



*2021 Trade Association and  
Climate Engagement Report*

*Responsible Policy*  
**Engagement**



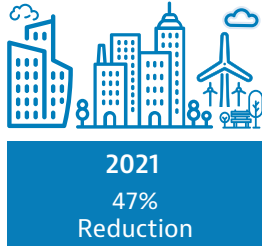
# Letter from our President, Chairman and CEO



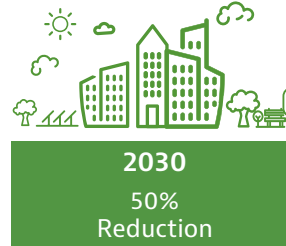
For more than a century, Southern Company has been building the future of energy. We are committed to a clean, safe, reliable, affordable, and resilient energy future for our customers and communities. As we transition to a net zero future, we are committed to reducing our greenhouse gas emissions (GHGs).

Southern Company<sup>1</sup> was one of the first U.S. utilities to set bold, industry-leading goals to reduce carbon emissions. We have an interim goal to reduce GHG emissions from our electric and natural gas operations by 50 percent by 2030 (from 2007 levels) and a long-term goal of net zero by 2050.

### Our Progress



### Our Goals



**Our net zero goal is directly aligned with the goals of the Paris Agreement.**

<sup>1</sup>Southern Company is a holding company that conducts its business through its subsidiaries; accordingly, unless the context otherwise requires, references in this report to Southern Company's operations, such as generating activities, GHG emissions and customers, refer to those operations conducted through its subsidiaries.

### We have already made significant progress toward these goals:

- We achieved a **47 percent reduction in GHG emissions in 2021**, and we expect to sustainably achieve a reduction of **50 percent no later than 2025**.
- Working with our regulators, we have received approval or indicated our intent to retire or repower with natural gas a significant portion of our remaining coal generating fleet. Pending regulatory approval, this would represent an 87 percent reduction in coal megawatt capacity and a **91 percent reduction in the number of coal units by 2035**, compared to our 2007 baseline.

Southern Company believes it has a responsibility to our customers, communities and other stakeholders to participate in the public policy process, to provide information and expertise, and to foster enduring policies that are in the interest of our customers, communities, and other stakeholders. At the federal, state, and local levels, we are committed to being trusted sources of helpful information, expertise, and perspectives. As part of our advocacy efforts, Southern Company lobbies directly at the federal level through registered lobbyists and/or indirectly through trade groups, associations, or coalitions. Both our Board of Directors and management team play important roles in overseeing our political engagement activities.

Through memberships in trade associations, Southern Company receives valuable input on topics important to our business and industry, including climate change, the environment, land use, research and development, nuclear operations, taxes, economic development, cybersecurity policy, and securities regulation. Trade associations facilitate identification of opportunities and risks associated with certain energy policy issues, provide access to varying industry and multi-sector industry perspectives, are forums to share business best practices, provide training and networking opportunities among peers, and can serve as a central, efficient point of contact for policymakers.

When we join a trade association—and on an ongoing basis—Southern Company weighs the costs and benefits of membership and examines each group’s policy alignment with the Company’s business objectives, including the Company’s net zero goal. Given the breadth of business issues on which these associations are engaged, we may not align with these groups on all policy positions. However, we believe we can best facilitate positive policy outcomes, including on climate change, through collaborative and constructive engagement.

This report provides transparency to investors and other stakeholders by bringing together existing disclosures and providing analysis and insight into our net zero advocacy positions and memberships in trade associations.

On behalf of our management team and the Board of Directors, we appreciate our stakeholders’ interest in how our advocacy efforts further advance our business objectives, including our net zero goal. We welcome feedback as we continue along our path to net zero. We look forward to continuing our dialogue with all of you.



Thomas A. Fanning  
Chairman, President and Chief Executive Officer

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# Constructive Engagement with Policymakers

**Southern Company's constructive engagement with policymakers allows us to deliver clean, safe, reliable, affordable, and resilient energy to our customers. We believe it is important to our business success and to meeting our business objectives, including our net zero goal, to communicate with policymakers about, and advocate for, the interests of our company, customers, employees, stakeholders and the communities that we serve. As part of our efforts, we engage directly and indirectly with lawmakers and regulators on a variety of issues, including climate-related topics.**

## Our Foundational Principles and Net Zero Advocacy Positions

**Southern Company's net zero transition focuses on reducing our GHG emissions, decarbonization and a Just Transition. The following foundational principles guide us as we transition to net zero:**

- **Taking Care of Our Customers and Our Communities.** Southern Company will work to ensure the equitable and just treatment of the customers and communities we serve as we pursue a clean, safe, reliable, affordable, and resilient net zero energy future. We are committed to ensuring fair access to energy, with a focus on assisting low-income and disadvantaged communities.
- **Targeting Net Zero.** Climate change is real, and it is a pressing issue facing our world today. We are committed to finding and

implementing solutions that meet the needs of the customers and communities we serve. Southern Company's net zero goal includes direct GHG emission reductions across our electric and natural gas businesses. To reach net zero by 2050, we are focused on transitioning our generating fleet and making the necessary related investments in our transmission and distribution grids.

- **Advancing the Solution.** Southern Company believes the most efficient way to achieve economy-wide net zero GHG emissions will include continued robust deployment of existing net zero solutions, further growth in our portfolio of zero-carbon resources, including nuclear, wind and solar, continued clean energy innovation through increased investment in research, development, demonstration and deployment (RDD&D) of promising net zero solutions, and could also include carbon pricing mechanisms and/or trading programs.

- **Seeking to Ensure a Smart Transition.**

Southern Company recognizes the importance of natural gas and its infrastructure as a tool that will continue to carry the nation's energy sources to advance decarbonization, support the current economy and empower future business and industry. Natural gas will continue to play an important role in facilitating the expanded use of renewable energy such as wind and solar.

**In our journey to net zero, we are committed to leading innovation and promoting conservation and stewardship. Through our engagements with policymakers, we advocate for the following positions:**

- **Protecting Customers.**

Southern Company believes it is critical for policymakers to consider the impacts to energy affordability, reliability, and safety. We are committed to ensuring fair access to energy for all customers and communities we serve, with a focus on assisting low-income and disadvantaged communities

- **Alignment with the Paris Agreement.**

The Paris Agreement is an opportunity for the U.S. to engage on a coordinated, global strategy to address the threat of climate change. Southern Company supports this objective by actively advancing a net zero goal in direct alignment with the goals of this accord. We look forward to advancing our clean energy agenda, both independently as a publicly-held utility working closely with our customers and regulators, and with other policymakers as they work to carry out the United States' nationally determined contribution within the Agreement.

- **Effective Carbon Policy.**

Southern Company supports comprehensive, economy-wide legislation and policies to reduce climate change that could include a carbon pricing mechanism and/or trading program, provide RDD&D support, foster workforce and community development, and promote economic stability and growth. Any carbon pricing mechanism and/or trading program should account for geographically diverse energy mixes, recognize all low-, no- and negative-carbon solutions, and include compliance flexibility through provisions such as banking and cost containment mechanisms.

- **Promoting Efficient Energy Use.**

Southern Company supports efficient energy use as a primary tool to reduce GHG emissions, including adoption and enforcement of cost-effective building codes and appliance standards. We promote efficient energy use through education, pricing, cost-effective energy efficiency programs, and providing solutions for economically vulnerable communities. Efficient energy use will provide growing benefits as we transition to net zero GHG emissions.

- **Environmental Justice.**

Southern Company is committed to the communities that we serve. As embodied in our Environmental Principles, our policy is to conduct business in ways that are protective of the environment, our neighbors, and our communities. We are committed to providing clean, safe, reliable, affordable, and resilient energy, and environmental justice considerations are a part of this commitment. The fair treatment and involvement of our neighbors and customers, including minority and low-income communities, is essential to support sustainable communities and minimize adverse impacts. We believe that the communities we serve should be better off because of our work—a goal bigger than our bottom line.

- **Promoting Research, Development, Demonstration and Deployment.**

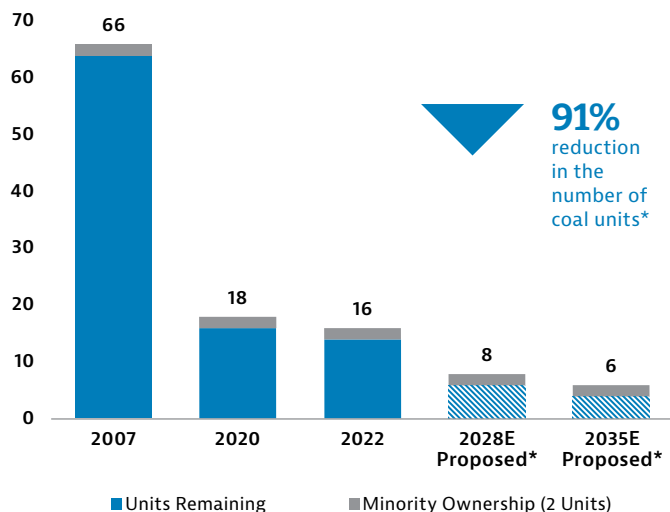
Southern Company believes the path to economy-wide net zero GHG emissions is through robust RDD&D that enables net zero GHG emission solutions to be realized across various timeframes at equal or lower cost of service for energy customers compared to current conditions. We support establishing and expanding long-term stable funding in energy RDD&D that enables breakthrough technologies and strategies that optimize economy-wide outcomes and are critical to net zero goals.

- **Clean Energy Innovation.**

Southern Company is committed to advancing clean energy policy through federal legislation and regulatory initiatives to meet our long-term climate goals. We support technologies that can be deployed in a timely manner to meet our net zero goal and ensure energy remains reliable and affordable, including advanced renewables and new dispatchable resources, medium- and long-duration energy storage and advanced demand efficiency, zero-carbon fuels, advanced nuclear, and carbon capture, use and storage.

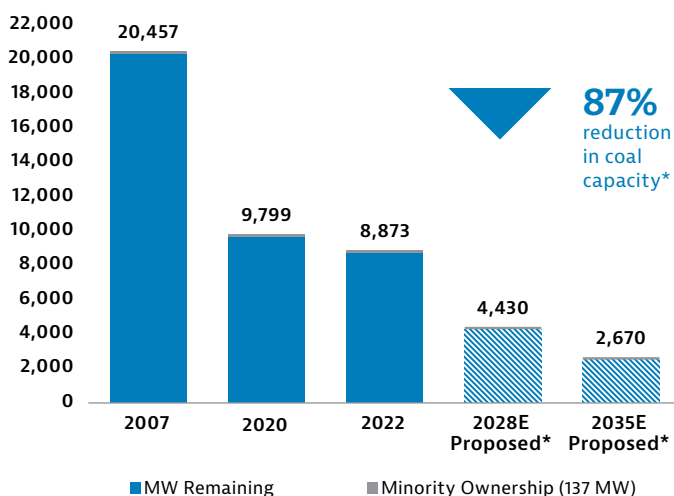
## Southern Company System Coal Fleet Over Time

### Number of Coal Units



### Coal Capacity Megawatts

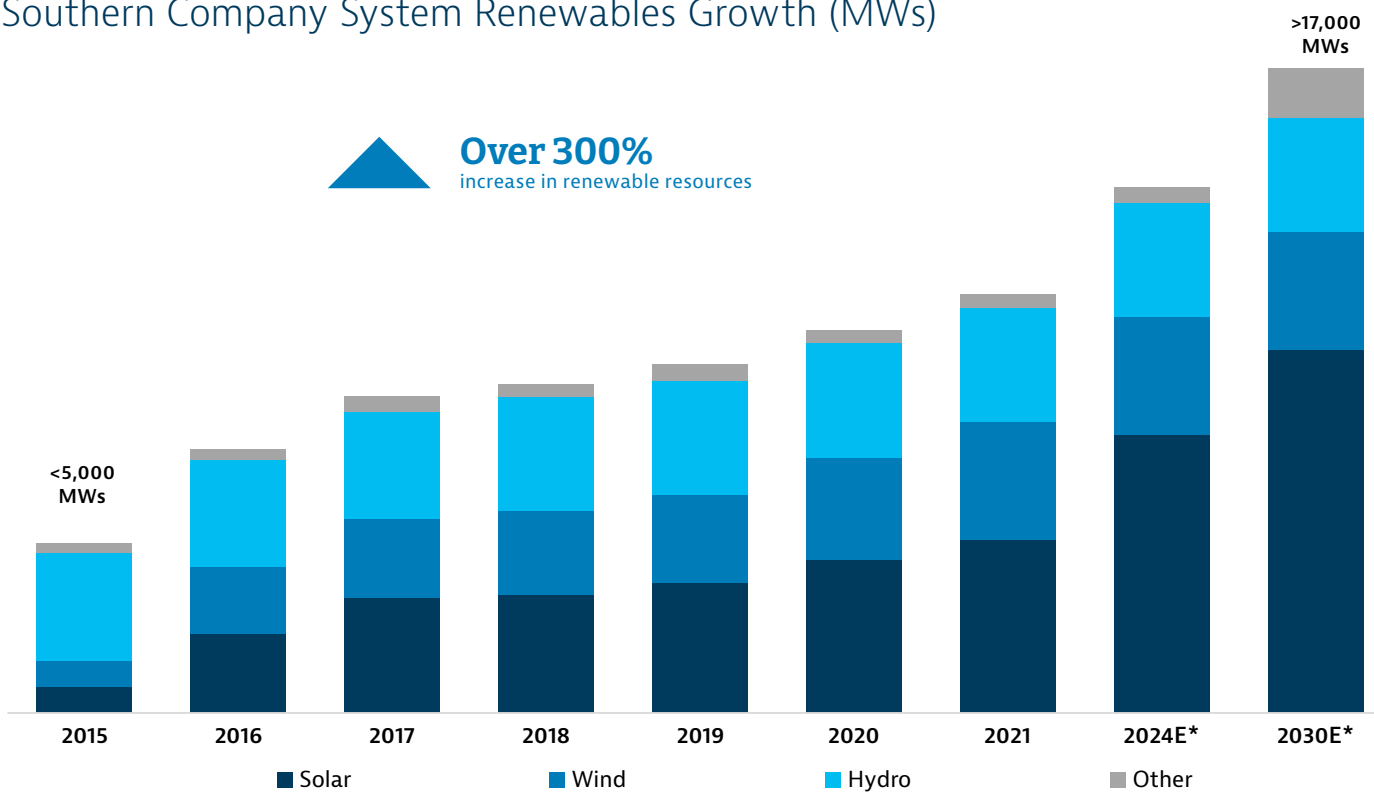
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Reflects Effluent Limitations Guidelines (ELG) compliance filings made by Southern Company's traditional electric operating companies, as well as the 2021 Integrated Resource Plan (IRP) for Mississippi Power and the 2022 IRP for Georgia Power. Units are expected to be either retired or repowered to burn natural gas during peak loads. Minority ownership units are subject to compliance decisions made by majority owners.

\*For 2028, regulatory approvals have already been received to reduce the total number of coal generating units to 10. In its 2022 IRP, Georgia Power requested to retire Plant Bowen Units 1&2 by 2028 and expects this request to be considered in future regulatory proceedings. In addition, Georgia Power's planning assumption includes the retirement of Plant Bowen Units 3&4 by 2035, which would also require regulatory approval.

## Southern Company System Renewables Growth (MWs)



Includes owned and contracted resources including 100% capacity for jointly owned projects. With respect to renewable generation and associated renewable energy credits (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 separately, to retail customers or third parties. Other includes battery storage, landfill gas and biomass.

\*Future estimates include owned and contracted capacity that have received regulatory approval. Additional renewable resources could be added prior to 2030 at Southern Power or at our operating companies, should they be proposed and approved through regulatory processes.



- **Advancing EVs & Low Emitting Vehicles.**

Southern Company supports enhanced and extended federal funding and tax incentives to spur the adoption of low- and no-emitting vehicles, promote alternative vehicle charging infrastructure installation, and support additional research and development in vehicles, batteries, electric grid integration, and other non-vehicle equipment and services. As decarbonizing the transportation sector represents the single largest opportunity for GHG reductions, we believe a coordinated Federal-State-Local Government approach, along with private partnerships, is essential for the success of this effort.

- **Tax Policy Flexibility.**

Southern Company supports equitable tax policy improvements, such as production tax credits and investment tax credits, that recognize the breadth of climate change solutions that achieve permanent carbon reductions, while establishing financial tools that provide optionality and flexibility. Investor-owned utilities, like Southern Company, can drive adoption of cleaner energy solutions with appropriate tax policy that eliminates unintended economic barriers to the deployment of low carbon technologies and reduces costs to customers.

## Our Direct Engagement with Policymakers on Energy Policy

Our direct lobbying activities support our business objectives, including our net zero goal, and are aligned with the goals of the Paris Agreement. Southern Company engages directly with policymakers on several energy policy topics related to climate change, including energy efficiency, low- and no-emitting vehicles, and clean energy generation (for example, nuclear energy development, clean energy standard, RDD&D, financial incentives, and regulation of methane emissions), all of which Southern Company conceptually supports. We also directly engage with policymakers and regulators to help them understand potential customer impacts of policies and proposals. We believe honest, open, and constructive dialogue is critical to the development of well-designed clean energy initiatives and policies. Our company and the customers we serve benefit from these conversations and the information shared as we work toward our goal of net zero GHG emissions by 2050.

## Our Engagement with Policymakers through Associations

Our direct engagement with policymakers is augmented by memberships in trade associations, where members can share ideas and goals that facilitate our business objectives, including working toward a net zero future.

The trade associations that we join represent a broad array of interests, and they conduct a wide variety of activities that support those interests. Trade associations provide valuable opportunities for our employees to engage with peers across the industry and to learn and share best practices and other technical information. One of the many activities trade associations participate in is lobbying.

Trade associations provide information to stakeholders, legislators, and regulators (and their respective staffs) on complex legislative and regulatory issues that impact the energy industry. Membership in associations can be an effective advocacy tool for both companies and policymakers.

With regard to climate-related topics, we aim to work closely with trade associations that are paving the way for cutting-edge, net zero technologies and that are focused on developing constructive, durable policies that will achieve economy-wide, net zero GHG emissions.

## Assessing our Memberships and Alignment

In early 2022, Southern Company posted to its external website a comprehensive report that includes information about the political engagement expenditures of Southern Company and its subsidiaries (see [2021 Political Engagement Expenditure Disclosures](#)). The political engagement report includes corporate contributions to: (1) 501(c)(4) tax-exempt organizations which may have been used by the organization for a political purpose; (2) groups organized under Section 527 of the Internal Revenue Code; (3) political candidates, parties, or committees; (4) expenditures in support of ballot measures; and (5) independent expenditures. The report also includes a list of trade associations engaging in federal or state lobbying to which Southern Company or a subsidiary pays dues of \$50,000 or more and a portion of those dues is used by the association for lobbying efforts.

The purpose of this Trade Association and Climate Engagement Report is to more narrowly focus on the climate-related positions of trade associations to which Southern Company or a subsidiary pays dues of \$50,000 or more and that lobby on federal energy policy issues as of December 2021.<sup>2</sup>

- American Clean Power Association
- American Gas Association
- Business Roundtable
- Edison Electric Institute
- EnergyForward
- Interstate Natural Gas Association of America
- National Association of Manufacturers
- National Hydropower Association
- Natural Gas Vehicles for America
- Nuclear Energy Institute
- Power for Tomorrow
- U.S. Chamber of Commerce

We include below for these associations information about how we have participated in the association, the topics and/or policies the association covers that are important to our business objectives, their statements or positions on climate change, where applicable, and our assessment of whether their climate change statements or positions are aligned with the goals of the Paris Agreement. As noted above, we believe our net zero goal is aligned with the goals of the Paris Agreement.

Southern Company participates in trade associations that cover a variety of energy policy topics, including climate change. On climate, some associations have stated policy positions and others do not. Members of the Southern Company Management Council meet at least quarterly to review the public statements, positions, and missions of the associations to assess, among other things, whether the association is aligned with our net zero goal. Given the breadth of business issues on which these associations are engaged, we do not always agree with or endorse all policy positions taken. Our engagement in these associations is guided by our commitment to our net zero goal and our alignment with the Paris Agreement, and we actively share those perspectives with the associations in which we are a member.

We have taken new opportunities to join sector-specific and multi-sector efforts to advance and influence policies consistent with our business objectives, including our net zero goal. For example, in 2020, Southern Company subsidiary Southern Power joined the American Clean Power Association, which advocates for increased renewable power.

Member-driven associations advance and promote policies aligned with their membership, and we seek to influence group positions by sharing our experiences and considerations. Given the breadth of business issues on which these associations are engaged, Southern Company does not always agree with or endorse all positions taken by the associations of which it is a member.

Where differences exist between our business objectives and an association's positions on an issue, we assess the breadth of the difference and, if appropriate, use our influence to advocate for appropriate changes. It is important to note that perceived misalignment often relates to differences in specific policy approaches, rather than misalignment on overall climate policies. If a group is misaligned with the policy positions that Southern Company supports for a net zero transition, we evaluate and carefully assess the cost and benefits of our membership and determine whether to continue our membership. For example, we are no longer members of America's Power (formerly known as The American Coalition for Clean Coal Electricity, or ACCCE), because our business goals no longer align with the organization's objectives.

## Discussion of Trade Association Positions

As noted above, at least quarterly, members of Southern Company's Management Council review the public statements, positions, and missions of the trade associations of which we are a member, assessing whether the association is aligned with our net zero goal. Based on our most recent review, we have concluded that each of the respective trade associations listed below have acknowledged the reality of climate change and support policies and positions that are largely consistent with the goals of the Paris Agreement.<sup>3</sup> We believe that these associations have policies and positions on climate that support the priorities of Southern Company, including our net zero goal.

<sup>2</sup> A broader list of trade associations and other organizations (including those that do not lobby) is disclosed in our 2022 CDP Climate Disclosure (see [2022 CDP Climate Change Disclosure](#)).

<sup>3</sup> This report contains information from third parties, including trade associations and coalitions, and Southern Company makes no representation or warranty as to the accuracy or completeness of any such third-party information.





We are mindful of the concerns that have been raised by some of our stakeholders regarding the climate-related policies and positions of certain associations. We acknowledge that some of these associations represent diverse business interests that may have varying views on climate policy. We are closely monitoring and engaging with those associations so that we can use our influence to address significant conflicts, should they arise, between the policy positions that Southern Company supports for a net zero transition and the activities of these associations.

### **American Clean Power Association (ACP)**

The American Clean Power Association supports the transformation of the U.S. power grid to a low-cost, reliable, and renewable power system. Southern Company is engaged as a member of ACP and a Southern Company representative serves on the Board of Directors.

ACP advocates for policies that promote low-cost, reliable, and renewable power systems, which are important components to Southern Company's net zero transition. These policies include:

- Expand demand for renewable energy technologies at a national, regional, and state level.
- Establish long-term market certainty to ensure increased investment and manufacturing of renewable energy technologies.
- Invest in a national electric grid that is reliable, secure, clean, and designed for a renewable future.

- Develop a robust, stable, and diverse renewable energy workforce.

In 2021, after the U.S. rejoined the Paris Agreement, ACP issued a press release that stated: "Climate change is a global threat that requires international collaboration to address, and American Clean Power applauds the Biden-Harris Administration for re-asserting America's place in the Paris Agreement."

We have concluded that the ACP's priorities and climate change statements are consistent with the goals of the Paris Agreement.

### **American Gas Association (AGA)**

The American Gas Association represents more than 200 local energy companies that deliver natural gas to more than 72 million customers throughout the United States. AGA's mission is to serve as the indispensable, leading voice and facilitator in promoting the safe, reliable, and efficient delivery of natural gas to homes and businesses across the nation. AGA advocates for policies that protect the environment while allowing its natural gas utility members to continue to deliver clean, affordable natural gas to customers, safely and reliably. Southern Company Gas, a subsidiary of Southern Company, serves its customers through regulated local distribution companies and retail customers through companies that market natural gas. Southern Company Gas representatives participate on multiple AGA committees and a Southern Company representative currently chairs the Board of Directors.





In 2020, AGA issued its [Climate Change Position Statement](#). It states that AGA is “committed to reducing [GHG] emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.” In February 2022, AGA published a study entitled a [Net-Zero Emissions Opportunities for Gas Utilities](#). The study provides “a comprehensive and rigorous analysis demonstrating the multiple pathways that exist to reach a net-zero future, and the role natural gas, gas utilities and delivery infrastructure will play in advancing decarbonization solutions.”

Considering AGA’s Climate Change Position Statement and 2022 study that explores natural gas utility pathways to achieve net zero GHG emissions, we have concluded that AGA’s climate change positions and related statements are consistent with the goals of the Paris Agreement.

### **Business Roundtable**

The Business Roundtable is an association of chief executive officers of America’s leading companies working to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy. The Business Roundtable aims to work with Congress on a

comprehensive and diverse energy strategy that focuses on a suite of policies that accelerate the clean energy transition. These aims focus on a strong commitment to environmental sustainability to renew energy infrastructure while supporting balanced regulations to drive carbon emission reduction that aligns with Southern Company’s net zero goal. Southern Company’s CEO is a member of the Business Roundtable.

In September 2020, the Business Roundtable issued a report entitled “[Addressing Climate Change: Principles and Policies](#).” The Business Roundtable believes that addressing climate change and its impacts demands a “robust, coordinated effort with a sound policy portfolio.” The Business Roundtable believes the existing fragmented federal and state policy approach to addressing climate change is insufficient to meet the challenges posed by climate change and that it is time for a new approach. The Business Roundtable supports a market-based emissions reduction strategy that includes a price on carbon where it is environmentally and economically effective and administratively feasible. However, the Business Roundtable recognizes that no one policy or approach can fully address climate change across such a diverse economy and such diverse sources of GHG emissions and that, in certain circumstances,



nonduplicative, tailored policies may be more effective or administratively feasible.

We have concluded that the Business Roundtable's climate change principles and positions are consistent with the goals of the Paris Agreement.

### Edison Electric Institute (EEI)

The Edison Electric Institute is the national association that represents all U.S. investor-owned electric companies. EEI members provide electricity and related services for about 22 million Americans and operate in all 50 states and the District of Columbia. EEI's advocacy efforts focus on many areas important to Southern Company's business, including energy and climate, customer solutions, tax policy, ESG, grid reliability and resilience, and technology and innovation. Southern Company representatives serve on multiple committees and in leadership positions in EEI.

[EEI's Clean Energy & Climate Change](#) site states that "EEI's member companies are leading a clean energy transformation. We are united in our commitment to get the energy we provide as clean as we can as fast as we can, without compromising on the reliability or affordability that are essential to the customers and communities we serve." EEI supports policies that: significantly increase research, development, demonstration, and deployment funding for clean energy technologies; provide federal support to get clean energy technologies to commercialization at an affordable cost; revamp existing energy tax credits to advance newer technologies; enable the siting, permitting and construction of new clean energy technologies; enhance grid modernization and resilience; and leverage the electric power sector emissions reductions to encourage reduction in other sectors of the economy.

In January 2021, EEI published a [statement](#) noting that, among other things, EEI and its member companies "support America rejoining the Paris Agreement."

We have concluded that EEI's climate change statements and related policy positions are consistent with the goals of the Paris Agreement.

### EnergyForward

EnergyForward is a group of power-generating companies, including Southern Company, brought together by a shared interest in the clean energy transition. Southern Company is a member of EnergyForward.

EnergyForward works to improve understanding of policies that:

- Advance clean-energy infrastructure and technological development;
- Just transitions for workers and communities;
- A focus on meeting consumer demand and electric reliability; and
- Better understanding of the regulatory landscape in which members operate.

EnergyForward's focus on the clean energy transition aligns with Southern Company's commitment to provide a clean, safe, reliable, affordable, and resilient net zero energy future to our customers and communities.

We have concluded that EnergyForward's priorities are consistent with the goals of the Paris Agreement.

### Interstate Natural Gas Association of America (INGAA)

The Interstate Natural Gas Association of America is a national organization whose members represent the majority of the interstate natural gas transmission pipeline companies in the U.S. and Canada. INGAA engages on matters related to the regulation of interstate pipelines through interactions with the U.S. Department of Transportation, Federal Energy Regulatory Commission and Pipeline Hazardous Material Safety Administration, all of which are important to Southern Company's business operations. A Southern Company representative serves on the Board of Directors and company representatives serve on multiple committees and in leadership positions in INGAA.

In 2021, INGAA issued the following [Climate Statement](#): "As America's energy leaders, INGAA's members recognize the need to build upon our efforts and to continue to act to address global climate change by advancing our commitment to minimize and reduce [GHG] emissions, including methane emissions. INGAA members are determined to lead the effort to modernize our nation's interstate natural gas delivery network infrastructure with a goal of reducing emissions and helping minimize the impact on our climate. [INGAA's] commitments will include an active effort to do even more to address climate change by supporting renewables, as well as new and innovative technologies and process enhancements that will further reduce emissions. Working together, [INGAA is] determined



to support sound public policies that protect the environment while ensuring a safe, reliable and resilient energy transmission system that provides the affordable energy so many of our businesses and families need.”

In November 2021, INGAA published its inaugural [Climate Report](#), which builds on INGAA’s 2021 Climate Statement and includes a set of commitments detailing the organization’s mission to work towards achieving net-zero GHG emissions from natural gas transmission and storage by 2050.

Considering INGAA’s 2021 Climate Change Statement and the commitments included in its subsequent Climate Report, we have concluded that INGAA’s climate change statements and positions are consistent with the goals of the Paris Agreement.

### **National Association of Manufacturers (NAM)**

The National Association of Manufacturers represents small and large manufacturers in every industrial sector and in all 50 states. The NAM advocates for a policy agenda that helps manufacturers compete in the global economy and create jobs across the country. As part of the NAM’s policy agenda, the NAM focuses on areas important to Southern Company’s business, including energy and environment policies, tax policy and trade, research, and technology and innovation. A Southern Company representative serves on the Board of Directors.

In January 2021, the NAM released a publication entitled “[The Promise Ahead: Manufacturers Taking Action on Climate](#).” In that report, the NAM states that a successful climate policy must have two core components: (1) an international, rules-based system that is consistently applied to bind all emitters and ensure a level playing field

and (2) a unified domestic framework that applies to all emitters and harmonizes GHG regulation. The NAM supports policies that encourage an energy mix including clean, renewable, and low carbon energy resources and other power and thermal energy solutions and promote energy efficiency measures.

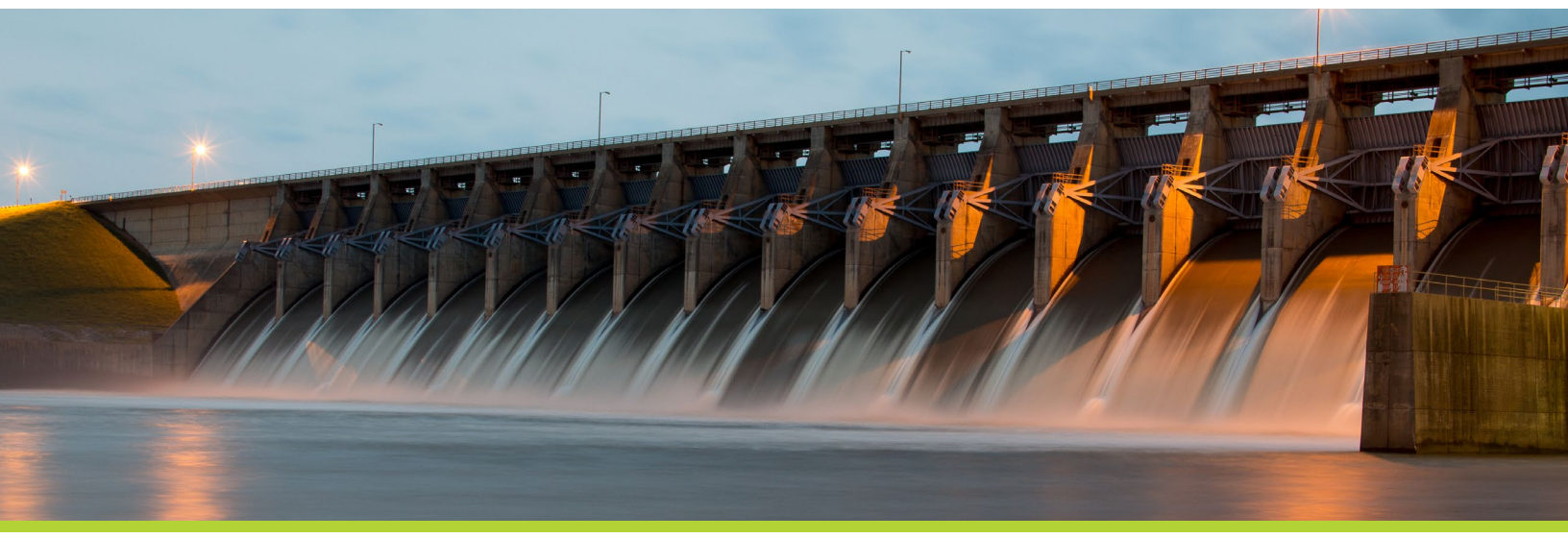
We have concluded that the NAM’s positions are consistent with the goals of the Paris Agreement.

### **National Hydropower Association (NHA)**

The National Hydropower Association is a national association “dedicated exclusively to preserving and expanding clean, renewable, affordable hydropower and marine energy.” NHA’s mission is to “champion waterpower as America’s premier carbon-free renewable energy resource.” A Southern Company representative serves on the Board of Directors.

The NHA views hydropower as America’s first and most flexible carbon-free energy resource to achieve a sustainable, clean, and secure electric system. NHA supports policies that help lower barriers to developing the potential of hydropower resources and that make the regulatory approval process for development of such resources more efficient. NHA is actively advocating for policies that are important to Southern Company’s business, including: tax incentives that encourage private sector investment and development in hydropower projects and facilities; updates to the FERC licensing/relicensing process; and research and development support for new advancements in hydropower technology and operations.

We have concluded that NHA’s priorities are consistent with the goals of the Paris Agreement.





### Natural Gas Vehicles for America (NGVAmerica)

Natural Gas Vehicles for America's federal advocacy efforts include initiatives to enhance Natural Gas Vehicle (NGV) infrastructure, secure funding for important NGV research and development, clarify safety regulations related to NGV transportation, achieve parity for NGV driving range requirements, and improve the NGV fuel system weight exemptions on federal highways. NGVAmerica works to ensure that the use of natural gas vehicles is expanded via policies at both the state and federal level, all of which are important to Southern Company Gas. A Southern Company representative serves on the Board of Directors.

In July 2021, NGVAmerica released a [Statement on Climate Change](#) that includes NGVAmerica's outlook and pledge on climate change. Among other items, NGVAmerica pledges that the natural gas vehicle industry will "further accelerate the use of ultra-low to negative carbon natural gas (renewable natural gas or conventional natural gas with carbon capture) in our fleets and as part of the supply provided to our transportation customers." In addition, "by 2030, 80% of NGV motor fuel in the U.S. will be derived from renewable sources, rising to 100% by 2050."

Considering NGVAmerica's climate change statements, we have concluded that NGVAmerica's priorities are consistent with the goals of the Paris Agreement.

### Nuclear Energy Institute (NEI)

Nuclear Energy Institute's mission is to promote the use and growth of nuclear energy through efficient operations and effective policy. NEI provides a unified industry voice on many issues important to our business, including issues before the Nuclear Regulatory Commission, Congress and the executive branch. A Southern Company representative serves on the Board and the Executive Committee.

NEI's climate [policy](#) states: "We need deep decarbonization to hit our climate goals. Nuclear power can get us there. As our largest source of carbon-free energy, nuclear power is critical to reducing greenhouse gas emissions. Wind, solar and geothermal are on the rise, but the smartest policies will ensure these technologies complement, not replace, nuclear's clean energy production. Protecting and growing our use of nuclear technologies are important ways to dramatically reduce greenhouse gases and help us make meaningful progress to address climate change."





After the U.S. rejoined the Paris Agreement, NEI published the following statement: “By rejoining the Paris Agreement—and issuing several climate-focused executive orders since then—President Biden provided a north star for climate and energy policy in the U.S. moving forward . . . It’s an important first step, but we can’t let up. We must ensure all carbon-free technologies are valued and deployed in this effort.”

We have concluded that NEI’s priorities and climate change related statements are consistent with the goals of the Paris Agreement.

### **Power for Tomorrow (PFT)**

Power for Tomorrow is a platform that supports the electric regulated utility model. PFT believes that the regulated utility model offers benefits to consumers and the environment as the nation transitions to a cleaner energy future. PFT supports renewable energy production and believes that the fastest way to deploy renewables is through state regulation of the traditional vertically integrated electric system. Southern Company is a member of PFT.

At this time, PFT is not engaged in advocacy directly related to climate. In the event that PFT becomes engaged in climate advocacy, we will evaluate their positions with our goals and alignment with the Paris Agreement.

### **U.S. Chamber of Commerce (the Chamber)**

The U.S. Chamber of Commerce is a business organization that represents the interests of more than three million businesses of all sizes, sectors, and regions. A Southern Company representative serves on the Board and Southern Company representatives are engaged on committees that touch a number of issues related to our business objectives including infrastructure development, environment and sustainability regulatory development and climate-related energy policy.

On the topic of climate change, the Chamber supports the U.S.’s decision to rejoin the Paris Agreement. The Chamber believes in a climate change policy approach that is supported by market-based solutions, developed through bipartisan legislation in Congress, and that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. The Chamber believes that the U.S. should maintain a leadership role in technologies, such as advanced nuclear, energy efficient systems and building materials, and large-scale renewables, energy storage and batteries, high-efficiency low-emission power plants, and carbon capture and storage/utilization by supporting a broad-based public- and private-sector technology portfolio.

We have concluded that the Chamber’s climate change statements and policy positions are consistent with the goals of the Paris Agreement.



# Board and Management Oversight of Political Engagement Activities



Southern Company and its subsidiaries have put in place decision-making and oversight processes to help ensure compliance with all laws governing the making of political contributions or expenditures, including independent expenditures. Any use of corporate funds to make political contributions or independent expenditures (as defined by applicable law) in connection with elections for public office must be approved in advance by the senior External Affairs Officer of the Southern Company entity making the disbursement.

Our belief in government, respect for the democratic process and adherence to the rule of law always have been part of our core business principles. We are constantly evaluating our engagement efforts with policymakers to ensure they are informed by these ideals and adhere to the uncompromising values we follow as a business – honesty, respect, fairness, integrity, and the value of diversity.

Both the Board of Directors and management play important roles in overseeing our political engagement activities. The Nominating, Governance and Corporate Responsibility Committee has primary oversight over the Company’s political engagement activities. In addition, Southern Company’s lobbying-related activities are reviewed at least annually by the full Board. For more information about oversight structure and policies, please see: [Overview of Southern Company Policies and Practices for Political Engagement](#).

## Find More Information

**Additional information on these topics can be found on our website:**

- [Public Policy Advocacy Positions](#)
- [Policy Engagement and Advocacy](#)
- [Southern Company Sustainability](#)
- [Key Data and Reports](#)

## Next Steps

**As a leading energy company serving nine million customers through our subsidiaries, it is important to Southern Company’s business success to participate in the public policy process on a variety of issues. Having constructive relationships with policymakers and other stakeholders allows us to deliver clean, safe, reliable, affordable, and resilient energy to our customers. For Southern Company to meet its net zero goal, innovation and collaboration with like-minded companies and trade associations are of paramount importance. Our goal is to join and annually renew memberships in associations where we share similar policy views and business objectives. We expect to update this report over time consistent with our long-standing commitment to transparency.**

### Cautionary Statement Regarding Forward-Looking Information

Certain information contained in this report is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, GHG reduction goals, including expected timing of achievement, and future unit retirement and replacement decisions and projected capacity mix. Southern Company cautions that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Southern Company's Annual Report on Form 10-K for the year ended December 31, 2021, Form 10-Q for the quarter ended September 30, 2022 and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory changes, as well as changes in application of existing laws and regulations; variations in demand for electricity and natural gas; available sources and costs of natural gas and other fuels and commodities; the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects; the ability to construct facilities in accordance with the requirements of permits and licenses, to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction; advances in technology, including the pace and extent of development of low- to no-carbon energy technologies and negative carbon concepts; performance of counterparties under ongoing renewable energy partnerships and development agreements; state and federal rate regulations and the impact of pending and future rate cases and negotiations; and the ability to successfully operate the electric utilities' generating, transmission, and distribution facilities, Southern Power's generation facilities, and Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions. Southern Company expressly disclaims any obligation to update any forward-looking information.

