



FUELING EQUITY

IMPACT REPORT 2023





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Message from

Jim Kerr

My sincere thanks to you, the employees of Southern Company Gas, for working tirelessly on our inclusion efforts. The Fueling Equity Impact Report is one way that we can measure our commitment to Moving to Equity. As I spent the last year getting to know this business, I experienced the culture of connection, allyship, and belonging that was built and strengthened over the years. I commend you for your dedication to nurturing and growing our wonderful culture. I share in your commitment to fostering understanding and strengthening relationships through conscious listening and open dialogue with colleagues.

Last year, we refreshed Our Values, cementing our commitment to safety and performance, and our focus on inclusivity. Our Values – Safety First, Intentional Inclusion, Act with Integrity, and Superior Performance – guide how we want to move forward as One Team. Our Value of Intentional Inclusion reminds us of the importance of fostering an equitable culture for our employees, customers, and communities we serve. Our commitment to Fueling Equity remains at the center of our business. The Five That Drive: Workplace Culture, Talent Development, Talent Acquisition, Community Engagement and Supplier Inclusion, keep us focused on growing and developing our employees and communities. This is apparent in the accomplishments highlighted in this year's report.

As you continue through this report, take pride in the impactful strides we have accomplished as a company throughout 2023, and keep in mind there is always more work to be done. Let us continue to Listen, Learn, and Lead. Our Employee Resource Groups (ERGs) offer frequent opportunities to engage with and support those around us with diverse backgrounds. I challenge all of you to commit to continued learning and involvement in events or conversations that explore other backgrounds and cultures.

Thank you for your dedication to Fueling Equity in the communities where we serve, work, and live.

Be safe and take care of each other.

Jim Kerr

*Chairman, President and Chief Executive Officer
Southern Company Gas*



Workplace Culture

In 2023, Southern Company reaffirmed our commitment to DE&I by updating Our Values with a new addition – Intentional Inclusion. Intentional Inclusion as one of Our Values strengthens the expectations of all employees and leaders to continue to build a workplace culture of belonging and ensuring that our diverse teams feel valued.

The Office of DE&I, along with the Leadership, Empowerment, Acceptance and Diversity (LEAD) Council and various internal business partners continue to provide critical resources, trainings, engagements and workshops in support of our core value of Intentional Inclusion.



Employees Reached:

Number of employees reached: over **2,100**

Number of events: over **60**

Over **90%** satisfaction from all session participants

ERG Rally Days

In 2023, the Office of DE&I partnered with our employee resource groups (ERGs) to host five ERG rally days at the various service centers across our footprint to encourage employees to sign up for ERGs, engage in interactive activities and raise funds for community events.





About Our Employee Resource Groups (ERGs)

Through partnerships with the various business units across the organization, our ERGs continue to support and make an impact in all five focus areas of Fueling Equity. As an example, in 2023, our ERGs partnered with Southern Company Gas' Charitable Foundation board to award over \$100,000 to different local charitable organizations across the entire footprint of GAS.

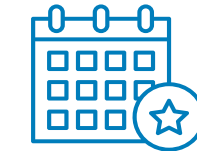
ERG 2023 Snapshot

Number of ERGs

10 ERGs | **20 chapters** | **3 states**



4488 Number of employees who are ERG members as of the end of 2023 (includes employees in multiple ERGs)



247 Number of ERG events hosted by the ERGs in 2023



800 Number of hours of volunteer service performed by our ERGs in 2023



\$40,000 Total number of dollars raised by ERGs for various community service efforts.

Notable ERG Accomplishments

ERG membership increased **54.75%** from 2022 to 2023

ERGs partnered with the Southern Company Gas Charitable Foundation to award **\$100,000** to **20** different local charitable organizations across our GAS footprint





ERG Leader Spotlight

I found my calling to enhance my workplace and community culture as an Employee Resource Group (ERG) leader. With a group of three other passionate people, I founded DNA-Illinois in 2022, which is an ERG focusing on generational diversity in the workplace and is based off the original chapter in Georgia. Throughout my two-year term as the Chair of DNA-IL, I learned how to lead a group of ERG leaders and delegate projects and events to individuals who had the skills or to individuals that wanted to develop the skills to do so, while supporting them along the way. I learned how to communicate with executive leaders like Meena Beyers, our executive sponsor and Vice President, Business and Community Development, who helped me create a vision for the team. Lastly, but most importantly, being an ERG leader helped me connect with other passionate people, both within our company and in our communities, who have the energy and the passion to help make the world a better place.

– David Potts
Mgr, Labor Relations
Southern Company Gas

The Office of DEI is proud to recognize our ERGs and ERG leaders for the hard-work they do to embed diversity, equity, and inclusion across the business in addition to their every-day duties. ERG Leadership requires time, skill, ability to lead others, collaboration, and partnership with internal and external stakeholders. There are many benefits to volunteering to serve as an ERG Leader, and we invite you to learn more and join an ERG by visiting: **StratusTMS**.



This year, we recognized and awarded several ERGs and individual ERG leaders for outstanding work:

Fueling Equity ERG Champions

Workplace Culture

- SOAR Georgia
- SOAR Illinois
- HOLA Illinois

Talent Acquisition

- DNA Illinois

Talent Development

- HOLA Georgia

Community Engagement

- SALT Virginia

Supplier Inclusion

- EnRapport Illinois

ERG Chair of the Year

- David Potts, DNA, Illinois

Vice President of the Year

- Harika Mattaparth, INSPIRE, Georgia

Secretary of the Year

- Suebrina King-Cofer, VetNet, Georgia

Treasurer of the Year

- William "Kenny" LeSuer, VetNet, VA

Executive Sponsor of the Year

- Nick Slappy, VetNet, Georgia



The Leadership, Empowerment, Acceptance and Diversity Council

LEAD is our executive DE&I council that reports to GAS' Management Council. LEAD Council members are a diverse group of senior leaders across different critical functions who ensure accountability and oversight of our DE&I efforts.





In 2023, LEAD Council hosted two different workshops for all employees on important DE&I topics, including disability inclusion and the newly introduced 3Cs of leadership, a leadership concept based on the foundational expectations that to be fully formed and effective, leaders must be Capable, Competent and individuals of Character.



Rich Asiyabi
Vice President, Operations,
Nicor Gas



Don Carter
Vice President, Compliance &
Technical Services



Luis Bonilla
Director, Supplier Diversity



Yoon Ettinger
Associate, General Counsel



Meena Beyers
Vice President, Business &
Community Development,
Nicor Gas



Kevin Gammill
Vice President, Construction



Freddie Carmichael
Vice President, Corporate
Communications



Rus Hayslett
Vice President, Corporate
Responsibility



Erin Harris
GenCnsl Chief Ethics & Cmpl



Dean Marianos
Vice President, Operations,
Atlanta Gas Light



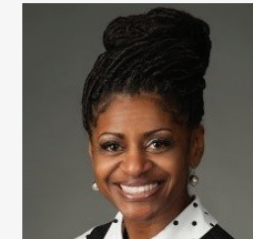
Kerry Hogan
Vice President, Customer
Experience



Javier Montalvo
Vice President, Human Resources,



John Jamieson
Vice President, Retail Operations,
SouthStar Energy Services



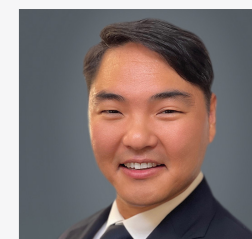
**Michelle G. Muhammad,
Ed.D**
Director, Supplier Diversity,
Southern Company Gas



Grace Kolvereid
Executive Vice President &
Chief Financial Officer,
Southern Company Gas



Nick Slappy
Vice President, Safety and
Resource Management



Joe Lee
Director, Diversity, Equity
& Inclusion



**Sheree Sturgis
(Support)**
Director, Ethics and Compliance



Serena Levy
Vice President, Corporate
Responsibility



Michael Sullivan
Vice President, Technology

Membership as of 2023 (Current membership as of April 2024 will be reflected in next year's report)

Talent Development

We continue to focus on the professional development of all employees with a deliberate approach to develop underrepresented groups.

Through several different programs and initiatives, we provide opportunities for networking, organizational exposure and learning for the benefit for all.



Southern Company Gas remains steadfast in its dedication to nurturing the career growth of our entire workforce, placing special emphasis on the advancement of traditionally marginalized communities. We've instituted a variety of programs and initiatives aimed at fostering connections, enhancing visibility within the organization and facilitating a comprehensive learning environment that ultimately serves the collective good of our employees.

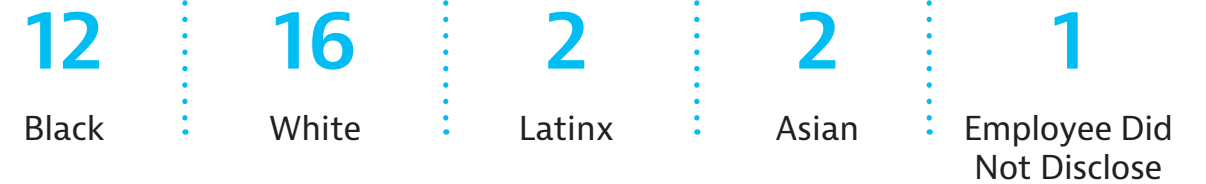


EQUIP Program for Leaders

EQUIP onboards and supports new leaders of people to "equip" them with the knowledge, tools and resources to be successful within their first 90 days. This program is a hybrid of live, virtual sessions and on-demand recordings.

New Leaders completed this year **33**

Race/Ethnicity



Geographic Location



Gender



Aspire Series

Workshops Provided

Individual Development Planning

Career Mapping

This micro series is dedicated to three components that you need to grow anywhere:

PIE (Performance | Image | Exposure).

Here's a breakdown of people we reached through the workshops

Total Employees Reached: **291**



Non-exempt/Covered employees : 67



Women : 63% : 177 : 114
Female : Male



Race/Ethnicity : 121 : 19 : 9 : 128
Black : Latinx : Asian : White



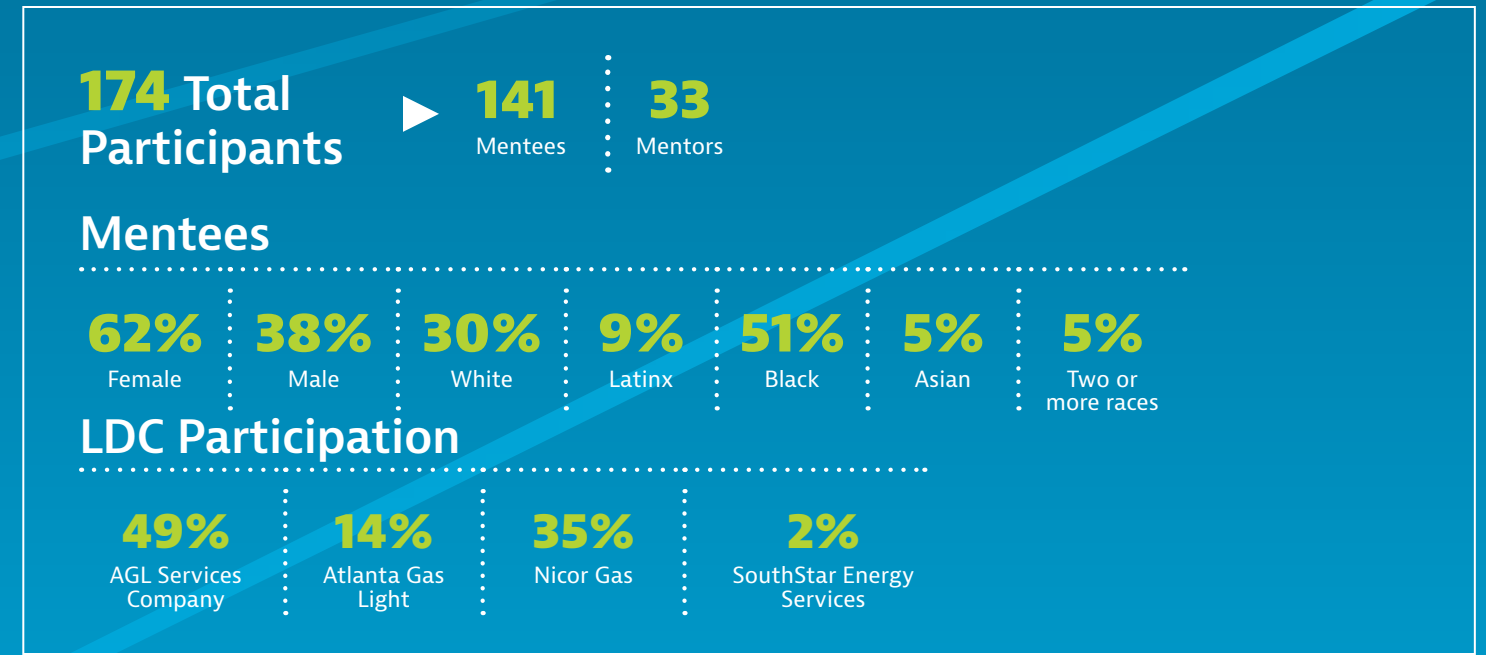
Manager : 35%



Individual Contributors : 65%

GAS Enterprise Mentoring (GEM) Program

In 2023, we launched the third cycle of our company-wide mentoring program designed to promote greater networking and professional development and deepen cross-cultural relationships between employees and leaders. We also continued to improve by increasing the program duration from six months to nine months for the first time, based on participant feedback.



Primary reason for participating in GEM – Career guidance

Top 3 competencies mentees would like to enhance ▶ Relationships & Networking | Business Execution | Communication

Top cultural area mentees desired to learn in the program ▶ Social class/ economic diversity

Top 5 skills mentees wanted to improve through their participation in the program

Building and Maintaining Relationships | Continuous Improvement | Strategic Thinking | Project Management | Communicating Effectively

Lateral Moves 4.96% | **Promotional Moves** 26.95%

Networking Activities

Attended at least one TD/DE&I activity **80%** | Attended multiple TD/DE&I activities **42%**

A portrait of Ashley Baker, a Black woman with dark curly hair, smiling warmly. She is wearing a dark blue top with a white floral pattern. The background is a mix of red and blue geometric shapes.

GEM Participant Spotlight

When I came to Southern Company, I was simply looking for a job that would better accommodate my work life balance. Little did I know, I was getting a lot more. I found out about the GEM program shortly after being promoted to the Customer Relations department. I had heard of Southern Company Gas initiatives towards talent development but was skeptical about their efficacy. I figured, 'Why not?' so I signed up. The program helped me develop the skills I need to advance to where I want to be.

While completing the GEM program, my mentor provided me with tools that helped me highlight and leverage my best qualities. With this newfound confidence, I applied and was promoted again to the Quality department. I also went back to college and am only three semesters away from graduating with my bachelor's degree. I obtained my first leadership position with the employee resource group, En Rapport and serve on my local Safety and Health Awareness Committee. GEM propelled me in the right direction. If you are considering it, I say, JUMP! You will never know what good will come of it.

– Ashley Baker
Specialist I, Quality Assurance
Southern Company Gas

RISE Program

In 2023, we continued our RISE program for women leaders in job grade levels 7-8 across the company. The program creates a platform for learning through engagement and collaboration, such as networking with peers and leaders.

RISE hosted four quarterly watch parties



Defining Success and Fulfillment for Yourself
Career Planning and Pathing



Leadership Reflections
The 3Cs



Money Matters
Utility Finance & Telling Our Story



Male Allies



130 Participants

LDC Participation

▲ Southern Company Gas

66%

▲ Atlanta Gas Light

4%

▲ Nicor Gas

21%

▲ Virginia Natural Gas

5%

▲ SouthStar Energy Services

4%

Race/Ethnicity

Asian | 6%

Black or African American | 35%

Latinx | 4%

Two or more races | 2%

White | 52%



Supplier Inclusion

Throughout 2023, Southern Company Gas intensified our efforts to redefine our approach to diversity within our supply chain, establishing and nurturing partnerships with key advocacy groups and government agencies to further drive our inclusion agenda. These collaborations are instrumental to broadening opportunities for small and diverse suppliers, affording them access to the resources and networks necessary for growth.

Every individual within the Southern Company Gas team carries the mantle of advocating for inclusion. From promoting local, small and diverse enterprises to engaging in mentorship and informed procurement, we are collectively moving the needle to secure a culture of inclusivity that benefits our company and the communities we proudly serve.



Nicor Gas Supplier Inclusion Event

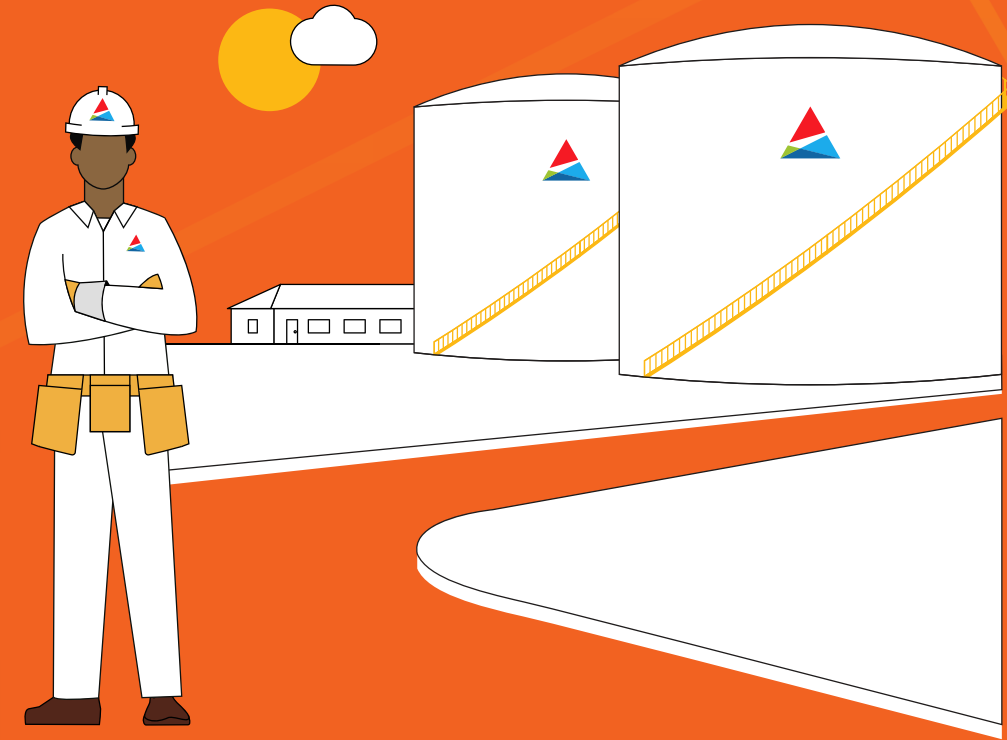
The Fueling Growth Summit, organized in collaboration with Economic Development, had participation from over 100 registered attendees. The event provided attendees with a priceless opportunity to gain perspectives from a panel of recognized industry partners, including insightful addresses by Wendell Dallas and Pat Whiteside.



Our enERGY ERG partnered with the Supplier Inclusion Office to host a Lunch & Learn workshop to spotlight the role of the office and the value of Supplier Inclusion



Supplier Inclusion Insights



38.95%

38.95% of the dollars spent in 2023 were with businesses owned by minorities, women, and veterans – exceeding the goal of 36.7%

\$705.2
Million

Spent \$705.2 million with minority, women, and veteran-owned businesses

75+
Engagements

In 2023, engaged in more than 75 events supporting the diverse business community. Many were sponsored by advocacy agencies and organizations to expand our network and strengthen existing relationships to grow qualified diverse businesses

Summary

At Southern Company Gas, we're dedicated to cultivating an environment that radiates respect, values everyone and embraces inclusivity. Our pledge to an equitable and inclusive employee experience leverages the rich diversity of our team to mold both our workplace culture and the communities we serve. Each personal journey within our ranks not only propels the company's collective achievement but also illuminates pathways for ongoing improvement and development.



