1	120.4
Georgia Power Company	117.4	124.3	133.7	143.0
Mississippi Power Company	64.2	95.3	60.5	67.2
Southern Company System	112.0	115.4	128.1	131.8
Transmission system average interruption frequency index (SAIFI):				
Alabama Power Company	0.101	0.109	0.100	0.109
Georgia Power Company	0.116	0.106	0.078	0.122
Mississippi Power Company	0.053	0.085	0.010	0.033
Southern Company System	0.106	0.102	0.079	0.112
Distribution system average interruption frequency index (SAIFI):				
Alabama Power Company	0.993	1.045	1.088	1.030
Georgia Power Company	1.141	1.206	1.239	1.363
Mississippi Power Company	0.790	0.971	0.821	0.736
Southern Company System	1.060	1.116	1.168	1.219
Transmission customer average interruption duration index (CAIDI):				
Alabama Power Company	49.5	78.9	51.0	56.9
Georgia Power Company	70.7	61.3	69.2	76.2
Mississippi Power Company	60.4	55.3	150.0	103.0
Southern Company System	65.1	65.7	63.3	71.4

Metric	2017	2018	2019	2020
Distribution customer average interruption duration index (CAIDI):				
Alabama Power Company	113.4	108.3	116.8	116.9
Georgia Power Company	102.9	103.1	107.9	104.9
Mississippi Power Company	81.3	98.1	73.7	91.3
Southern Company System	105.7	103.4	109.7	108.1
Total wholesale electricity purchased (MWh)	13,649,411	13,613,088	11,862,093	13,346,736

Southern Company is a holding company that conducts its business through its subsidiaries. Accordingly, unless the context otherwise requires, references in this document to Southern Company's operations, such as generating activities, greenhouse gas emissions and employment practices, refer to those operations conducted through its subsidiaries.

Occasionally, due to timing of data reports, additional information becomes available after report issuance. In these cases, we strive to update both current and prior data points when appropriate. Southern Company seeks to provide the most recent and accurate data in each of its voluntary sustainability reports.

[1] The Southern Company system achieved a GHG emission reduction of 52% in 2020 as compared to our 2007 baseline. In 2020, the combination of the COVID-19 pandemic and relatively mild weather significantly reduced demand. GHG emissions reductions may fluctuate around 50 percent for the next few years depending on demand, weather and other factors. The system expects to sustainably achieve a 50% reduction or greater by 2025, if not sooner.

[2] Southern Company system's greenhouse gas emissions are calculated using the equity share approach presented in the WRI/WBCSD GHG Protocol for all of its wholly owned and its ownership percentage of co-owned facilities. The greenhouse gas emissions included are Scope 1 direct facility emissions that are required to be tracked by U.S. Environmental Protection Agency's (EPA) Greenhouse Gas Reporting Program (GHGRP) and calculated using methods required by the GHGRP. Additional emissions sources for the gas distribution sector are also included consistent with EPA's Greenhouse Gas Inventory and ONE Future; 2019 non-GHGRP data was used as a proxy for 2020 non-GHGRP data where 2020 data was not yet available. Company owned mobile vehicle emissions, coal pile fugitive methane emissions and fuel cell emissions are also included in Scope 1.

[3] Southern Company system's Scope 2 greenhouse gas emissions are calculated using the equity share approach presented in the WRI/WBCSD GHG Protocol Scope 2 Guidance for its wholly owned and its ownership percentage of co-owned facilities. The data provided here represents market-based calculations. The greenhouse gas emissions included in Scope 2 are emissions from electricity purchases for company use at company-owned locations that are located outside of the Southern Company system's retail electric service territory, and emissions from line losses on Southern Company system's T&D system from power purchased for resale to Southern Company system's customers. The market-based calculations use a combination of supplier provided emissions factors, where available, and regional 2019 EPA eGRID emission factors.

[4] Southern Company system's Scope 3 greenhouse gas for 2017 and 2018 include fuel-and energy-related activities and use of sold products not included in Scope 1 or 2 greenhouse gas emissions. Southern Company system's Scope 3 greenhouse gas emissions for 2019 include fuel-and energy-related activities, upstream leased assets and use of sold products not included in Scope 1 or 2 greenhouse gas emissions. Southern Company system's Scope 3 greenhouse gas emissions for 2020 include fuel-and energy-related activities, waste generated in operations, business travel, employee commuting, upstream leased assets and use of sold products not included in Scope 1 or 2 greenhouse gas emissions.

[5] Emissions from equity-owned electricity generated for sale to retail and wholesale customers (includes Sulfur Hexafluoride (SF6)). Does not include gas sector, purchased power or leveraged lease facilities.

[6] Intensities are calculated with emissions from equity-owned electricity generated for sale to retail and wholesale customers. Does not include gas sector, purchased power or leveraged lease facilities.

[7] Emissions from equity-owned electricity generated for sale to retail and wholesale customers. Does not include gas sector, purchased power or leveraged lease facilities. Southern Company reports releases of Toxic Release Inventory (TRI) compounds, including lead, as required by the EPA.

[8] Alabama Power retired 245,819 MWh of renewable energy credits (RECs) on behalf of all retail customers in 2020. These retired RECs were included in the calculation as zero emissions for associated loads. Generation associated with unretired RECs or RECs that were kept by or sold to third parties were considered "null" energy in the calculation, and an EPA eGRID emission factor was applied to this generation. RECs retired on behalf of specific customers, such as for purposes of a green energy program, and associated loads were excluded from this calculation.

[9] Georgia Power retired 3,320,931 MWh of RECs on behalf of all retail customers in 2020. These retired RECs were included in the calculation as zero emissions for associated loads. Generation associated with unretired RECs or RECs that were kept by or sold to third parties were considered "null" energy in the calculation, and an EPA eGRID emission factor was applied to this generation. RECs retired on behalf of specific customers, such as for purposes of a green energy program, and associated loads were excluded from this calculation.

[10] MPC retired 14,855 MWh of RECs on behalf of all retail customers in 2020. These retired RECs were included in the calculation as zero emissions for associated loads. Generation associated with unretired RECs or RECs that were kept by or sold to third parties were considered "null" energy in the calculation, and an EPA eGRID emission factor was applied to this generation. RECs retired on behalf of specific customers, such as for purposes of a green energy program, and associated loads were excluded from this calculation.

[11] Emissions from gas sector for equity-owned assets, as tracked under the EPA's Greenhouse Gas Reporting Program (40 CFR 98). Additional emissions sources for the gas distribution sector are also included consistent with the EPA's Greenhouse Gas Inventory and ONE Future methodologies.

[12] Distribution methane intensity (MtCH4 emitted ÷ MtCH4 delivered) is based on ONE Future methodology for the Distribution sector. Methane Intensity varies year to year based on factors including system and customer growth, variations in throughput due to weather and changes in EPA reporting methodologies. For 2020, EPA adopted a new methodology for calculating methane emissions for certain source categories that is the primary driver of the intensity increase reported for 2020. For all reported years, methane intensity is well below the ONE Future 2025 Distribution sector goal of 0.44%.

[13] Baseline water stress as classified by the World Resources Institute Water Risk Atlas Tool, Aqueduct.

[14] Excludes 2018–2020 decommissioning activities surrounding Mississippi Power's integrated coal gasification combined cycle project in Kemper County, Mississippi.

[15] When gypsum demand exceeds generation, needed gypsum is excavated from prior years' surplus generation.

[16] The increase starting 2019 in coal combustion residual diversion is attributed to increased available coal combustion residual from ash pond closure projects.

[17] Decline from 2018 to 2019 related primarily to the sale of Gulf Power Company (exclusion of divested employees).

[18] To be comparable to 2020 and 2019, detail for Gulf Power Company and other Florida assets sold in 2019 was excluded in 2017 and 2018.

[19] Customer decline from 2018 to 2019 related primarily to the sale of Gulf Power Company.

[20] Reflects data as of date of annual meeting of stockholders, as disclosed in the applicable proxy statement.

[21] Annual energy mix represents all of the energy the Southern Company system uses to serve its retail and wholesale customers during the year. It is not meant to represent delivered energy mix to any particular retail customer or class of customers. Annual energy mix percentages include non-affiliate power purchase agreements. Renewables/ other category includes wind, solar, hydro, biomass and landfill gas. With respect to certain renewable generation and associated RECs, to the extent an affiliate of Southern Company has the right to the RECs associated with renewable energy it generates or purchases, it retains the right to sell the energy and RECs, either bundled or separately, to retail customers and third parties.

[22] Percentage shown is of total company revenue and is based on allowed return on equity (ROE) for currently operating coal units in retail rate base (including associated environmental controls), coal-related wholesale revenues and coal-related expenses.

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## Resources

[Southern Company Investor Relations](#) ⊙

[SASB Index](#) ⊙

[TCFD Index](#) ⊙

[2020 Annual Report](#) ⊙

[2021 Notice of Annual Meeting of  
Stockholders and Proxy Statement](#) ⊙

[CDP Climate Disclosure](#) ⊙

[EEI ESG/Sustainability Reporting Template](#) ⊙

[Implementation and Action Toward Net Zero](#) ⊙

[Our Environmental Principles](#) ⊙

[Planning for a Low-Carbon Future](#) ⊙

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## Forward-Looking Statements

This executive summary contains forward-looking information. For cautionary statements regarding forward-looking information, please go to [www.southerncompany.com/terms-and-conditions](http://www.southerncompany.com/terms-and-conditions)



[SouthernCompany.com](https://www.southerncompany.com)