

# 2020 ANNUAL BENEFIT REPORT

# SunCommon 2020...

**6,650** metric tons of CO<sub>2</sub>

offset by solar from SunCommon

8.54
megawatts
solar capacity added

168

clean energy workers

employed in Vermont and New York



1,446
equivalent cars

removed from the road for one year



invested in 2020 toward creating a brighter, healthier tomorrow



carbon emissions saved by solar equivalent to planting

200,000 trees



have gone solar with SunCommon to date

...by the numbers.



#### **2020 Benefit Statement**

It is my opinion that SunCommon has acted in accordance with its general public benefit purpose in all material respects during 2020 and that the Directors and Officers acted in accordance with the Vermont Benefit Corporations Act. The 2020 Benefit Report gives evidence to the work that SunCommon has done in 2020 to support the triple bottom line of people, planet and profit.

Katie Langrock

SunCommon Benefit Director

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## A NOTE FROM THE CO-FOUNDERS

2020 was not easy; however, it is often through times of adversity that we learn the most and show our true colors.

The start of the global COVID pandemic rocked our world and our business. SunCommon was forced to shut down for months on end, just as we were coming out of our most financially strapped time of the year.

We chose to furlough more than 90% of our staff and use our limited resources to keep paying our employees', and their families', healthcare benefits. We asked a small and mighty crew to keep the business alive as we waited to see when we would be allowed to install solar again. We reimagined our marketing department, as our field marketing was publicly banned, and switched all of our sales to a virtual format. We implemented a new safety regimen to protect the health of our employees and customers. And painfully, we chose to lay off 15% of our staff to keep hope alive for a restart in the summer. And restart we did, thankfully, with the help of the paycheck protection program from the Federal Government.

As we got used to this new way of working, the world was shaken by the murders of George Floyd and Breonna Taylor. The global conversation that ensued prompted us to look deeper into our own practices, as we realized we had a lot of work to do to create a truly diverse and inclusive environment for our employees and customers.

2020 brought lots of new learnings, and though we continue to work on much of what we started, we're proud to have brought our business through such an unprecedented and difficult time. SunCommoners rose to the occasion and built a lot of clean energy for our customers. We were pleasantly surprised that consumer demand rebounded so quickly, as folks stuck at home pondered the continuing climate crisis and their role in addressing it, assisted by historically low interest rates as well as shifts in national politics that supported businesses like ours. We ended the year with a historic backlog of orders and even climbed out of the financial hole the pandemic had created in our balance sheet. And so we keep up the fight on climate change, with our treasured employees, and for our beloved customers.

Here's our look back at the benefit we brought in 2020, and many of the challenges upon which we still seek to make a positive impact.

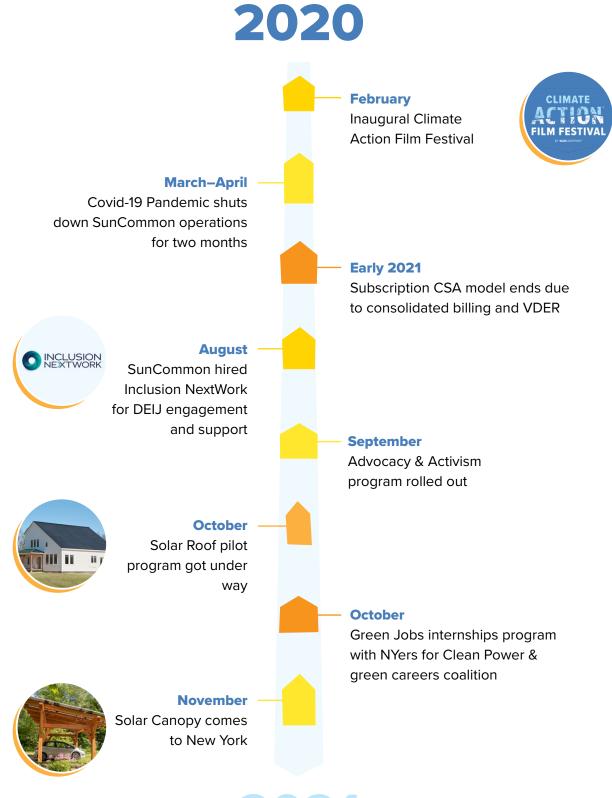
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## **BUSINESS AT A GLANCE**



We started 2020 with ambitious goals to grow our business and lower our collective regional carbon impact. We set our sights on 1,000 new solar homes, 300 new battery storage systems, 175 heat pumps, 200 community solar customers, and at least 30 businesses going solar across our two regions, to install 13.3 MW of solar and remove over 100,000 metric tons of carbon pollution annually. Combined, we would aim to bring in \$47 million in revenue, growing the company 19% year over year, and bringing in a 5% profit. Alas.

The devastating pandemic kicked off in March 2020, causing widespread illness, death, and uncertainty across the world. Our business shut down all operations for two months, and we put 15% percent of our staff on furlough, enabling them to receive amped up unemployment benefits offered by the US Government. Keeping our commitment to our people and recognizing the importance of health care in such a moment, we retained health benefits for all employees during our furlough period, burning through cash with no revenue. We kept a handful of employees running the minimum day to day operations of SunCommon. Between our minimum "lights on" operations and supporting our staff as best we could, a financial loss occurred from which recovery was uncertain.

As our states pulled together more comprehensive plans and strategies to combat the pandemic, essential operations like construction projects were given the go-ahead to start up again in

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the summer. We couldn't know what the environment would be for our business. but we had to forecast and structure a business to meet it. Government support was available, but the first Paycheck Protection Plan (PPP) tranche was exhausted before our application came up. Our line of credit was depleted, and banks were hunkering down for their own survival. Dark days indeed. Eventually we did receive a forgivable PPP loan for \$2 million and later a \$300,000 grant from the State of Vermont. That capital allowed us to re-open, bringing the majority of our employees back and seeding the period before installations again cranked up and revenues flowed to cover our spending. Whew.

From day one, we were diligent in applying CDC safety protocols, including the very different Work From Away effort for employees whose work did not require them in the field. It was (and is) a huge change. Some good came of it (relief from commute time, flexible work schedules, ability to care for family) along with the obvious hardships (isolation, reduced collaboration, onboarding and training challenges). SunCommoners in the field were allowed to continue their work, albeit with new safety protocols.

We were fortunate to be able to shift our business operations and bring most of our employees back to work on May 15th with the understanding that any part of our business that could be virtual would be. That meant all of our marketing, sales, and site evaluation staff pivoted to a new, fully digital approach, while our installation teams prepped with new

#### BUSINESS AT A GLANCE



protocols to keep themselves and our customers safe. As we found our feet in this new environment, we got back to doing what we do best: helping folks join the clean energy future, and delighting them along the way.

By the end of the year, through much change and problem-solving

by our whole team, we had installed 6.44 MW of residential solar and another 2.1 MW of commercial solar, for a total of 8.54 MW which will prevent more than 6,650 metric tons of carbon emissions annually. This was notably short of our original 2020 goal, yet ahead of our post-pandemic projection. Thanks to critical government support and our team's hard work, we ended the year more than afloat at nearly break-even, a remarkable financial result given the uncertain start, and ready to enter 2021 with renewed focus and commitment.

Amongst all that dedicated work to our everyday mission of reducing climate change with solar installations, we also managed to host our first annual film festival focusing on climate action, engage our customers and community in commentary periods to move clean energy policy forward, and support a

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green jobs training program in New York to welcome more women and people of color into our industry.

We end 2020 thankful for our dynamic team that was able to pivot and problem solve, bringing our business through our most difficult year, and continuing on our mission.

We're also encouraged by the conversations in so many parts of our country asking how we can build back better. With a renewed sense of hope and optimism, we look forward to fulfilling our part of that better, brighter future with more clean energy installations, and by dedicating ourselves to an equitable future by building more just systems. It's important work, and we love it.

## A NOTE ABOUT OUR LAYOFFS



## **A Note About Our Layoffs**

The COVID-19 Pandemic and the ensuing shutdown of our installation operations for two months forced us into a difficult financial position where the viability of the company was in question. We faced an immediate need to reduce costs, and because much of our marketing efforts, including our innovative community organizing model, were literally rendered illegal as gatherings were banned, we needed to reduce our staff.

That led to some really hard decisions. While we certainly didn't intend to target any particular identity or group, the impact of our layoffs was clear when we later reviewed it and realized that we had become a more homogenous company. Suffering half of all our layoffs, Marketing had been the home of some of SunCommon's most dynamic and diverse employees who represented the communities they worked in. Layoffs in other departments reflected the newest hires, those with the least experience to drive our business into the uncharted waters of the pandemic. Their departure reduced SunCommon's diversity as well.

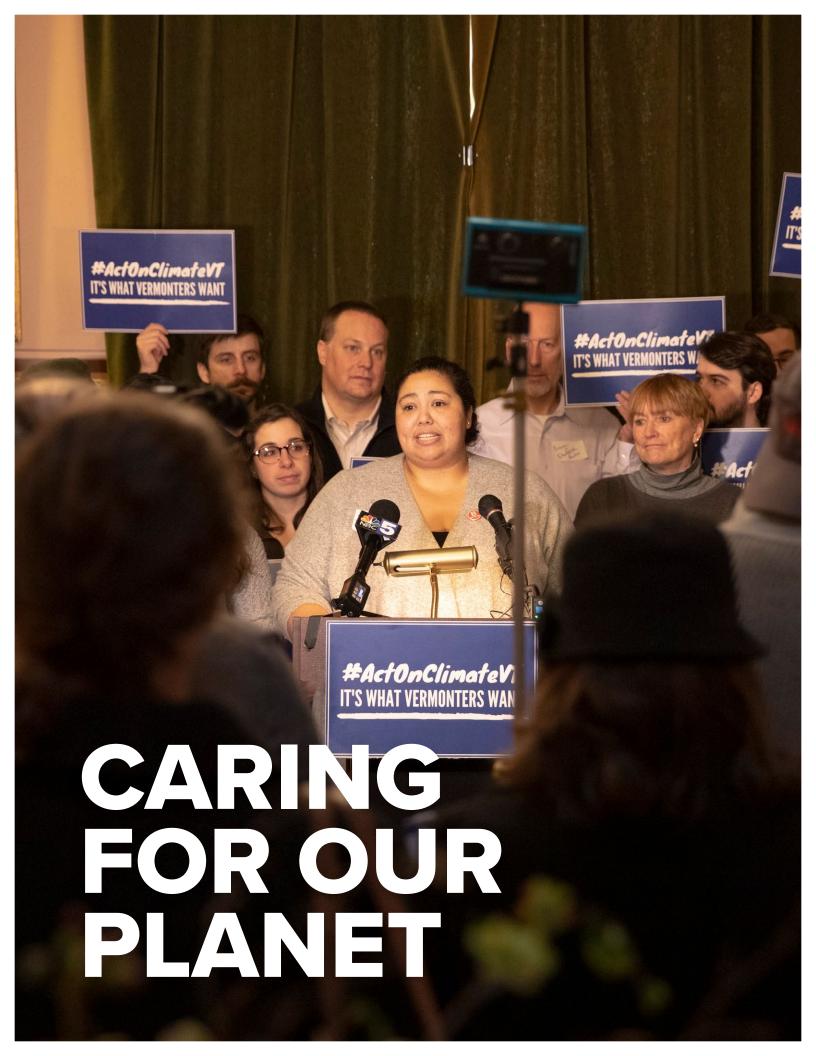
When only weeks later the world was rocked by the murders of George Floyd and Breonna Taylor, as well as a surge of support for the Black Lives Matter movement, we knew we had to do better.

Systemic and institutional problems often feel invisible to those inside the systems and institutions. Unfair impacts feel unintended by individual decision makers as they are often designed or encouraged by systems which shape the decisions unconsciously. Seeing the results of our layoff, we knew we had to A) address and acknowledge the harm caused by our business decisions, B) educate ourselves deeply on the history and effects of racism and the systemic oppression of all marginalized people, C) uncover and fix the unjust systems within our business and spheres of influence, and D) create an inclusive environment for folks of all identities to work together to fight the climate crisis.

Thanks to a dedicated group of employees, we were able to find and contract with the Diversity, Equity, Inclusion, and Justice (DEIJ) consultant group Inclusion NextWork. After a comprehensive survey of where our company was currently sitting, they helped us make a plan to learn a lot, reexamine our own policies, and start our journey to become a more inclusive workplace. Just these first steps of reviewing and planning consumed all of our 2020 focus on this work.

We know this work takes a long-term, dedicated commitment. We've been told 4-6 years is the right time frame to expect to see shifts in our culture and ways of working. That timeframe is frustrating for many, and yet we remain dedicated to making SunCommon part of a brighter, healther, and more equitable future.

A Note About Our Layoffs suncommon.com





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As a company whose mission is centered on fighting climate change, caring for our planet is a top focus. The products we sell reduce emissions and inspire our communities to create brighter futures for us all. We also seek to reduce our own negative environmental impact through zero net energy facilities and by reducing our company vehicle emissions by switching to hybrid or electric models whenever possible.

To create impact beyond ourselves, we recognize that we have experience and skill in net zero strategies in particular, and with that knowledge seek to influence our supply chain to also take an active approach in reducing their emissions.

## Planet: How are we doing?

Impact Area	Status	Next Steps
Code of conduct for suppliers	Still working on it	Influencing our vendors and suppliers to take an active approach in reducing their emissions is a top priority for our B Team in 2021.
Facilities	Doing well!  Our 2 facilities in Waterbury and Rhinebeck are net energy positive and burn no carbon-polluting fuels.	The pandemic meant we halted any plans for expanding our facilities; however, as our growth warrants this, we will be seeking new spaces and keeping them net positive in the coming years.
Fleet emissions reductions	Doing well!  We created an EV pledge in 2019, committing to acquiring no more carbon-polluting vehicles as long as electric alternatives exist and replacing our Prius Hybrids with EVs as their leases end. While we had planned an effort to reduce employee commuting pollution, Work From Away pre-empted.	We plan to convert our construction pick-up fleet to EVs as soon as they're available.

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#### **Products**

Our products remain the biggest and most tangible ways we positively impact the planet. Although we fell shy of our growth goal, we still managed to install over 8 MW of solar across our two regions, which equates to more than 62 metric tons of avoided carbon pollution annually.

In November 2020, we were delighted to turn on our very first Solar Canopy system in New York. Bringing our innovative products like Canopy to new regions was a top priority for our merger with Hudson Solar in 2018. The Canopy is not only beautiful and functional, retaining usable space underneath, it also is permissible in many towns where ground mounts have difficulty getting approval from local boards, thus opening up more access to solar for those with poor roof sites and restrictive permitting rules (a surprising number of our customers in the Hudson Valley!).



Another exciting new product innovation has been Tesla Solar Roof. A game-changing solar tile so elegant and unassuming, Solar Roof provides a new solar option for those who find traditional panels aesthetically unsuitable. We believe Solar Roof can take the place of a good number of residential solar installations, so we moved quickly to get in on the ground-floor of what could be a huge segment. Although our first Solar Roof job was not turned on in 2020, we did

undertake the rigorous training and certification protocols and sourced our first early-adopter customers in both Vermont and New York. We look forward to evaluating our pilot program on this product and making plans to integrate it with our current product offering should it prove to be a wise investment.

After completing our current three CSA projects in New York, we officially scaled back our community solar program. We believe the best community solar projects are modest in scale, from a few hundred kW to a megawatt or two. These often suit our rural communities better than larger arrays. Unfortunately, the way that community solar is compensated in New York means the value fluctuates and changes daily. Due to the unprecedented low demand for electricity caused by the pandemic in early 2020, the value of solar energy plummeted. This meant that many of our community solar subscribers did not see the savings we had projected for them. How could we make this work going forward? An easy fix would be to lower the cost of membership, but it was hard to find the savings to share in our model. Larger arrays realize savings through their larger scale, but our small array



approach means that these projects are no longer penciling out. There is still interest in building these projects, but it's currently not possible to create a model with guaranteed savings for customers as well as a return for investors at the scale we think is right for our regions.

Community solar is a critical part of the clean energy future because it provides an entry point for people who want to opt into clean energy but can't put panels at their home or business. We look forward to offering these types of products again when the value of community solar credits is more stable or when we're able to partner with investors comfortable with smaller returns. In the meantime, new community solar projects will continue on, led by developers doing larger scale projects.

## **Clean Energy Construction, COVID Year Over Year**

	Residential Projects	Installed Residential Power	Commercial & CSA Projects	Installed Commercial & CSA Power
2019	809	6.991 MW	23	6.029 MW
2020	638	6.44 MW	27	3.29 MW

## **Supply Chain**

In 2018, we identified that we could have a bigger impact on our planet by influencing companies in our supply chain to examine their own social and environmental impacts. We set as a goal to create a formal, written supplier code of conduct. While the events of 2020 intervened, we continue to believe in its potential impact, and our internal B Team is making this a priority in 2021.

#### **Facilities**

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With a growing New York team, we anticipated needing to find additional office and warehouse space for our Hudson Valley folks. Because the pandemic halted our operations for several months, this was paused; however, we are planning to look again at additional facility space in 2021.

A happy accidental effect of the reduced staff time in our facilities was that our energy use shrank in 2020. Additionally, reduced staff commutes due to Work From Away meant less fossil fuel burning in their cars every day. This reduction will be difficult for us to maintain

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going forward for a couple of reasons: for one, our staff is returning to regular facilities use, and secondly, we've begun transitioning our fleet to EVs which charge at SunCommon Headquarters, increasing our electricity needs. This is an area of particular concern since this increased usage could potentially turn our buildings from net exporters of clean energy to consumers of dirty energy sources.

#### **Fleet**

We'd set a goal for fewer trips for our fleet as a way to reduce our energy consumption. We did achieve this goal in 2020, reducing fleet trips significantly for sales, marketing, and install staff due to our shut-down period and the transition for much of our staff to work from away. Again, this reduction, while real in 2020, is unsustainable moving forward. Particularly as our fleet transitions to 100% EV, we will need to investigate how to add more solar to our facilities or purchase clean energy to continue our net zero commitments.

We are so committed to reducing our fleet emissions that in 2019, we created the Drive Electric Pledge as a way for individuals and companies alike to commit to refusing fossil fueled vehicles as long as an electric alternative was viable. We were proud to have local utility companies Green Mountain Power and Burlington Electric Department sign the

pledge with us, as well as many of our employees and customers. As our older fossil fuel and hybrid vehicles end their leases, we are replacing them with all-electric models, and we look forward to having a fully electric fleet when electric trucks become an option in the near future.

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#### **The Drive Electric Pledge**

We the undersigned businesses, non-profits, and individuals pledge to vote for a healthy climate by committing that our next vehicle will be electric. We pledge not to purchase or lease any fossil fuel burning vehicles as long as there are viable electric alternatives. We make this commitment, for our business and/or personal use, for now and in the future.

We believe that the climate crisis demands immediate action. Climate scientists from around the world have stated that we need to drastically reduce our carbon footprint. Emissions from the transportation sector are currently the largest source of carbon emissions in the United States. The urgency of this problem, and the clarity of the solution, necessitates swift action from everyone.

We make this commitment as we see ongoing new EV options, longer all electric ranges, and the continuation of utility, state, and federal incentives that help make the decision a good financial one for drivers. We can confidently say that NOW is the time to move beyond fossil fuels and the internal combustion engine. We join this public pledge to take a step closer to a future that can be powered all by clean energy and not dirty fossil fuels.

While there is a runway of progress yet to be made in other areas of the transportation sector, namely heavy duty trucks, we believe that starting with this commitment to moving all of our passenger and other "light duty" vehicles to all electric is the right place to start. As all electric trucks and heavy duty vehicles become available, we will support a complete switch to all electric transportation in homes, businesses and other organizations.

To learn more, visit suncommon.com/drive-electric-pledge

#### **Environmental Priorities**

- » Get back on track with our solar installation goals, growing sustainably and positively year over year to make the biggest impact on the climate crisis.
- » Investigate our supply chain with the B Team; engage and put pressure on our suppliers to improve their practices while also actively supporting suppliers who are already doing good things for the planet.
- » Find new facilities for our New York office and create a space that is both useful and welcoming for staff, while continuing our net zero commitment.
- » Transition our fleet to EVs while finding a solution to charge them with clean energy.

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## People: How are we doing?

Impact Area	Status	Next Steps
More people: nurture culture	Still working on it	The Pandemic meant we had to nurture our culture in a totally different way. Our focus was to keep our team safe and together while remote. We'll continue to work on improving our company culture in 2021.
Exec leadership: more diversity	Still working on it	We added Kate Lamb and Marie Mazzucco (our HR managers) to our executive team this year, increasing the team's gender diversity. Further improvements to diversity there will likely entail adding positions to the team.
Diversity & Inclusion: D&I and security plan	Still working on it	This was a big year for SunCommon DEIJ, and we continue to work through our plan in 2021
Compensation: pay equity	Doing well!	SunCommon helped anchor a comprehensive gender pay equity survey that's now available to all businesses. We discovered that our pay was quite fair yet made a handful of adjustments to establish equity across the board. Reporting these results to our employees and promoting this to other businesses are next steps.
Employees: manager training	Needs Attention	Talent development was deprioritized in the year of COVID. Yet the need persists, so as finances allow, we plan to return to this effort.

## **Diversity, Equity, Inclusion, and Justice**

Our journey into DEIJ began in the summer of 2020 after the murder of George Floyd brought social justice issues into sharp focus, alongside our own layoff which unintentionally and disproportionately impacted folks from marginalized identities. A committed group of employees pushed us to find a DEIJ consultant and helped us sort through proposals to ultimately contract with Inclusion NextWork (INW).

INW set out on a multi-month investigation into our current culture which included 9 focus groups (including external stakeholders), 2 surveys, 10+ staff interviews, and a complete

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review of SunCommon's internal data. From this base they developed a plan and set the following key goals for us to begin working on:

- 1. Provide education for our staff at all levels to foster trust and learn about DEIJ issues together.
- Embed DEIJ into systems and structures to ensure equity in our processes, ways of working, and decision making, as well as setting goals and metrics to measure progress.
- 3. Create internal resources at SunCommon to carry on the DEIJ work and conversations.

INW's contract with us spans one year beginning in late 2020, so much of this work is yet to come in 2021. And as previously stated, we understand that even an unwavering commitment to this work will mean a journey of at least 4-6 years to see substantial change in our organization.

We recognize that to effectively fight the climate crisis, we must change so many of the systems that brought us to this point, and we are committed to doing the work needed to be a force for good in all we do. We understand that our climate work meets social justice in environmental justice, and we increasingly look for ways to support the important work of partners who can tackle the systemic dismantling holistically this way.

#### **Climate Action Film Festival**

Our climate conscious and creative storytelling team recognized a gap in the climate film world: a festival dedicated to solutions and action vs. despair and doom. In pursuit of this vision, the Climate Action Film Festival (CAFF) was born.

CAFF's mission is to bring together activists, filmmakers, and communities to witness and celebrate stories of climate action. Solutions to the climate crisis are being implemented every day around the world, from rebuilding coastal estuaries to bringing solar power to remote

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communities. CAFF spotlights the people playing a part in restoring balance to our planet—the engineers, scientists, builders, thought leaders, and activists who are chipping away every day at this monumental challenge.

In early 2020, just before COVID hit, we debuted the first annual CAFF with a tour of five sold-out theaters across Vermont and New York, selling over a thousand tickets. Our \$9,000 in ticket sales went directly to local organizations fighting climate change: New Yorkers for Clean Power, Youth Climate Coalition, Vermont Public Interest Research Group (VPIRG), Vermont Natural Resources Council (VNRC), and the Vermont Youth Lobby.

The festival featured 11 films telling stories of climate action ranging from ecosystem restoration, to nonviolent direct action, to youth advocacy. Visit the CAFF 2020 Archive to explore the inaugural CAFF lineup.

As COVID restrictions rolled out, we transitioned the tail end of our festival tour into a digital event series. In 2021, we will offer even more flexibility for viewers as we expand virtual CAFF internationally and access filmmakers, water defenders, experts, and activists across the globe.

## **Green Jobs Training**



The solar industry as a whole is overwhelmingly white and overwhelmingly male. We would like our workforce and industry to reflect the wide range of identity diversity, and we want to share the wealth of the growing green economy with all communities, not just the ones who have historically reaped the rewards of economic booms.

We know it is our responsibility to make our industry welcoming to everyone and to proactively network and outreach with communities that aren't represented in our workforce now. We were therefore thrilled to partner with Citizens For Local Power (based in Kingston, NY), along with other green industry businesses, to create a green jobs training program to welcome women and people of color into the solar workforce. We helped launch the program in October 2020, providing a multi-week internship for seven individuals curious about getting into the green trades, providing them with hands-on experience and training to become solar installers.

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We partnered too with the Burlington Technical Center in Vermont to launch a workforce development program welcoming New Americans into the construction trades. Classroom training on social skills and workplace etiquette led into orientation with the various trades and finally job shadowing in the field. We subsequently supported the program's move to the Essex

Technical Center and hope to stay connected as the program evolves.

While SunCommon didn't gain any new employees from either of these programs, we enjoyed supporting this group of folks and look forward to improving and continuing these programs and other job training in the future.



كعامل تركيب لموادات الطاقة الشمسية، سوا بالتعاون مع فريق عمل لتركيب الأنظ الكهروضونية (PV) في الاسقف والأر قرائد حلك لتركيب الطاقة التمسية مع شرك :Sun Common

- مهنة مجزية وذات مغزى
  - رائب للافسى
- تامين صمي وتامين على الأسنان منفوع بالكام
- 3 أسابيع PTO للسنة الأولى و4 أسابيع للسا والكثر من ذلك
- إنهاز مع مساهمة الشركة بمطابقة ما تنفعه
- اكتساب العزيد من المهار ات، والشهادات المخا
  - العمل مع شركة سريعة النمو والتقدر!



هذا البرنشج عبارة عن شرافة بين

وهو ممكنا يدعم من السم العمل في والاية فيرمونت







#### برنامج التدريب المهنى لتركيب اقراص الطاقة الشمسية

البرنامج سيمتغرق مدة عام واحدوهم لإعداد الطائب للعمل في مجال تركيب أقراص الطاقة الشعسية اكسب بينما تتعلم!

#### كتوبر 2020 - دېسمبر 2021

الثلاثاء من الساعة 9-6 مساء، أكتوبر - مايو في برثينجتون التدريب المهنى سوف يكون يتوام كامل، من شهر مايو الي شهر ديسمير مع شركة صن گرمزن Sun Common

#### \*\* آخر موعد للتقديم: 13 سبتمبر 2020

" لامساعدة لامائية دلقع الرسوم للدراسية متاهة للمتقدمين المؤهلين من خلال BTC, VSAC }المشحة لامتقدمة للكبار ( وا) وزارة للعمل في

#### معلومات عن البرنامج

- هذه فرصة مثيرة للعمل في مجال الطاقة المتجددة و الإنجيمام إلى منظمة سزيعة النموء هذة المنظمة مكرسة للحقاظ على البيئة وصنع عالم أكثر مسحة
  - يت برنامج التدريب المهني فتركيب أقراس الطاقة الشمسية من شهر اكتربر 2020 إلى شهر ديسمبر 2021 شهر اكتربر
- بجتمع المشاركون في البرنامج مساء يوم واحد فقط في الأسبوع من ---- مسترحرين من خبرصهم معمده يوره وحمد العصفي والمصطلح من شهر اكترير إلى شهر مايو، ثم بعد نشك يتظاون إلى دوام كامل للعمل باهير من شهر مايو إلى شهر ديسمبر. لا تعتاج هبرة في بناء الحقارات فهي ليست ضرورية للانضمام إلى الهرنامج، ولكن ستعتاج إلى إظهار الرعبة في التعلم وتطبيق المهارات ومعج معايير السلامة والمعلومات الجديدة التي تعلمتها

- - وسيكون هناك منح لدعم اللغة ولدفع رسوم الاختبار

## إذا كنت ترغب في الاشتراك

أكمل الطلب قبل حلول 13 سبتمبر على الموقع التالي https://forms.gle/ticJ7jB3KaoX2Pxs6



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## **Voter Registration**

Voting is perhaps the single biggest way we can influence the large-scale systemic change that is needed to fight climate change. Every election is an opportunity to put people in power who will make decisions supporting our planet, our communities, and our futures.

Voting is particularly difficult in our country where elections take place during the week when most people are expected to be at work. Other countries offer voting day as a paid holiday, or offer mail in options and extended voting times to allow everyone to vote. Because our country lacks these measures, we decided to remove that as a barrier for our folks by giving them paid time off to vote, and encouraging other companies to do the same by participating in the "Make Time to Vote" campaign.

## **Engaging in public comment periods**

With over 8,000 customers between our two regions, SunCommon has a sizable base of passionate climate activists at its fingertips. We often call upon our customer community to write their governmental representatives, sharing their opinion on proposed legislation pertaining to energy policy or environmental issues.

In 2020, we put out a call to action asking folks to write to the VT Public Utility Commission (PUC) in support of policies that would keep solar net metering incentives in place, instead of reducing them as planned. Our active community of customers, partners, and staff submitted over 600 comments to the commission.

Although we were not successful in getting the PUC to change its decision on net metering, we were proud of the way folks showed up to have their voices heard, and we will continue to tap the potential of our passionate community.

## **People Recommendations**

- » Commit to and roll out our DEIJ learning plan to educate our people, rebuild our policies, and create an inclusive culture that supports a diverse workforce — all while planning long-term support for this work at SunCommon
- » Re-launch our employee teams (B team, Inclusioneers, and Joy Gang) with budgets and clear expectations of goals and hours required
- » Plan for meeting on-going staff training needs

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The year 2020 started out great for SunCommon. We achieved our early-year goals while hitting our stride as an 8-year old business. Then COVID-19 struck. The global pandemic and the economic catastrophe it caused disrupted everyone across society. The unforeseen effects on our business presented management challenges unprecedented in our careers. Suffering the government-mandated shut-down of operations (and the revenues they were to generate), SunCommon benefited from government disaster relief and re-opened – albeit painfully smaller than before, with fewer employees to reflect what we imagined would be a weaker marketplace in the damaged economy.

The revised plan, which we named Sustainable SunCommon, envisioned hunkering down and generating positive cash flow each month after re-opening. Federal support via a forgivable loan enabled us to re-open after the 2 months of revenue-free shut-down. We achieved our goals, ending the year at the Revenue and Operating Margin goals we set to survive our business. We're proud that we not only survived this calamity, but thrived once we were allowed to re-open.

Our intense focus on surviving the catastrophe consumed us, such that many of our initiatives around mission fell by the wayside. We didn't publish a Benefit Report for the prior year. Our environmental sustainability efforts on reducing our carbon footprint and leveraging our supply chain for good were suspended. The employee talent development program was paused. We so look forward to those very worthwhile efforts with the stabilization of our business.

We cannot over-celebrate the grit of our employees during this awful year. Even as they wrestled with fears for the safety of themselves, their families, colleagues, and customers, they pivoted amazingly to adapt every business process to this suddenly remote world. Marketing, sales, and site evaluation all had focused on human-to-human contact at the kitchen table. Boom, no more. Installations were encumbered by even further safety protocols. Folks who had worked in the office worked from home, in what was believed to be short-term but has endured. SunCommon employees' resilience will live in the lore of our business. And our customers stepped up too, mostly stuck at home as well, to imagine their own role addressing the climate crisis. So while we didn't see that coming, demand for solar rebounded strongly. And our people were there to provide the joyful customer experience we aspire to.

So as it was for many others, 2020 was a year of excruciating challenges...and achievements we couldn't have imagined. We not only live to see another day, but our beautiful business ended the year stronger than ever.

This year was really tough, but we are honored to have managed through it with our wonderful people at SunCommon. **Onward, as there's a lot to do.** 

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#### **DIRECTORS & ADVISORS**



SunCommon is governed by a six-member Board of Directors and supported by an additional 3-member Board of Advisors. They convene for quarterly in-person meetings with other intervening engagements as useful. The role of the Board of Directors is to approve SunCommon's business plan and budget, and to set the compensation of the Company's Co-Presidents.

#### **Directors**



#### **Duane Peterson,** Co-President

Duane is a social entrepreneur with an eclectic 35-year career in socially responsible business, campaign management, government service and community involvement. He chose Vermont, moving his family here in 1996 to work at Ben & Jerry's as Chief of Stuff for 12 years tasked with executing Ben Cohen's creative vision. He and James managed the successful campaign to retire the Vermont Yankee nuclear reactor. Committed to sharing what he's learned, he serves on the boards of Vermont Businesses for Social Responsibility (VBSR) and Vermont Public Interest Research Group (VPIRG) and is a member of the national Social Venture Circle.



#### James Moore, Co-President

James has dedicated his professional career to helping create a clean energy future. He worked in Washington State, Connecticut, Florida, New Jersey, Washington D.C., New Hampshire, and New Mexico before moving to Vermont in 2004. James directed VPIRG's Clean Energy Program and co-directed, with Duane, the successful VPIRG Energy project.



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#### **Jeff Irish,** Vice President & General Manager in Rhinebeck

Jeff founded and for 15 years operated Hudson Solar, the premiere solar business in New York's Hudson Valley. Prior to that, he held executive positions at General Electric for over 15 years. He's a Professional Engineer with an MBA from Harvard. Jeff is a recognized authority on New York renewable energy regulatory & compliance. Following our 2018 acquisition of Hudson Solar, Jeff joined SunCommon's Board of Directors and Executive Team. Duane, James, and Jeff together own 64% of SunCommon shares and elect 4 of the 6 Board members.

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#### Katie Langrock, Benefit Director

Katie is the Chief Operating Officer at Vermont Teddy Bear. Before that, she was an early employee at Staples, opening its #19 store. SunCommon benefits from Katie's deep experience in growth phase business development, operations, supply chain and customer service. As the Company's Designated Benefit Director, Ms. Langrock is legally required to offer her opinion as to whether SunCommon provided a public benefit during the year covered by this annual report (see inset to Table of Contents). As an Independent Director, Ms. Langrock was granted stock options totaling .5% of the then outstanding shares in 2014, vested over 4 years.



#### **Marianne Barton**

Marianne is an attorney with 4 decades of experience in clean energy and environmental conservation. She is a partner at Catalyst Clean Energy Finance which has created \$130 million in project finance, including a \$35 million finance facility for SunCommon's innovative Community Solar program. Among other things, Marianne was an entrepreneur and adjunct faculty member at Marlboro College MBA program and the Vermont Law School. As an Independent Director, Ms. Barton was granted stock options totaling 1.0% of the then outstanding shares in 2015, vested over 4 years.



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#### TJ Whalen

TJ is a Managing Partner at Fresh Tracks Capital, Vermont's premiere venture capital firm and significant investor in SunCommon. TJ joined our Board in 2015 when he was Chief of Strategy at Green Mountain Coffee Roasters/Keurig after a 12-year career there including heading Marketing & Sales. Its market cap was \$170 million when he began, and \$14 billion at his departure. He brings expertise in strategy, growth phase business management and capitalization. As an Independent Director, Mr. Whalen was granted stock options totaling 1.0% of the then outstanding shares in 2015, vested over 4 years.

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#### **Advisors**



#### **Ben Cohen**

Ben co-founded Ben & Jerry's and pioneered its values-led business practices. His innovative marketing engaged the company on progressive issues and campaigns that produced meaningful change while building the iconic brand based on meaning. Ben was central to the creation of the national networks Businesses for Social Responsibility and Social Venture Network. Ben chairs the Stamp Stampede to rid our democracy from the influence of special interest money in politics.



#### **Cairn Cross**

Cairn is a co-founder of Fresh Tracks Capital and serves as a Managing Director of its Funds. Cross serves on the boards of FreshTracks portfolio companies Vermont Teddy Bear, NEHP, and NativeEnergy. Cairn was formerly the Chair of the Board for the EatingWell Media Group which was sold to Meredith Corporation in 2011. Cairn spent the 1990s in strategic and financial consultancy to Vermont banks and growth businesses such as Otter Creek Industries, Green Mountain Coffee Roasters, and Merchants Bank, Howard Bank and Vermont National Bank.



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#### **Mathew Rubin**

Mathew is the President of Spruce Mountain Design and developer and operator of renewable energy projects, including the Winooski One Hydroelectric Project. Matt is an outspoken practitioner of environmental sustainability from food production to electric generation, and consults on hydro projects in New England and globally. He was a founding member of Vermont Businesses for Social Responsibility (VBSR) and serves on the boards of Renewable Energy Vermont the Vermont Independent Power Producers Association and VTDigger.

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## Business as a force for good.











SunCommon believes that joining a community of companies where all are striving to do better can widen our outreach and impact.

As a certified B Corp, SunCommon's business practices are assessed by an independent third-party. So far, 40,000 businesses have taken this assessment to gather a standardized review of five categories of business activities regarding their customers, community, employees, governance, and environment. Only about 1 in 20 business who complete the assessment earns B Corp certification. The average score of businesses completing the assessment is 51; a passing score to receive certification is 80; the median for all certified B Corps is 95. SunCommon earned a 104, joining just 2,400 certified B Corps across the planet. We're due for re-certification in 2021, using the assessment tool to identify ways to increase our positive impact.

In addition, SunCommon is organized as a Benefit Corporation, requiring our Directors to consider the business's impact on People, Planet and Profit — and prohibiting shareholders from litigating should they feel we prioritized other stakeholders over their financial returns. There are 4,750 Benefit Corporations.

Put those together, and SunCommon is among only 216 businesses globally that are both Benefit Corporations and certified B Corps.



