



Effective Supply Chain Management



Southern Company takes great pride in forming strong, long-term and trusting relationships with suppliers that help drive value for our company, customers, stakeholders and communities.

In line with our values, we hold our suppliers to the highest standards of behavior while simultaneously expecting them to deliver on quality and reliability.

Suppliers must meet our policies for ethical and legal compliance, equal employment/harassment, workplace threats and violence, electronic communications, safety and the environment, drugs and alcohol, and conflicts of interest. All of these expectations can be found in our **Compliance Principles**, which summarize some of the governing terms and conditions contained in our contracts. To become a trusted supplier, companies must agree to these principles. Additional Southern Company standards that apply to suppliers are embodied in our **Code of Ethics** as well as applicable local and federal laws and regulations.

Prior to their engagement, contractors must comply with certain baseline requirements. Depending upon the nature of work that will be performed, contractor workers may be required to pass a drug screen and background investigation. The contractor will be informed during the contract development process whether these requirements will apply. If these requirements apply, the contractor must have these services performed by an approved Southern Company provider. Our compliance program also requires that a Contractor Compliance Background Certification Form is completed and signed prior to work commencement.

This form inquires about any recent legal infractions, use of conflict minerals and company-specific ethics compliance programs to allow us to make wholly informed decisions about our chosen contractors.

Beyond external supply chain management efforts, Southern Company also focuses on our internal efforts. Southern Company is a member of the **Electric Utility Industry Sustainable Supply Chain Alliance** (EUISSCA). EUISSCA aspires to be known as the leader in establishing a robust and sustainable electric utility industry supply chain. The Alliance's mission is to work with its members and interested stakeholders to minimize the impacts on the environment of our supply chain operations. This is accomplished by working with stakeholders and value chain partners to identify and exchange successful practices and by delivering tangible business value to member organizations through the application of sustainability practices.

Annually, Southern Company discloses its use of conflict minerals using the U.S. Securities and Exchange Commission's **Conflict Minerals Disclosure**. PowerSecure, a subsidiary of Southern Company, is our only business unit that manufactures or contracts to manufacture products for which conflict minerals are necessary. Through the disclosure, we demonstrate our commitment to ensuring that materials are purchased responsibly and that our supply chain is sustainable and ethically sound.

These collective efforts have allowed Southern Company to create a strong and resilient supply chain. **Our utilization of sustainable supply chain practices, which emphasize domestic, local, small and diverse businesses, enable the continued provision of essential supplies without disruption.** This success is a testament to the benefits of responsible supply chain and procurement practices.