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Seattle City Employees' Retirement System joins Illinois State Treasurer in Vote Against Southern Company Board Chair Thomas Fanning

Climate Action 100+ Flagged Vote is Key Test for Largest Investor Signatories BlackRock, State Street and Others

NEW YORK — The Seattle City Employees' Retirement System has announced its vote against Southern Company (NYSE:SO) chair Thomas Fanning after repeated inaction on key climate performance indicators and governance shortfalls. Seattle joins the Office of Illinois Treasurer Michael W. Frerichs in its plan [to withhold its votes](#) from Fanning. [Majority Action](#), a nonprofit shareholder advocacy organization, also [urges shareholders](#) to vote against Fanning due to Southern's failure to set robust interim net zero targets, make the near-term shifts in capital allocation and investment necessary to decarbonize in alignment with a 1.5°C pathway, and ensure alignment of policy influence activities. The \$68 trillion Climate Action 100+ initiative has [flagged](#) the vote against Fanning for its investor signatories.

"Seattle City Employees' Retirement System supports Treasurer Frerichs' call for change at Southern Company. We applaud his leadership in this engagement that highlights the critical role of utilities in decarbonizing the real economy," said **Jeffrey S. Davis, Executive Director of Seattle City Employees' Retirement System**.

Both Seattle City Employees' Retirement System and the Illinois State Treasurer's votes against Fanning at Southern Company are driven by the company's insufficient medium-term target to reduce Scope 1 emissions and its exclusion of a Scope 3 emissions target, unlike peer companies Duke, Dominion and Xcel. Southern's decarbonization pathway meets neither the requirements of the [IEA Net Zero by 2050 Scenario](#), which requires net zero emissions from electricity generation by 2035, nor the [Climate Action 100+ Global Sector Strategy](#) expectations. Southern's capital expenditure plans, which call for 39% of its nameplate capacity in 2050 to be provided by gas, risk stranding generation assets. Southern's failure to report on the alignment of its lobbying activities with the Paris Agreement is an additional concern of the Illinois Treasurer's office.

“When companies like Southern fail to demonstrate an adequate response to changing market conditions and growing material risk exposures from climate change, investors have a fiduciary duty to hold directors accountable and advocate for better governance,” said **Illinois Treasurer Michael Frerichs**. “We expect our Climate Action 100+ peers to seriously consider using their proxy votes to hold Board Chair Thomas Fanning accountable for the board’s persistent governance failures.”

The vote at Southern Company is also a test for the investor signatories of Climate Action 100+. A [report](#) issued earlier this year by Majority Action demonstrated that the initiative’s goals of climate-competent governance and decarbonization have been consistently undermined by the voting decisions of its largest investor signatories, including Black Rock, State Street, Wellington, Northern Trust, and MFS Investments. The majority of the largest Climate Action 100+ investors overwhelmingly voted in favor of the incumbent directors in the 2021 proxy season.

“Through their proxy voting power, the leading signatories of Climate Action 100+ can join Treasurer Frerichs in communicating a clear choice to corporate boards: demonstrate the leadership necessary to limit warming to 1.5°C or face a vote against directors,” said **Eli Kasargod-Staub, Executive Director of Majority Action**. “We will see if the members of Climate Action 100+ will fulfill its promise to decarbonize long-term portfolios and mitigate systemic climate risk by taking up this key vote against the board chair at Southern.”

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Majority Action is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. www.majorityaction.us