

SOUTHERN CO  
Form PX14A6G  
April 10, 2017

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Dear Southern Company Shareowner:

Support Shareowner Proposal #6 on Climate Change Reporting

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CalPERS is the largest state public pension fund in the United States with \$311 billion<sup>1</sup> in total assets under management and long-term owner of approximately 2,931,000 shares in The Southern Company. CalPERS will be voting FOR shareowner proposal #6 at the company's May 24, 2017 annual meeting of shareowners.

Systemically Important Carbon Emitters (SICEs)

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After completing a review of the CalPERS global equity portfolio, we identified 100 companies as significant carbon emitters responsible for over 50% of the portfolio's total carbon emissions<sup>2</sup>. CalPERS defines these companies as systemically important carbon emitters (SICEs) – with Southern Company being one of them. Further, we believe proposal #6 is of particular significance in light of the global consensus regarding climate change and emission reduction targets reflected in the Paris Agreement. The importance of the proposal's request is also underscored by the efforts of Financial Stability Board (FSB), an international body mandated by G-20 leaders to develop efficient climate-related financial risk disclosures.

Request for an Assessment of the Company's Portfolio under a 2 Degree Scenario

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Consistent with the CalPERS Investment Beliefs, we believe effective management of environmental factors, including those related to climate change risk increase the likelihood that companies will perform well over the long-term. We support the request of proposal #6 that Southern Company issue a report at reasonable cost and omitting proprietary information, on company's strategy for aligning business operations with the IEA 2°C scenario, while maintaining the provision of safe, affordable, reliable energy.

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<sup>1</sup>CalPERS total assets under management at fiscal year ending February 28, 2017.

<sup>2</sup> Based upon CalPERS ownership portion of total scope 1 + scope 2 emissions.

PLEASE NOTE: The cost of this solicitation is being borne entirely by CalPERS and is being done through the use of the mail and telephone communication. CalPERS is not asking for your proxy card. Please do not send us your proxy card. For additional information, please contact Garland Associates, Inc. at (561) 366-1165.

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Vote FOR Shareowner Proposal #6 Requesting a Climate Change Policy and Reporting

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CalPERS believes investors will benefit if the company provides accurate and timely disclosure surrounding environmental risks and opportunities associated with climate change. As a significant Southern Company investor we encourage shareowners to support proposal #6.

For questions about the CalPERS vote please contact Todd Mattley, CalPERS Investment Officer at [INVO GE Corporate Governance Engagements@calpers.ca.gov](mailto:INVO_GE_Corporate_Governance_Engagements@calpers.ca.gov) or 916-795-0565.

Thank you for your support.

Sincerely,  
Simiso Nzima  
Investment Manager, CalPERS

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