



Vision

MARK A. CROSSWHITE

A Letter From the CEO



At Alabama Power, sustainability is fundamental to how we conduct and operate our business.

We work intentionally – seeking to continually improve how we provide value to customers by taking a balanced, forward-looking approach that considers our impact on employees, customers and communities.

Our Values guide our behavior and how we operate our business. Throughout 2021, we maintained a focus on safety – working to keep customers and employees safe, while ensuring dependable service amid the pandemic.

We focus our energy on further integrating sustainability into the corporate strategy through innovative energy solutions, commitment to environmental protection, collaborative partnerships and investments in workforce development.

We know that a healthy workplace culture is essential for success. Giving people the opportunity to be their very best is critical to maintaining a positive work environment. We are continuing the conversation around diversity, equity and inclusion making sure all employees are valued, respected and treated fairly.

Alongside nonprofit partners and leaders in business, education and government, we are strengthening Alabama communities, with special emphasis on underserved and underrepresented areas.

This report outlines the progress we have made to shape the future to best serve our customers and communities.

We remain committed to doing our part to help transform the state – powering a better Alabama for the people we serve today and for generations to come.

A handwritten signature in black ink that reads "Mark A. Crosswhite". The signature is written in a cursive, flowing style.

Mark A. Crosswhite

Chairman, President and CEO, Alabama Power Company

Our Sustainability Pillars

PEOPLE:

We commit to diversity, equity and inclusion to strengthen workforce development and collaboration among our employees, partners and communities.

ENVIRONMENT:

We invest in reliable, sustainable energy resources while protecting the environment we share.

SOCIAL RESPONSIBILITY:

We advance equity and opportunity through programs that empower the people of Alabama.

GOVERNANCE:

We operate with a set of values and a code of ethics that guide our behavior and put the needs of those we serve at the center of all we do.

INNOVATION:

We create the future of energy through strategic partnerships and technologies that advance a diverse mix of fuel sources and strengthen system resiliency to enhance customer value.

STAKEHOLDER MESSAGE

Welcome to our 2021 sustainability report.



Sustainability is about long-term viability. It's about change. Throughout our history, Alabama Power has adapted to meet the challenges and opportunities of the times, while adhering to our founding commitment to be of service to the state. Our sustainability report is being published annually, beginning with the report published in 2021 for 2020. We are communicating directly to stakeholders our stories of progress for the 2021 reporting period, each one representing a "plus" toward building a better Alabama.

Our initiatives are rooted in five pillars of sustainability: People, Environment, Social Responsibility, Governance and Innovation. Over the past year we have engaged with stakeholders to prioritize focus areas and support transparency in our sustainability reporting. This data-centric approach, grounded in corporate strategy, customer insights and industry best practices, drives continuous improvement.

We are intentional in incorporating sustainability into our operations and supporting a more prosperous Alabama. Our Sustainability Council, made up of the company's most senior executives, informs our approach. We recently increased executive oversight of sustainability governance through the creation of our Sustainability Roundtable. This collaborative, cross-functional group of leaders is helping steer our sustainability strategy, initiatives and metrics through their respective organizations.

As documented in this report, our sustainability efforts are yielding immediate benefits as well as positioning us for the future. A few insights from 2021:

- Our long-standing focus on safety and health helped us navigate a responsible reentry to the office for those employees who were required to work remotely during the pandemic.

- Our investments in grid reliability and resiliency created benefit for customers with quicker response times and reduced outage durations. Our grid fiber deployments were also able to support partnerships that are helping to bridge the digital divide.
- We maintained a relentless focus on cyber and physical security to help protect our customers, facilities and electric grid.

As the story of our company continues to evolve, so does how we share it. Our inaugural sustainability report was recognized with two international business awards for its content and innovative web-based design. This year, we have established a sustainability strategic framework to guide our actions, with a focus on the issues most important to our customers and the communities we live in and serve. Throughout the report, you will read about the commitments and strategic focus areas underlying our pillars — People, Environment, Social Responsibility, Governance and Innovation. Along with the goals established in our focus areas, the foundational issues of safety and health, cyber and physical security, risk management, legal and regulatory compliance, and strong culture and leadership remain a priority. We have also aligned with additional reporting frameworks, including the sustainability accounting standards board (SASB) and the U.N. Sustainable Development Goals.

Through sustainable solutions, we seek to create value and equitable opportunity for the employees, customers, stakeholders and communities we are privileged to serve. Thank you for your interest in Alabama Power.

Sincerely,

A handwritten signature in black ink that reads "Stephanie K. Cooper". The signature is written in a cursive, flowing style.

Stephanie K. Cooper

Vice President, Corporate Sustainability

Sustainability Council

Biannual information meetings allow members to share knowledge and enhance skills for sustainability management.



Mark A. Crosswhite
Chairman, President and CEO



Alexia Borden
Senior Vice President and
General Counsel



Stephanie Cooper
Vice President
Corporate Sustainability



Jim Heilbron
Senior Vice President and
Senior Production Officer



Gordon Martin
Senior Vice President
Corporate and Administrative
Services



Scott Moore
Senior Vice President
Power Delivery



Jeff Peoples
Executive Vice President
Customer and Employee
Services



Phil Raymond
Executive Vice President, Chief
Financial Officer and Treasurer



Quentin Riggins
Senior Vice President
Governmental and Corporate
Affairs



Zeke Smith
Executive Vice President
External Affairs

Sustainability Roundtable

Quarterly meetings shape the development and implementation of our sustainability strategy, through a discussion-based collaborative across these functional areas.

- + *Accounting, Finance and Treasury*
- + *Business Transformation*
- + *Charitable Giving*
- + *Compliance*
- + *Customer Experience*
- + *Economic and Community Development*
- + *Environmental Affairs*
- + *Fleet*
- + *General Counsel*
- + *Generation*
- + *Governmental and Corporate Affairs*
- + *Human Resources*
- + *Information Technology*
- + *Land Management*
- + *Marketing*
- + *Power Delivery*
- + *Public Relations*
- + *Regulatory Affairs*
- + *Resource Planning*
- + *Safety and Health*
- + *Shoreline Management*
- + *Supplier Diversity*
- + *Sustainability*

Our Board

Angus R. Cooper, III

President, Cooper/T. Smith Corporation

Mark A. Crosswhite

Chairman, President and CEO, Alabama Power

Catherine J. Randall

Chairman, Pettus Randall Holdings, Inc.

Anthony A. Joseph

Shareholder, Maynard, Cooper and Gale, P.C.

R. Mitchell Shackelford, III

President, Gulf Coast Truck and Equipment Company

O.B. Grayson Hall, Jr.

Retired Chairman, President and CEO, Regions Financial Corporation

Selwyn M. Vickers, M.D.

CEO, UAB Health System
CEO, UAB / Ascension St. Vincent's Alliance, UAB Heersink School of Medicine

Phillip M. Webb

President, Webb Concrete and Building Materials, Inc.

Charisse D. Stokes

President, Tidal IT Solutions, LLC

Kevin B. Savoy

Vice President, Great Southern Wood Preserving, Inc. and Greenbush Logistics, Inc.

We are grateful to Robert D. Powers, who has recently retired from our Board of Directors after more than 30 years of dedicated service.

Board Member Characteristics

DIRECTOR AGE, TENURE, LOCATION

AGE	
45 - 59	++++
60 - 69	++++
70+	++
TENURE (AS OF APRIL 24, 2022)	
0 - 4	+++++
5 - 9	+++++
GEOGRAPHIC LOCATION	
Birmingham	++++
Mobile	++
Dothan	+
Central AL	+
West AL	+
East AL	+

DIRECTOR SKILLS & EXPERIENCE

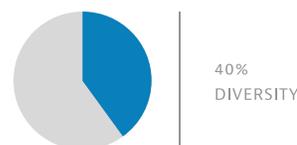
ACTIVE EXECUTIVE	+++++
REAL ESTATE/CONSTRUCTION/DEVELOPMENT	+
FINANCIAL/BANKING	+
SERVES ON OTHER PUBLIC BOARDS	++
MEDICAL	+
CUSTOMER SERVICE / RELATIONS	+++++
LEGAL	++
OPERATIONS	+++++
UTILITIES/REGULATORY	+
EDUCATION	++

NON-EMPLOYEE DIRECTORS

ALL DIRECTORS ARE NON-EMPLOYEES EXCEPT THE CEO



DIRECTOR DIVERSITY



About Us

EMPLOYEES AND CUSTOMERS

TOTAL NUMBER OF EMPLOYEES: **6,085**

TOTAL NUMBER OF CUSTOMERS: **1,520,751**

86.09%

RESIDENTIAL

13.46%

COMMERCIAL

0.45%

INDUSTRIAL, OTHER

POWER DELIVERY AND GENERATION

54,236,490,767

TOTAL KWH SALES

11,678

TOTAL NAMEPLATE CAPACITY

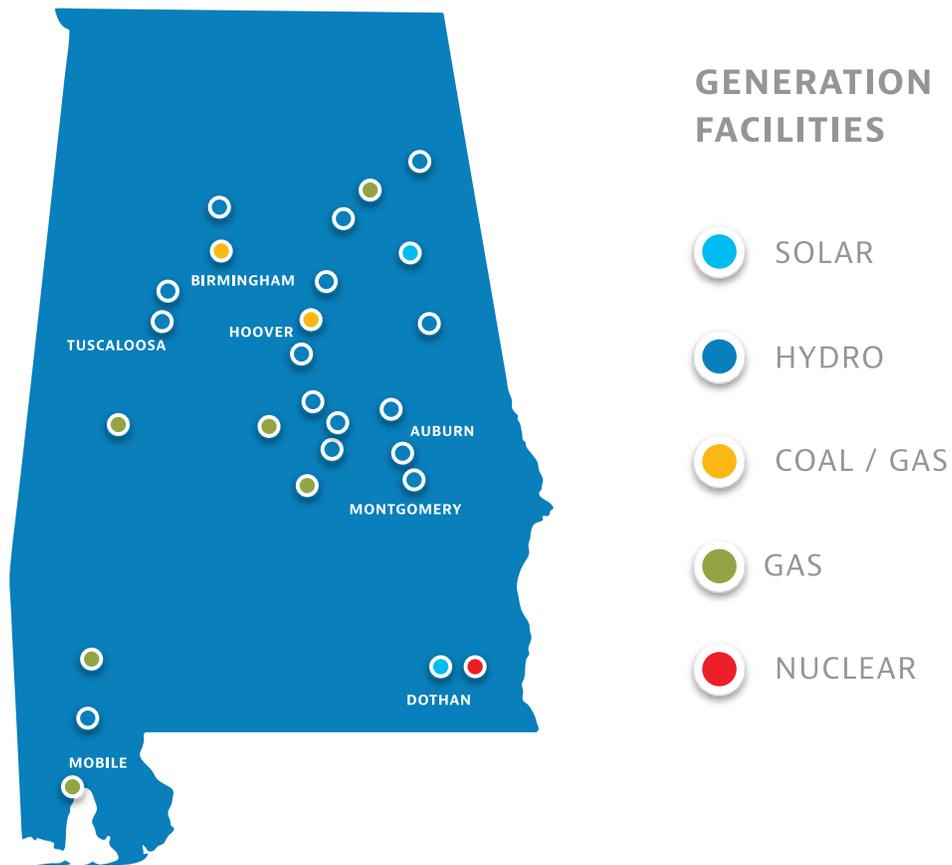
45,000

TERRITORY, SQUARE MILES

1,582,387

TOTAL POLES AND TOWERS

6,085 employees serve
1.5M+ customers spread
across 45K square miles
from urban to rural
communities.



RECOGNITIONS

Alabama Power 2021 Awards

+ PEOPLE:

Alabama A&M University's Black Tie Gala Diversity Award

Birmingham Business Journal Leaders in Diversity Award

Birmingham Business Journal Veteran Friendly Employer category for the Veterans of Influence Awards

+ ENVIRONMENT:

Environment + Energy Leader Awards: Smart Neighborhood, Top Project

+ SOCIAL RESPONSIBILITY:

Alabama State Conference of the NAACP Corporate Partner of the Year

Chartwell Best Practices Award in Outage Restoration - Bronze Award

Edison Electric Institute (EEI) Emergency Assistance Award

Edison Electric Institute (EEI) Emergency Recovery Award

Southwest Mobile County Chamber of Commerce Impact Award

Site Selection Magazine Top 20 Utilities in Economic Development

+ GOVERNANCE:

Edison Electric Institute (EEI) Advocacy Excellence Award (Connectivity Initiative)

International Business Awards, Stevie Awards, for sustainability reporting

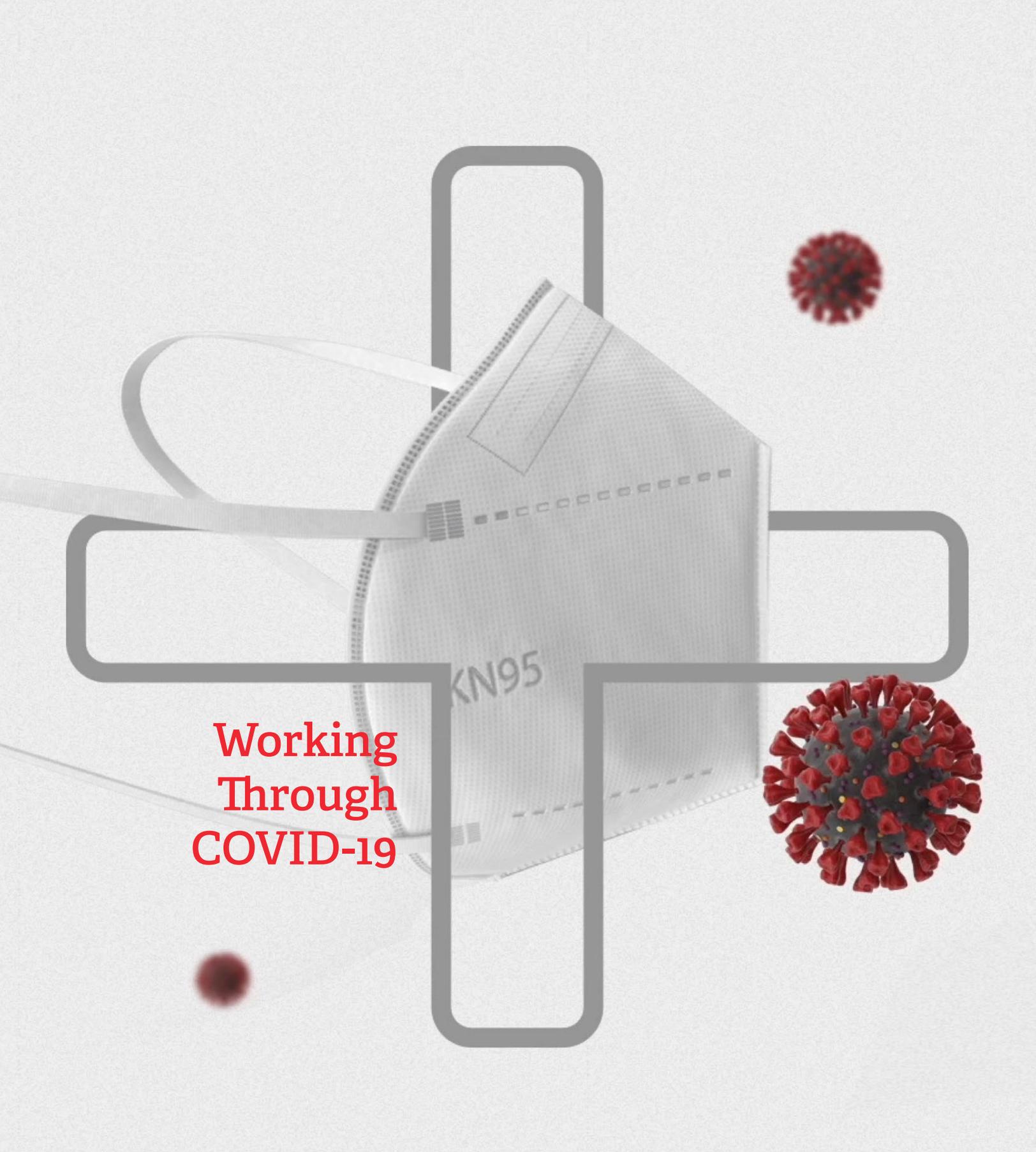
+ INNOVATION:

Electric Power Research Institute (EPRI) Technology Transfer Award for Power Delivery and Utilization

Southern Company Awards

As a retail operating company of Southern Company, Alabama Power's efforts contribute to these 2021 recognitions.

- + America's Best Large Employers by Forbes — No. 2 Overall in U.S.
- + Best Places to Work in IT by IDG's Insider Pro and Computerworld
- + A- from the CDP Climate Change Disclosure for Environmental Transparency
- + Disability Equality index, one of the Best Places to Work for Disability Inclusion
- + World's Most Admired Companies by Fortune Magazine
- + Human Rights Campaign Foundation, 100% rating on the Corporate Equality Index. It is the fifth consecutive year Southern Company has been named one of the Best Places to Work for LGBTQ Equality.
- + No. 1 Best for Vets by Military Times
- + Top Company for Environment, Social, Governance by DiversityInc
- + Top 50 Companies for Diversity by DiversityInc
- + U.S. Transparency Award (Best Proxy Statement) by Labrador



**Working
Through
COVID-19**

People

 **2021
Sustainability
Report**

 **Alabama Power**

COMMITMENT

We commit to diversity, equity and inclusion (DE&I) to strengthen workforce development and collaboration among our employees, partners and communities.

FOCUS

Our stakeholder assessment identifies DE&I; Employee Engagement; Supplier Sustainability and Equity as priorities to drive sustainability performance.

GOALS

Increase and improve outreach, recruitment, hiring and retention of diverse groups at all levels of the workforce; ensure equity in leadership development programs; and seek diverse candidate slates for management roles over the next five years.

Maintain a strong employee retention rate of above 90% annually through focused employee engagement and development efforts.

Contribute to the goal of increasing minority business enterprise (MBE) spending to 20% and total diverse spending to 30% by 2025.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS



Working Through COVID-19

Throughout 2021, the pandemic continued to disrupt regular routines, at home and the office. While some companies were forced to shut down or curtail operations, Alabama Power was categorized as an “essential business” by our state because of the service we provide. This allowed us the flexibility to adapt to new ways to safely serve customers without interruption. We created protocols for working in the pandemic, while developing plans for employees to do their jobs remotely and to responsibly reenter the workplace when the time came – both of which were critical in maintaining a sustainable approach to our work.

“We’ve been in uncharted territory and we’ve really had to rethink a lot of things,” said Jean Lynch, Human Resources director at Alabama Power. “During the pandemic, some employees worked remotely, but we still had a large portion of our employees working on-site and in the field, so we developed protocols to keep them safe in those environments.”

That included sanitizing stations and masking, as well as alternating work schedules and virtual meetings to minimize the amount of time people were physically together. Lynch said, “Our facilities group never stopped working. They maintained our HVAC systems, our water systems. They enhanced cleaning and sanitization. They did walk-throughs to ensure social distancing was available, and put up barriers to ensure that our No. 1 priority of keeping everyone safe was achieved.”

Power Delivery and Generation employees continued to safely keep the lights on across Alabama. Distribution Control Center Supervisor Candice Williamson and her team are used to managing unforeseen circumstances; they are among the people responsible for helping restore service following storms and during unexpected service disruptions – whenever they occur. But working from home was something new. “We’ve never experienced teleworking,” Williamson said.

“Serving our customers is always our first priority from a control center and power delivery standpoint,” Williamson continued. “We were thrown some obstacles, but we worked together as a team. The field employees, Distribution and Transmission, the generating plants, everybody just came together and worked as a team to provide that reliable service to our customers that we’re known for.”

With in-person touch points like our Customer Service and retail Appliance Centers, we provided access consistent with guidelines set forth by both the state and federal governments. “We put up extra sanitizing stations throughout the office,” said Customer Service Manager Natalie Bailey. “We put up crowd barriers and Plexiglass, and even provided a device for handling money back and forth to customers.”

In the Appliance Centers, Retail Sales Consultant Queen Johnson and her team faced a unique challenge. “Never in a million years would I have thought I would be selling appliances from home. We had to adapt. Within a week’s time, we set up to work remotely and walk customers through how to buy appliances from their homes.”

The stores eventually reopened – safely and securely.

“Hand sanitizing, signs, gloves, Plexiglass, cleaning the tables and chairs, we made absolutely sure we were doing everything we could,”

— QUEEN JOHNSON , RETAIL SALES CONSULTANT —

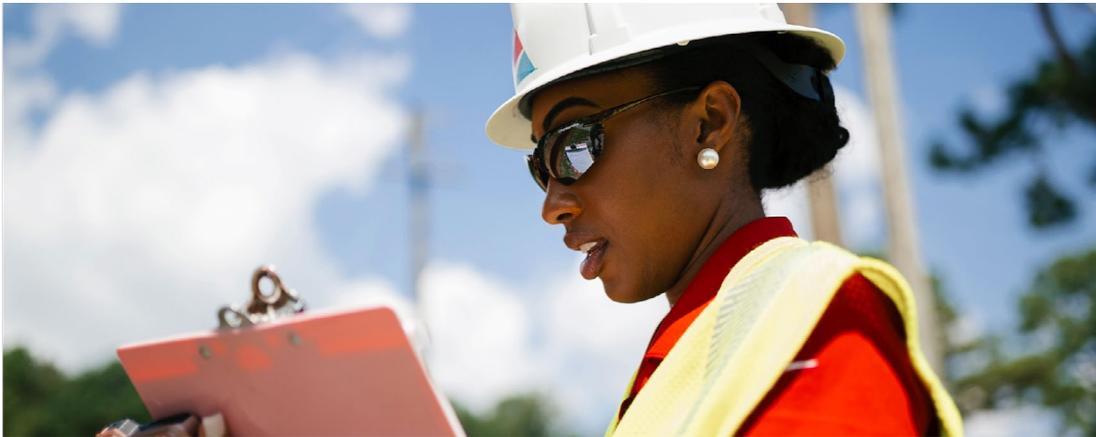
In August 2021, a pilot program enabled employees who had been working remotely to begin returning to their normal work locations. And by November, we were ready to fully reopen the doors and implement a larger plan of hybrid and on-site working schedules.

Through this unprecedented time, we evolved in the pursuit of sustainable work processes. Lynch said, “When we think about sustainability in the long term, I think the lessons learned have shown us that we can really be flexible, innovative and creative with the way we get our work done. It allows us to ensure that we’ve got stability in our operations. We’re able to continue to keep our plants running. We’re able to keep the lights on for the customers that we serve.”

Overview

Achieving sustainability in business requires a workforce that is safe, skilled, empowered and inclusive. Our team personifies these essential elements, along with a shared dedication to the communities we serve.

In another year of extraordinary circumstances, we powered through, together. We continued positive momentum in the key areas of safety and health, training and workplace culture. By growing, strengthening and supporting the diversity of talent, experiences and ideas among our people, we can do even more to make a positive impact for customers and communities across Alabama. Our workforce is part of a sustainable business model. The best talent will help us meet the challenge ahead, create value for stakeholders and offer rewarding career opportunities to employees.



In November 2021, we successfully moved to full workplace reentry, giving employees who were working remotely during the pandemic the ability to return to the office while offering a hybrid model that provides balance and flexibility going forward. Safety and health remained our primary focus as more employees returned to work on-site.

Even during the height of the pandemic, our business never shut down. We adapted operations to protect our employees and customers. And with some employees working remotely, we reduced consumption. From fewer miles driven to printed paper reductions, we created less waste and are implementing ways to maintain these where possible.

Our Beliefs

As a part of Southern Company, we share Human Capital Beliefs that guide our commitment to being a leading employer:

- + We believe in, and invest in, the well-being of our employees through a total rewards strategy that includes competitive salary, annual incentive awards for eligible employees and health, welfare and retirement benefits designed to encourage physical, financial and emotional/social well-being.
- + We support human rights and are opposed to all forms of forced labor, child labor and other human rights abuses.
- + Development and retention of our talent is a priority. New hires augment our existing workforce as we seek to meet changing business needs, address any critical skill gaps and supplement and diversify our talent pipelines.
- + Our employees, suppliers and partners are expected to act in a manner consistent with Our Values, Our Human Capital Beliefs, Our Code of Ethics and U.S. and international law.
- + We are proud of our positive relationships with labor unions and support the rights to collective bargaining and freedom of association.

Through these Human Capital Beliefs, we demonstrate our dedication to our employees' well-being and the rights of all people.



SAFETY, HEALTH AND WELL-BEING
Safety is our No. 1 Value

Nothing is more important to us than safety. Our comprehensive approach to keeping our people safe includes initiatives to help eliminate serious injuries and fatalities; guidance and controls for critical-risk activities; and event learnings prior to - and following - accidents to share lessons and establish best practices.

Storm Ready

Service disruptions due to storms or other natural events are a part of our business. When they inevitably occur, safe restoration is paramount. Restoring power in the wake of a major storm is a multifaceted team effort, initiated and directed from Alabama Power's Storm Center, newly remodeled for greater efficiency and effectiveness. The work actually begins before a storm arrives. Combined with days-ahead planning, our team uses new technologies to restore power within seconds in some cases. Improved communications capabilities keep the Storm Center connected to our storm teams across the state to coordinate everything from crew and equipment deployment to arranging for food and shelter for those in the field. Our teams are recognized within the industry for their dedication and performance, in the worst of conditions. Indeed, when major storms strike communities outside our service territory, other utilities seek us out, requesting our professionals to help support their restoration efforts.



Our focus on safety extends beyond employees, with educational programs that reach into the community and to targeted audiences. For example, our high-voltage safety program, Safe-T-Zone, is offered by Alabama Power line personnel to first responders. It covers topics such as the consequences of pulling a meter at a house fire, what to do when encountering downed lines and how to handle outages during a disaster. First responders risk their lives to help those in need, and this program helps them to protect others and return home safely to their families.





Nuclear Safety

For more than 40 years, Alabama Power's Farley Nuclear Plant has provided clean, safe, reliable, affordable energy to customers. The plant is a significant regional employer, with more than 800 team members. In 2021, the plant continued its strong record of safety, reporting zero serious injuries.

We are also committed to supporting the overall well-being of our employees, with a focus on three areas:

+ PHYSICAL WELL-BEING:

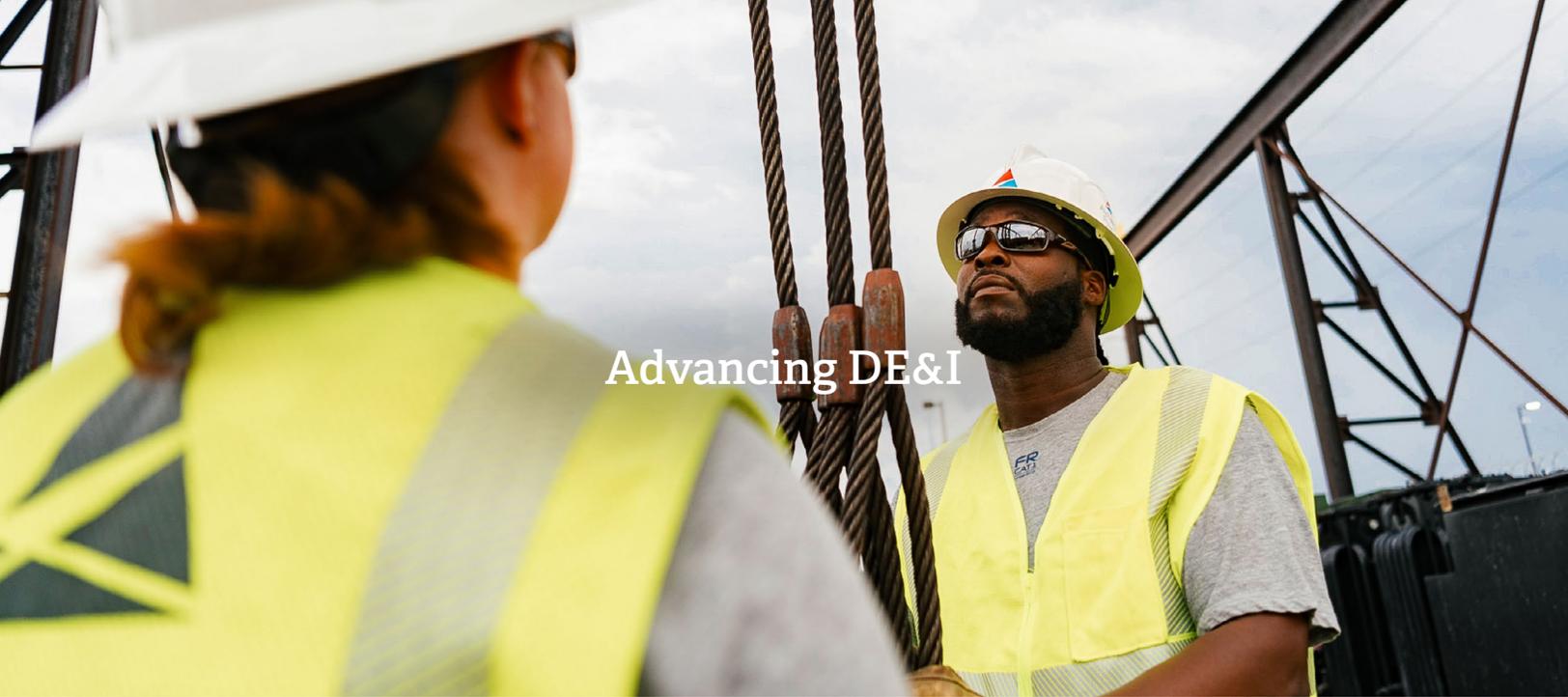
Providing employees with access to preventive care, wellness programs and health care.

+ FINANCIAL WELL-BEING:

Helping employees with finances across all stages of their careers, including retirement.

+ EMOTIONAL/SOCIAL WELL-BEING:

Helping employees to be fully engaged in life, family, their community and their work.



Advancing DE&I

Alabama Power works diligently to achieve an equitable and inclusive workplace that mirrors the diverse communities we serve. Recently, we have refocused our efforts toward a more holistic goal of diversity, equity and inclusion, helping to ensure all groups are welcomed, well-represented, engaged and fairly treated. Following events in 2020 highlighting racial injustice in our society, Southern Company published [Moving to Racial Equity](#), a complete framework which confirms our collective commitment to this topic.

Involvement.
Engagement.
Improvement.

We are committed to a culture where every employee is valued, respected and appreciated. Since its inception in 2018, the Council on Culture and Inclusion (CCI) has focused on making sure Alabama Power's culture is the best it can be – built on a platform of inclusion, respect and fairness. The CCI relied on employee input to determine what employees value most, leading to the creation of five focus areas for 2021:

+ EDUCATION:

Providing career-development and inclusion-training opportunities for all employees.

+ ENGAGEMENT:

Providing opportunities for employees to engage with each other and company leaders, encouraging interaction, open dialogue and relationship-building.

+ COMMUNICATION:

Providing consistent communication so employees have the resources and information they need to support and further instill the company's focus on culture.

+ PARTNERSHIP:

Providing opportunities for underrepresented communities, including recruitment of new and diverse talent, expansion of workforce development programs and an expanded focus on supplier diversity.

+ PROGRESSION:

Removing barriers and biases throughout the talent journey, including recruiting effectiveness, work environment and pay data.

A sustainable business model includes a sustainable workforce

As business needs and challenges continue to evolve, so do the types of training required to perform at the highest level. In developing the workforce of the future, we look to initiatives that go beyond traditional training.

Alabama Power supports scholarships for minority students enrolled in Beville State Community College's HVAC Fast Track Program, an accelerated noncredit training initiative that teaches technical knowledge and skills to install, repair, service and maintain heating, air conditioning and refrigeration systems. The 11-week program, taught by Alabama Power instructors, removes barriers for students while providing opportunities for meaningful careers.

At Bishop State, Lawson State, Trenholm State and Jefferson State community colleges, an Alabama Power partnership provides lineworker training programs in Birmingham, Montgomery and Mobile. Through this innovative collaboration, students learn the fundamentals of electricity as well as the math and science needed to work on power lines. With both classroom instruction and training in an outdoor learning laboratory, students gain the skills they need to be job-ready upon graduation.

Meanwhile, a long-running company initiative continues to provide opportunities for girls to explore careers in engineering. Since its creation in 2008, more than 200 Alabama Power and Southern Company female engineers have volunteered for the iCan Girls in Engineering program, which offers hand-on activities and field trips.

Talent Development

Developed in direct response to employee surveys and feedback, Propel is a newly launched open-enrollment educational series that offers employees opportunities to learn about a wide range of career-building topics. Through skill-building workshops, business updates, benefit guidance and health awareness, Propel supports employees' desire to become better students of the business.

Empowering Diverse Suppliers

The company's supplier diversity initiatives provide opportunities for small and diverse businesses, including minority-owned, woman-owned, HUBZone, veteran-owned and service-disabled veteran-owned businesses. We seek small and diverse suppliers that offer quality, reliability and competitively priced services – and nurture those relationships.

We are leveraging the opportunity to engage diverse suppliers as we safely and securely close our coal ash facilities. Basha Services, a Minority Business Enterprise (MBE), is a Tier II supplier supporting some of these projects, along with other work across Southern Company. Coastal Industrial Contractors is a female-based enterprise that is working as the Tier I prime supplier for the Plant Greene County project.

Our commitment to economic inclusion allows us to seek the best and widest possible supplier base for our purchasing decisions, spread wealth and jobs throughout the communities we serve, and deliver the service and value our customers deserve.

Community Inclusion

We recognize that our responsibility to provide inclusive opportunities extends beyond our offices throughout the state. Customers have access to Braille and large-print bills as well as telecommunications services for the deaf. We're also working to expand the number of recreational sites at our lakes and other locations that are accessible to people with disabilities.



A Historic Renewal

Environment

 2021
Sustainability
Report

 Alabama Power

COMMITMENT

We invest in reliable, sustainable energy resources while protecting the environment we share.

FOCUS

Our stakeholder assessment identifies Greenhouse Gas Emissions, Water and Ecological Impacts as priorities to drive sustainability performance.

GOALS

Support Southern Company's systemwide goal to reduce greenhouse gas emissions by 50%* by 2030 and achieve net-zero greenhouse gas emissions by 2050.

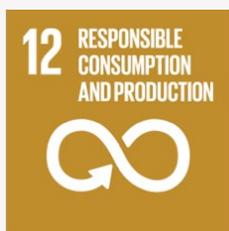
Responsibly manage and preserve water resources by reducing water withdrawn from the river basins 40%** by 2028, aligned to the resource plan.

Conserve and protect 140,000 acres for timber management and more than 2,700 acres for public recreation.

* 2007 Baseline

**Baseline derived from available data for the average from 2017 - 2021.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS



A Historic Renewal

When it became necessary to retire Plant Gorgas in 2019, Alabama Power said goodbye to a facility that dependably served the state for over 100 years and provided, for those who worked there, a real bond of community.

Just as generations of Gorgas employees established a legacy of operational excellence, the process of closing the plant safely and effectively – and preparing the site for the future – required great care, skill and a commitment to do things the right way.

“Our biggest focus out here is safety, for our personnel as well as the environment.”

— CALEB HOWTON, CONSTRUCTION MANAGER —

Months went into planning every aspect of the process that culminated in a 10-second demolition sequence that brought down the boiler houses and turbines. Following the implosion, crews began systematically dismantling the materials and carefully grouping them by type for recycling and repurposing. “Whether it’s aluminum or copper or ferrous metal, it’s staged accordingly then recycled off-site with partners like U.S. Steel, ACIPCO and Nucor Steel so that nothing goes to waste,” said Caleb Howton, construction manager.

As the land is being reclaimed, trees planted and grass laid, Plant Manager Steve Wright offered a broader view of what it all means. “You would think that at a plant you’re retiring and demolishing, sustainability wouldn’t be a key attribute, but it really is. From the steel that’s being recycled, to the concrete that’s being reused, to the river, the infrastructure and everything that’s still in place for future use,” Wright said.

“We’ve always worked to do what’s best for the state, what’s best for our customers, but also the local communities, and this is no different.”

— STEVE WRIGHT, PLANT MANAGER —

As Alabama Power transitions its generating fleet to best serve customers, we work continuously with others to mitigate the impacts to employees and the communities we serve.

For decades, Plant Gorgas faithfully served the people of Alabama by producing the electricity needed to power and grow our state. And the reclaimed site offers its own possibilities, to continue serving future generations in new and exciting ways.

Operations Team Leader Mike Smothers said, “One chapter’s closed and a new one’s opened up, and we know there’s always better things as we move forward.”

Overview

As the state's leading energy provider, we responsibly generate electricity through our sustainable operations and compliance obligations. Alabama is one of the most ecologically diverse places in the U.S. and we are committed to preserving the beauty and richness of our state's natural landscape. As one of Alabama's largest managers of land and water resources, we work to strengthen wildlife habitat and protect river ecosystems.

Alabama Power conducts business in ways that are protective of the environment and communities. Southern Company's principles guide the commitment to environmental responsibility as we work to provide clean, safe, reliable and affordable energy to the customers we are privileged to serve.



+ Demonstrate Commitment.

We have a commitment to meet or surpass the requirements of all environmental laws and regulations. Compliance is the foundation of our environmental commitment. That commitment applies to every employee, every day. We believe the communities we serve should be better off because we are here.

+ Lead Innovation.

We focus on innovation to continually improve our environmental performance. We are at the forefront of researching and developing energy technologies and managing resources to reduce the environmental impact of our business. We invest in technologies, services and education to help customers use energy more wisely. We offer energy efficiency programs that provide economic and environmental benefits.

+ Be Accountable.

We promote the application of sound policy and science in the development of environmental laws and regulations. We support the best interests of our customers and the communities we serve. We communicate honestly and openly about the environment. We rigorously monitor and accurately report our environmental performance.

+ Promote Conservation and Stewardship.

Southern Company's focus on natural resource stewardship is integral to our identity. We engage in stewardship and conservation projects that protect and enhance the environment, support our local communities and increase environmental awareness. We engage community partners to make a measurable impact; stewardship initiatives are more effective when we combine our resources with those of customers and communities, agencies and other partners.

Powering Our Future

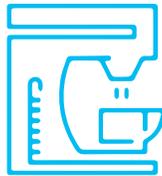


In order to best serve our customers, we are evolving our energy portfolio. The company submitted a filing with the Alabama Department of Environmental Management, outlining plans to retire Plant Barry Unit 5 (700 MW). The filing includes plans to cease using coal and begin operating solely on natural gas at Plant Barry Unit 4 (350 MW) and Plant Gaston Unit 5 (880 MW). Alabama Power, as an agent for SEGCO, plans to retire Plant Gaston Units 1-4 (1,000 MW). These plans are expected to be completed on or before Dec. 31, 2028.

As customers' preferences change, Alabama Power will continue to generate and deliver electricity to meet their needs – in all seasons. Staying cool amid the Southeast's heat and humidity has historically meant that our customers required more energy in the summertime. With more efficient heating options – like electric heat pumps – being used more widely by our customers, we are experiencing higher energy usage during winter months.

The increased winter demand requires additional dispatchable capacity. To meet these changing needs, the Alabama Public Service Commission (PSC) has authorized the company to:

- Construct an approximately 720 MW combined-cycle facility at Plant Barry, expected to be in service by the end of 2023.
- Purchase approximately 240 MW of combined-cycle generation under long-term power purchase agreements (PPAs), which began in 2020.



7AM

average time in winter months where electricity demand is the highest.



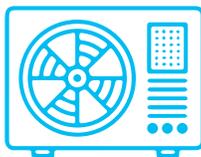
2010

first year the company experienced its highest demand in winter months.



2015

highest calculated energy use recorded in company history.



15 Years

average lifespan of an AC unit — and it is estimated that 7% of AC units are upgraded to more efficient systems each year.



Protecting the Air

Southern Company and Alabama Power also have made significant progress in reducing greenhouse gas (GHG) emissions. For 2021, Southern Company's total GHG emissions were 47% below the 2007 benchmark level. By no later than 2025, Southern Company GHG emissions are expected to sustainably achieve a 50% reduction relative to the 2007 benchmark. Alabama Power achieved a 36% reduction in GHG emissions from 2007 to 2021.

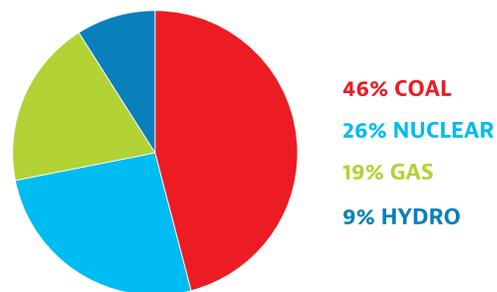
While GHG reductions may fluctuate depending on customer demand, weather and other factors, we expect carbon emissions to be further reduced over time. In 2020, mild weather and the pandemic reduced customers' electricity use, which resulted in a greater than expected decline in GHG emissions. In 2021, GHG emissions increased from the dampened 2020 levels because of recovering customer demand and increased use of the coal generating fleet due to higher natural gas prices.

We continue to employ the latest processes, tools and technologies to meet air quality compliance standards and protect the environment while working to provide clean, safe, reliable and affordable energy to our customers and communities. Since the late 1990s, Alabama Power has spent more than \$4 billion on environmental controls and ongoing measures to meet federal air quality standards. Through 2021, we have reduced emissions of sulfur dioxide and nitrogen oxides by 99% and 92%, respectively, from the 1996 baseline.



The approach to a net-zero future is driven by thoughtful, long-term scenario planning, working constructively within the regulatory framework. Alabama Power will work to ensure the responsible transition of our generating fleet for our customers, communities, employees and other stakeholders. Achieving Southern Company goals depends on many factors, including natural gas prices and the pace and extent of improvements in low- to no-carbon energy technologies.

*Approximately 35%
zero-emission
electric generation.*



The company has rights to additional generation through solar and wind PPAs and nontraditional self-builds.*

*With respect to the renewable generation in this category, if Alabama Power retains or receives the associated renewable energy credits (RECs), the company generally reserves the right to use the energy and associated RECs to serve its customers with renewable energy or to sell the energy and RECs, either bundled or separately, to third parties for the benefit of customers.

Going with the Flow



Alabama has more fresh water flowing through it than any other state in the continental U.S. Alabama Power lakes and dams impound more than 157,000 acres of water and provide more than 3,500 miles of shoreline for the use and enjoyment of the public. We maintain 68 recreation sites and approximately 21 miles of hiking and walking trails open to the public. We help protect these shared resources today and for future generations.

Our hydroelectric plants produce zero-emission, lower-cost electricity – with storage capacity for reliability – for customers across Alabama. In 2021, above-average rainfall allowed for 57% more hydropower generation than we projected for the year – one of the largest levels of sustainable hydro production by the company since we began tracking this statistic in 1928.

Rooted in Alabama

Alabama has one of the most productive timberlands in the world. We have been practicing timber management since the 1920s.

- + We own approximately 166,000 acres, with 140,000 managed for timber production, 1,000+ of which house endangered species.
- + Annually we plant over 600,000 seedlings and harvest 200,000 tons of wood.
- + About 19,000 acres are included in areas stewarded by the Alabama Department of Conservation and Natural Resources.

Reduce, Reuse, Recycle

We are safely and securely working to close our coal ash ponds, which have received no materials since 2019.

We minimize waste through the beneficial reuse of our coal combustion residuals (CCRs) – for example, in building materials like concrete and drywall. In 2021, we recycled nearly 100% of CCRs from our facilities.



Alabama Power and Southern Company have long been involved in research and development to build a stronger and more resilient energy future. We have helped advance transportation technologies and are involved in many other initiatives to protect the natural world. Here are some highlights:

National Carbon Capture Center

Alabama Power's Plant Gaston is home to the National Carbon Capture Center (NCCC), which is the U.S. Department of Energy's primary carbon capture research facility. The NCCC is managed and operated by Southern Company. The facility works with developers from around the globe to reduce greenhouse gas emissions from fossil-fueled power plants, and to develop emerging carbon utilization and direct air-capture technologies. Since 2009, the NCCC has conducted over 127,000 hours of testing of approximately 70 different technologies from more than 40 developers.

Recently the NCCC hosted a Carbon XPRIZE winner, CarbonBuilt, to test a new process that embeds carbon dioxide (CO₂) to cure concrete blocks, which could reduce the CO₂ emissions of the blocks by more than 60%. Plant Gaston is also a host site for a DOE-funded concrete thermal energy-storage demonstration.

In all, research conducted at the NCCC has helped to reduce the cost of carbon capture by about 40%.

Nuclear Development

Nuclear generation is key to a sustainable net-zero future – providing reliable, resilient and dispatchable clean energy.

Plant Farley in 2021 completed an “uprate” on its two generating units. The uprate increased Unit 1’s generating capacity from about 910 megawatts to 944 megawatts and Unit 2’s generating capacity from about 910 megawatts to 953 megawatts. The uprate, approved by the Nuclear Regulatory Commission, is the result of efficiency improvements that allow the plant to safely produce even more zero-emission energy for customers.

Southern Company is leading a program to accelerate high-potential advanced nuclear technologies, principally TerraPower’s Molten Chloride Fast Reactor (MCFR), which offers superior performance, safety and economic benefits compared to conventional and other advanced reactor concepts. MCFR is the world’s first fast-spectrum, salt-fueled nuclear fission reactor that will operate on a self-sustaining nuclear chain reaction. Ongoing public-private partnerships support this work to demonstrate the first commercially relevant MCFR by the mid-2030s.

Smart Neighborhoods®

Alabama Power continues to develop, with partners, innovative Smart Neighborhood® communities and initiatives that make it easier for homeowners to control their energy use. Our first Smart Neighborhood®, Reynolds Landing at Ross Bridge, is helping shape building-to-grid integration and residential-scale distributed generation. The research is expanding understanding of how distributed energy resources interact with the grid, how emerging home automation technologies can improve customers’ lives, and the role microgrids can play in supporting customer needs.

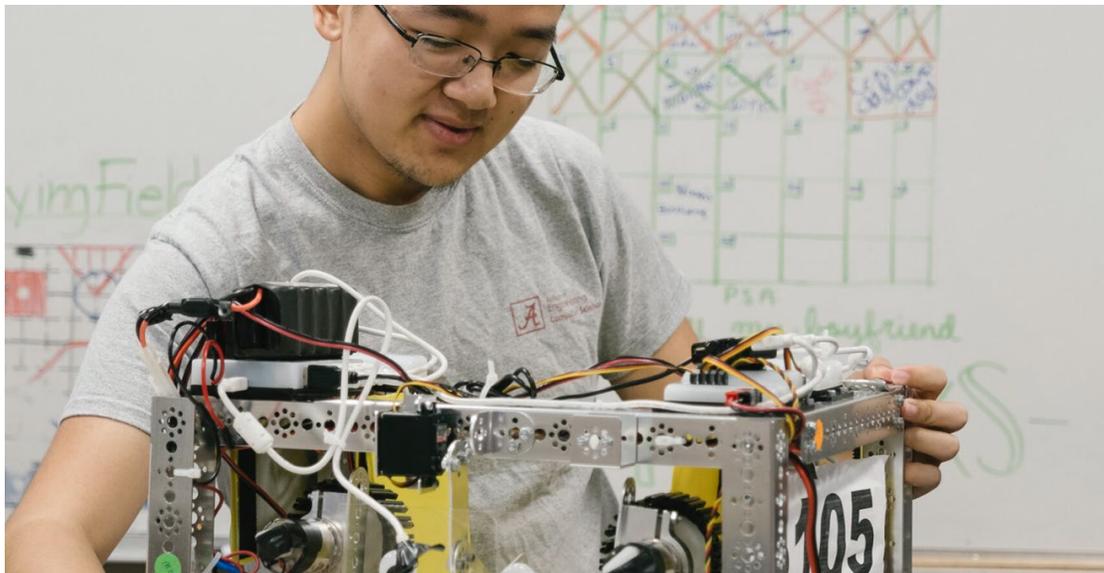


STEWARDSHIP

Providing Natural leadership

Students to Stewards

Six Alabama public schools were awarded conservation education grants through the Alabama Power Foundation in 2021. The grants promote environmental stewardship, sustainability and education, helping ensure that future generations understand the importance of protecting the natural world and are equipped with tools to put that knowledge into action.



Reef Construction

In November 2021, the Alabama Wildlife Federation sunk into the Gulf of Mexico recently retired Alabama Power boilers, capping a two-year project to improve Alabama fishing habitat. A new study of red snapper in the Gulf shows a population of more than 110 million – three times the 36 million previously estimated by federal officials. The underwater placement of the retired equipment marks the third time Alabama Power has supported the creation or expansion of artificial reefs in the Gulf, with more projects planned.



Renew Our Rivers

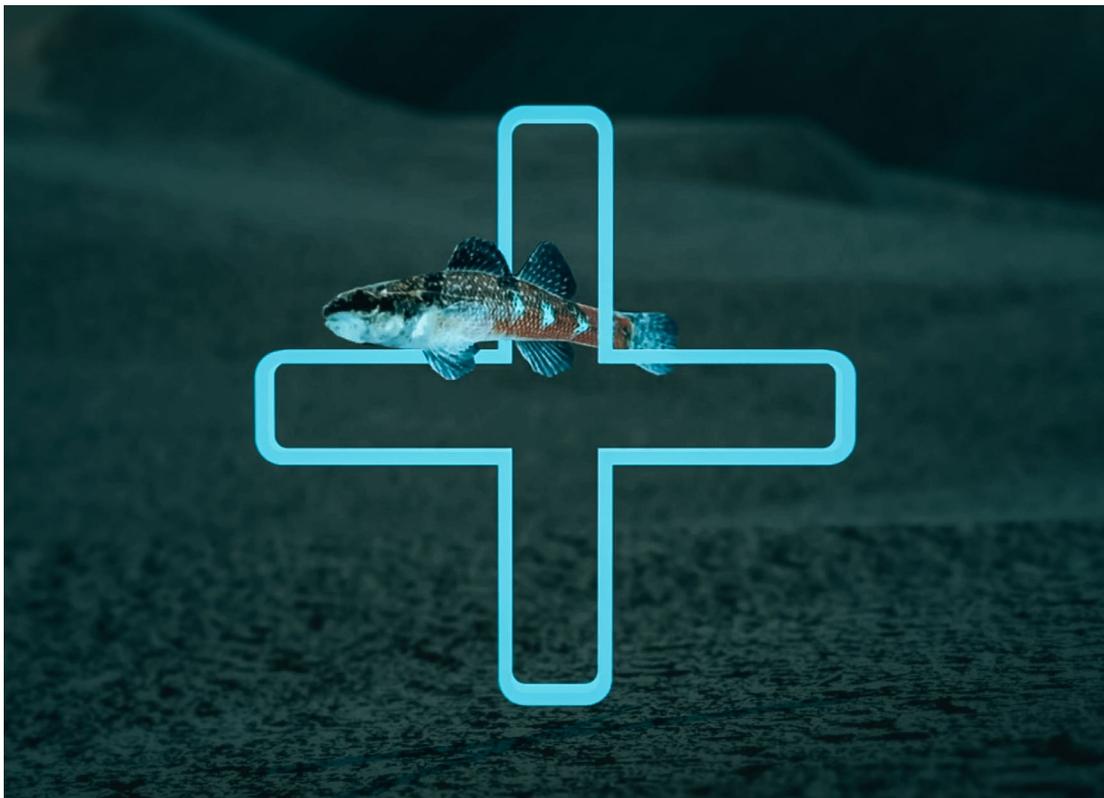
Renew Our Rivers got its start in 2000 as a community cleanup organized by Alabama Power employees at Plant Gadsden who wanted to reduce litter along the Coosa River. Today, Renew Our Rivers is among the nation's largest river system cleanups. To date, more than 16 million pounds of trash and debris has been removed from Southeastern waterways with the help of about 120,000 volunteers. Although Alabama Power volunteer involvement was limited in 2021 because of the pandemic, the company continued to support partner organizations that held cleanups, providing supplies and guidance. In 2022, Alabama Power volunteers are once again joining with partners to support cleanups across the state.

The Darters

Alabama Power is working with the U.S. Fish and Wildlife Service to improve the habitat of the trispot darter, a threatened fish found in St. Clair County. Together, we are replacing culverts with bridges to allow the darter to move upstream to spawn.

The Alabama Power Foundation has long supported the Darter Festival, an event that supports Turkey Creek Nature Preserve, home to the endangered vermilion, watercress and rush darters.

Alabama Power is also working with the USDA Forest Service to perform surveys in Bankhead National Forest to protect the rush darter, Black Warrior waterdog, Indiana bat and flattened musk turtle.



The Pollinator Project

Alabama Power and Southern Company have partnered with Auburn University and researchers from EPRI to evaluate conservation benefits that electric utility rights-of-way can offer pollinators such as bees, birds, bats and butterflies – species on the decline that carry pollen to three-quarters of our flowering plants and food crops.



Birds and Bats

Across the state, Alabama Power is improving and expanding native habitats for important populations of birds, like the red-cockaded woodpecker. With employee volunteers and through partnerships, we are building bird and bat habitats to help them grow and thrive.



Five Star Grants

We also support the Five Star and Urban Waters grant program, in partnership with the U.S. Environmental Protection Agency and others. The grants help organizations that are working to protect and enhance important species and habitats in urban communities.

We are helping habitat protection and restoration efforts along the Fish River in Baldwin County and in the Little River watershed in northeast Alabama. And we are supporting efforts to restore and enhance natural ecosystems and habitats along the Gulf Coast affected by the 2010 Deepwater Horizon oil spill.

National Fish and Wildlife Foundation

Working with the National Fish and Wildlife Foundation, we are protecting water quality and native species in the Locust Fork and Big Canoe watersheds, as well as improving longleaf pine forests and creating new longleaf habitat in the state.



A Match Sewn
in Heaven.



COMMITMENT

We advance equity and opportunity through programs that empower the people of Alabama.

FOCUS

Our stakeholder assessment identifies community vitality, customer engagement and energy affordability as priorities to drive sustainability performance.

GOALS

Pursue up to 200 MWs of cost-effective demand-side management and distributed energy resource programs by 2025, while continuing to provide low-cost energy.

Contribute more than 12,000 hours of volunteering in our communities in 2022.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS



A Match Sewn in Heaven

Gee's Bend is a rural community in Alabama's Black Belt, a region named for its rich topsoil. Made up of only about 200 people, Gee's Bend is easiest to reach by ferry from the small town of Camden. It's one of those out-of-the-way places that you might never hear about, except that Gee's Bend is home to an African American quilting community whose members have made important contributions to American art.

It is that unique and creative skill set, passed down and perfected over generations, that caught the attention of Patrick Robinson, founder and CEO of Paskho, a sustainable clothing line based in New York. "If you look at the art, and the craft of the people who make it, it blows your mind," Robinson said.

"What surprised me was how low the average income here is – if they can even find work," Robinson added.

Robinson saw an opportunity – for his company to be a partner in bolstering the community's economy and helping the people of Gee's Bend thrive.

Robinson envisioned Gee's Bend as an ideal location for a new concept for producing sustainable clothing. With an eye toward expanding to other towns across the United States – particularly into rural areas where jobs are scarce – Gee's Bend in 2021 became the first location for what he hopes will be many, sustainable sewing pods that are profitable while helping their respective communities prosper.

The Alabama Power Foundation provided funds, insights and resources to help support Paskho and this community development effort. Robinson said, "We explained what we wanted to do and the foundation bought in from the very beginning. This investment in the company has helped us with so many things. They've been a great partner."

Clothes, in general, are inherently unsustainable, from the thread to the dye and all of the processes that go into producing them. That's where Paskho is different.

Its processes are certified by BLUESIGN, an organization committed to forever

changing the environmental impact of textiles. It traces each textile's path along the manufacturing process, making improvements at every stage, from factory floor to finished product. Robinson explained, "They look at all of the fabrics and make sure there's no excesses with things like water or energy or anything else that goes into them."

BLUESIGN also ensures each worker is paid a fair wage. "That was really, really important to us," Robinson said. By creating jobs that bring dignity, he aspires to grow his model of shared prosperity. "I really hope that halo effect takes hold, creating opportunity for the younger members of the community, giving them opportunity right here in Gee's Bend, so they don't have to look elsewhere for respectful, meaningful work."

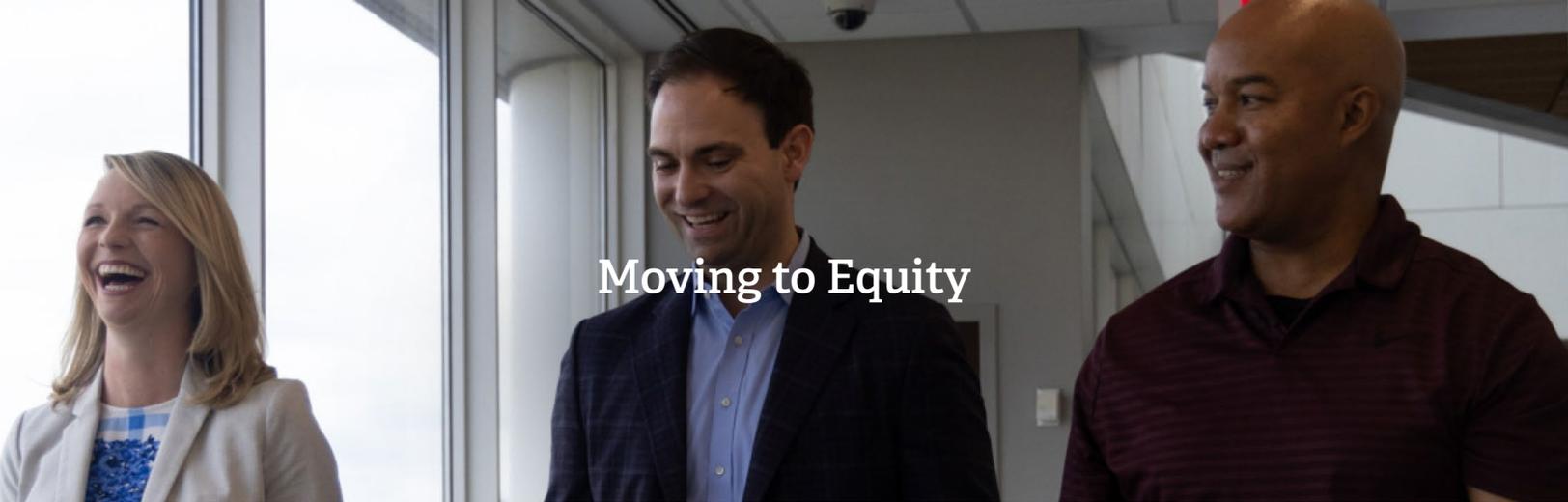
That commitment is already having an impact on Paskho's Alabama employees. "It's such a great thing for the community," said Clara Pettway, a Paskho maker. "We really needed these jobs." Fellow maker Mary Margaret Pettway added, "We all have pride in the community and pride in the work. It's about accountability. These things are being made in Gee's Bend, and that means something."

It is all part of the bigger sustainability picture for Robinson: to foster a healthier environment and healthier, more vibrant communities.

"It's a question of, how do I want to live my life? How do I want my kids to grow up? What world do I want them to experience?" Robinson said. "Whether it's the natural world or the societal one, we want them to have a healthy environment. When we figure that part out, we'll become a sustainable society."

*“Sustainability isn’t just a mission to save the Earth.
It’s a mission to save our souls as a world and as a
people. Sustainability is about who we want to be
and the things we respect.”*

— PATRICK ROBINSON, FOUNDER AND CEO OF PASKHO —



Moving to Equity

We have a responsibility to advance diversity, equity and inclusion within the company and the communities we serve. Through Southern Company's Moving to Equity initiative, we share in the commitment to addressing these areas through action.

The Southern Company family of foundations, including the Alabama Power Foundation, is contributing \$225 million through 2025 to advance racial equity and social justice in our communities, including:

- + \$100 million in direct community investments, scholarships for underrepresented groups and investment in historically Black colleges and universities (HBCUs).
- + \$50 million to support economic empowerment through grants and investments.
- + \$50 million to support organizations addressing criminal justice inequities.
- + \$25 million to support energy equity.

This includes a \$50 million partnership with Apple Inc. to launch the Propel Center, a digital learning hub, business incubator and global innovation center headquartered in Atlanta for students of HBCUs, including those in Alabama. The facility will help grow Black entrepreneurship and provide much-needed technology resources to provide opportunities for immediate equity and long-term prosperity.

Also included are \$10 million in grants to fund an innovative collaboration with INROADS Inc., United Negro College Fund and the Thurgood Marshall Fund to provide HBCU students incentives to use their talents to drive economic development in the communities that surround their campuses.

Pursuing Energy Efficiency

We recently received regulatory authorization to pursue an additional 200 megawatts of customer-focused, demand-side management and distributed energy resource programs to build on existing efforts. Since 1982, our energy efficiency and energy-reduction initiatives have offset the need for over 1,900 megawatts of electric generating capacity, which is the equivalent of two mid-sized power plants.

Across Alabama, we have supported 140 cities and towns in upgrading their municipal lighting to more energy-efficient LED fixtures. In all, more than 160,000 fixtures have been upgraded, including more than 29,000 in Birmingham and more than 26,000 in Montgomery. Among the cities supported in 2021 are Aliceville, Auburn, Mobile, Pelham, Pell City and Talladega.



Through our Smart Neighborhood® Builder Program, we have partnered with local builders to develop advanced homes with energy efficient HVAC and appliances, enhanced construction upgrades, connected devices and innovative security solutions, all designed to simplify homeowners' lives and make it easier for them to understand their energy use.

The expansion of these innovative communities continued in 2021. In North Titusville, we are working with Navigate Affordable Housing Partners on an urban revitalization project to deploy rapid-build, modular housing designed to be at least 15% more efficient than homes built under standard new construction codes. And in Leeds, 21 houses are being constructed in a new development, each with the potential to provide about twice the energy savings of an average Alabama house.

Giving that Sustains

It has long been part of the mission of Alabama Power and the Alabama Power Foundation to help those in need. Through assistance programs, employee volunteerism, grants and other forms of support, we work with partners on innovative and sustainable solutions that help elevate communities throughout Alabama. Through the support of both Alabama Power and the Alabama Power Foundation, we are involved in mission-related and socially responsible business ventures and investments. Among the ways we are involved:

- + The foundation in 2021 distributed nearly 1,000 grants for a total of \$14.1 million, including \$7.8 million for education equity, economic opportunity and criminal justice reform.
- + Since its inception, the Alabama Business Charitable Trust, created by Alabama Power, has helped more than 100,000 households pay their energy bills and donated more than \$34 million to nonprofits and low-income families for energy assistance, weatherization projects and energy efficiency optimization.
- + In 2021, over 3,200 disabled and older Alabamians received more than \$500,000 in home energy assistance through Project SHARE, a partnership facilitated by the Salvation Army that allows utility customers to donate to those in need.
- + Company investments are also directed to the Southeastern Opportunity Zone Fund, which is focused on purchasing abandoned homes in the Birmingham area and refurbishing them so they can be made available for lease to lower- and middle-income families. In addition to providing needed affordable housing and helping revitalize neighborhoods, the initiative engages minority-owned and female-owned businesses to support construction.
- + The foundation supports Opportunity Alabama (OPAL), a nonprofit initiative dedicated to connecting investors with assets in Alabama's Opportunity Zones – areas of the state with higher rates of poverty and lower family incomes. These investments in workforce housing and other projects aim to spur sustainable economic development and growth in underserved communities.
- + Executive leadership serve on more than 150 nonprofit boards across the state.

Hands On in Our Communities

The Alabama Power Foundation uses the power of good to support people and places in our state. This giving includes tens of thousands of volunteer hours from our dedicated employees, past and present.

+ ALABAMA POWER SERVICE ORGANIZATION

Made up of 5,300 Alabama Power and other in-state Southern Company employees and their families. In 2021, volunteers provided more than 11,000 service hours and donated more than \$110,000 to nonprofit and community organizations.

As part of the organization's 30th anniversary celebration, volunteers completed 30 projects in 30 days during November.

+ ENERGIZERS

Volunteers made up of Alabama Power and Southern Company retirees and their families.

Volunteered more than 10,000 service hours and contributed more than \$20,000 to nonprofit and community organizations in 2021.

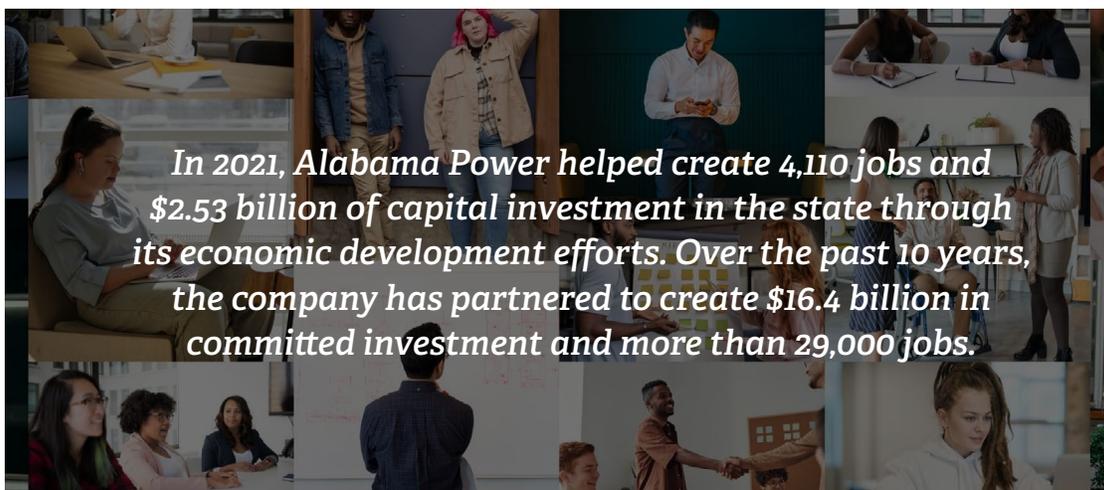
The Prosper Collaborative

In 2021, Birmingham-area leaders launched Prosper, an initiative focused on creating more prosperous and equitable opportunities for local businesses, ensuring a more productive, sustainable economy that is inclusive of all races and genders. Alabama Power CEO Mark Crosswhite is chairman of the board as the organization works to bring together business, educational, civic and entrepreneurial interests to support opportunities for all.

Prosper leaders announced the creation of the Prosper HealthTech Accelerator, with a focus on making Birmingham a center for health technology solutions. Powered by gener8tor, a nationally ranked venture capital firm and accelerator, the first cohort of five companies kicked off in early 2022, with a second class scheduled for the fall. The 12-week program includes individualized coaching and mentorship from the gener8tor team and industry experts, creating opportunities to advance equity and entrepreneurship in the health tech sector.

Bigger than the Bottom Line

Benefit corporations, also known as B Corps, are structured with the intentional goals of doing good while also earning a profit. Sharing a similar mindset of expanding opportunities in our state and improving the lives and prosperity of our customers, we helped advocate for state legislation allowing for benefit corporations in Alabama. Also, the Alabama Power Foundation is working with the Alabama Benefit Corporation Association to spread the word about the advantages of obtaining benefit corporation status, provide technical assistance to entrepreneurs considering the benefit corporation route, and to offer grants to support the growth of benefit corporations. Research conducted by the University of Alabama, with support from the foundation, shows that the benefit corporation structure can be a good fit for minority- and women-owned companies, providing opportunities to expand and grow diverse businesses and a diverse workforce across the state.



Birmingham: The Magic City

We have partnered with the Magic City Bar Association, an organization that promotes and facilitates the development of minority attorneys. The collaboration is designed to support minority attorneys in overcoming the obstacles of pursuing business and corporate law careers through education, training and other support.



Alabama on the World Stage

The 2022 World Games in Birmingham is anticipated to be the biggest sporting event in the Southeast since the 1996 Summer Olympics. Alabama Power is a dedicated corporate partner with company leadership serving as chairs of the 2022 World Games Foundation board of directors and the World of Opportunity vendor program. Alabama Power is also closely involved in supporting the event's sustainability goals, including minimizing environmental impact and a diversity spending goal of 35%.

Game Changing Policy



COMMITMENT

We operate with a set of values and a code of ethics that guide our behavior and put the needs of those we serve at the center of all we do.

FOCUS

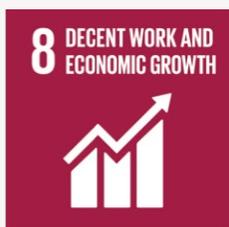
Our stakeholder assessment identifies public policy engagement as a priority to drive sustainability performance.

GOALS

Participate in the disclosure of trade associations, groups and coalitions engaged in lobbying to which annual dues of \$50,000 or more are paid by Southern Company or its subsidiaries.

Annually train 100% of employees who contribute to incident command response.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS



Engaging Innovation

As Alabama builds a more resilient, diverse and robust economy that will inspire the next generation of innovators, it takes collaboration and forward-thinking policies to unlock that potential.

State leaders recognized this and acted boldly in 2020 to bring together private-sector experts and policymakers, as well as research scholars, to create an innovation economy roadmap for the future. Alabama Power, with its decades-long record of engaging in public policy to benefit its customers and the state at large, was at the table and a driving force behind the initiative.

The Alabama Innovation Commission, which was established by Gov. Kay Ivey at the height of the pandemic, relied on an advisory council chaired by Alabama Power leadership. In 2021 the commission and advisory council issued a package of policy recommendations in partnership with former U.S. Secretary of State Condoleezza Rice, an Alabama native, and Stanford University's Hoover Institution. The state's newly established Alabama Innovation Corporation will implement these recommendations as a public-private partnership.

- + Engage Alabama Universities**
- + Grow Outdoor Recreation Infrastructure**
- + Support Advanced Manufacturing in the State**
- + Incentivize Recruiting**
- + Establish the Foundation for Economic Growth**
- + Deploy Broadband-based Education**

That's a great leap for Alabama, noted Hiren Nitin Patel of Alabama Power's corporate entrepreneurship team.

“Efforts like that are going to be at the backbone of what drives our economy forward,” Patel said, adding that the collaboration between the public and private sectors is essential. “We believe that strong policy can help grow the economy of our state in new and exciting ways.”

The involvement of Alabama Power leadership in such initiatives reflects a companywide commitment to make Alabama a better place to live, work and raise families. Identifying partnership opportunities that also help build a sustainable and growing economy is essential to this commitment.

“Alabama Power planted a flag, and they said we’re going to make Alabama a national leader for energy tech,” said Nate Schmidt, managing director of Techstars Alabama EnergyTech Accelerator, one such partnership based in Birmingham.

By partnering with Techstars, a worldwide network that helps entrepreneurs succeed, and leveraging the Alabama Incentives Modernization (AIM) Act, Alabama Power is helping bring about the next frontier in energy technologies.

“One thing that’s occurring is the attraction of talent and entrepreneurs to our state,” Patel said. “What that has actually done is created local jobs in our economy and grown this new type of talent. But it’s also creating this type of livability and quality of life that the future generations are looking for.”

Brooke Gillis, Techstars program manager, said the sense that something exciting is being built is palpable.

“Ten years ago, things looked different when I worked on my first startup here in Birmingham. There were probably five or six tech startups ... and now there are more than you can even count.”

— BROOKE GILLIS, TECHSTARS PROGRAM MANAGER —

Innovation breeds innovation. But for the entrepreneurs now heading to the state, and deciding to stay, a little dash of something good and old-fashioned doesn't hurt, either.

"There are a lot of big companies that go to Silicon Valley and to New York and Seattle, and they don't necessarily get loved on as much as they do here in Alabama," Gillis said. "When they get here, they see this Southern hospitality, they see that people care about them – they see that there's a lot of people who want to support them."

"And so, I think the difference, and what makes people want to come here, is because we build this environment that attracts them."

Our Values

*How we do our work is
just as important...*



as what we do.

Our uncompromising values guide our behavior and keep our customers at the center of all we do.

+ SAFETY FIRST:

We believe the safety of our employees and customers is paramount. We will perform and maintain every job, every day, safely.

+ UNQUESTIONABLE TRUST:

Honesty, respect, fairness and integrity drive our behavior. We keep our promises and ethical behavior is our standard.

+ SUPERIOR PERFORMANCE:

We are dedicated to superior performance through our business. We will continue our strong focus on innovative solutions, improving how we run our business and our commitment to environmental stewardship.

+ TOTAL COMMITMENT:

We are committed to the success of our employees, our customers, our shareholders and our communities. We fully embrace, respect and value our differences and diversity.

Code of Ethics

Our Code of Ethics goes beyond obeying laws and following policies. It requires our employees to take personal responsibility and speak out when we see a possible breach.



Duty to Act

All employees have a duty to act. We must promptly report any suspected violations of our Code of Ethics, company policies or any applicable laws or regulations.

There are many ways employees can communicate issues – even anonymously. We investigate concerns and take appropriate action, if warranted. Employees are expected to cooperate in investigations. The company does not tolerate retaliation in any form against anyone who fulfills the duty to act.

Sustainable Financing Framework

On Jan. 4, 2021, Southern Company became the first large-cap utility holding company in the United States to publish a Sustainable Financing Framework. Pursuant to the framework, Alabama Power can issue sustainable financing instruments and allocate the net proceeds to investments in eligible project categories. These include projects related to renewable energy, energy efficiency, access to essential services, and employment advancement and development opportunities.

The framework aligns with Alabama Power's sustainability goals, as well as its social initiative. Those include the procurement of products and services from diverse suppliers, education assistance for minority populations, and economic advancement and deployment opportunities for underserved employees, communities and students.

Political Engagement

Alabama Power was founded for the benefit of our state. For more than a century, serving our customers and communities has been at the center of everything we do. We have a long history of engaging in public policy issues that may affect our customers, our company and the utility industry while promoting economic growth and development in Alabama. Our bipartisan efforts are regularly evaluated to ensure they adhere to the values we follow as a business – honesty, respect, fairness, integrity and diversity.

Alabama Power employees are eligible to contribute to both the state and federal political action committees (PACs). The PACs, which are voluntary, provide employees an opportunity to support a strong electric utility industry and policies that help grow jobs and strengthen communities in Alabama through the American political process. The PACs have historically supported candidates on both sides of the aisle to ensure the company's voice is heard in both Montgomery and Washington, D.C.

Constructive Regulation

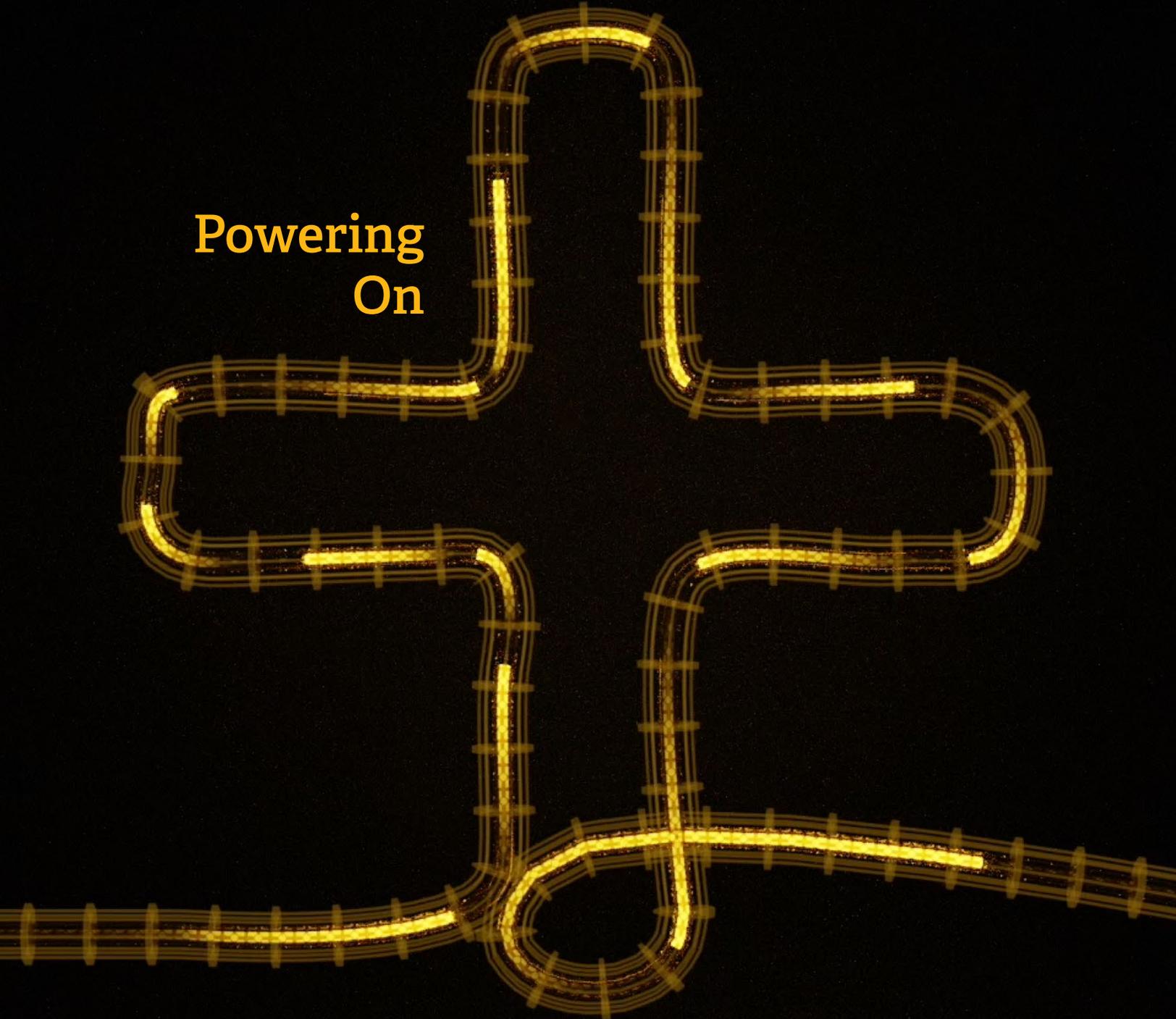
As a regulated, investor-owned electric utility, we are overseen by a number of agencies and take our compliance obligations seriously.

The Alabama PSC is responsible for regulating the retail operations of public utilities serving customers in the state. Among other responsibilities, the PSC regulates the price of electricity and the quality and value of electric service provided by Alabama Power.

We make filings each year concerning our finances, operations and plans for the future. They include:

- Rate information.
- Environmental compliance plan.
- Resource planning information.
- Financial statements and reports.
- Operational data.

Powering On



Innovation

 2021
Sustainability
Report

 Alabama Power

COMMITMENT

We create the future of energy through strategic partnerships and technologies that advance a diverse mix of fuel sources and strengthen system resiliency to enhance customer value.

FOCUS

Our stakeholder assessment identifies Business Model Resilience, Energy Portfolio, and Energy Reliability and Resilience as priorities to drive sustainability performance.

GOALS

Engage in and support the development of 25 energy-related startups over the next five years.

Repower or retire certain generating units, representing 2,930 megawatts (MW), by 2028.

Deploy up to 1,000 additional advanced grid technology devices* to improve the resiliency and dependability of the electric grid over the next five years.

*Automation, sensors, smart devices

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS



Powering On

Fiber is essential to sustaining our electric system into the future – it makes the grid smarter and more resilient than ever before. Through our grid modernization program, we've added 1,200 miles of fiber cable since 2017 with plans to add more.

Infrastructure is one of our strengths in making and moving electricity – safely and reliably – for our customers.

Tommy House, Connectivity project manager in the Power Delivery organization, explained: "The fiber optics we're using are bringing the most modern communication capabilities to our electric system. They allow us to minimize customer outages and, in many cases, reduce the time that customers are affected."

In expanding our fiber and wireless network, employees designed a partnership with telecommunications companies to provide broadband internet service through leases of our surplus fiber capacity. Legislators and regulators facilitated this new use of our infrastructure to reach deeper into rural communities – and help bridge the digital divide.

Project Supervisor David Skoglund said, "With us already putting the fiber in for company use, we're also using that same path to provide broadband internet and high-speed connectivity to these rural areas."

In 2021, we began laying cable from Evergreen in southwest Alabama, farther west to Jackson, then south to Mobile. When completed the project, which will ultimately connect Plant Farley in southeast Alabama to Plant Barry in the southwest corner of the state, will cover about 280 miles and have the potential to deliver broadband service to communities where few options exist today.

The goal is to expand internet availability and improve gig speeds, which are vital to staying connected in today's world. The pandemic demonstrated just how important this service is. In education, for example, the increased use of livestreaming classes and online video instruction has made faster speeds and high-quality internet connections a necessity for school systems.

Broadband also affects the viability of economic development projects across the state. Industries looking to expand or relocate need to know their operations will have sufficient and reliable internet access. Not that long ago, the primary factors for relocating or growing companies were the right site and right workforce. “Alabama has always had those things,” said George Stegall, Alabama Power’s Connectivity manager. “But today, much more emphasis is being put on reliable connectivity. Things like sending and receiving massive files, 3D printing and staying in contact with other offices, clients and vendors are all important considerations for companies of all sizes across all industries.”

Once the underground cable is in place, the soil is replaced and compacted, and the grass re-seeded. “Before we move on from any construction site, we make sure that those native grasses have taken root and have started to grow,” Skoglund said.

“Sustainability is important in all aspects of our business, particularly on projects such as this,” House said.

“We’re sustaining economic growth, education, and grid resiliency and reliability with each singular construction effort. We’re building the grid of the future that’s going to allow us to adapt and stay current with grid technologies for many years to come.”

— TOMMY HOUSE, CONNECTIVITY PROJECT MANAGER IN THE POWER DELIVERY ORGANIZATION —

Overview

Today's technologies and processes offer never-before-seen opportunities to serve customers and communities in ways that are sustainable. Across our business, we are discovering new ways to do our best for Alabama and making exciting changes today that will create a better tomorrow.



A Broad New World

Fiber is essential to sustaining our electric grid into the future. Through our ongoing grid modernization program, which includes expanding our fiber and wireless network, we are making the technological upgrades that will help ensure the continued delivery of clean, safe, reliable, affordable energy.

We are working to make our grid smarter and more resilient, enhancing our ability to identify potential problems before they happen and actually avoid service disruptions. The project should also improve and speed up communications among our power plants, substations and customers' homes and businesses.

Some of the customer value of our advanced network includes:

- + Faster restoration and fewer customers affected by outages when they occur.
- + Increased security and enhanced grid device coordination.
- + Reduced peak loads and lower operational costs.

Sustainability is in our very fiber



Alabama lags behind much of the nation in access to high-speed internet, so we are working with partners to bridge the digital divide, using surplus capacity from our fiber network to help expand connectivity in rural areas, improving access to online educational resources, government services and health care. Fiber can also accelerate economic development by providing faster and better internet service for business and industry, so communities across the state can better compete for advanced manufacturing facilities, data centers and other industries.

Our broadband partnerships and initiatives include:

- + Alabama Rural Broadband Coalition – We supported the creation of the coalition and are a founding member of the group, which brings together more than 50 companies, organizations and institutions in health care, education, agriculture and other fields that are working together in a comprehensive effort to expand broadband access in rural areas of the state. Since the coalition’s formation, a first-of-its-kind authority has been created to coordinate federal and state funding of broadband and to develop the first statewide connectivity plan.
- + C Spire – We formed a strategic partnership with the telecommunications company to support its \$1 billion investment to bring broadband to communities in Mississippi and Alabama over the next three years.
- + Point Broadband – We support this fast-growing Alabama-based internet provider with its deployments near Lake Martin.
- + Tombigbee Electric Cooperative – We are collaborating to deliver fiber-to-home internet services in Fayette.



Partners in Renewable Development

Alabama Power offers a renewable energy credit (REC) program to connect customers with renewable energy. This program, Greener State, allows the company to partner with commercial and industrial customers to help meet their renewable goals. In 2021, Alabama Power executed five large REC agreements with large commercial and industrial customers to meet their energy preferences — and announced several partnerships that will help build the future of energy.

The PSC approved Alabama Power's proposal for an 80-MW solar project to be built in Butler County. Annual output from the project is equivalent to the amount of energy used in nearly 15,000 homes.

Under a 10-year contract, Wells Fargo will receive about 47% of the RECs from the facility, representing about 80% of its electricity needs in the state. Alabama Power will market the remaining RECs from the project.

This solar project is expected to create about 250 construction jobs while generating more than \$6 million in tax revenues for Butler County and the city of Greenville over the life of the project. Commercial operation is expected to begin by January 2024.

In 2021, Alabama Power collaborated with Protective Life Corporation (Protective) to power their Birmingham headquarters with 100% renewable energy, with RECs sourced from the Chisholm View Wind Farm in Oklahoma that is under a long-term contract with Alabama Power. Based on this agreement, Protective was recognized by the U.S. Environmental Protection Agency as a Green Power Partner. According to the agency's estimate, Protective's green power use at its headquarters is

equivalent to 19 million kilowatt-hours (kWh), the annual electricity use of nearly 2,000 average American homes.

With respect to these renewable generation projects, if Alabama Power retains or receives the associated RECs, the company generally reserves the right to use the energy and associated RECs to serve its customers with renewable energy or sell the energy and RECs, either bundled or separately, to third parties for the benefit of the customers.

Paving the Way

As the automotive industry continues to produce more electric vehicles (EVs), we are helping to support our customers through the transition. And we are walking the talk: EVs have been a part of our company fleet for more than two decades.

To promote and support the adoption of EVs, we offer a discounted Plug-In Electric Vehicle rate to allow customers to charge their vehicles during specific overnight hours, while also saving on all their energy use during those off-peak periods.

As part of Gov. Kay Ivey's Drive Electric Alabama campaign, we are working with government officials, associations and the Alabama Department of Economic and Community Affairs (ADECA) to engage and educate consumers, utilities and regulators, local and state governments, automotive dealers, fleet leaders and vehicle manufacturers.

Our efforts to build and strengthen relationships with others that support and promote the expanded use of EVs have resulted in the creation of the Alabama Mobility and Power Center (AMP). Our AMP partnership with the University of Alabama and Mercedes-Benz is designed as a leading research and workforce development institution, concentrating on EVs. The center's focus areas are:

- Preparing the EV workforce.
- Driving collaborations between the industry and the university.
- Creating innovations in battery manufacturing and use.
- Developing effective and sustainable vehicle charging and infrastructure.



Alabama has an Electric Vehicle Infrastructure Plan developed by ADECA to expand electric vehicle charging options. We have joined, along with the Alabama Clean Fuels Coalition, this effort that will broaden the availability of fast-charging stations along the state's major travel corridors.

Alabama Power is also part of the Electric Highway Coalition, as an electric operating utility of Southern Company. Joined by American Electric Power, Dominion Energy, Duke Energy, Entergy Corporation and TVA, the collaboration will help guide a network of fast chargers from the Atlantic Coast through the Midwest and South into the Gulf and Central Plains regions.

We are increasing the company's plug-in hybrid and electric vehicles to 50% of certain fleet segments by 2030, including passenger cars and small SUVs, forklifts and off-road utility vehicles.

Creating the Future, Today

Part of a sustainable future is recognizing how our impact today affects future generations. Alabama is a state that is leveraging innovative thinking to create a better today, and tomorrow.

Sustainability SPARK Challenge

Sustainability is an integral part of our business model and an avenue for employees to collaborate on ways to deliver even greater value to our customers and communities.

In 2021, employees participated in the company's first Sustainability SPARK Challenge, an internal ideation competition to position the company as a leader in our sustainability pillars. The challenge asked employees to submit their ideas on how Alabama Power can support our sustainability mission by doing more to impact less. Our employees responded with enthusiasm, engaging companywide. The challenge received submissions that were closely reviewed by subject matter experts, who selected the finalists based on innovation, value to the company and strategic fit. The finalists presented their ideas in a pitch-style event before a team of company leaders. The top-rated proposals are being integrated into company operations, with many of the other ideas in the pipeline for potential implementation.



Investment in the Future

Alabama Power supports organizations designed to foster growth and innovation.

Alabama Futures Fund

The Alabama Futures Fund is a seed-stage venture capital fund focused on growing entrepreneurs and boosting economic activity in the state. Supported by Alabama Power, the fund has invested in more than a dozen companies. Among them are businesses founded outside of the state that have since moved their headquarters into Alabama, bringing skilled and tech jobs with them.

Techstars Alabama EnergyTech Accelerator

We are one of the key supporters of Techstars Alabama EnergyTech Accelerator, which shares the common goal of growing Alabama’s startup ecosystem. Techstars is a premier global brand that allows the program to attract 10 of the brightest leaders and entrepreneurs in energy technology annually to our state to grow their businesses. Companies that participated in 2021 specialized in technologies and business models to enhance the future of energy, including artificial intelligence (AI) for the power grid, renewable energy, RegTech, consumer sustainability and weather prediction.

The 2021 cohort built on the momentum of the previous year’s highly successful inaugural class, which saw teams collectively raise over \$160 million in capital investment post-program. Several companies from the class have committed to maintaining a presence in Alabama, underscoring the state’s growing reputation as a great place for entrepreneurs to grow their business.

Project Canary, a B Corp from the inaugural class, raised \$111 million in capital on a \$330 million evaluation. The company provides independent, real time, comprehensive analytics and environmental assessment processes for the energy sector. From the 2021 class, Sustaio quantifies human impact through the Sustaio score. This platform empowers people to learn how to make sustainable living improvements though data on key metrics, including emissions, waste and water.

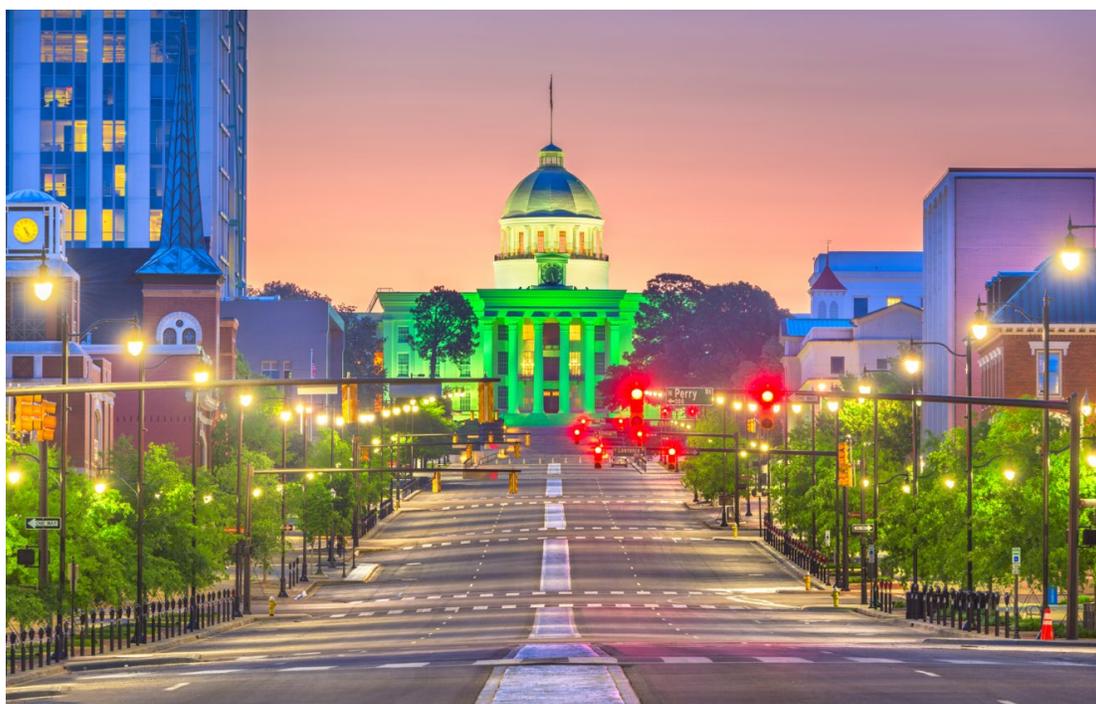


Montgomery: A Smarter City

Montgomery is one of two Alabama cities to achieve a Smart City designation from the global Smart Cities Council. The designation recognizes the city for its workability and livability and as a hub for local and underrepresented companies to succeed.

The Montgomery Area Chamber of Commerce recently opened The Lab on historic Dexter Avenue, a leading-edge entrepreneurial learning and innovation facility that provides a collaborative learning environment for entrepreneurs. City and county governments, along with Alabama Power, are partners in The Lab, and share a common goal of creating a sustainable social and tech innovation ecosystem.

Establishment of The Lab is a direct outgrowth of Montgomery TechLab and other TechMGM initiatives to accelerate entrepreneurship and innovation. Also a Montgomery Area Chamber of Commerce initiative, TechMGM is the focal point of a collaborative approach to economic development in technology- and innovation-related fields. The Montgomery Tech Lab, a partnership that includes Alabama Power, focuses on education, acceleration and incubation.



Bronze Valley

We were the founding partner of Bronze Valley, a nonprofit, early-stage venture investment platform that supports high-growth, innovation and technology-enabled companies created by diverse, underrepresented and underestimated founders. The organization is a program of the nationally ranked startup accelerator gener8tor and is certified as a Community Development Financial Institution by the U.S. Treasury Department.

The accelerator has an investment portfolio of 12 companies and recently selected its fourth accelerator class, with a focus on female entrepreneurs and entrepreneurs of color. Three Bronze Valley portfolio companies – Acclinate, Lillii RNB and Mixtroz – were among 50 startups nationwide that comprised the 2021 cohort of the Google for Startups Black Founders Fund.



Venture for America

Venture for America (VFA) enables program fellows to join Birmingham's growing entrepreneurial community. The New York-based nonprofit has placed college graduates with startups and other cutting-edge organizations in Birmingham since 2015.

To date, 100 fellows have accepted positions with partner companies – including Alabama Power – in the city, or 63% of VFA Birmingham fellows since VFA began tracking the number in 2017.

In 2021, VFA launched a new "Economic Empowerment Cohort" – unique to Birmingham – designed to support the growth of diverse enterprises in the city that receive support from the Alabama Power Foundation.



Energy Impact Partners

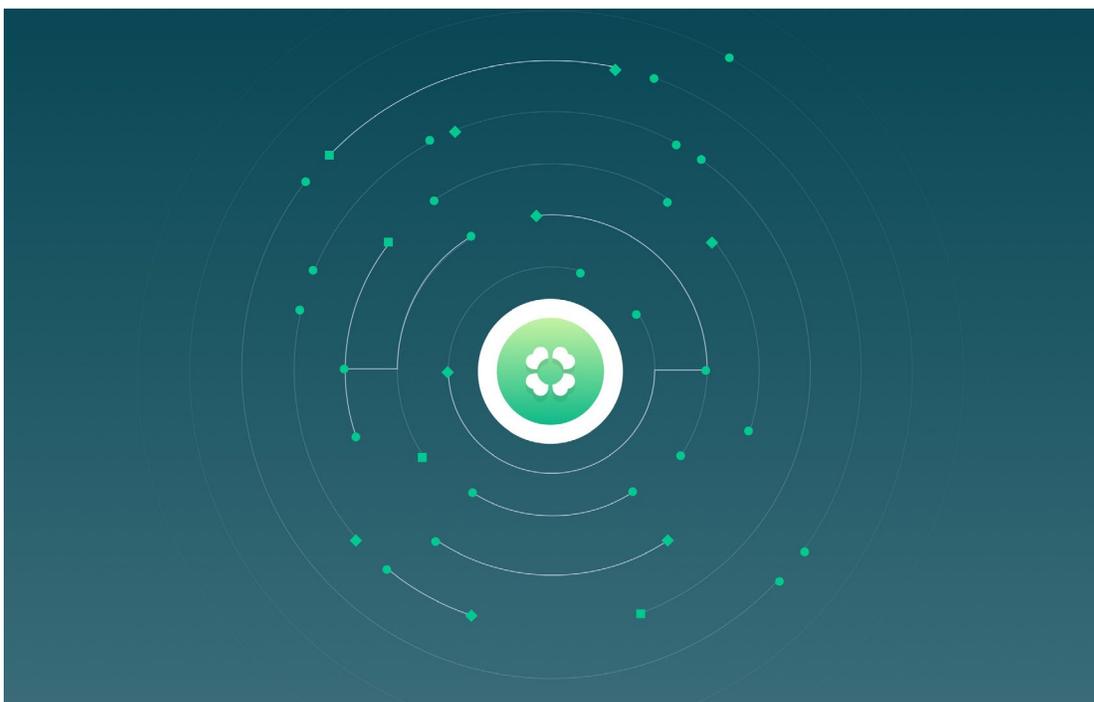
Southern Company is a founding member of Energy Impact Partners (EIP), a global venture capital fund dedicated to accelerating the transition to a sustainable energy future. Along with Southern Company, Alabama Power is developing partnerships through EIP and the clean energy tech ecosystem to support our service to our customers and communities.

The Elevate Fund, a subfund of EIP, aims to create a more diverse founder community and inclusive venture capital ecosystem within the broader energy transition. Through this fund, Southern Company will identify companies founded or run by diverse talent that is driving innovation within EIP's core mission of advancing the low-carbon economy.



Cloverly

Through its technology incubator in 2021, Southern Company closed a transaction for Cloverly, the leading Application Programming Interface for carbon offsetting, and retains a minority ownership stake in the company. Cloverly began as an Alabama Power employee's idea for improving customer adoption of renewable energy and carbon neutrality product offerings. Recognizing a market opportunity beyond utility programs, a team of entrepreneurial employees designed a new approach and technology for delivering carbon offsets, which quickly found customers in the e-commerce space.



Appendix 1

Global Reporting Initiative (GRI) Referenced Metrics Table

Material within the Alabama Power Company 2021 Sustainability report references the consolidated set of GRI standards (2021).

Section	Subsection	GRI Indicator
Vision	CEO Message ; Sustainability Mission Statement ; Leadership ; Sustainability Council ; About Us	2-1, 2-2, 2-3, 2-6, 2-7, 2-9, 2-11, 2-14, 2-17, 2-22, 2-23 2-29, 405-1
People	Powering Through ; Our Beliefs ; Safety, Health and Well Being ; Talent Development ; Empowering Diverse Suppliers ; Community Inclusion	2-29, 401-1, 403-5, 403-6, 404-2, 405-1
Environment	Commitment ; Goals ; Powering Our Future ; Air ; Alabama Power Generation Portfolio ; Water ; Land ; Waste ; Research and Development ; Stewardship	303-3, 304-3, 305-1, 305-5, 305-7, 306-4
Social	Social Responsibility ; Energy Efficiency ; Moving to Equity ; Giving that Sustains ; Alabama Power Service Organization	2-6, 2-23, 404-2, 413-1
Governance	Governance ; Our Values ; Code of Ethics ; Duty to Act ; Constructive Regulation ; Political Engagement ; Sustainable Financing Framework	2-23, 2-28
Innovation	Overview ; A Broad New World ; Sustainability is in Our Very Fiber ; Partners in Renewable Development ; Creating the Future, Today ; Investment in the Future	2-6, 203-1
Appendix 1	GRI Referenced Metrics Table	
Appendix 2	SASB Content Index	303-3, 304-3, 305-1, 305-4 305-5, 305-7, 306-4

Appendix 2

SASB Content Index

Electric Utilities and Power Generators Sustainability Accounting Standard

The index below outlines how our existing disclosures align with the recommended metrics for the Sustainability Accounting Standards Board (SASB) Electric Utilities and Power Generators Standard. Though we do not yet address all metrics included in the standard, we will continue to evaluate our future disclosures.

Greenhouse Gas Emissions and Energy Resource Planning

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-110a.1	1. Gross global Scope 1 emissions	Yearly emissions and yearly emissions reductions are noted in SASB Index Data Table
	2. Percentage of gross global Scope 1 emissions covered under emissions-limiting regulations	Alabama Power is not covered under an emission-limiting regulation or program
	3. Percentage of gross global Scope 1 emissions covered under emissions-reporting regulations	>99%
IF-EU-110a.2	Greenhouse gas emissions associated with power deliveries	Yearly emissions and yearly emissions reductions are noted in SASB Index Data Table
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to:	Alabama Power Company 2021 Sustainability – Environment Section
	1. Manage Scope 1 emissions	Southern Company Implementation and Action Toward Net Zero
	2. Set or meet emissions reduction targets	Southern Company Planning for a Low carbon Future
	3. An analysis of performance against those targets	

*Alabama Power Reporting or
Direct Response:*

Code:

Metric:

IF-EU-110a.4

1. Number of customers served in markets subject to renewable portfolio standards (RPS)
2. Percentage fulfillment of RPS target by market

There is not a renewable portfolio standard for the state of Alabama

Air Quality

*Alabama Power Reporting or
Direct Response:*

Code:

Metric:

IF-EU-120a.1

- Air emissions of the following pollutants:
1. NOx
 2. SOx
 3. Particulate matter
 4. Lead
 5. Mercury
 6. Percentage of each in or near areas of dense population

Yearly emissions are noted in [SASB Index Data Table](#)

Emissions are not reported based on population density

Water Management

*Alabama Power Reporting or
Direct Response:*

Code:

Metric:

IF-EU-140a.1

1. Total water withdrawn
2. Total water consumed
3. Percentage of each in regions with High or Extremely High baseline water stress

Yearly water withdrawal and yearly water consumption is noted in [SASB Index Data Table](#)

Alabama Power Company does not operate facilities in regions with high baseline water stress

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	Alabama Power does not disclose a summary of incidents of non-compliance associated with water
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	apcshorelines.com Southern Company 2021 Form 10-K

Coal Ash Management

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	The amount of CCR generated and sold for beneficial reuse (recycled) is noted in SASB Index Table
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	CCR Rule Compliance Data & Information Alabama Power Southern Company 2021 Form 10-K

Energy Affordability

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-240a.1	Average retail electric rate for: 1. Residential customers 2. Commercial customers 3. Industrial customers	Alabama Power Company Residential Rates Alabama Power Company Business Rates
IF-EU-240a.2	Typical monthly electric bill for residential customers for: 1. 500 kWh electricity delivered per month 2. 1,000 kWh electricity delivered per month	Alabama Power does not disclose typical monthly electric bills for residential customers.
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Alabama Power does not disclose information on residential customer electric disconnections.
IF-EU-240a.4	Discussion of the impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Southern Company 2021 Form 10-K

Workforce Health and Safety

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-320a.1	1. Total recordable incident rate 2. Fatality rate 3. Near miss frequency rate	2021 EEL ESG/Sustainability Reporting Template

End-Use Efficiency and Demand

Code: *Metric:* *Alabama Power Reporting or Direct Response:*

IF-EU-420a.1 Percentage of electric utility revenues from rate structures that are:
1. Decoupled
2. Contain a lost revenue adjustment mechanism

This metric was omitted because it is not applicable to Alabama Power.

IF-EU-420a.2 Percentage of electric load served by smart grid technology

[2021 EEI ESG/Sustainability Reporting Template](#)

IF-EU-420a.3 Customer electricity savings from efficiency measures, by market

[2021 EEI ESG/Sustainability Reporting Template](#)

Alabama Power does not disclose customer electricity savings from efficiency measures by market.

Nuclear Safety and Emergency Management

Code: *Metric:* *Alabama Power Reporting or Direct Response:*

IF-EU-540a.1 Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column

NRC Action Matrix Column
[Farley 1 — Licensee Response](#)
[Farley 2 — Licensee Response](#)

IF-EU-540a.2 Description of efforts to manage nuclear safety and emergency preparedness

[Alabama Power Generating Plants](#)
[Southern Company 2021 Form 10-K](#)

Grid Resiliency

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	This metric is not reported due to confidentiality and security concerns.

IF-EU-550a.2	<ol style="list-style-type: none">1. System Average Interruption Duration Index2. System Average Interruption Frequency Index3. Customer Average Interruption Duration Index	<p>2021 data is provided in the SASB Index Data Table</p> <p>Prior years data can be found in the Southern Company ESG data table</p>
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Activity Metrics

<i>Code:</i>	<i>Metric:</i>	<i>Alabama Power Reporting or Direct Response:</i>
IF-EU-000.A	Number of customers served: <ol style="list-style-type: none">1. Residential2. Commercial3. Industrial	<p>Southern Company 2021 Form 10-K</p> <p>Page I-6, Part I, Territory Served by the Southern Company System</p>

IF-EU-000.B	Total electricity delivered to customers: <ol style="list-style-type: none">1. Residential2. Commercial3. Industrial4. All other retail5. Wholesale	<p>Southern Company 2021 Form 10-K</p> <p>Page II-20, Part II, Combined Management Discussion and Analysis, Energy Sales</p>
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IF-EU-000.C	Length of transmission and distribution lines	<p>Transmission: 8,665 miles</p> <p>Distribution: 74,957 miles</p> <p>Total miles of lines: 83,622 miles</p>
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IF-EU-000.D

1. Total electricity generated
2. Percentage of electricity generated by major energy source
3. Percentage of electricity generated in regulated markets

[Southern Company 2021 Form 10-K](#)
Page II-21, Part II, Combined Management Discussion and Analysis, generation and purchased power

IF-EU-000.E

Total wholesale electricity purchased

[Southern Company 2021 Form 10-K](#)
Page II-21, Part II, Combined Management Discussion and Analysis, generation and purchased power

Greenhouse Gas Emissions	2017	2018	2019	2020	2021
Reduction in Scope 1 greenhouse gas emissions since 2007 baseline (percent)[1]	29	31	38	47	36
Yearly Scope 1 emissions in million metric tons CO ₂ e [2]	37.5	36.7	32.6	28.1	34.1
Greenhouse gas emissions associated with power deliveries yearly emissions in million metric tons CO ₂ e[3]	36.7	36.5	33.4	28.2	30.3
Greenhouse gas emissions intensity (lb. CO ₂ e/net MWh)[6]	1,325	1,274	1,205	1,089	1,160
Air Quality Emissions	2017	2018	2019	2020	2021
NO _x emissions (metric tons) [4]	15,118	16,568	12,280	9,006	11,385
Reduction in NO _x emissions since 1996 (percent)[5]	89	87	90	93	92
NO _x emissions intensity (lb. NO _x /net MWh)[6]	0.54	0.60	0.48	0.38	0.40
SO ₂ emissions (metric tons) [4]	8,157	9,456	5,152	2,867	5,487
Reduction in SO ₂ emissions since 1996 (percent)[5]	98	97	99	99	99
SO ₂ emissions intensity (lb. SO ₂ /net MWh) [6]	0.33	0.37	0.25	0.15	0.20
Lead emissions (lbs) [7]	352	325	401	258	342
Mercury emissions (lbs) [7]	195	192	188	140	216

Water Management	2017	2018	2019	2020	2021
Withdrawn (million gallons/day)	1,969	2,421	1,728	1,313	1,294
Consumed (million gallons/day)	18	59	24	27	42
Grid Resiliency Metrics					2021
Distribution system average interruption duration index (SAIDI)					122.1
Distribution system average interruption frequency index (SAIFI)					1.034
Distribution customer average interruption duration index (CAIDI)					118.1
Transmission system average interruption duration index (SAIDI)					6.1
Transmission system average interruption frequency index (SAIFI)					0.121
Transmission customer average interruption duration index (CAIDI)					50.4

Disclaimers

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. Alabama Power seeks to provide the most recent and accurate data.

[1] Alabama Power yearly GHG emission reductions compared to our 2007 baseline. Emissions reductions are calculated using the equity share approach for all its wholly owned and its ownership percentage of co-owned facilities.

[2] Alabama Power's greenhouse gas emissions are calculated using the equity share approach presented in the WRI/WBCSD GHG Protocol for all 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.

[3] Alabama Power retires MWhs of renewable energy credits (RECs) on behalf of all retail customers. 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.

[4] Alabama Power's NOx and SO2 emissions are calculated using the equity share approach for all its wholly-owned and its ownership percentage of co-owned facilities.

[5] Alabama Power yearly NOx and SO2 emission reductions compared to our 1996 baseline. Emission reductions are calculated using the equity share approach for all its wholly-owned and its ownership percentage of co-owned facilities.

[6] Intensities are calculated using the equity share approach for all its wholly-owned and its ownership percentage of co-owned facilities. This calculation also includes purchased power.

[7] Alabama Power's emissions are calculated using the equity share approach for all its wholly-owned and its ownership percentage of co-owned facilities. Alabama Power reports releases of Toxic Release Inventory (TRI) compounds, including lead and mercury as required by the EPA.

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

[9] Over the last five years, the increase in coal combustion residual diversion is attributed to the increased market demand for coal combustion residuals.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained herein is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning plant retirements, completion of ongoing construction projects, emissions goals and diverse supplier spend goals. Alabama Power 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 Alabama Power; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Alabama Power's Annual Report on Form 10-K for the year ended December 31, 2021, 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, including tax, environmental and other laws and regulations to which Alabama Power is subject, as well as changes in application of existing laws and regulations; the potential effects of the continued COVID-19 pandemic; the extent and timing of costs and legal requirements related to coal combustion residuals; current and future litigation or regulatory investigations, proceedings or inquiries, the effects, extent and timing of the entry of additional competition in the markets in which Alabama Power operates, including from the development and deployment of alternative energy sources; variations in demand for electricity and natural gas; available sources and costs of natural gas and other fuels; transmission constraints; effects of inflation; the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of facilities or other projects, including Plant Barry Unit 8, due to current and/or future challenges; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Barry Unit 8, including Public Service Commission approvals; 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, including rate actions relating to return on equity, equity ratios, additional generating capacity, and fuel and other cost recovery mechanisms; the ability to successfully operate generating, transmission and distribution facilities and the successful performance of necessary corporate functions; the inherent risks involved in operating nuclear generating facilities; the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities; potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Alabama Power; the ability of counterparties to make payments as and when due and to perform as required; the ability to obtain new short- and long-term contracts with wholesale customers; the direct or indirect effect on the business resulting from cyber intrusion or physical attack and the threat of physical attacks; the ability of Alabama Power to obtain additional generating capacity (or sell excess generating capacity) at competitive prices; catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes and other storms, droughts, pandemic health events, political unrest or other similar occurrences; the direct or indirect effects on the Southern Company system's business resulting from incidents affecting the U.S. electric grid, natural gas pipeline infrastructure or operation of generating or storage resources; impairments of goodwill or long-lived assets; and the effect of accounting pronouncements issued periodically by standard-setting bodies. Alabama Power expressly disclaims any obligation to update any forward-looking information.