



Southern Company
Gas



2022 Fueling Equity Impact Report



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Message from

Jim Kerr

Keeping diversity, equity and inclusion at the forefront of our business benefits the greater good and our bottom line. First, I would like to thank our preceding chairman, president and CEO, Kim Greene, for her leadership and commitment to creating a diverse, equitable and inclusive work environment during her tenure at GAS. Together, you have established a culture in which embracing our differences, connecting with each other and practicing allyship has brought us together as a business and team. I share Kim's passion for these issues and am deeply committed to continuing to foster a sense of belonging and strengthening relationships across all backgrounds.

Fueling Equity is rooted in five business focus areas called the "Five That Drive," including: Workplace Culture, Talent Development, Talent Acquisition, Community Engagement and Supplier Inclusion. We are doing the work and accomplishing a lot in all five of these areas, which I am excited for you to see throughout this year's Fueling Equity Impact Report.

Each one of us plays a part in Fueling Equity within the organization and our communities. Our three tenets – Listen, Learn and Lead – will continue to serve as our guidepost, in the year ahead. Personally, I plan to take an active role in listening and ensuring that we continue conversations around the multitude of issues that marginalized groups experience. I encourage each of you to get involved in our employee resource groups to support and learn more about one another. Together, we will continue to lead the way toward change by being allies, advocates and ensuring that Southern Company Gas remains an equitable company that improves the lives of others.

Let's continue to move boldly forward in our DE&I journey by taking measurable actions, making progress and continuing to grow together as a business. Thank you for your commitment to providing Fuel for Life in the communities that we live, work and serve in.

Be safe and take care of each other.

Jim Kerr

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



Workplace Culture

In 2022, Southern Company updated our Leadership Competencies by adding a new DE&I component. This new competency strengthens the expectations for all of our employees and leaders to align with our company's core values.

The Office of DE&I, Leadership, Empowerment, Acceptance and Diversity (LEAD) Council and various internal business partners provided live virtual and in-person instructor-led trainings, engagements and workshops to strengthen our skills around the new competency.



Employees Reached:

Over 1,600
session
participants

Over 80
events

Over 90%
satisfaction
from all session
participants



Culture Carriers,

a buddy program for new hires in Southern Operations, completed its second Metro Atlanta cycle and expanded to VNG. The program helped orient over 40 of our newest employees to our culture of inclusion and connect them with their coworkers, ERGs and other parts of the business.



19

19



23

20

Totals	
42	New Hires
39	Culture Carriers



ERG Rally Days: In 2022, the Office of DE&I partnered with our employee resource groups (ERGs) to host in-person ERG/DE&I rally days at the various service centers across our footprint to encourage our employees to sign up for ERGs, engage in DE&I games and activities, and participate in DE&I workshops.





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 2022, 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 2022 Snapshot

1,400 ERG members as of the end of 2022

33% are members of more than one ERG

20 Chapters of 10 ERGs

Over **47 events hosted by ERGs** in support of various local organizations, events and other engagements that strengthen our Company's brand with our local communities. **Over 300 in-person hours spent by ERGs in support of these community engagements.**

Over **63 employee engagements** events hosted by ERGs, including educational workshops, social events, lunch and learns and tours. Over **250 hours spent by ERGs** in support of these employee engagements.

ERG Leadership Summit

In 2022, we hosted our first in-person ERG Leadership Retreat since 2019. Over the course of two days, ERG leaders participated in professional development workshops and networked with senior leaders across the organization and ERG leaders from Georgia Power.





LEAD Council and Our ERGs

In 2022, our executive DE&I council, known as LEAD Council, strengthened its partnership with ERGs by creating a LEAD Council subcommittee comprised of past ERG leaders. Through this new subcommittee, our ERGs continue to gain influence and hold a seat at the leadership table to make an impact on our organization.



The Leadership, Empowerment, Acceptance and Diversity (LEAD) Council was established in 2018 by the Management Council of GAS to serve as our executive DE&I council. LEAD Council is comprised of a diverse group of leaders across different critical functions to ensure that accountability and oversight of our DE&I efforts span the entire organization.



Nick Slappy
(Current Chair)
Vice President, Safety and Resource Management



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



Robert Duvall
President, Virginia Natural Gas



Freddie Carmichael
Vice President, Corporate Communications



Jesse Killings
(Former Chair)
Senior Vice President, Customer Operations, Safety & Training



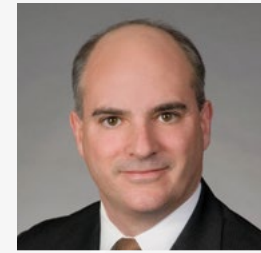
Don Carter
Vice President, Compliance & Technical Services



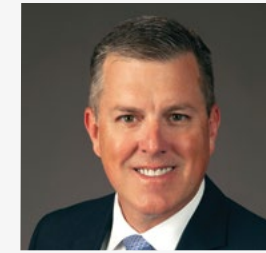
Grace Kolvereid
Executive Vice President, Chief Financial Officer



Tremese Davis
Vice President, Operations, Nicor Gas



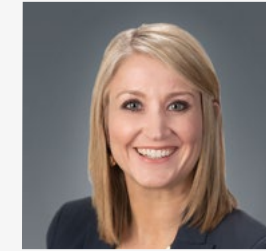
David Slovensky
Senior Vice President, General Counsel, Chief Ethics & Compliance Officer



Rus Hayslett
Vice President, Operations, Virginia Natural Gas



Rich Asiyanni
Vice President, Operations, Nicor Gas



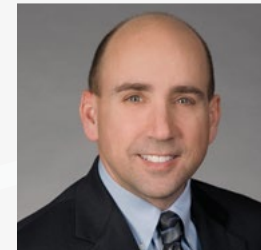
Lindsay Hill
Vice President, Human Resources



John Jamieson
Vice President, Retail Operations, SouthStar Energy Services



Michael Sullivan
Vice President, Technology



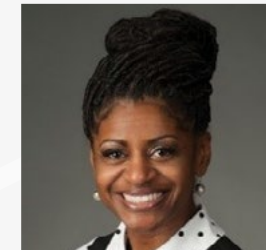
Dean Marianos
Vice President, Operations, Atlanta Gas Light



Joe Lee
Manager, Diversity, Equity and Inclusion



Christa Markgraff
Vice President, Gas Operations, Southern Company Gas



Michelle G. Muhammad, Ed.D
Director, Customer Care Centers, Southern Company Gas



Shannon Pierce
Vice President, Growth and Chief External Affairs Officer, SouthStar Energy Services



Sheree Sturgis
Director, Ethics and Compliance, Southern Company Gas

Membership as of 2022, Current membership as of April 2023 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.





GAS continues to have higher rates of participation among people of color (POC) and women in Leadership Development programs compared to their respective labor pools.

50% participation rate for POC compared to **33%** benchmark data

71% participation rate for women compared to **35%** benchmark data

EQUIP Program for Leaders

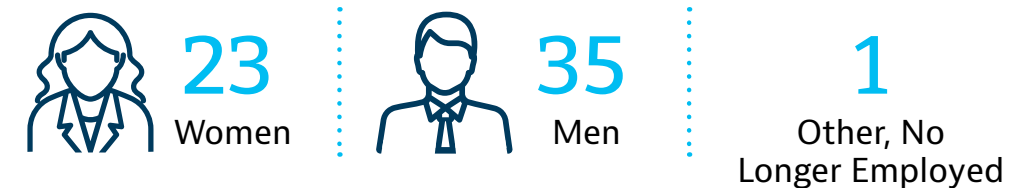
EQUIP onboards and supports new leaders of people to “equip” them with the knowledge, tools and resources to be successful within their first 90 days. This program is a hybrid of live, virtual sessions and on-demand recordings.

New Leaders completed this year **59**

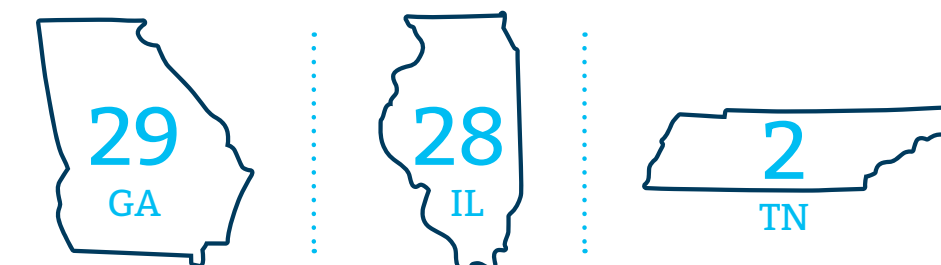
Race/Ethnicity



Gender



Geographic Location



Launch of ASPIRE

Learning specifically developed for individual contributors and available to all interested employees.

Three-part micro-series on the **Performance, Image, Exposure (PIE) model and career navigation.**



Putting the **PERFORMANCE** back in **PIE**



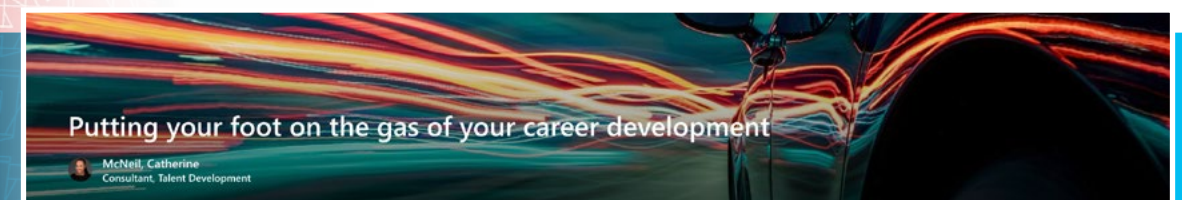
Putting the **IMAGE** back in **PIE**



Putting the **EXPOSURE** back in **PIE**

Creation of the *Your Career: Putting Your Foot on the Gas* microsite, which includes an overview of career management vs. career development on-demand online content.

Addressed employee feedback on desire for development and learnings on career navigation.



What's the difference? Career Management vs. Career Development

Career management is the process of designing and implementing goals, plans and strategies to enable the organization to satisfy employee needs while allowing individuals to achieve their career goals.

Career development involves those personal improvements that a person undertakes to achieve a personal career plan.

These tools will help you do both to navigate your career at GAS

Putting your FOOT on the GAS On-Demand Courses

This three-part micro series is dedicated to three components that you need to grow anywhere: PIE (Performance | Image | Exposure). Each video is approximately one hour long and can be watched on your computer or mobile device.

GAS Enterprise Mentoring (GEM) Program

In 2022, we completed the second cycle of our company-wide mentoring program designed to promote greater networking and professional development and deepen cross-cultural relationships between employees and leaders.



Total of **97** mentees and **30** mentors from across the enterprise

(all employees that submitted interest were matched to a mentor)

3-4 mentees per mentor

22% of the participants saw a change in their role *(21 participants total)*

6 lateral moves or change in responsibilities

14 promotions *(actual level change)*

2 people changed operating companies

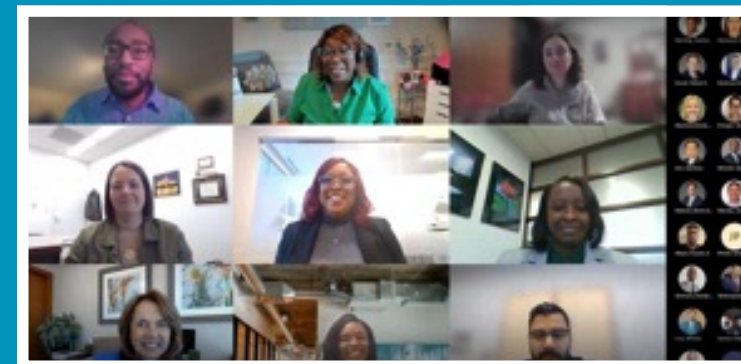
(includes one of the promotions)

88% were satisfied or very satisfied with the GEM program overall

96% were satisfied with their mentor

94% achieved mentorship goals

82% attended at least 1 of the Talent Development/DE&I events including **38%** who attended multiple events



Most learned skill was “learning how to navigate the organization and relationship building”



Fueling Growth Through Mentoring

“ I had already 'quietly quit' my job at Atlanta Gas Light, but after discovering the GEM program, I got on a path that showed me how much the company actually invests back into its people. Alongside the GEM program, I had the privilege of joining my local safety committee, attending the interview training course, volunteering at multiple community clean ups, and acting as an ambassador for the United Way Campaign.

I've had a complete change of heart and have become more appreciative to work for this company and more optimistic about the future. It all started with the GEM program and the advice I received from my mentor Tiffany Callaway-Ferrell. I don't feel like commendation is passed around enough in general so I want to share that I had a great experience and think this is going to make a positive difference for the company. ”

– Evin Witherspoon

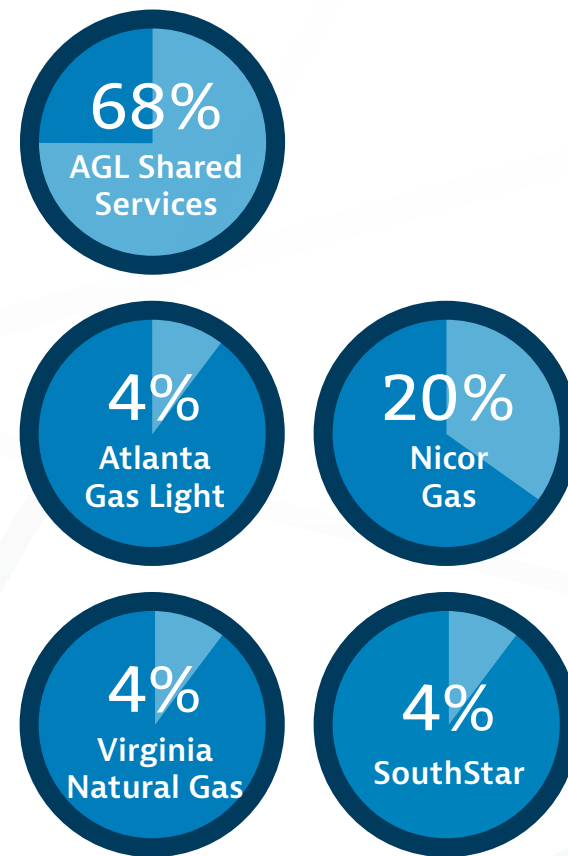
Atlanta Gas Light
Field Specialist-A



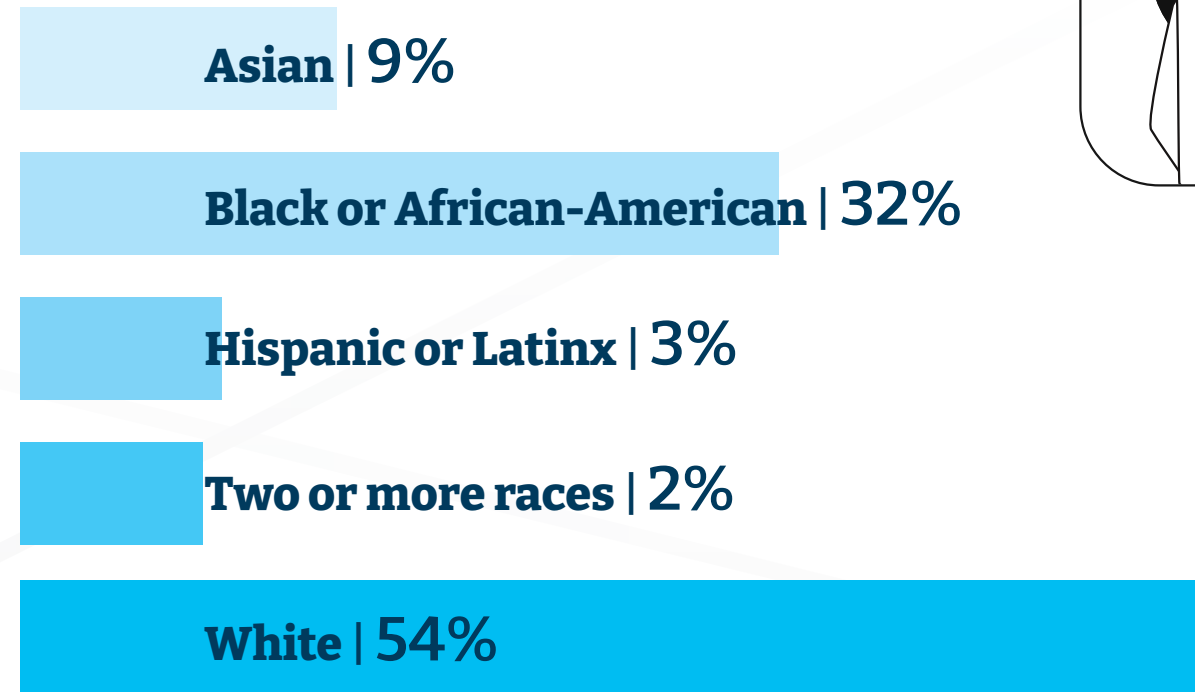
RISE Program

In 2022, we relaunched the RISE program for women leaders in job grade Levels 7-8 across the company footprint. The program creates a platform for learning through engagement and collaboration, such as networking with peers and leaders.

Kicked off with **120** job grade **Level 7** and **8** women leaders



Ethnicity



Talent Acquisition

We continue to recruit the best and brightest talent today, for the Southern Company Gas of tomorrow. Our determined efforts to improve our hiring processes ensure that we are widening our search to find the best talent.

In 2022, we experienced the tightest labor market we've ever seen with over 3.4 million fewer workers in the labor force since 2020. Despite these challenges, we were able to meet our hiring demands and exceed several important goals for having a diverse workforce.



1,165 total hires for 2022, up **38% over** 2021.

Workforce representation of **people of color (POC) and women comprise 54.6% of our total workforce**, which exceeds market availability (MA) benchmarks.

Total workforce representation for POC relative to MA:

GAS 42.9%
MA 29.9%

Total workforce representation for Women relative to MA:

GAS 29.4%
MA 27.9%



Delivered Qualified, Diverse Candidates

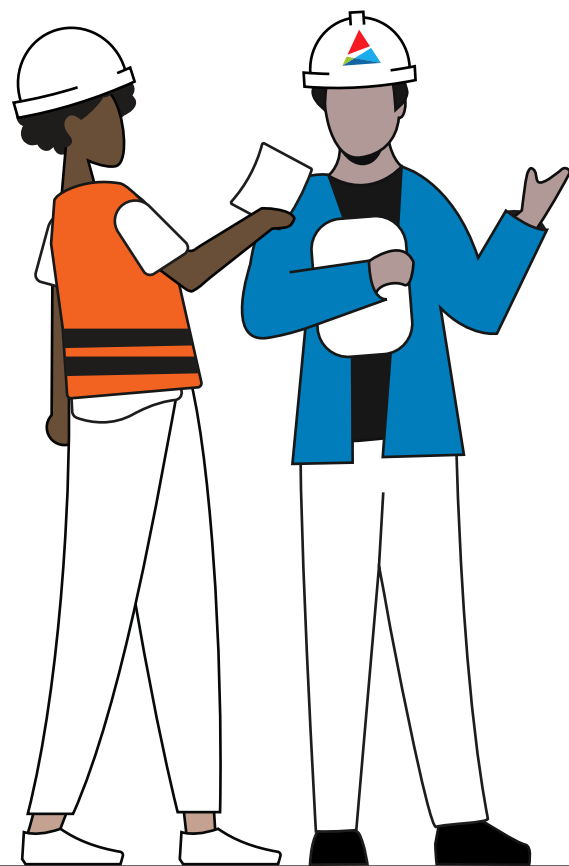
Intentional Candidate Sourcing Strategies

58% POC applicants up **7% over** 2021

38% female applicants up **15% over** 2021

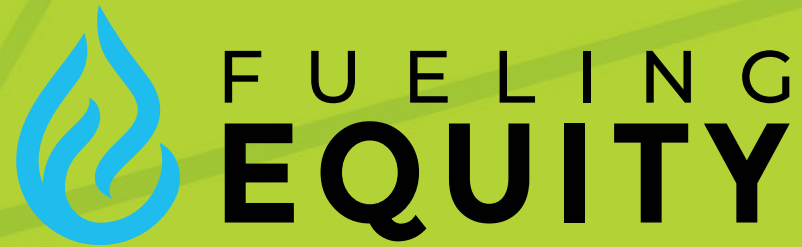
32 intern hires

58 veteran hires



External hiring, promotions and opportunities for **POC and women continue to significantly exceed representation (+15.1%, +9.1% and +9.6% compared to year-end 2021)** having a significant positive impact on our demographics.





The external recognition we receive for our collective efforts in Fueling Equity strengthens our company's brand and reputation, allows us to attract the best talent and increases our employees' morale and loyalty.



Ranked #19 on DiversityInc's 2022 Top 50 Companies for Diversity Ranked on five Specialty Lists

#1

of 24 on Top Companies for Black Executives

#4

of 16 on Top Companies for Supplier Diversity

#7

of 21 on Top Companies for Veterans

#8

of 15 on Top Companies for Executive Diversity Councils

#33

of 35 on Top Companies for ESG

Scored **100%** on the **Human Rights Campaign 2022 LGBTQ+ Corporate Equality Index** for the 7th consecutive year

Listed on **Seramount's 2022 Best Companies for Multicultural Women**

Listed on **Seramount's 2022 Inclusion Index List**

Scored a **100%** on the **Disability Equality Index** for the 5th consecutive year

#2 Military Friendly Employer by GI Jobs



Mock interview day for the Nicor Gas Career Academy's seventh cohort



Talent Acquisition (TA) organized a donation drive for the Solomon's Temple Foundation.

Community Engagement

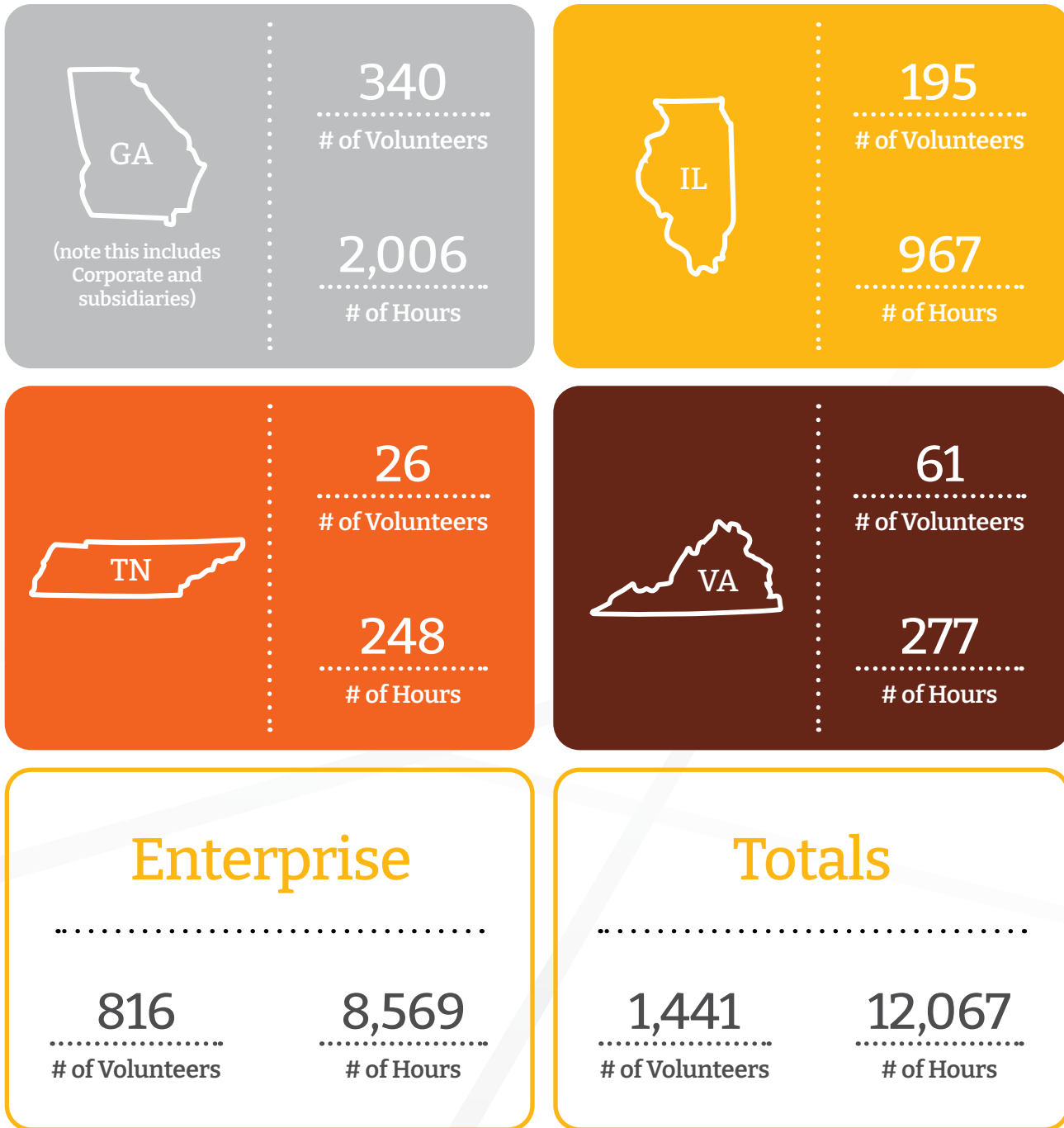
Our commitment to DE&I goes beyond improving our workplace for our employees. It extends to our customers, neighbors and the communities that we serve.

Our collective efforts in improving the lives of our friends and neighbors that we serve benefits our communities and strengthens our company's brand, reputation and customer loyalty.





By State Numbers



2022 Employee Charitable Giving Summary

Amount donated by employees to charitable organizations
\$1,364,384



Some of the major initiatives and efforts that have made a significant impact on improving lives in the communities we serve:



Nicor Gas announced a commitment of \$500,000 over five years to the Quad County Urban League to support their partnership with the company's award-winning Career Academy. The program is a free, six-week job-readiness program designed to prepare participants for entry-level work in the utility industry, focusing on natural gas.

NICOR GAS AWARDS **\$100K**
 In grants to support diversity initiatives in the communities it serves.
 Nicor Gas

Nicor Gas announced \$100,000 in grants to support diversity initiatives that address the lack of access to opportunities for those experiencing discrimination based on race, national origin, gender, religion, age, sexual orientation, veteran status and physical disabilities. Nicor Gas awarded 21 organizations with grants of up to \$5,000 to support their diversity, equity and inclusion initiatives



Virginia Natural Gas awarded \$750,000 to Salvation Army to support EnergyShare program. This is the largest single grant ever presented by VNG. The donation will be used to fund EnergyShare, a program administered by the Salvation Army that provides financial assistance with energy costs for those customers experiencing economic hardship.



Atlanta Gas Light's 2022 Energy to Give campaign donated more than \$366,000 to community partner organizations to provide bill payment and heating appliance assistance to income-eligible natural gas customers. Our partners include St. Vincent de Paul Georgia, HEAT (Heating Energy Assistance Team), the United Way of Greater Atlanta and HopeWorks.



The Nicor Gas Foundation committed \$175,000 to the Cook County Southland Juvenile Justice Council (S.J.J.C.) to support its violence prevention, reduction and restorative sustainability plan to benefit youth who have experienced trauma in the south suburban Chicago area.



In 2022, **Chattanooga Gas** donated \$535,000 to community partners to help customers in need over the next 10 years.

Supplier Inclusion

In 2022, the Supplier Diversity Organization was rebranded as Supplier Inclusion. This name change better reflects our commitment to integrate our small and diverse suppliers into how we do business. Our goal is to develop long-term mutually beneficial business partnerships while continuing to increase the economic impact within the communities we serve.

Our success depends on every member of the Southern Company Gas family. Whether advocating for local, small and diverse businesses, providing mentoring, education and development support or making purchasing decisions, we all play a critical role in strengthening inclusion in our company and communities.



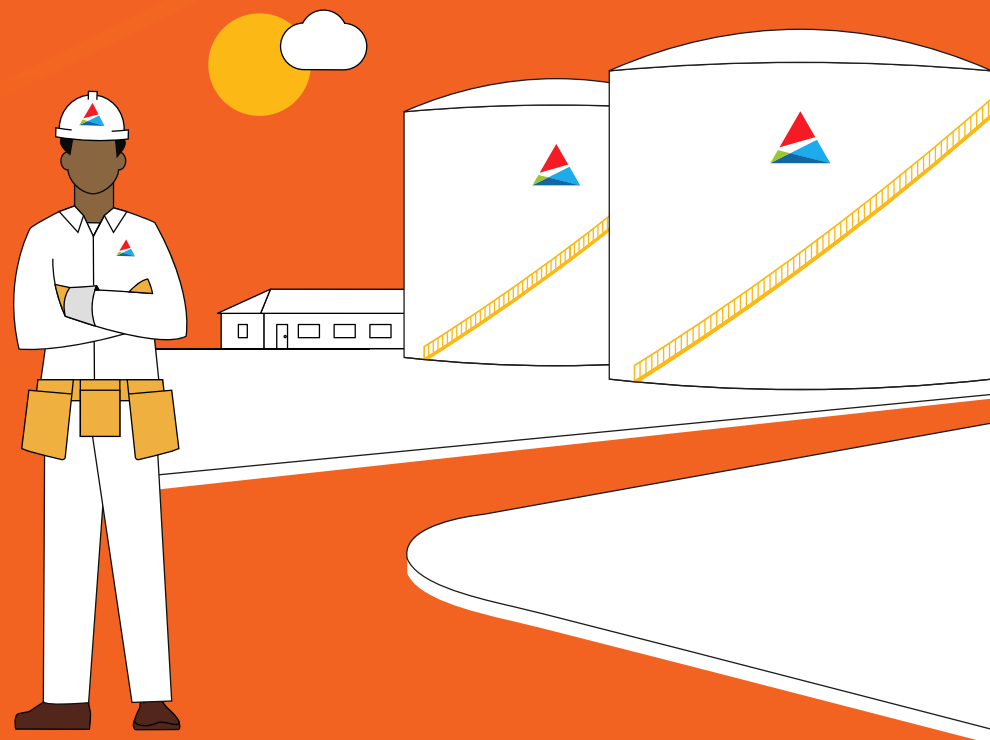


Nicor Gas Supplier Diversity Awards

Our 2021 Year-End Review, Awards, and Recognition Event held in Illinois and Georgia.

Supplier Diversity and Innovation Symposium

More than 100 participants came together to participate in the Supplier Diversity Sustainability and Innovation Symposium: "Is Your Business Prepared to Fuel A Sustainable Future." The event provided valuable insight into Southern Company Gas' sustainability strategies and commitment towards the journey to net zero.



100+
Attendees

Over 100 people attended the Supplier Diversity Sustainability and Innovation Symposium

38.8%

38.8% of the dollars spent in 2022 were with businesses owned by minorities, women, and veterans – exceeding the goal of 33.9%

\$678.1
Million

Spent \$678.1 million with minority, women, and veteran-owned businesses

100+
Engagements

In 2022, engaged in more than 100 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

Southern Company Gas strives to create a culture where everyone feels valued, respected and welcomed. We are committed to an employee experience that fosters equity and inclusion, and harnesses the diversity of our talent to shape our culture and community. On an individual level, our journeys contribute to the organization's overall success, while allowing room to identify areas for continued growth.





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