

2019

Benefit Report

SUSTAINABILITY, TRANSPARENCY, & IMPACT







Contents

04

INTRO

- 04 Letter from the Founders
- 05 Leading the Change Since 2001
- 06 The Sustainability Reporting Landscape
- 07 Using Business as a Force for Good
- 09 Focus Areas Defined

11

GOVERNANCE

- 12 Overview & Key Targets in 2020
- 13 2019 Impact & Transparency

15

WORKERS

- 16 Overview & Key Targets in 2020
- 17 2019 Impact & Transparency

19

COMMUNITY

- 20 Overview & Key Targets in 2020
- 21 2019 Impact & Transparency

23

ENVIRONMENT

- 24 Overview & Key Targets in 2020
- 25 2019 Impact & Transparency

27

CUSTOMERS

- 28 Overview & Key Targets in 2020
- 29 2019 Impact & Transparency

32

MILESTONES & MEMORIES

- 32 SEM Milestones & Memories
- 34 Team Milestones & Memories

36

INDEX

- 36 Terms & Definitions / Methodology
- 37 Transparencies
- 37 Guidance on Sustainable Practices

38

A CALL TO ACTION

- 38 Lead the Change

A Word from the Founders

Welcome to Southern Energy Management's first public sustainability report, which represents the culmination of almost two decades of hundreds of current and former team members' hard work and dedication to using business as a force for good.

When we started SEM just after September 11, 2001, we knew it was going to be a labor of love; there was no such thing as solar or building performance "industries" at that time, rather this work was being done by a small group of committed individuals and non-profit organizations. We were advised by many people we respected deeply that we'd never be able to build a "real" business in "alternative energy."

Maybe we were stubborn or maybe we were just not very smart "business people" (or maybe a bit of both), but pregnant with our son, we were also pregnant with possibility and deeply committed to creating a business that would contribute positively to his future – not just financially, but also socially and environmentally.

After having the great privilege of working with Roxanne Quimby, visionary co-founder of Burt's Bees, during that company's early days in North Carolina, we had seen that a business focused on unwavering environmental principles could not just be successful, but could thrive and lead the way for other companies to follow. We wanted to do that too!

The early years were a lot of fun – we were building a team and pioneering not just one but two clean energy industries. And like all businesses, as we grew we faced new challenges, but unlike most businesses, one of the most significant was finding ways to balance our commitment to not just one, but three bottom lines – people, planet, and profit – all of which were equally important to us in measuring our success.

In 2009 we found this amazing group of businesses called B Corporations. For the first time since starting the company, we had a community of like-minded organizations who were taking their commitment using business as a force for good just as seriously as we were – and they were willing to have that commitment verified by an independent party! We took the assessment and became the 11th certified B Corp in NC.

Since then, we've never looked back. Through the inevitable ups and downs our business has faced, our commitment to building a business that serves a purpose bigger than our bank account has served us well. We have learned so much from our fellow B Corps, which now number more than 3000 around the globe, and the community has only gotten stronger as our numbers have grown. At the same time, the criteria to earn certification have become more challenging, stretching us to become better in terms of our impact and goals.

Our goal is to consistently improve and support others along their path to greater sustainability. At our annual planning session with our guidance team in the fall of 2018 we tweaked our purpose statement from "Be the Change" to "Lead the Change" to capture our commitment to sharing our journey with others to show what's possible when we focus on measuring what matters. We offer the following report in the spirit of transparency and with the hope that our experience may inspire others to join us on our journey to become Best for the World. We welcome your feedback and would love to hear how you're creating impact!

Shine On,
The Kingerys

Ma Kingery *Robb Kingery*



Leading the Change Since 2001

Southern Energy Management (SEM) is the Southeast's rooftop solar and building performance expert based out of Raleigh, North Carolina. We're a team of over 90 building scientists, solar professionals, and entrepreneurs dedicated to improving the way the world makes and uses energy.

Since 2001, SEM has offered energy efficiency, green building, and turn-key solar services for homeowners, builders, and companies across the country.

We're passionate about continuously innovating and leading the energy market while maintaining our core values. We're also firm believers that businesses have the power to change the world for the better, and we're

committed to working toward that goal each and every day. We believe what you do is important, and how you do it matters just as much. Because of that, we're proud to be a Certified B Corporation in North Carolina.

It's our mission to help others achieve their sustainability goals. Now in our 10th year as a B Corp, and with nearly two decades of experience behind us, this report is our first step in sharing the measures we are taking to meet our own sustainability goals by improving the way our company interacts with our team, community, environment, and customers.

Hoping you will learn a bit about us and what being a B Corp is all about. And as we like to say at SEM, SHINE ON.



RESIDENTIAL SOLAR

Helping homeowners take control of their energy by harvesting the sun

COMMERCIAL SOLAR

Guiding businesses in saving money and investing in their operations

BUILDER SERVICES

Working with builders to create more efficient homes and capture value

MIXED-USE SERVICES

Simplifying green building to help project teams create sustainable value

ZERO-ENERGY

Pushing energy efficient homes to the next level with solar power

REPORTING

Supporting builders and communities in telling their sustainability stories

CORE VALUES



SEEK SOLUTIONS



HAVE TO → GET TO



INVEST IN THE GREATER GOOD



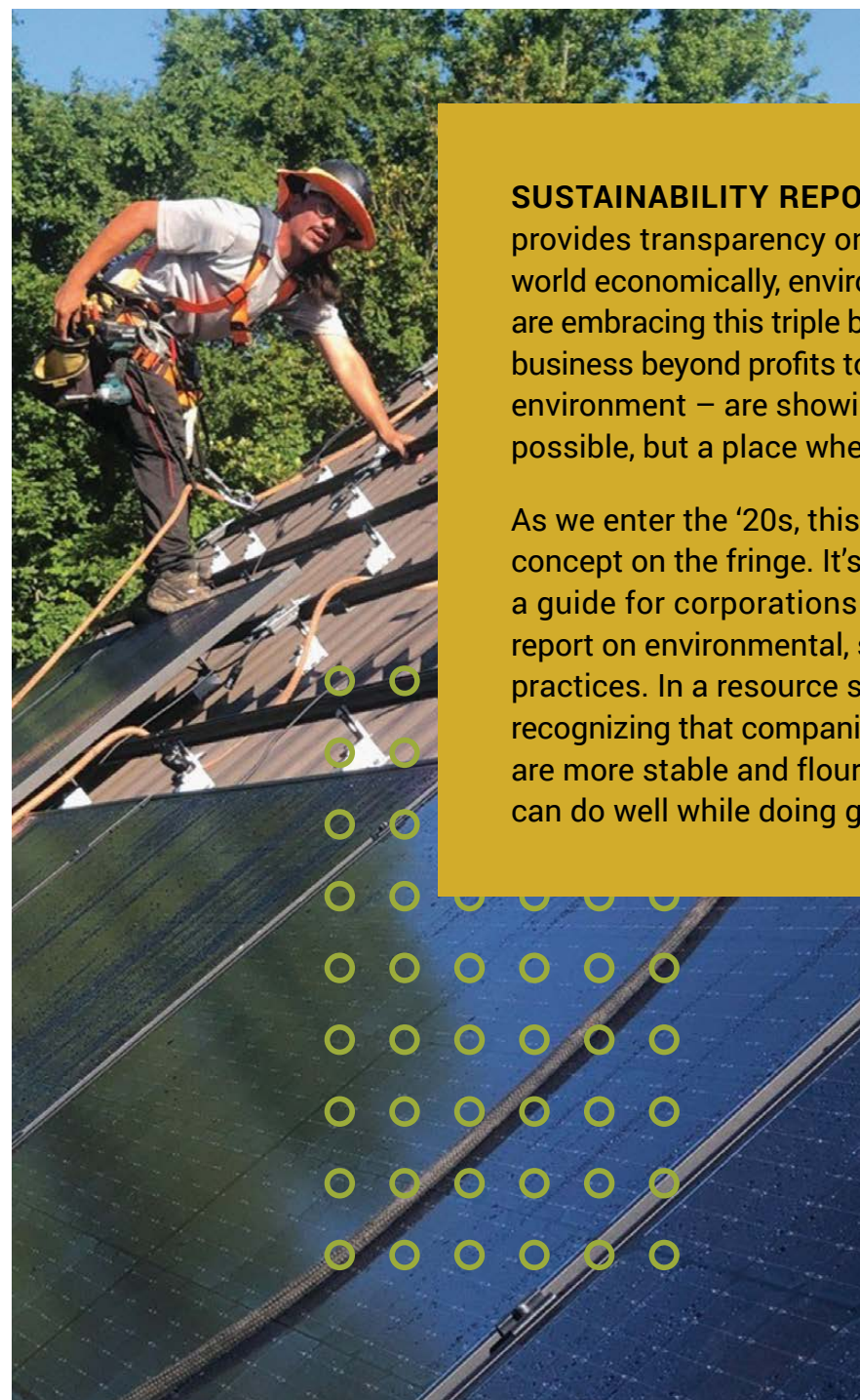
NEVER SETTLE



ENJOY THE JOURNEY



The Sustainability Reporting Landscape



SUSTAINABILITY REPORTING is more than just storytelling, it provides transparency on how a business is truly impacting the world economically, environmentally, and socially. Companies that are embracing this triple bottom line approach – by evaluating their business beyond profits to include impact on their community and environment – are showing us that sustainable living is not only possible, but a place where we can thrive.

As we enter the '20s, this way of doing business is no longer a concept on the fringe. It's telling that in 2019, NASDAQ released a guide for corporations on how to effectively embrace and report on environmental, social, and corporate governance (ESG) practices. In a resource strained global economy, markets are recognizing that companies focused on people, profit, and planet are more stable and flourishing – demonstrating that business can do well while doing good.



MORE RESOURCES

www.globalreporting.org

www.bcorporation.net

www.un.org/sustainabledevelopment/sustainable-development-goals/

MEASURING OUR SUSTAINABILITY

How can a business balance three bottom lines successfully? We have found the B Corp Movement to be a powerful platform to measure and improve the impact of our triple bottom line. As a certification and not just a reporting system, the B Corp assessment goes beyond baselining internal areas of improvement or highlighting where we're strong. It holds us accountable through its third-party evaluation while offering a clear road-map for improvement.

UNLEASHING THE FORCE

Through the B Movement, we're joined by thousands of other like-minded businesses, entrepreneurs, and consumers from a local to global level who are working collectively to create a beneficial economy. We are able to share practical ideas to build better businesses together while shaping a common landscape of what business ought to be – a Force for Good.

This year, B Lab (the third-party nonprofit that certifies B Corps) is releasing an online platform for B Corps to assess their performance against the United Nations Sustainable Development Goals (SDGs). The SDGs aim to achieve 17 goals to alleviate world-wide social, economic, and environmental problems by 2030. By cross referencing B Corp assessment questions against SDG goals and tactics, companies will be able to benchmark alongside key indicators and compare performance to peers, creating much needed alignment between what we want to happen and how we can get there.

While sustainability may be a journey, B Corp certification provides targets, goals, and the accountability needed to truly achieve it. We hope that by sharing our story, we not only discover opportunities to improve our impact, but are able to inspire others to do the same.

Using Business as a Force for Good

B CORPORATIONS are purpose-driven businesses that are dedicated to balancing a triple bottom line (people + planet + profit). Certified B Corps are assessed every three years to meet rigorous standards of social and environmental performance, accountability, and transparency. These standards are continually improving, pushing B Corps to re-evaluate their practices to find ways to become even stronger change makers and global community leaders.

The first 82 B Corps were certified in 2007. Southern Energy Management followed soon after, officially becoming a certified B Corp in 2009.

To qualify as a B Corporation, companies must complete the B Impact Assessment (BIA). The assessment has a total of 200 questions with a max of 200 possible points. B Corps must achieve a minimum of 80 points to become certified. Within the BIA, there are five categories that assess the full scope of a company's practices from the fine details of day-to-day operations to the overarching big-picture impact of their business model.

We're proud to be part of this global alliance of companies innovating for impact and building a B Economy that helps solve social and environmental problems for the long term.



Declaration of Interdependence

We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation – **the B Corporation** – Which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

- + That we must be the change we seek in the world.
- + That all business ought to be conducted as if people and place mattered.
- + That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.
- + To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.





SOUTHERN ENERGY

A N A G E M E N T

ENERGY ENERGY & ENERGY

Certified
B
Corporation

BEST
for
THE
2017
WORLD
ENVIRONMENT

Focus Areas Defined

01

GOVERNANCE

- + Worker access to financial information
- + Customers' opportunities to give feedback
- + Diversity of the company's governing bodies
- + Whether the company has adopted a social or environmental mission
- + How the company engages its workers, board members, and the community to achieve that mission

02

WORKERS

- + How the company treats its workers through compensation, benefits, training, and ownership opportunities
- + Management/worker communication
- + Job flexibility
- + Corporate culture
- + Worker health and safety practices

03

COMMUNITY

- + Practices and policies around community service and charitable giving
- + Whether a company's product or service is designed to solve a social issue
- + Inclusive hiring practices and work environments
- + Local purchasing and hiring policies
- + Social and environmental screening of suppliers and code of conduct

04

ENVIRONMENT

- + Transportation/distribution channels
- + Environmental impact of supply chain
- + Whether a company's products or services are designed to solve an environmental issue
- + Facility's energy and water use, green building standards, building improvements
- + Waste reduction and resource conservation practices

05

CUSTOMERS

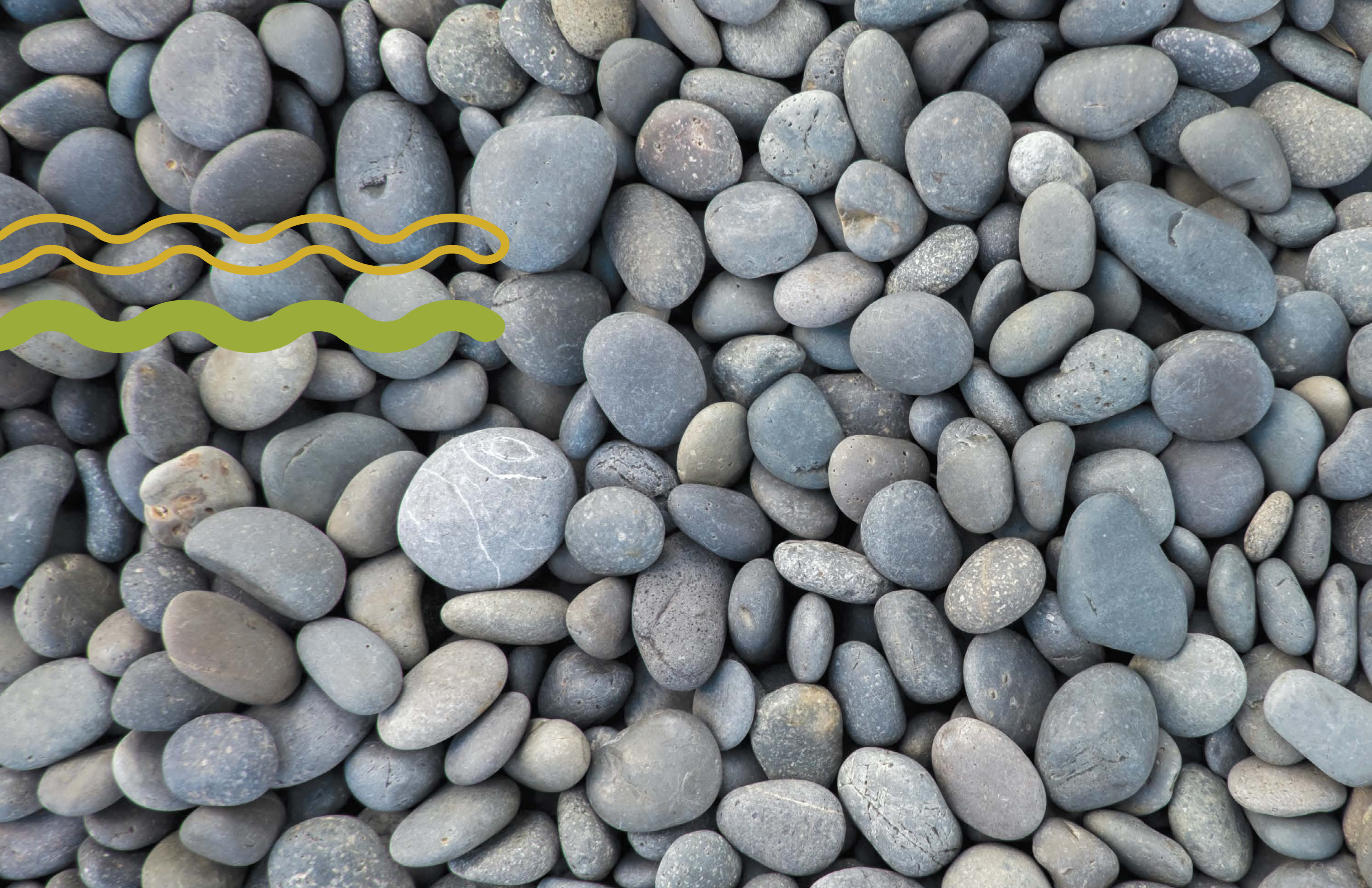
- + Are products/services targeted toward serving under-served populations
- + Direct focus on improving impact of organizations
- + Product accreditations and certifications
- + Quality assurance, and customer feedback and complaint channels
- + Data usage, privacy, and security

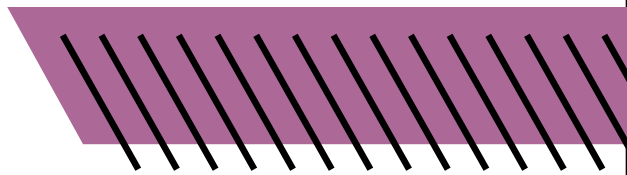
When a company becomes a B Corp, they sign on to a global pledge to consider people and place in their operations.

To evaluate the company's transparency, performance, and overall impact, the B Impact Assessment (BIA) reviews five primary categories: Governance, Workers, Community, Environment, and Customers.

The assessment questions around these categories are continually evolving to hold B Corps to higher standards of impact.

Here is a brief sample of topics assessed within each category. To take the free BIA visit www.bcorporation.net/certification





Governance

Measure of the company's overall mission, ethics, accountability, and transparency



Being a B Corp allows us to live our purpose in a bold way with other like-minded companies. We acknowledge that profits are important to the success and growth of the company, but no more important than our people and our planet. Being a part of a triple-bottom-line business is a mindset, and we are putting a stake in the ground around our purpose and practices.

Eileen Fisher
Founder of Eileen Fisher Inc.
B Corp Since 2015

Governance

Where We're Strong

MISSION & ENGAGEMENT

Our formal corporate mission is to improve the way people make and use energy while building a prosperous company that supports people. We treat our social and environmental impact as a primary measure of success for our business and prioritize it even in cases where it may not drive profitability.

ETHICS & TRANSPARENCY

We instruct all new hires on our code of ethics while also instructing managers and non-managerial workers on an ongoing basis. We also make our financial performance available to our team members and share our social and environmental performance publicly.

Where We've Improved

SOCIAL & ENVIRONMENTAL MANAGEMENT

We've integrated social and environmental performance into our decision-making by incorporating social and environmental performance goals in our team lead's roles and in team member reviews.

INSTRUCTION ON CODE OF ETHICS

We reviewed and updated our code of ethics and instruct our teams and leads on an ongoing basis.



PICTURED

SEM Guidance Team hard at work during a quarterly planning session.



Key Goals in 2020

40+

SEM YOUNIVERSITY COURSES IN LEADERSHIP, SOCIAL, & ENVIRONMENTAL TRAINING OFFERED

SEM YOUNiversity was created by our leaders to provide professional development and life-skills training to SEM team members. In 2020 we are striving for 100% of our team participating in at least one class.

80%

QUARTERLY ROCK COMPLETION RATE

Each quarter team members define 90 day priorities that will contribute to achieving our company's vision. These are quarterly projects that need to happen in order to move the business forward. See page 13 to learn more!

2019 Impact & Transparency

ENTREPRENEURIAL OPERATING SYSTEM

We've been running under the Entrepreneurial Operation System (EOS) since 2014. EOS is a powerful framework that provides tools to help organizations define their vision, get organized, and gain more traction. It's so powerful that our co-founder, Maria, is now an EOS Implementer helping other businesses get on track too!

11

GUIDANCE TEAM LEADERS

Alongside our founders and co-owners, Bob and Maria, our guidance team is the glue that holds SEM together. They keep things fun, focused, and push us to never settle!



2

OWNERS

We have our sights set on being worker-owned one day. Right now we're working on finding a path that benefits everyone on our team by researching and seeking advice from other worker-owned B Corps.



9

TEAM MEMBER ADVOCATES ESTABLISHED

SEM's B Squad was formed with representation from all departments to help spread our B Corp culture internally. A cultural ambassador position was also established to better engage our field team in Charlotte.



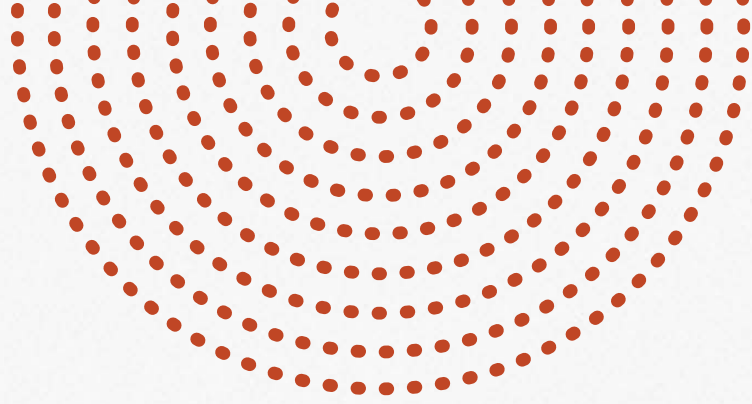
WHAT IS A ROCK?

When it comes to filling an empty cup with sand, pebbles, and rocks, the most effective method is to put the rocks in first, then fill the gaps with the rest. This is the basis for how we organize our "to-dos". We prioritize big picture projects (or "rocks") that will move our business forward, then filter in daily responsibilities and sandy interruptions.

67%

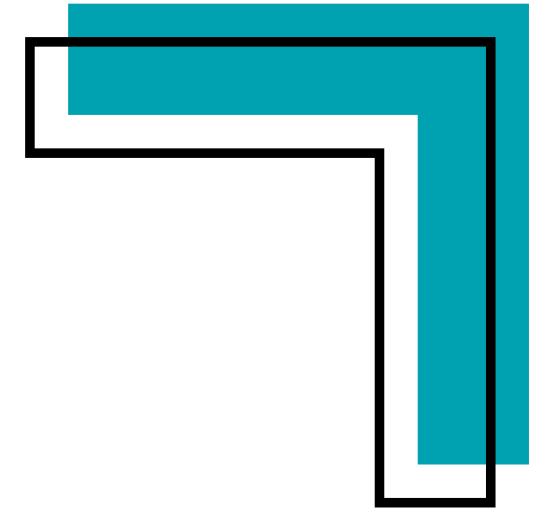
AVG QUARTERLY ROCK COMPLETION RATE

In 2019, of the 122 rocks we carved out, 81 were completed on time. In 2020, we will be working hard to set SMART(er) goals to reach 80% completion.



 **SOUTHERN ENERGY**
MANAGEMENT
ENERGY EFFICIENCY & SOLAR POWER

Leading the Change Since 2001



Workers

Measure of the company's relationship with its workforce and the overall work environment within the company



B Corp certification has given us a way to measure things that aren't inherently quantitative, but we know are important to us. Like providing 100% of our health care premiums for our co-workers or putting solar on site or biogas. It helps us to bring that into a measurement space where we can compare ourselves against other companies and see are we really being leaders in this area or is there a way we can improve?

Katie Wallace

Asst. Dir. of Sustainability, New Belgium Brewing
B Corp Since 2013

Workers

Where We're Strong

BENEFITS PACKAGE

We offer a great benefits package to all full-time workers, including health insurance, matching 401(k), life insurance, and more.

WORKER EMPOWERMENT

We engage and empower our team members through formal feedback and complaint mechanisms that are reviewed to ensure they are impactful. We also have processes in place to provide input from team members before operational and/or strategic policy changes, and have adopted self-management principles throughout the workplace through the EOS model.

Where We've Improved

UNIQUE HANDS-ON EDUCATION OPPORTUNITIES

This year our team participated in a series of challenges to rethink how we can be more sustainable in our daily lives. We began the year with a plastic reduction challenge and installed a new water bottle filling station in our office. This was followed by a food series which challenged us to get to know where our food comes from. We wrapped up 2019 with a health and wellness cooking challenge after learning more about how what we eat can impact us in the short and long term.

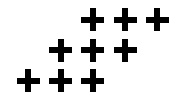
INTERNAL HIRING AND PROMOTIONS

Over 10% of our team was internally promoted within the past 12 months!



PICTURED

The Charlotte building science crew catching a Panthers game together!



Key Goals in 2020

100%

PROFESSIONAL DEVELOPMENT PARTICIPATION

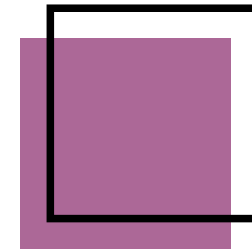
We offer professional development and life skills courses to our team members through SEM YOUNiversity. In 2019, 100% of our team participated in professional development, totaling 1,000+ hours of internal training and 2,000+ hours of external training.

95%

TEAM ENGAGEMENT RATING

Enjoy the journey. It's one of our core values and something we want all of our team members to take part in. We were named a 2018 Triangle Best Places to Work and in 2019 our team satisfaction was 93% with a 71% response rate.

2019 Impact & Transparency



83

TEAM MEMBERS

Our solar team added 21 team members, builder services added 8 members, and core services added 4 members for a total of 33 new jobs created in our local community.

1.61%

AVERAGE MONTHLY TURNOVER

Compared to the national average of 3.2% monthly turnover, and our industry average of 3.5% monthly turnover, we come up strong. When hiring, we are guided by our mantra of “right people, right seats” which has proven successful over time.

11%

TEAM MEMBERS INTERNALLY PROMOTED

We strive to be open, honest, and cultivate a level of trust where all team members can share ideas and goals so all can achieve growth. Each new SEM job opportunity is open for current team members to apply for without retribution.

3.5 YEARS

AVERAGE TEAM MEMBER TENURE

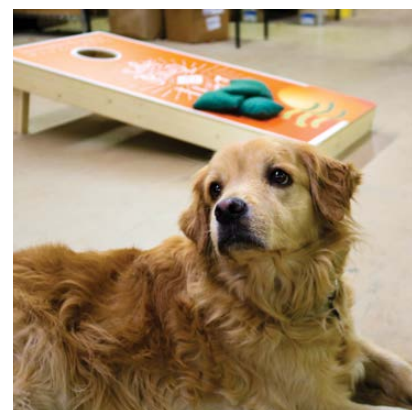
Compared to the national tenure average of 5.6 years, and our industry’s tenure average of 4.8 years we fall short. We are already looking into ways we can improve in this area, and have begun exploring how to track team member happiness.



32

CERTIFICATIONS ACHIEVED BY TEAM MEMBERS

3 HERS Raters, 2 RESNET QAD status, 1 Unlimited Electrical License, 1 LEED Green Associate, 1 LEED AP BD+C, 1 EarthCraft Technical Advisor, and 23 American Red Cross First Aid & CPR Certifications



7

TEAM MEMBERS WORK REMOTELY FULL-TIME

As our footprint expands across the Carolinas, so has our satellite teams. We’re happy to save our teams the commute while reducing our environmental impact and supporting local jobs in more regions across North Carolina.





→ PEOPLE

WAKE COUNTY
NORTH CAROLINA

Energy Advisory Commission

PSNG ENERGY DUKE ENERGY

A-B-N ABB CREE



Community

Measure of the company's supplier relations, diversity, and involvement in the local community



“ Sharing that we're a Certified B Corporation helps prove that we're not just telling you we're different; we live out a different business model every day.

Kevin Trapani
CEO, The Redwoods Group
B Corp Since 2009

Community

Where We're Strong

ECONOMIC IMPACT

Southern Energy Management is family-owned and operated out of Raleigh, NC. We are extremely proud to support our local economy with employment opportunities. As we add more team members to the SEM family, we are excited to grow our contribution to our community.

CIVIC ENGAGEMENT & GIVING

We also give back to our community by financial donations, pro-bono service, advocacy for environmental policies, partnerships with charitable organizations, offering our facilities to host community events, organizing company service days, and offering all team members paid time off to volunteer.

Where We've Improved

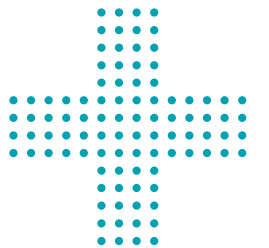
PREFERRED MARKETING VENDOR LIST

Purchasing from local suppliers is an area we aspire to improve. Naturally, there are limitations to what we can purchase locally. Unfortunately, there are no solar panel manufacturers down the street. Nonetheless, we are taking a first step to making more conscious purchasing decisions by developing our preferred marketing vendor list which includes like-minded local organizations and other B Corps.



PICTURED

Our team walked for awareness and advocacy for solar applications to alleviate water poverty at United Solar Initiative's Lug-A-Jug 6K Walk.



Key Goals in 2020

50%

TEAM PARTICIPATION IN VOLUNTEER EVENTS

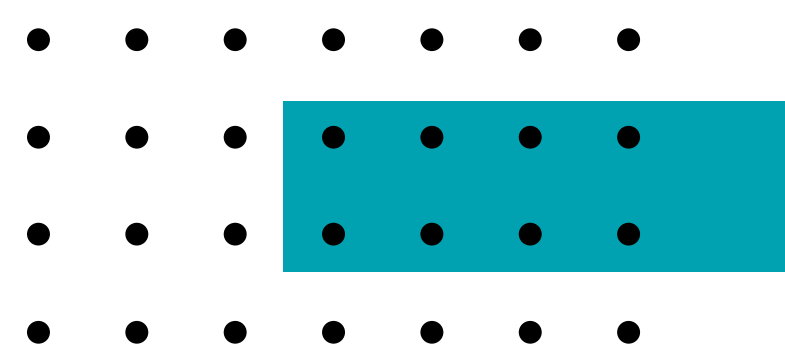
Each team member is given 4 hours of paid time off to volunteer. In 2019, we volunteered a total of 140 hours. In 2020, we want to reach a minimum of 200 hours volunteered by at least 50% of our team.

45+

EDUCATIONAL EVENTS HOSTED / PARTICIPATED IN

Throughout the year we host several solar power and building performance educational events in our local and national community. In 2019 we hosted 45 events! In 2020 we hope to host just as many, if not more.

2019 Impact & Transparency



\$6,547

DONATED TO CHARITABLE ORGANIZATIONS

We are proud support various charitable organizations, both local and national. Check out page 37 for a full list of our community partners.

12

NC BUSINESSES & NON-PROFITS WENT SOLAR

Our commercial solar division helped four churches, six businesses, one state park, and one fire department install solar in 2019.



16,146

FAMILIES IMPACTED BY OUR SERVICES

Our solar services touched 245 families, builder services 9,271 families, and multifamily services 6,630 families. A huge thank you to our community for the continued support!

1,804

AFFORDABLE HOUSING UNITS IMPACTED

Homes and apartments built to above-code efficiency standards make affordable housing even more affordable. In 2019 we helped 26 affordable housing developments create healthier living spaces and lower utility bills for residents.

7

BOARD AND ADVISORY COUNCIL POSITIONS

Our team members are working within our communities to advocate for a brighter tomorrow by getting involved in local and national building performance councils, clean energy advocacy groups, home builders associations, and more.



benchmark

TEAM DIVERSITY

We have room to improve on tracking and measuring the diversity of our team so that we can evaluate the inclusivity of our policies and practices, and the greater impact that has on our community.





Environment

Measure of the company's environmental impact through its facilities, materials, emissions, and resource use



The B Corp movement is one of the most important of our lifetime, built on the simple fact that business impacts and serves more than just shareholders – it has an equal responsibility to the community and to the planet.

Rose Marcario
CEO, Patagonia
B Corp Since 2011

Environment

Where We're Strong

ENVIRONMENTAL BUSINESS MODEL

We excel in the environmental category through what we do each day as defined by our business model. Our solar power, energy efficiency, and sustainability consulting services help homes, businesses, and communities conserve resources to reduce their environmental impact. Because of this, we've been named Best for the World in the Environment category since 2016!

MANAGEMENT OF RENEWABLE ENERGY

We manage the impact of our products and services by meeting third-party standards and identifying potential causes that may lead to negative effects. Measuring the short and long-term outcomes of our work allows customers to make an informed decision while helping us to meet expectations and determine the lasting positive impact of what we do.

Where We've Improved

PURCHASING OUR FACILITIES

In 2018, we made a huge move by purchasing our new home on Triangle Drive. Before then, we were leasing a facility which prevented us from tackling any major renovations. Now we can take action and create a work environment that reflects our core values and mission.



PICTURED

The new SEM HQ at
5908 Triangle Drive,
Raleigh NC



Key Goals in 2020

baseline

FACILITY ENERGY USE AND REDUCTION TARGET

We are on the path to making where we work reflect the work we do. A 'rock' in queue for 2020 is to conduct an energy model of our facility so that we can set smart targets to improve our building's performance and reduce energy use.

5,600

CARS TAKEN OFF THE ROAD (EQUIVALENT)

In 2019, the energy saved through our energy efficiency and solar power services removed an equivalent 4,353 cars off the road. In 2020, we want to make an even bigger impact!

2019 Impact & Transparency



95,310 KWH

TOTAL FACILITY ENERGY USE IN 2019

Our approx. 16,000 sq ft facility, includes office space and a warehouse. Installing a solar system on our building is already in queue for 2020 which will help to offset our consumption.

65,037,808 KWH

AVOIDED ENERGY USE FROM HOME EFFICIENCY

The homes we verify to meet high-performance standards are more efficient, saving energy and money. Our 2019 energy savings are equivalent to taking 9,935 passenger vehicles off the road for one year!



2,203 KWH

SOLAR POWER INSTALLED IN 2019

Our teams helped 242 homes go solar in 2019! The Tesla Powerwall was also popular on the battery storage front, with a total of 78 installed by SEM across NC.

9

NET-ZERO ELECTRIC HOMES BUILT

Our two passions – building performance and solar energy – come together with our Zero Energy Blueprint program. Of the homes we inspected and certified in 2019, the lowest HERS Score was -13 built by Bost Custom Homes!

1,547 LBS

WASTE DIVERTED FROM THE LANDFILL

We are proud to partner with CompostNow to give new life to our food waste. We also began up-cycling our snack bar wrappers through Terracycle, and installed a bottle filling station which has averted 15,535+ bottles from the landfill!



4,431 GAL

TOTAL FACILITY WATER USE

We installed a waterless urinal in 2019 to reduce our water consumption. Now that we have been in our facility for over a year, we have been able to benchmark our usage. The next step will be to establish a water use reduction plan.





Customers

Measures whether a company sells products or services that promote public benefit and if it is designed to solve an environmental or social issue



We knew we'd have affinity with B Corps, but what we didn't recognize was the number of people who would call us who aren't a B Corp, but are choosing us because we're a B Corp.

Denise Taschereau
CEO and Co-Founder, Fairware
B Corp Since 2010

Customers

Where We're Strong

MANAGING CUSTOMER STEWARDSHIP

We manage the impact and value created for our customers by offering product and service guarantees, warranties, and protection policies. We also have third-party certifications and accreditations with formal quality control and feedback mechanisms.

MONITORING CUSTOMER SATISFACTION

We regularly monitor customer satisfaction and have set performance targets for our Net Promoter Scores (NPS). We also share customer satisfaction both internally and publicly.

Where We've Improved

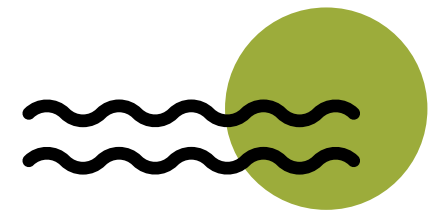
EVERYTHING!

Scoring in this category is new to us this year based on how we responded to the updated questions of the V6 B Impact Assessment. We're excited to continue seeking solutions to improve our impact to our customers.



PICTURED

Celebrating customer success with our quarterly Shine On Champion Award. Meet the first Shine On Champ, Robert Thornton, with Garman Homes.



Key Goals in 2020

85%

AVERAGE NET PROMOTER SCORE (NPS)

Our 2019 average NPS was 84% led by multifamily services at 94%. Solar casework came in at 81% – a huge increase from 2018 when it was 46%. (Great job team!) In 2020, we want to hit an average of at least 85%.

18,482

FAMILIES IMPACTED IN 2020

In 2019, we impacted 16,146 families across the Carolinas. We hope to increase that impact in 2020 by helping more homes to go solar and be built to higher standards.

CUSTOMERS

2019 Impact & Transparency

\$6.12 MIL

SAVED FROM ENERGY EFFICIENCY SERVICES

The homes we've certified for energy efficiency have helped families across the Carolinas save real dollars on their utility bills. That's equivalent to everyone in Durham (+ a few friends) getting three free pints of Ben & Jerry's (valued at \$5 ea).

\$400

APPROX. AVG SAVED PER FAMILY / YEAR

Between all the families we reach from all of our lines of service combined, the savings add up. Each family would be able to have an extra 10 pizza nights a year (valued at \$40 ea)!



\$269,139

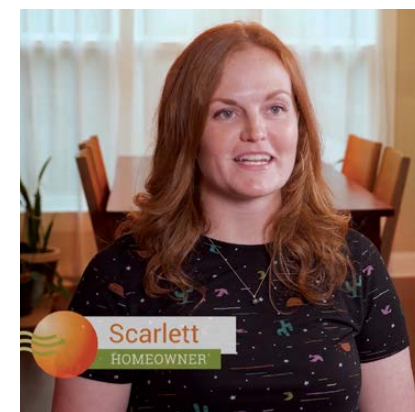
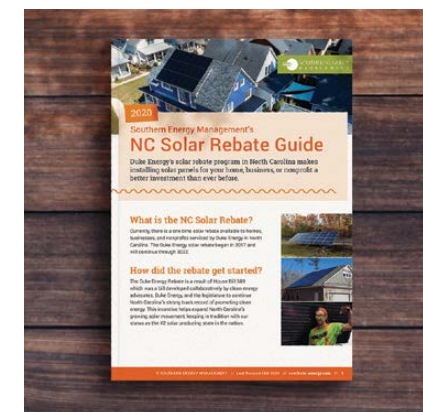
SAVED FROM SOLAR POWER

The solar power we installed in 2019 will collectively save our customers \$269,000+ during the first year of operation. That's enough cash to grab 44,856 beers from Gizmo Brew Works across the street from our office (valued at \$6 ea)!

72

EDUCATIONAL RESOURCES CREATED

In 2019 we created 4 downloadable guides, wrote 34 blog posts, sent out 31 newsletters, and published 3 videos to provide education for our customers and community on solar power and building science.



100%

BUILDER SERVICES CUSTOMER RETENTION

Our Builder Services team retained 100% of its customers from 2018 to 2019 thanks to strong relationships and excellent service.

42%

SOLAR CUSTOMERS COME FROM REFERRALS

Our SHINE Tribe of solar customers and advocates help our business thrive. We are so thankful for all of our customers, partners, and builders who refer their friends and family to us and trust us to treat them like family.

What's Next?

Nearing our 20th year as a business leading the change in North Carolina, we've developed processes and have people in place that keep SEM and our business strong. As we enter a new year and a new decade, it's a great time to pause and reflect on areas we have yet to grow and lead more change.

Naturally, through the work we do our strongest impact is in the environment category which has earned us the recognition of being named Best for the World in the Environment for three years in a row. However, we're challenging ourselves to branch out and improve in another category with hopes of being named Best for the World in a second category in the next three years, and Best Overall after that.

To get there, our re-branded B Corp Improvement team, known on the street as B Squad, is launching into the next decade with a new sense of purpose. To prepare for the journey ahead, B Squad is crowd sourcing ideas for impact through surveys and a series of listening tours. After all, B Squad isn't going in this alone. They'll need the passion, energy, and talent of our entire team to make the impact we have our sights set on.

The first team survey was sent in late November 2019 with engagement questions based on the results of our most recent B Corp re-certification assessment. A majority of our team members at SEM participated in the survey, and the responses were used to aid the development of our 2020 Key Goals shared in this report.

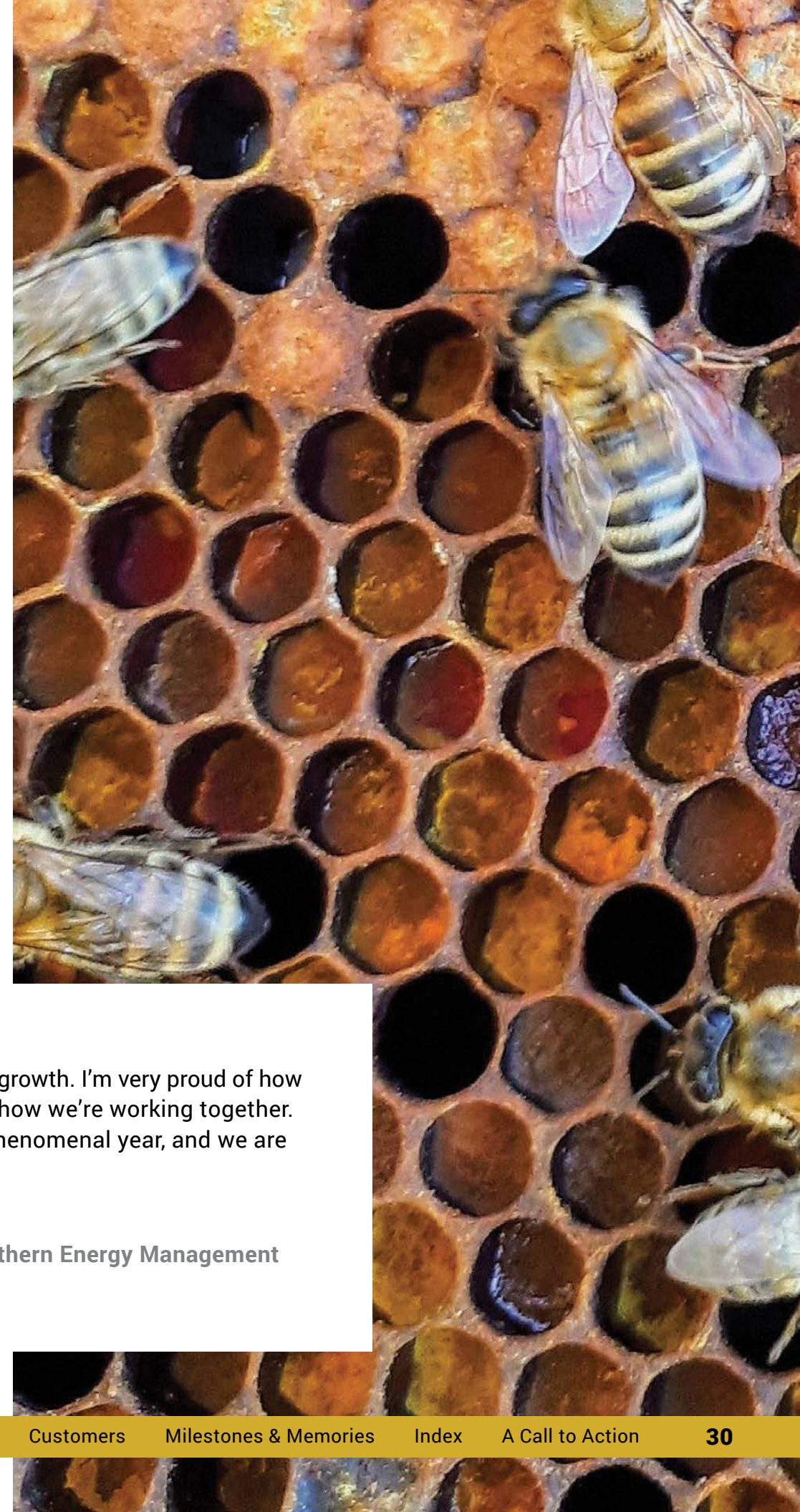
Now that 2020 is here, it's time to start formulating our game plan. We have already taken steps to better track our facility energy use with eGauge and are preparing to complete an energy model of our building later this year. Installing a solar system on our building is also on the horizon! As for all the other goals on our list, B Squad is working behind the scenes to review and establish internal accountabilities and metric scorecards.

New Year resolutions can be intimidating but we are excited and ready to lead the change to become a better force for good!



2019 has been a year of growth. I'm very proud of how hard we're working and how we're working together. 2020 is set up to be a phenomenal year, and we are super excited.

Bob Kingery
CEO & Co-Founder, Southern Energy Management
B Corp Since 2009







2019 SEM Milestones & Memories

\$4,500,000

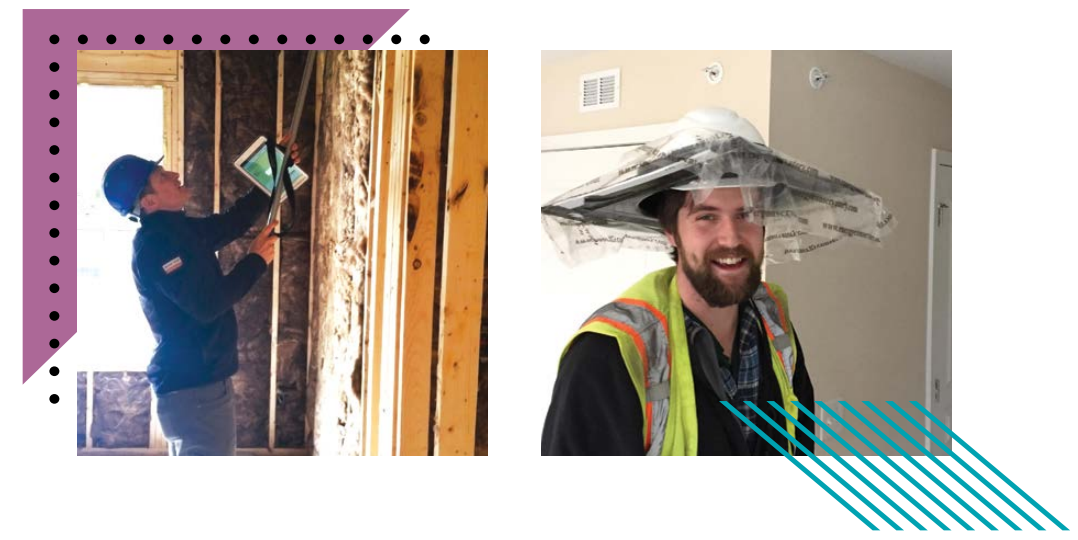
HERO INCENTIVES PROCESSED IN 2019

Going green helps builders save green. Through our partners' commitment to building efficient & high-performance homes, we've been able to help them capitalize on a lifetime total of \$15 million in HERO incentives for their achievements.

15,500

INSPECTIONS COMPLETED IN 2019

Our field and scheduling teams are proud to report that we managed the growth of 2019 in such a way that we were still able to maintain our goal for 100% schedule compliance.



34 KW

RESIDENTIAL SOLAR SYSTEM

SEM's largest residential solar system in history was purchased in 2019, including 92 panels and 13 Tesla Powerwalls. (Our average system size is around 8 KW with 26 panels) Shout out to Sara M. on this accomplishment!

3

SOLAR TUBES INSTALLED

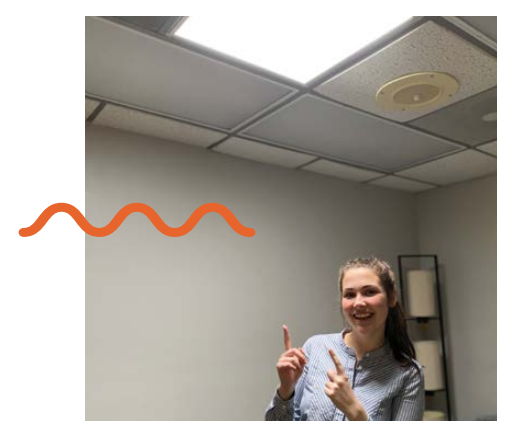
This is one of many steps we'll be taking to reduce our energy use. A few rooms of our office are now basked in the beauty of natural light with more on the way!



1

NC REALTOR CEU COURSE APPROVED

We're officially approved for 4 credit hours of NC Real Estate Elective CE's! This course educates builders and Realtors on the value of energy efficient and energy rated homes – and how to share that with potential homebuyers.

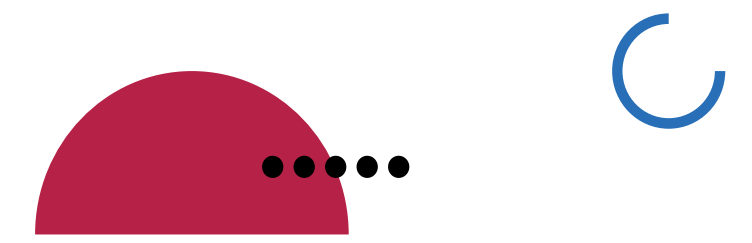


1.56 MIL

TIMES BOB SAID 'KILLER'

2019 was a killer year! We know this because of the number of times we've heard Bob say his signature phrase, 'killer', around SEM. Looking forward to many more 'killer' moments in 2020!

2019 SEM Milestones & Memories



30

ANGELS UNWRAPPED PRESENTS

Each year we put our 'angel' tree up and quickly begin filling the space around it with gifts that are distributed by the Methodist Home for Children. This year we got to help 30 children celebrate the season!



3

AWARDS RECEIVED

A big hooray for our team's accomplishments in 2019! We were named a B Corp Best for the World in the Environment category, awarded Energy Star Partner of the Year, and honored as an Energy Star Certified Homes Market Leader.

4.88KW

SYSTEM INSTALLED AT UMSTEAD STATE PARK

As close neighbors to William B. Umstead State Park and all-around nature lovers, we couldn't be more thrilled to partner with Strata Solar and The Umstead Coalition to bring Umstead State Park's solar powered dream to life.

\$1,000

EMERGENCY FUND LOANS

We launched our Income Advance program which allows team members to request a \$1,000 emergency fund loan, avoiding credit card debt while building up their credit.

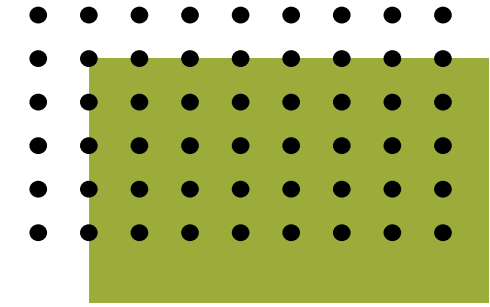
2 DAY

AMICUS SOLAR RETREAT HOSTED AT SEM

Last summer we had a great time catching up with fellow Amicus Solar Co-Operative members. The three day sales and marketing retreat was filled with lots of great collaboration and sharing best practices to be better businesses.



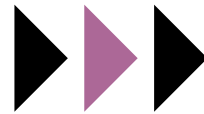
2019 Team Milestones & Memories



7+

EGGS DROPPED

In classic team building fashion, we had an egg drop contest at our spring All Team Meeting. With a team of building scientists and solar technicians you would think these eggs were in egg-celent hands, but 3 out of the 7 eggs survived.



17

MUSHROOM FORAGERS

Over a dozen team members participated in a mushroom forage led by Laura Steward of Haw River Mushrooms. Jay was the “fungi” of the group with the largest find!

1

RETIREMENT

In September we saw one of SEM’s most tenured team members, Dave Ringenburg, retire. We miss him already, but happy to see him off to his second retirement and have lots of great stories to look back on from his 11 years of service.



25

CHICKENS PROCESSED BY SEM TEAM MEMBERS

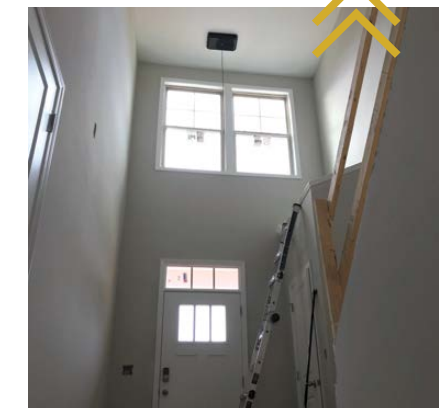
As part of SEM’s sustainable food education series last summer, our team toured Fogwell Family Farms and got to learn how chickens are processed from farm to freezer to become more in touch with the food we eat.



1+

FEAR OF HEIGHTS CONQUERED

Sometimes our work calls us to step out of our comfort zones – especially when testing homes with entryway returns that require a steep ascent.



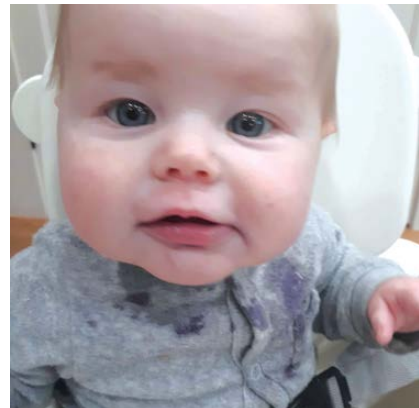
2019 Team Milestones & Memories

5



SEM BABIES WERE BORN

We were delighted to welcome Caleb, Ellington, Niko, Ruby, and Tate to the #babiesOfSEM crew! Three fur babies, four chickens, and one horse also joined the SEM family.



15+

COUNTRIES TEAM MEMBERS VISITED

The wanderlust was real for SEM team members who soaked up their vacation time all over the world. Countries like Iceland, Thailand, Canada, South Africa, Japan, Mexico, France, Germany, and more were hot destinations!



1

SILICON THRONE

Our GoT 'Silicon Throne' adorned our 2019 Spring All Team event, providing a fun backdrop for team members to enjoy. The solar panel throne was a temporary item, but as we say in Game of 'Silicon' Thrones, "Solar is coming."

1

LIFETIME ACHIEVEMENT AWARD

SEM's co-founder & visionary, Maria Kingery, was honored by the North Carolina Sustainable Energy Association with a Lifetime Achievement Award. We look forward to all the great achievements Maria will accomplish in this decade!

2

MARRIAGES

In 2019, we celebrated the weddings of Mike & Mary Beth, and Sam & Emily. We also celebrated three engagements – Congrats to Maddie, Davis, and Alex.



Index

Terms & Definitions

B CORP CLINIC

The B Corp Clinic connects students to aspiring B Corporations to help them improve their environmental and social impact as part of the B Impact Teams initiative.

HERS INDEX

Home Energy Rating System Index (www.resnet.us/understanding-the-hers-index). Developed by RESNET, the HERS Index is the industry standard by which a home's energy efficiency is measured and the nationally recognized system for inspecting and calculating a home's energy performance.

HERS RATER

An individual who is certified by an accredited Rating Provider to inspect and test a home in order to evaluate each of the minimum rated features and complete a Home Energy Rating according to the RESNET Standards.

NET PROMOTER SCORE (NPS)

Net Promoter Score measures customer experience with the key question, "How likely are you to recommend a [brand] to a friend or colleague" on a 1-10 scale. NPS is calculated by subtracting the number of people who give a score of 6 and below from the number of people who give a score of 9 or 10.

RESNET QAD

A RESNET Quality Assurance Designee (QAD) works for a Quality Assurance Provider in the role of reviewing home energy ratings submitted by HERS Raters.

ZERO-ENERGY

Homes that are so air-tight, well insulated, and energy efficient that they produce as much renewable energy as they consume over the course of a year.

Methodology

Southern Energy Management's 2019 Impact and Transparency report was developed through research compiled in 2019 and early 2020.

Data regarding the impact of SEM on community and customers was collected as a natural by-product of SEM's energy rating, solar power, and sustainability consultancy services. Internal team data was collected via surveys, research, and independent reporting.

At the time of writing this report, gathering complete data on team member metrics proved to be a challenge. Company-wide tracking and reporting mechanisms on several internal metrics had not yet been established. As a result, this report leaned heavily on self-reported data which may be incomplete or inaccurate. With that in mind, the goal of this report is to increase visibility to improve future tracking as we move into 2020.



PICTURED

Students from Duke, Chapel Hill, and NC State teamed up with our co-founder, Bob, through NC State's B Corp Clinic to help fellow a Amicus member, SunSense, explore becoming a B Corp.



Transparencies



HUMAN RIGHTS & CHILD LABOR POLICY

As a Certified B Corporation, we recognize that all of us are interdependent and work to encourage diversity, equity, and inclusion. We do not allow the use of any child labor or have tolerance of any forced labor, and work to make sure all team members have a voice in our company.



PUBLIC DISCLOSURE OF DONATIONS

In 2019, SEM donated a total of \$6,547 to the organizations listed below. The intent of SEM's charitable contributions is to deliver public (rather than private) benefit by supporting other organizations that align with our mission, vision, and core values, to enable the betterment of people and the planet.

- + American Forests
- + ASU Foundation
- + Carolina Farm Steward
- + Conservation Council
- + Helping Hand Mission
- + Huntington's Disease Society of America, NC Chapter
- + NC Business Council
- + NC Conservation League
- + Sister Communities of San Ramón
- + United Solar Initiative



BOARD & ADVISORY COUNCIL REPRESENTATION

- + Board Member, Amicus Solar Co-Operative – Maria Kingery
- + STBE Advisory Council, Appalachian State – Laurie Colwander
- + Planning Board Member, Chatham County – Jamie Hager
- + Past Chair, High Performance Building Council – Jamie Hager
- + Green Advisory Group, National Green Building Standard – Laurie Colwander
- + Board Member, NC League of Conservation Voters – Bob Kingery
- + Board Member, NC Building Performance Association – Taylor Ferrington

Guidance on Sustainable Practices

At this moment, a set of written guidelines on sustainable practices is an area we need to improve on. As a business that is built on love for people and the world, we rely on our team members to embody our core values as they make day-to-day decisions in working to lead the change.



In absence of purchasing policies, supplier codes of conduct, and other way-finding documents centered on sustainability, we defer to the tenants of the B Corp Declaration of Interdependence to guide our team. We look forward to defining and developing a more robust, set of written principles that our team can refer to as we continue to work together to build a force for good.

A CALL TO ACTION

As we turn the page to a new decade it's pressing, now more than ever, that we exercise the collective power we hold as a community of consumers. Fellow B Corp, Nisolo, says it best in their [Impact Report](#).



You as a consumer hold immense power over the future direction of the fashion industry based solely on your purchasing decisions. You are half of the equation, whether you like it or not. By demanding high quality and high ethical standards from your favorite brands, that power is enacted, and when joined by others, it becomes a movement impossible to ignore.

Now more than ever, we believe change in the fashion industry is possible within our lifetime. We've seen how the food industry has shifted toward more sustainable practices and the transportation industry has taken a giant leap forward as well. We encourage you to dig deeper into the production practices of the brands you support. Ask questions, do your research, and utilize your purchasing power. In time, you can determine what you value by where you spend your dollar.

Nisolo
B Corp Since 2017

There's no better time than now to vote with your dollars and lead the change. **Are you in?**



Ready to take action to be more sustainable?

Reach out to learn more about how our solar power and building science services can reduce your footprint and improve your positive impact.

→ happiness@southern-energy.com
→ southern-energy.com



Need help sharing your sustainability story?

Our sustainability reporting team is happy to help organize your data and tell your story! Let Jamie Hager know you're ready to get started.

→ jamie@southern-energy.com
→ (919) 538-8700



Want to strengthen and future-proof your business?

We're here to help you incorporate sustainability into your business with tools like B Corp and Entrepreneurial Operating System (EOS). Share your goals with Mel Hubner.

→ mel@southern-energy.com
→ (919) 306-9181



SOUTHERN ENERGY
MANAGEMENT
ENERGY EFFICIENT
SOLAR POWER

www.Southe



SOUTHERN ENERGY
MANAGEMENT

southern-energy.com



Lead the Change.



© 2020 Southern Energy Management. All Rights Reserved.

PUBLISHED 03/18/2020



Printed on 100% recycled content, 100% post-consumer waste,
processed chlorine-free paper.