

M

A CUSTOMEL CLEATION: The Southern Energy COCKTail

Bourbon

Amaretto Liquor

Fresh Lemon Juice

A Slice of Peach to Represent the Sun



WELCOMING FAMILIES HOME

Contents



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Intro

04 Leading the Change Since 2001

05 Using Business as a Force for Good

06 B Corp Areas of Focus



Governance 07 Overview & How We Did in 2021



Workers 08 Overview & How We Did in 2021



Community 09 Overview & How We Did in 2021



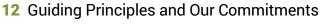
Environment 10 Overview & How We Did in 2021



Customers 11 Overview & How We Did in 2021



Behind the B: Environmental Justice





Community Partnerships

- 13 Hope Renovations
- 14 Project Pando
- **15** Habitat for Humanity
- 16 Greensboro Solar Cares Project
- 17 Building the Future: Scholarship Fund



Milestones & Memories

- **18** SEM Milestones & Memories
- **19** SEM Milestones & Memories



Index

- 20 Transparencies
- 21 A Call to Action





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 130 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, sustainability consulting, and turn-key solar services for homeowners, builders, developers, nonprofits, 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!

It's our mission to help others achieve their sustainability goals. Now in our twelfth year as a B Corp, and with over two decades of experience behind us, this report is just one 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 more 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

Consulting

Supporting builders and communities in telling their sustainability stories

Core Values Enjoy The Have To Invest In The Never Seek → Get To Solutions Greater Good Settle Journey



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.

97.4	6.1	25.4		48.6	3.2
Overall	Governance	Workers		Environment	Customers
Median Scores	6	18	17	7	N/A Optional Category

Certified

Corporation

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.

B Corp Areas of Focus

01 ----

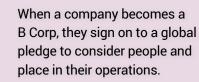
Governance

- + 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



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



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.

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



)5

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



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



Customers

- + 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

Governance

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

70% Quarterly Rock Completion Rate

Each quarter, team members define 90-day priorities (or "rocks") that will contribute to achieving our company's vision. This is one way we organize our long lists of "to-dos." In 2021, our team just missed our 80% rock completion target, finishing at 70% with 78 rocks completed out of 112 started.

2 Owners

We have our sights set on being worker-owned one day. For 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.

Guidance Team Leaders

Alongside our co-founders, Bob and Maria, our guidance team is the glue that holds SEM together. In 2021, the Guidance Team established the "Grand Life" vision to push SEM to be a place with pathways for team members to lead a grand life from entry level to retirement. A first step in this direction was the roll out of an enhanced benefits package!

B Corp Improvement Team Members

In 2021, our internal B Corp improvement team focused on supporting our community partnerships (see pg 13 for more info). Toward the end of the year, we welcomed several fresh faces & voices to the "B Squad" as older members rotated out. This year, our B Corp team is focused on continuing our community partnerships, bringing more volunteer opportunities to the rest of the team, and supporting our 2022 B Corp recertification!

14 Emerging Leaders

As SEM continues to grow, our team is working hard to continue leading the change both internally and externally. In 2021, an Emerging Leaders course was established to provide more training and support to up-and-coming leaders within SEM. The first Emerging Leaders cohort of 14 cross-department team members completed the 6 week course in November.



HOW WE DID IN 2021

Workers



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

50 SEM YOUniversity Courses in Leadership, Social, & Environmental Training Offered

SEM YOUniversity was created internally to provide professional development and life-skills training to SEM team members. In 2021, we expanded SEM YOUniversity to include Justice, Equity, Diversity, and Inclusion (JEDI) resources.



In 2021, 46 team members logged 10+ hours of professional development participation, while our whole team clocked in at 1,238 hours of internal and 477 hours of external training. We also reached 96% completion of our 2021 JEDI training goal!

In 2022, our goal is to offer 48+ SEM YOUniveristy classes and for 100% of team members to log 12+ professional development hours and participate in 2+ JEDI training sessions.

8.21% 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 to achieve growth. Each new SEM job opportunity is open for current team members to apply for without retribution.



134 Team Members

Growth was a common theme at SEM that continued from 2020 into 2021. We ended 2020 with 107 team members, then grew again throughout 2021 in all departments to a grand total of 134 team members by year-end. That's 27 new local jobs created at SEM!

4 Year Average Team Member Tenure

Our industry's tenure average is 4.8 years. At SEM, our tenure has been steady around 4 years since rising from 3.5 years in 2019. We are regularly tracking team member happiness and continuing to look for ways to improve!

1.83% Monthly Turnover

Compared to our industry average of 3.5% monthly turnover, we come up strong, however, our turnover has increased slightly from 1.5% in 2020. When hiring, we are guided by our mantra of "right people, right seats" which has proven successful over time.

Community

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

15 Educational Events Hosted & Participated In

In 2021, we hosted 15 educational events on solar power and building performance. Our in-person events are steadily picking back up, and we hope to host and participate in 72 events this year! Look out for Continuing Education Course happenings, Solar 101 Happy Hours, a big 20 year celebration, and find our table at various community events — and more!

\$1,725 Donated to Charitable Organizations

We are proud to support various charitable organizations, both local and national. Check out page 13 for a full list of our community partners.

50% Team Participation in Volunteer Events

Each team member at SEM receives 4 hours of paid volunteer time. Much like 2020, we weren't able to offer many volunteer opportunities in 2021. We are hopeful that in 2022 we'll be able to hit our target of at least 50% of our team taking advantage of their paid volunteer time, while working with our community partners to host more team volunteer events.

27,129 Families Impacted by Our Services

Our solar services touched 325 families, builder services 13,538 families, and multifamily services 13,266 families. A huge thank you to our community for the continued support!

18 NC Businesses & Non-Profits Went Solar

Our commercial solar division helped 3 churches, 9 businesses, 1 fire department, 1 affordable housing development, 2 universities, 1 government building, and 1 senior living center go solar in 2021.

2,295 Affordable Housing Units Impacted

Homes and apartments built to above-code efficiency standards make affordable housing even more affordable. In 2021, we helped 28 affordable housing developments create healthier living spaces and lower utility bills for residents.



Environment

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

4,525 kW Solar Power Installed in 2021

Our teams helped 325 homes and 18 businesses/nonprofits go solar in 2021! Battery storage was also popular, with 158 Tesla Powerwalls and Generac PWRcells installed by SEM across NC.

107.5 MIL kWh Avoided Energy Use from Home Efficiency

The homes we verify to meet high-performance standards are more efficient, saving energy and money. Our 2021 energy savings are equivalent to taking 16,822 passenger vehicles off the road for one year!

93% Facility Energy Use Offset by Solar Power

In 2021, our 55.5 kW solar system on our 16,000 sq ft facility produced 65.1 MWh of clean, solar energy!



8 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 rated in 2021, the best HERS Score was -7 by Fitch Construction in Fearrington Village!

627 Lbs Waste Diverted from the Landfill

We are proud to partner with CompostNow to give new life to our food waste. We also up-cycle our snack bar wrappers through Terracycle, and have a bottle filling station which averted 26,300+ bottles from the landfill since 2019!

17,675 Cars Taken Off the Road (Equivalent)

In 2021, the energy saved through our efficiency and solar power services removed an equivalent 17,675 cars off the road! That's 1,725 more cars removed than last year. In 2022, we are hoping to make an even bigger impact with an equivalent 25,522 cars removed.





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

\$592 Approximate Avg Saved Per Family / Year

Between all the families we reach from our home solar and building performance services, the energy savings add up. With all that extra dough, each family would be able to have an extra 15 pizza nights a year (valued at \$40 ea)!

\$322,999 Saved from Solar Power

The first year savings of all the solar we installed in 2021 could purchase 46,143 beers from Gizmo, the brewery across the street from our office (valued at \$7 ea)!

27,129 Families Impacted in 2021 by Our Services

We are excited to report we beat our 2021 goal of impacting 23,830 families across the Carolinas and beyond! In 2022, we'd like to increase our impact to over 39,710 families with our solar power, building performance, and sustainability consulting services!

\$10.2 MIL Saved from Energy Efficiency Services

The homes we've certified for energy efficiency have helped families across the Carolinas and beyond save real dollars on their utility bills. That's equivalent to everyone in Durham getting 7 free pints of Ben & Jerry's (valued at \$5 ea).

54% Solar Customers Came from Referrals

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



Behind the B: Environmental Justice

When we became a Certified B Corp in 2009, we signed a pledge to conduct all business as if people and place mattered, aspiring to benefit all by recognizing that we are all interdependent and thus responsible for each other and future generations. At the core of this pledge, we also commit to being (and leading) the change we wish to see in the world.

Grounding ourselves in the B Corp pledge and our company's mission of improving the way people make and use energy (human energy included), Environmental Justice is naturally an area that aligns closely with what we've been working toward since 2001.

Southern Energy Management is committed to using our business as a force for good and advocating for Environmental Justice through four key initiatives:

1. Improving Internal Processes

Benchmarking, analyzing, and augmenting areas where we are selecting candidates and posting jobs to make it more diverse and inclusive. We analyzed where our job postings were listed to diversify where we are selecting candidates from. We've increased the number of places where we promote our job postings to over 65 locations. Some of these spaces include HBCUs, community colleges, trade schools, veteran groups, LGBTQIA+ boards, and more.

2. Supporting Community Partnerships

We kicked off several community-based partnerships in 2021 with the goal of amplifying the work of local organizations around Environmental Justice. See page 13-17 for more info!

3. Leading with Education

In 2021, we partnered with Lashauna Austria from Seeds of Change Consulting to provide Justice, Equity, Diversity, and Inclusion (JEDI) training to all of our team members! We will continue growing with Lashauna in 2022, as she facilitates new opportunities for our team members to learn and converse around JEDI topics.

4. Advocating for Inclusive Policy Making

Working with industry leaders and advocacy groups to improve the impact of the solar and building performance industries.

What is Environmental Justice?

Ensuring ALL PEOPLE have fair access to a healthy environment to live, work, and SHINE by addressing policies and actions that disproportionately affect vulnerable communities.



Hope Renovations

Carrboro, NC hoperenovations.org

Hope Renovations' mission is to inspire hope in women and seniors for a joyful and fulfilling future. There are three focuses to this mission: empowering women to pursue livingwage careers in the construction trades, providing repairs and renovations that enable older adults to age in their homes, and filling a workforce shortage for trades employers with a new generation of tradeswomen.



Graham teaches a Hope Renovations cohort about designing a solar system





What We Did in 2021

In 2021, we partnered with Hope Renovations as a Vision Partner by providing building performance and solar training, job shadowing opportunities, and financial support!

What We're Doing in 2022

In 2022, we've committed to continuing building performance and solar training as well as providing job shadowing opportunities. We've also got an exciting partnership announcement brewing, with more news to come soon!

Learn more at southern-energy.com/community-partnerships

Project Pando

Raleigh, NC leaflimb.com/project-pando

Project Pando is a volunteer-driven tree farm led by local tree care company, and our B Corp friend, Leaf and Limb. Based out of Williamson Preserve in Raleigh, the goal of this 10 acre tree farm is to provide access to free trees, refurbish the biodiversity of our community, and create an open-source blueprint for others to join the tree-planting movement.



Benoit and Wyatt prepping the pond for erosion prevention

Learn more at southern-energy.com/community-partnerships

project pando



Ulysses and Veronika build a hugelkultur bed at Pandoland during our first volunteering event!

What We Did in 2021

We spent 2021 solidifying our partnership and planning what the path ahead would look like once we could start volunteering in person again!

What We're Doing in 2022

Now that is it safer to be in person together, we are excited to bring this partnership to life! In 2022, we have already planned three team volunteer days and are working on a solar-powered water pump to help with irrigation at Pandoland!

Habitat for Humanity of Orange County & Rotary Club of East Chapel Hill

Chapel Hill, NC orangehabitat.org

We are excited to work with the Rotary Club of East Chapel Hill to help Habitat for Humanity homes go solar! The Rotary Club is a service organization connecting community members and service projects. Habitat for Humanity of Orange County has helped 300 families achieve homeownership and over 200 families repair existing homes.



Two solar installs on Habitat Homes in Orange County, NC





Kelsey and Hayden installing the first Habitat Solar system in Orange County!

What We Did in 2021

In 2021, we donated time and materials for six solar systems to be installed on Habitat Homes in Orange County! We completed the first solar system installation in February, with the rest following soon after.

What We're Doing in 2022

After the Rotary Club of East Chapel Hill was able to secure additional funding and more panel donations from Strata Solar, we are excited to continue installing solar on 8-10 more Habitat homes this year! We also look forward to engaging with the Habitat Solar club from UNC Chapel Hill to continue promoting this awesome mission.

Greensboro Solar Cares Project

Greensboro, NC *hbcucleanenergy.org/greensboro-homeownersshare-their-own-solar-savings-stories*

In partnership with North Carolina A&T State University and the HBCU Community Development Action Committee (CDAC) Clean Energy Initiative, we were able to provide solar for nearly a dozen low-to-moderate-income (LMI) households in Greensboro! This program pairs no-cost solar systems with weatherization and efficiency upgrades to greatly reduce the utility cost burden on LMI households while addressing challenges of energy inequity. An apprenticeship program was also established to provide on-the-job training to 30 NC A&T students who can now begin careers in NC's clean energy industry.



One of the completed Greensboro Solar Cares installations

Learn more at southern-energy.com/community-partnerships







What We Did in 2021

Last year we installed solar on 10 low-to-moderateincome homes in Greensboro! We also got to educate these homeowners about how solar works and how to use their solar system.

What We're Doing in 2022

This year, the Solar Cares Project is expanding to Winston-Salem, where we will be installing 4 solar systems at no cost to low-income homeowners. We are proud to be part of this stellar project to bring awareness to addressing economic, health, and environmental equity through clean energy.

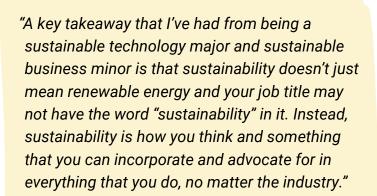
Building the Future: Scholarship Fund

Appalachian State University stbe.appstate.edu/news/mikayla-posey

The Sustainable Technology and the Built Environment (STBE) Advisory Council at Appalachian State University recognizes the need to promote cultural diversity and address systemic inequities in the clean energy industry. We are proud to contribute to the new student scholarship endowment for underrepresented undergraduate students in the STBE program!

2021 Update

In 2020, we contributed an initial endowment fund donation of \$4,000. We are excited to share that the first scholarship recipient, Mikayla Posey, was awarded in November, 2021!



-Mikayla Posey

17



20 SEM Milestones & Memories



7.35 MIL HERO Incentives Processed in 2021

Going green helps builders save green. Through our partners' commitments to building efficient and high-performing homes, we've been able to help them capitalize on a lifetime total of \$29.13 Million in HERO incentives for their achievements.

23.9 kW Home Solar System Installed

Last year, SEM's largest residential solar system installed was in Winston-Salem. This system includes 63 panels! Our average size system in 2021 was around 8.5 kW with approximately 23 panels.

1598 kW Commercial Solar System Installed

SEM's largest 2021 solar system install was on the First Citizens Bank in Raleigh, NC. We installed a total of 3,690 panels which took around 6 months to complete. This project also breaks the record for SEM's largest rooftop solar installation! A big shout out to First Citizens Bank for their commitment to sustainability and powering up with clean, renewable energy.

21,816 Final Efficiency Inspections Completed in 2021

Even through year two of COVID, our field and scheduling teams continued to bring "get to" dedication each day. In 2021, we completed 7,259 more final inspections than in 2020! A HUGE thank you to our field and scheduling teams for their stellar work!

Student Housing Solar System Installed

We installed a 149.4 kW solar system with 360 panels on a new student housing center at the University of North Carolina Pembroke (UNCP). UNCP participates in the "NC Promise" tuition plan program which limits tuition costs to \$500 per semester to keep college affordable to low-income students. Visit <u>uncp.edu/about/nc-promise-uncp</u> to learn more.



20 SEM Milestones & Memories



220 CEU Credits Earned from SEM Courses

In 2021, we offered 4 CEU courses with a goal of helping contractors and Realtors across NC earn a total of 500 credits. Although we fell short of our goal, we're excited to continue teaching about solar and building performance in 2022 and will be offering these courses again!

Scholarship Recipient Awarded

In 2020, we donated \$4,000 to the New Student Scholarship Endowment for Underrepresented Students in the Sustainable Technology and the Built Environment program at Appalachian State University. The first scholarship recipient was awarded in November 2021!

13,266 Energy Efficient Apartments Certified

In total, our multifamily team completed 88 projects in 2021 and expanded from 17 to 22 states (plus Haiti and Puerto Rico)! By December, around 30% of our multifamily projects were pursuing more than one green building program on their projects. A big hooray for healthier and more efficient housing!

Awards Received

Way to go superstars! We were awarded B Corp Best for the World in the Environment category, earned the 2021 ENERGY STAR Partner of the Year Sustained Excellence Award, and named a 2021 ENERGY STAR Market Leader.

121 Single Family Homes Rated in 1 Day

The end of year is a busy time for our entire team! On our single family building performance front, October 21st was our busiest day with 121 home performance inspections completed.





Transparencies



Human Rights & Child Labor Policy

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



Public Disclosure of Donations

In 2021, SEM donated a total of \$1,725 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
- + NC League of Conservation Voters
- + WakeUP Wake County

We also donated time and/or materials to these community partners in 2021:

- + Habitat for Humanity of Orange County
- Greensboro Solar CARES Project
- + Hope Renovations

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
- + Unified Development Ordinance Subcommittee, Chatham County Jamie Hager
- + Green Advisory Group, National Green Building Standard Laurie Colwander
- + Board Member, NC League of Conservation Voters Bob Kingery
- + Member, Green Home Tour Committee Brandon Pendry



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 Pinnacle. Share your goals with Mel Hubner.

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

SOUTHERNERGY M A N A G E M E N T

Lead the Change.

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