

SUNGEVITY INTERNATIONAL IMPACT REPORT

2018

**SUNGEVITY
INTERNATIONAL
IMPACT
REPORT**
2018

10.620 flights to New York and back again



4

You're holding the very first impact report of Sungevity International, which aims to give you, our stakeholders, a clear picture of where we stand when it comes to our environmental and social impact. As a company that lives and breathes green energy it's the only logical thing to do.

The reason for kicking off our impact reporting this year is twofold: in the first few years of our existence our company, then Zonline, was too small to warrant a structured assessment of our impact. In the years after, we grew very rapidly, but in the meantime Zonline was also taken over by Sungevity US and renamed Sungevity International. Sungevity US chose not to report separately on our impact.

This situation changed in 2017 when Sungevity International split off from Sungevity US to continue as a separate company. Shortly after, we joined forces with Engie, but with the clear understanding that Sungevity International would function as an independent entity with its own management, its

own values and its own reporting. We also decided to seize the moment to reaffirm and strengthen our core values and mission-driven approach. This impact report is an integral part of that.

The report before you is by no means perfect. One thing we discovered in the process of writing our first impact report is that we still have a long way to go to measure our social and environmental impact, both positive and negative, in a well-structured way. But we have learned an incredible amount and also discovered many things that already go amazingly well.

What put the biggest smile on my face is our soaring positive impact on carbon emissions. In 2018, our solar systems avoided almost 14.000 tonnes of carbon dioxide (CO₂) emissions by producing clean power. Doubling - in just one year - the total amount of carbon we took out of the air during our entire existence! To put this into perspective: 14.000 tonnes of avoided CO₂ emissions is equal

to taking 6.300 dirty cars off the road for a year or avoid 10.620 return flights from Amsterdam to New York.¹ And that all in one year! It's an achievement that fills me with pride. And we have only just started to scale up!

This impact report will be the first of many. The process of getting there has been priceless in giving a solid grasp of where we hit it on the nose, but also where we need to improve in the coming years. And that's exactly what we will be doing. For you, for ourselves and for a cleaner world.

Roebyem Anders,
Chief Mission Officer

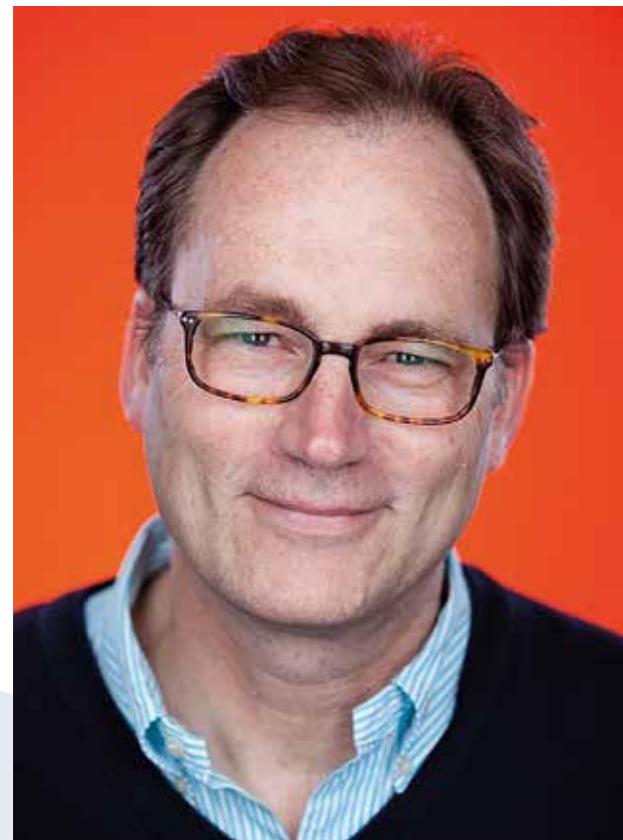
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what kind of a

dent are we making?



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At Sungevity International our Vision is Powering lives with Sunshine and we want to power 5 million of them by 2030 ! Why? It's simple - because we want to contribute to averting the climate crisis, while at the same time giving our customers access to the fastest growing source of new energy in the world - Solar.

It is more than just about solar panels on roofs though. That is often just the catalyst that leads our customers make more informed choices about how to make their homes and lives more sustainable. So we aim to stick with them for the long run, monitoring their systems and helping them think and go beyond panels. That's why we call it powering lives with Sunshine, and not just Solar.

Sungevity have been at this in earnest since 2012 when Roebyem and several other like-minded partners started the venture in her backyard (literally!). They wanted to make a dent in the climate problem with Solar. I remember going through

their first business plans when Roebyem asked me for advice in those early days - and I secretly said to a close friend - "how cool would it be if I was really a part of this?" Late in 2014, after having spent 9 years fighting climate change from the inside of 2 large corporates (BP and Vestas Wind Systems) - that became a reality and I have been on the Solar Coaster ever since.

Sungevity International grew 2.36x in terms of installed homes in 2018. We could not have done that without the daily dedication, hard work and energy from what are now 174 Solar Warriors working hard to power those lives with sunshine across 3 countries. We also could not have done it without our supportive owner, Engie - who acquired Sungevity International in mid 2017 and give us the freedom and financial resources to grow at arms-length.

We have also reached a size now that we feel we can start to openly share more about our impact.

So it is only natural that under Roebyem's leadership, we have decided to publish for you - our staff, our customers, and our stakeholders - our first Impact Report. It is our attempt to transparently provide information on how we are doing with respect to our environmental and societal impact so that we can see what kind of a "dent" we are making and can be held accountable. Although we have a ways to go still in several areas and will constantly look to improve - we are proud of what we have achieved so far, and I hope you enjoy reading about it.

Jan Slaghekke
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Jan Slaghekke".

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1

Reporting approach



WHAT TO EXPECT IN CHAPTER 1:

Ok, this might not seem to be the juiciest chapter in this report. But bear with us, because it is secretly super interesting! In this chapter, you will read about why we report, what the word impact means to us, and what topics we've identified as the most important to us and our stakeholders. Those are the topics that we will report on in this report, so let's dive in!

our reporting goals in a nutshell

Needless to say we are not interested in ticking boxes. We report to motivate ourselves and others and to keep ourselves honest by shining a bright light on our performance, the good and the bad. Our reporting goal can be broken down into three parts.

- 12** 1 We want to track what progress we are making towards our mission: '*Powering lives with sunshine to speed up the energy revolution*'. To be able to quantify this process we set a Big Hairy Audacious Goal (BHAG): '*5 million lives powered by sunshine in 2030*'.
- 2 We want to have clear and detailed insight in our social and environmental impacts, learn from them, and translate these insights to immediate action to slash our negative impacts and accelerate our positive impacts.
- 3 We want to share the full Sungevity impact story, told in a clear and verifiable way, with our customers, partners, suppliers, employees, which we call Solar Warriors, and other stakeholders. This way they and we can hold

ourselves accountable, work with us to improve our performance and we can celebrate our milestones together.

what do we mean by impact?

Well, that is rather simple. When we talk about our impact, we mean the effect or influence that we as a company, through our actions, have on a situation or a person. Of course there are many different impacts, but in this report, we focus on impacts that fall into two categories: our social and environmental impacts. Of course, some of our actions have impacts in both categories.

social impacts

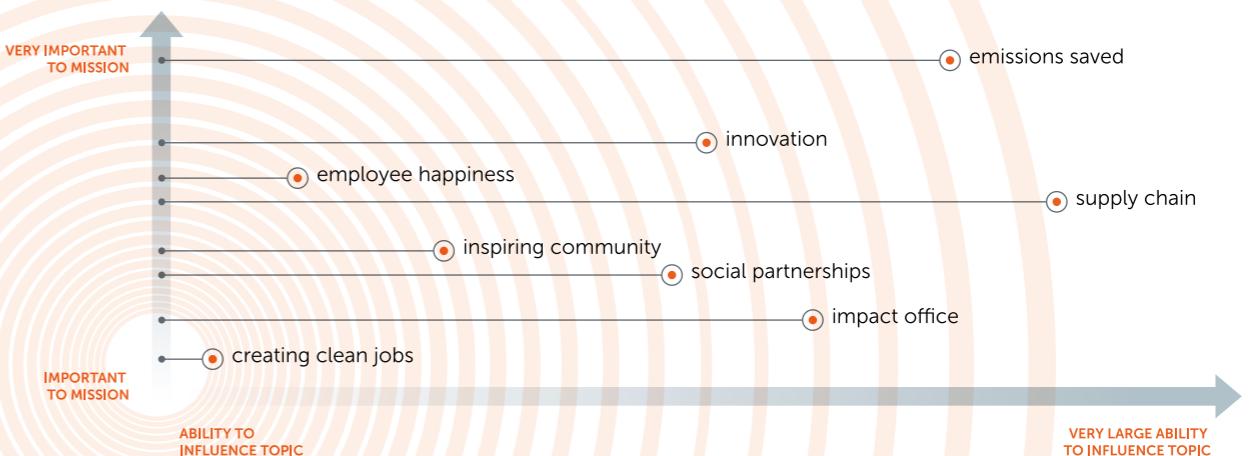
This category of impacts includes all effects, positive and negative, that we as a company have on people and society. Think for example about fair wages, a healthy and encouraging work environment, but also about making solar accessible to social groups that couldn't access it before and spreading the word about climate change by organising free events and starting social movements to accelerate the green energy revolution.

environmental impacts

This category of impacts includes all effects, positive and negative, that we as a company have on the environment. Think for example about (CO₂) emissions, energy, material, and water use, and waste.

materiality matrix

Every reporting framework will encourage you to report on material topics: which is a fancy word for areas where you, as a company or organisation, have a substantial positive or negative impact and influence on. For this year's report, we asked our internal Mission Team to identify what issues are important to Sungevity to fulfill its mission and how much influence Sungevity has on those topics.



² Want to know exactly how we are structured for impact at Sungevity? Read all about it in appendix D

The Sungevity Mission Team² consists of 10 dedicated Solar Warriors spanning a wide range of departments and responsibilities, that have the specific task to guard Sungevity's mission within the company. Of course, the Sungevity Mission Team does not represent all our stakeholders. For next year's report, we intend to include at least 3 more stakeholder groups, for example installers, partners, customers, shareholders or suppliers, to improve the scope of our materiality matrix.

So, let's not keep you waiting any longer. We used the answers of the Mission Team on what issues its members deem important to Sungevity's mission and how they assess the company's ability to influence them, to finally plot our 2018 materiality matrix. Leaving out topics that did not score highly on impact nor on influence, left us with 8 final topics. These do not only form the core of our 2018 impact report, but also help us focus our future efforts on the areas in which we can make the biggest impacts.

what do we mean by these material topics?

EMISSIONS SAVED

Sungevity is on a mission to combat climate change. We do this by helping our customers produce their own clean energy and reduce their CO₂ emissions: every solar system that we install on a customer's roof is good for 25 years of avoided CO₂ emissions if you compare it to the alternative use of electricity generated by fossil fuels.

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INNOVATION

Innovation is in our DNA and crucial to reach our BHAG: 5 million lives powered by sunshine in 2030. We have a history of being at the forefront of innovation in the solar sector, and are determined to keep it this way. Whether by ironing out any operational inefficiencies and thus building the well-oiled machine needed to scale-up our regular channels, and/or making solar accessible to market segments that didn't have access to solar before and/or moving beyond panels, helping our customers to make their homes and lives even more sustainable.

SUPPLY CHAIN

When we talk about our supply chain, we focus on two things: first, our suppliers. How can we, by our choice for certain products and suppliers and by working with our suppliers, maximize any positive and minimize any negative social and environmental impacts derived from our supply chain. Secondly, the recycling. We want to ensure that our products are recycled properly, so that their positive impacts do not just end at the end of their life cycle.

ENVIRONMENTAL IMPACT (OF OUR) OFFICE

We believe in the saying 'practice what you preach'. This means that we take the environmental impacts of our office, however small, seriously. It is a topic that we, as Solar Warriors, have a lot of influence on: we can take measures to improve the sustainability of our home and change our own behaviours if they are not sustainable.

EMPLOYEE HAPPINESS

Our Solar Warriors are our biggest asset. They are crucial to our mission. Without the energy and dedication of our Solar Warriors, Sungevity would not be where it is today. So thank you all, past and present, Warriors! In short: our mission and our people's well-being are firmly tied together. Our Happiness Team keeps track of Solar Warrior happiness and develops initiatives to help our Solar Warriors shine even more.

SOCIAL PARTNERSHIPS

Combating climate change and changing deeply rooted behaviour is a collaborative affair. That's why we always look for synergistic partnerships with like-minded organisations. Whether they are partnerships mainly focused on raising awareness or trying to tackle market inefficiencies, or both. We believe you are stronger together.

INSPIRING THE COMMUNITY

We do not just sell solar panels: we also use our presence in the world to tell a story. That the world needs to transition to another kind of energy, and fast, to minimize the negative effects of climate change. We tell this story in many different ways: by actively participating in the debate around the energy transition, by organising free inspiring events, and by making our customers so enthusiastic about solar energy that they become ambassadors and tell all their friends and neighbors about going solar too!

CREATING CLEAN JOBS

The more we grow, the more jobs we create in the clean energy sector. In the last year, the amount of Solar Warriors working in our office in Amsterdam Noord grew with more than 30%, now bringing the total to a whooping 174! But they are not the only ones that we provide with clean jobs. We also work together with local installers in our Preferred Installer Network. We aim to help them work as sustainably as possible as well.

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BOX

GRI, SDG'S... WHAT?

So, this Box is for the reporting enthusiast among us. As you might now, it's a jungle out there when it comes to choosing a comprehensive standard to report on your environmental and social impact. We chose to use the Global Reporting Initiative (GRI) Standards for our impact reports.

The GRI Standards are the first global standards for sustainability reporting³ and are widely used and respected. By using the GRI standards, we ensure that the structure and definitions used throughout our report are transparent and can be easily compared, both to future impact reports from Sungevity and to reports from other companies.

Finally, GRI standards are precise, hands-on, and can be built upon, allowing us to create a solid baseline for future reports.

Want to know what GRI Standard a certain piece of information refers? The GRI Content Index in the appendix will tell you exactly that.

On to the SDG's: the Sustainable Development Goals. The SDG's are 17 goals that together set a blueprint to achieve a better and more sustainable future for everyone.⁴ They were set by the United Nations General Assembly in 2015 and have been guiding organisations all over the world ever since. We, as Sungevity, support all 17 SDG's, but identify ourselves mostly with SDG 7: 'Ensure access to affordable, reliable, sustainable, and modern energy for all' and SDG 13: 'Take urgent action to combat climate change and its impacts'. Everything we do is ultimately connected to these two SDG's.



Oh, one more practical thing: the year we cover in this report runs from January 1st 2018 to December 31st 2018. All presented data, unless stated otherwise, adheres to these dates. Enjoy!

³ Globalreporting.org/standards/, 25/01/19

⁴ Un.org/sustainabledevelopment/sustainable-development-goals/, 21/01/19



IT'S ABOUT EMPOWERING PEOPLE
TO TAKE PART IN THE ENERGY REVOLUTION

2

What a year!



WHAT TO EXPECT IN CHAPTER 2:

For those of you that don't know us that well yet, we will shortly introduce ourselves in this chapter: who are we exactly, what do we do, and where do we do it? What are our mission and values? And how did we get to this exciting year? Because what a year 2018 has been! We experienced unprecedented growth, shaped our relationship with ENGIE, and adopted a new way of working. And all that in one year!

pleased to meet you!

Let's start with getting to know each other, shall we? For us, it all started in 2011, when our founder, Roebyem Anders (you have met her in the preface, remember?) started the solar company Zonline together with three other entrepreneurs. Fun fact: they first worked from Roebyem's garden shed!

Why they started Zonline (which became Sungevity later on), you ask? Well, that is rather simple: a career of 25 years in green energy convinced Roebyem of two things: that the world would not make it without a green energy revolution and that solar power could be instrumental in unleashing that revolution. However, in 2011, solar was not even close to be ready for that role. The market for residential solar was still in its infancy, plagued by unrealistic promises, high prices and bad service; chasing away all but the most dedicated customers.

OUR MISSION:

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Still, when she closed her eyes Roebyem could see a golden future. A future where switching to solar power was so simple, cheap and reliable nobody would think twice about it. A world where solar power spread like water, fueled by the basic human longing to be part of something bigger and do something good for the world. So Roebyem decided, together with her partners, to take the leap and start a company that would work towards making this future possible.⁵ Now, 7 years later, a lot has changed. Zonline has become Sungevity International, Roebyem and her partners have become 174 Solar Warriors, the garden shed became an attractive industrial office at the IJ in Amsterdam Noord, and most importantly: 14.283 solar systems have been installed on roofs in 5 different countries, preventing the emission of 28.521 tonnes of CO₂, proving that Roebyem's vision is well on its way to becoming reality. Of course, a lot has happened in the last 7 years to get to where we are now.

POWERING LIVES WITH SUNSHINE TO SPEED UP THE ENERGY REVOLUTION

⁵ Want to read how we work towards this future in more detail? Read the whole Sungevity story here:
<https://www.sungevity.nl/over-sungevity-nederland>

BOX 2:

THE VALUES WE LIVE BY

Where would we be without our values? They are ingrained in everything we do, that is why we want to share them with you here. We think they will help you get to know us even better. We, the Solar Warriors of Sungevity International, are:

MISSION DRIVEN

POSITIVE & ENGAGED: EVERYTHING WHAT WE DO ATTRIBUTES TO OUR MISSION



PEOPLE CENTRIC

HONEST & CARING: PEOPLE ARE AT THE CENTRE OF OUR BUSINESS



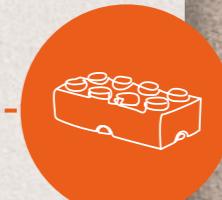
INNOVATIVE

DARING & OPEN: WE KEEP INNOVATING TO SPEED UP THE ENERGY REVOLUTION



BUILD FOR SCALE

THINK BIG, WITH EYE FOR DETAIL: SCALABILITY ENABLES US TO MAXIMIZE OUR POSITIVE IMPACT



**our big hairy
audacious goal ?**

BHAG:

**5 million lives
powered by
sunshine in
2 0 3 0**

the Solar Coaster

Like a real roller coaster, the solar market can get rough, but is always fun. We lovingly call it the Solar Coaster. Here are some of our notable twists and turns in the last 7 years:

2011

Sep: Roebyem and three other entrepreneurs start Zonline in the garden shed behind Roebyem Anders' home in Amsterdam.

2012

Jul: Zonline goes live! First customers and first to offer Remote Solar Design in the Dutch solar market.
Aug: Yvon Jaspers, a Dutch TV celebrity, goes solar. The Telegraaf article "Yvon gaat voor Zon" generated the first hausse in leads.
Oct: 100 systems installed.
Nov: First 'Solar Warrior' hired.

2013

Feb: Move to in Amsterdam IJburg office (with 9 Solar Warriors).
Jul: Set up crowdfunding platform Doneer de Zon with Urgenda, aiming to bring solar to schools.

2014

May: Zonline joins forces with Sungevity US, renamed Sungevity International.
Sep: 1000 systems installed.

2015

Oct: First solar auction, selling and installing solar on a large scale.
Dec: First Beyond Panels campaign to promote additional green products and services.

2016

Aug: First solar partnership in Belgium with Engie (first installation in Belgium in this month).
Dec: Start School Rooftop Revolution.

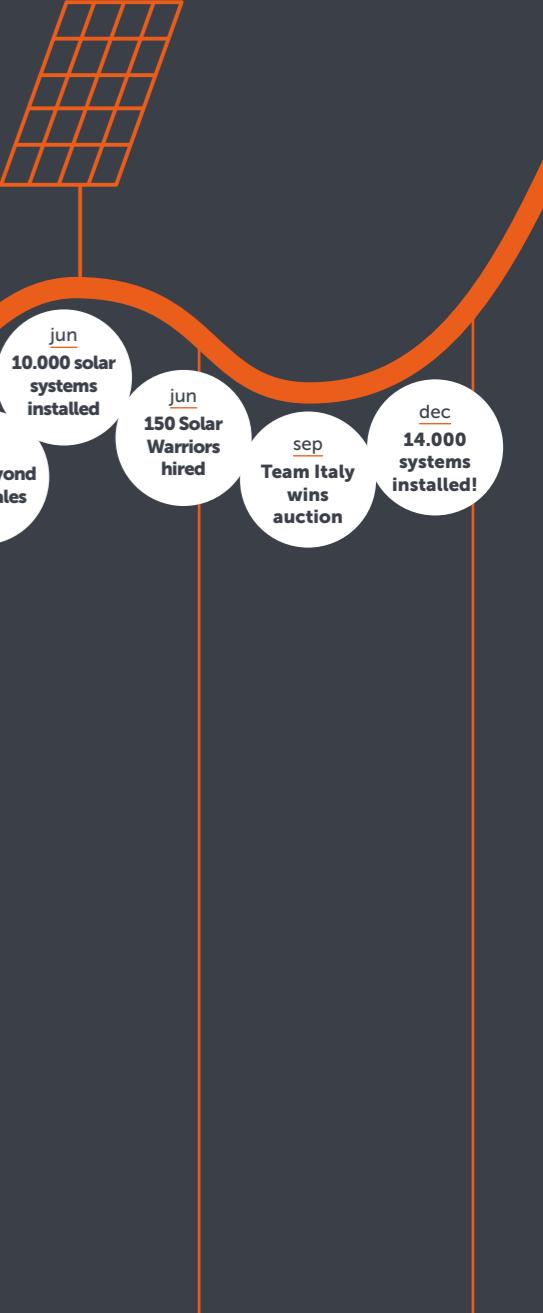
2017

Jan: Move to new office in Amsterdam Noord (with 40 Solar Warriors).
Feb: First Climate College Tour.
May: Sungevity US taken over by Northern Pacific Group; Sungevity International splits off and joins forces with ENGIE.

Jun: Refugee project pilot
Oct: First installation in Italy
Nov: Start Rental Rooftop Revolution (Huurdak Revolutie) & first partnership with an housing association.

2018

Feb: Start Beyond Panels team
Jun: 3 milestones! 1000 Beyond Panel sales (heat pumps, insulation etc) & 10.000 solar systems installed in the Netherlands, Belgium and Italy.
150th Solar Warrior hired.
Team Italy wins the AltroConsumo action.
Our 14.000th system is installed!



new in 2018

Now that you know a bit more about who we are and how we got here, we would like to zoom in on the most important changes for us in 2018. First of all, we have experienced enormous growth in all markets. Secondly, our working relationship with ENGIE, who we joined forces with in 2017, has taken shape, and thirdly, we implemented a new way of working within the company in the form of the Rockefeller Principles. It is safe to say that we are no longer a startup, but entered the exciting world of scale-ups.

SUNGEVITY'S MARKET PRESENCE: THE WAY IS UP!

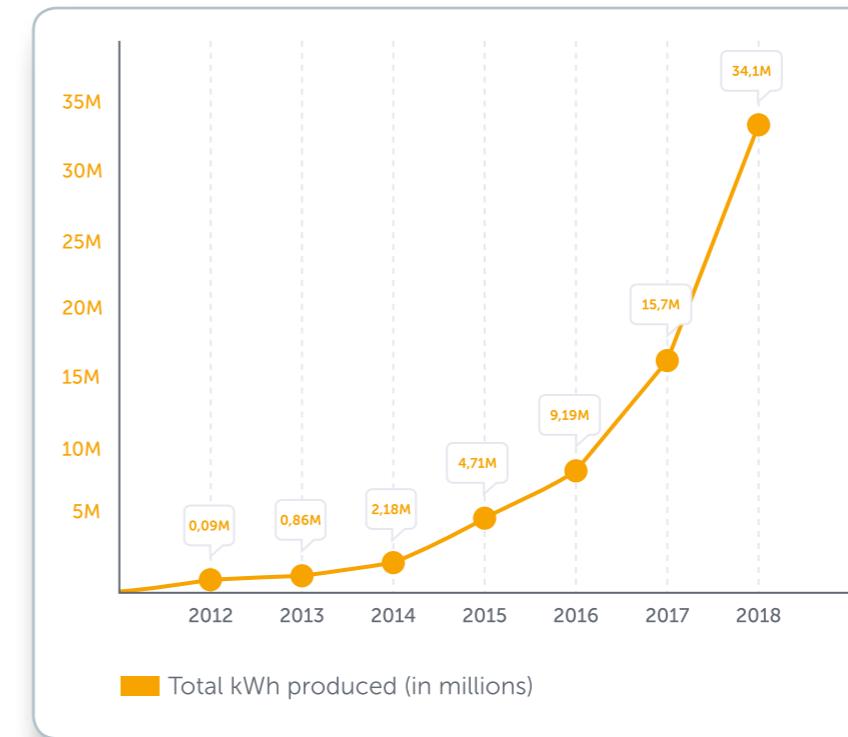
In 2018, the foot was on the gas pedal for Sungevity, both measured in the number of solar systems installed, the amount of sustainable electricity generated by these panels, and consequently in the amount of CO₂ emissions avoided by our customers.

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Moreover, we saw rapid growth in both Belgium and Italy, markets that we entered recently. Close to 35 % of all the systems we've put on roofs in 2018 have been installed outside the Dutch market, with Belgium being the main engine of this geographical diversification. Measured as a percentage of solar electricity production in kWh last year, the contribution of markets outside the Netherlands was 22%. The difference lies in the fact that most of these installations took place at the end of the year and have thus not produced as much electricity yet.

Let's look at the total number of newly installed systems last year, shall we? Together with our installers, we bolted 6.557 new solar systems on roofs in 2018. That record number represents a whopping 46% of all solar systems we've installed ever since we exist.

SPEEDING UP: ALL MARKETS



If we look at the sustainable electricity production in 2018 of all the systems we've installed so far the picture becomes even prettier: together they generated 50 % of all the solar power our systems combined have produced since we started.

To put this into perspective: the more than 34 million kilowatt hours that our solar systems produced in 2018 are enough to:

- > Power 11.369 Dutch households for a full year⁶
- > Fuel 227.381.025 electric car kilometers⁷
- > Keep a LED-light burning non-stop for 648.474 years!⁸



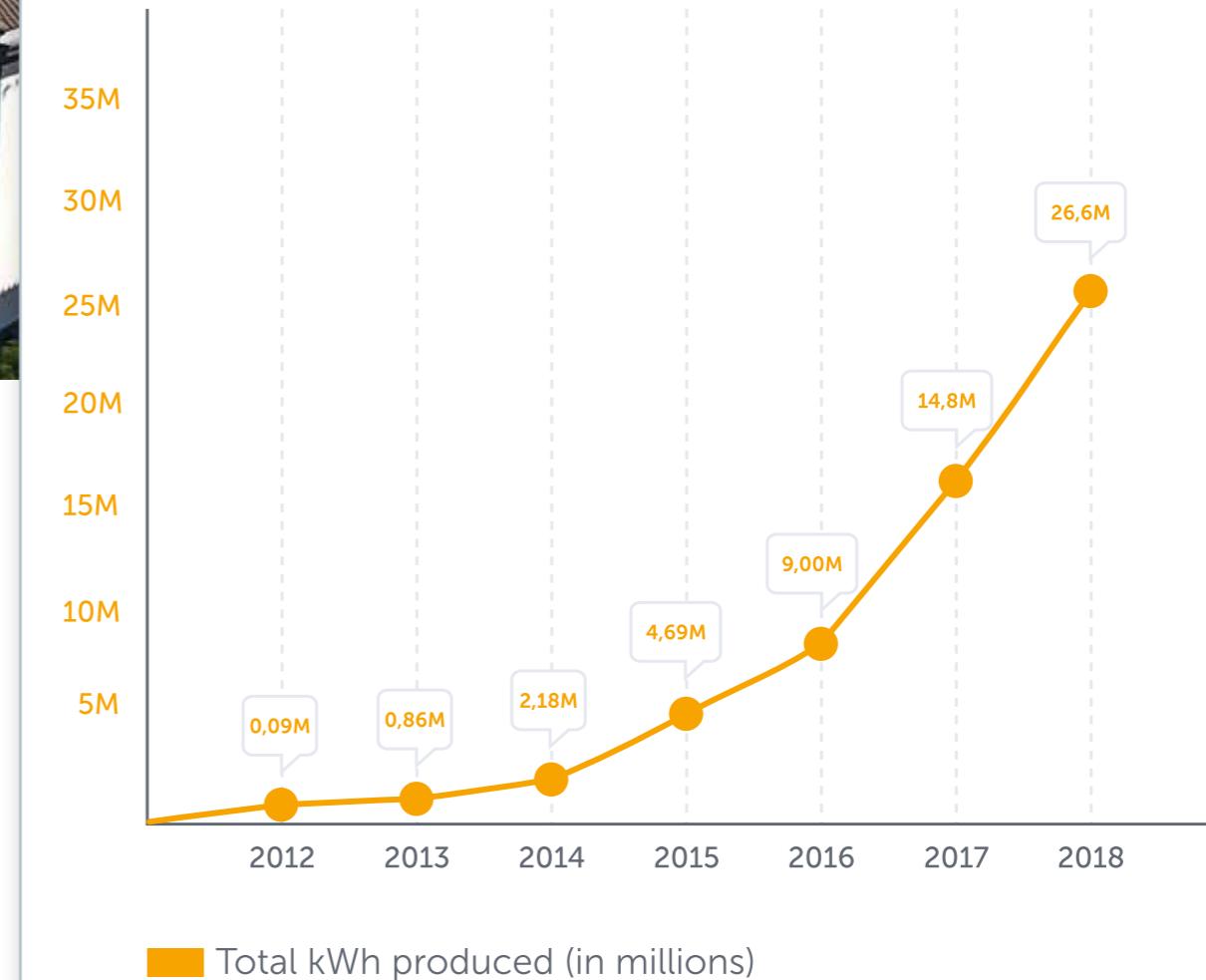
THE NETHERLANDS: STILL GOING STRONG

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Still our largest market by far, the Dutch market is also our favourite place to test out new sustainable products and services. Besides our Beyond Panel initiatives (more on those in chapter 3), we also offer our unique SunSure warranty to Dutch customers, a financial compensation we offer if their system generates less power than we at first predicted. Other services we provide in the Dutch market, besides selling and installing solar systems, is 24/7 monitoring and system maintenance & repair.

The prospects for the Dutch solar market are very good. At least 1,33 GWp in capacity was added in 2018, 38% of which on residential roofs. The total solar capacity in the Netherlands is now more than 4,2 GWp and is expected to rise further the coming years.⁹ This despite the fact that net metering for residential systems will be replaced with a yet to be specified feed-in tariff in 2021. The Dutch government, however, is committed to keep the payback period for residential systems at 7 years.

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⁶ Based on 3000 kWh/year: milieucentraal.nl, 12/10/18

⁷ Based on an average of 15 kWh/100 km: zerauto.nl, 14/01/19

⁸ Based on a 6W LED, equivalent to a 40W incandescent light bulb: energieleveranciers.nl, 22/01/19

⁹ Solarsolutions.nl, "Nationale Solar Trendrapport 2019", 30/01/19

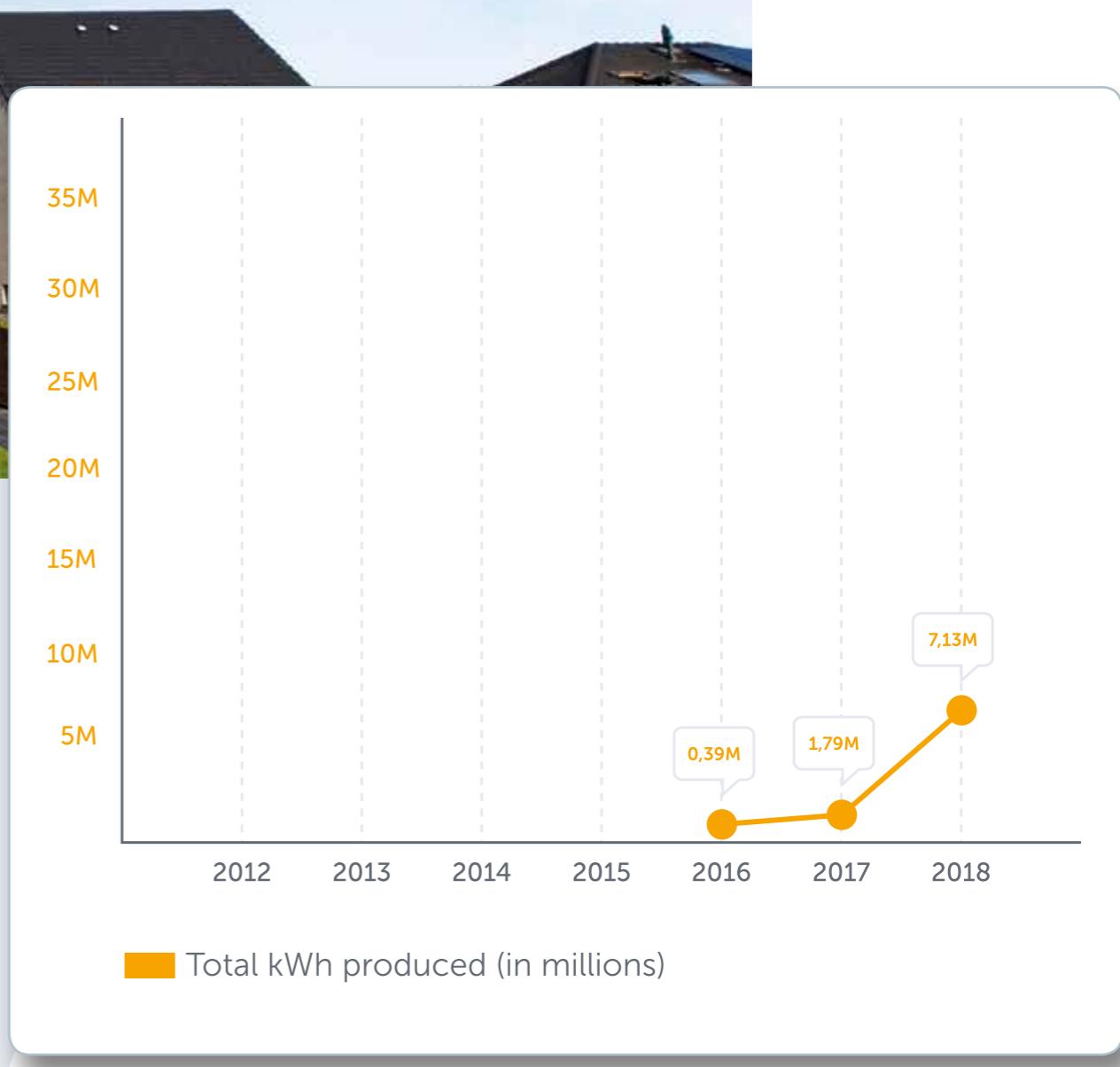


BELGIUM: A SOLAR EXPLOSION

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We've been in the Belgian market for barely three years, but things are steaming ahead. In 2018 our system installs went up with 333 %. The electricity generated with all Sungevity systems in Belgium combined, jumped from almost 2 million kWh in 2017 to more than 7 million kWh last year: an increase just shy of 400 %. Compared to the Belgium residential solar PV market as a whole, which experienced a small decrease in newly installed capacity of 7% compared to 2017¹⁰, this is especially large.

The fact that ENGIE has a strong presence in Belgium plays an important role in this success and is clear proof that the partnership between ENGIE and Sungevity (read more about this partnership later in this chapter) works as intended. Apart from solar system sales and installations, we currently offer 24/7 monitoring and maintenance & repair service in the Belgian market. We are looking into offering new products and services, like Sunsure and Beyond Panels products and services to our Belgian customers as well.



¹⁰ Tijd.be, "Groei zonnepanelen op woningen valt stil", 03/01/19

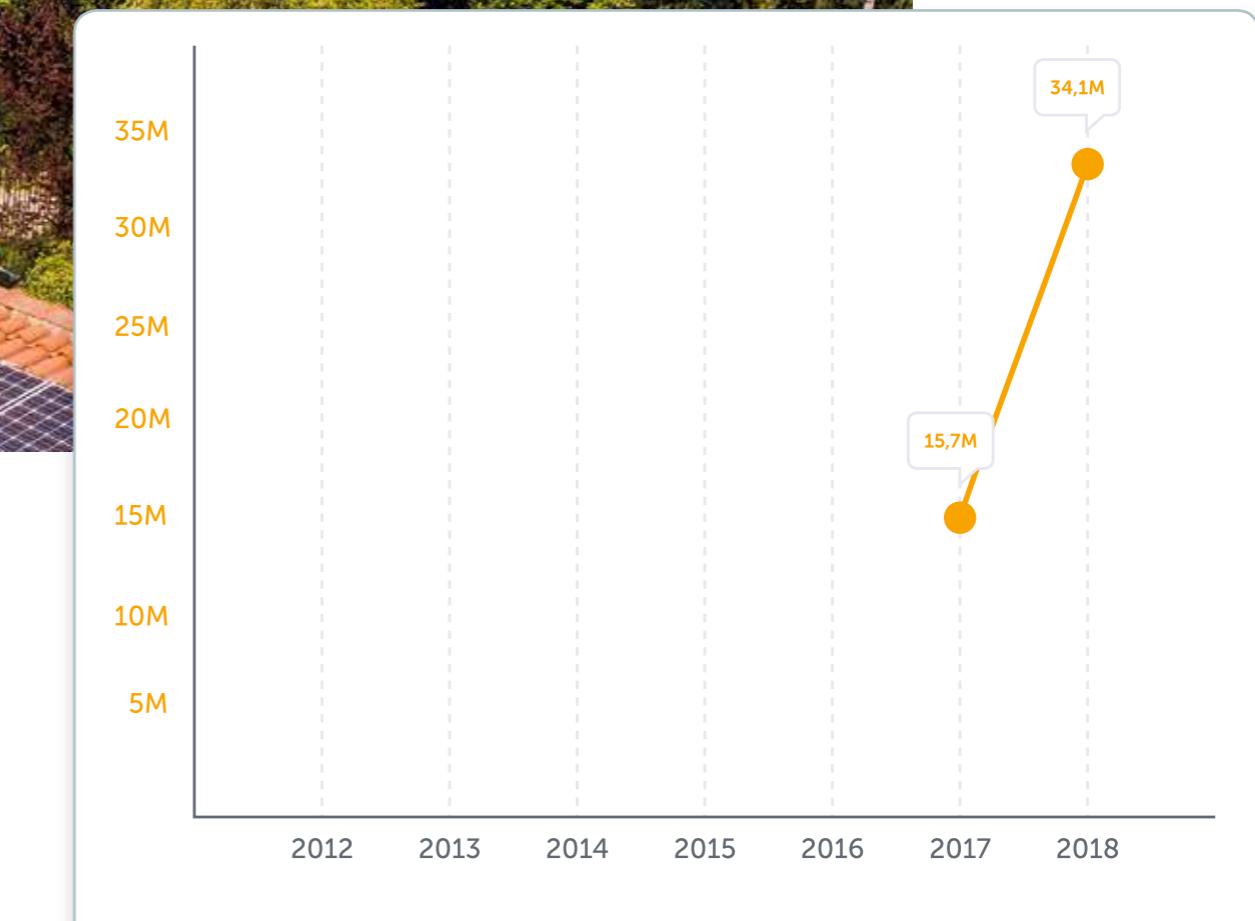


ITALY: THE START OF SOMETHING GREAT

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Late 2017 we entered the Italian market. We believe the Italian market has great potential for residential solar. First of all, the amount of sun hours is hard to beat. Secondly: Italy offers both net metering and generous solar tax breaks. Households switching to solar can deduct half their costs, not just of their panels but also of their battery storage system. Despite these favorable circumstances the residential solar market has remained sluggish in the last years. We aim to change this by offering a faster, cheaper and more transparent way for customers to access solar. It's also the first time Italian customers can get a personalized, reliable quote online.

And our approach has already paid off: in September 2018 we won the residential solar auction of AltroConsumo, one of the biggest Italian consumer organisations. Apart from the sale and installation of solar systems, we offer 24/7 monitoring and maintenance & repair to Italian customers. Italy is also the first market where we sell and service battery storage systems, since the Italian retail electricity price, which is among the highest in Europe¹¹, combined with a 50% tax break, make storage an attractive option.



■ Total kWh produced (in millions)

¹¹ Ec.europa.eu/eurostat/, 21/01/19

GERMANY AND UNITED KINGDOM: WRAPPING UP

Sometimes you try something and it doesn't work out. So after a brief presence in Germany and the United Kingdom we decided to stop our activities in both markets in 2017 and 2016 respectively. In both cases this was mainly due to rapidly deteriorating market circumstances for solar.

Since the UK slashed its solar subsidies in 2016, the residential market for solar crashed to almost zero growth.¹² And in Germany dramatic cuts in feed-in tariffs over the last few years¹³, in combination with an already well-developed infrastructure of solar suppliers, dimmed our prospects there. In both countries we continue to service the systems that remain, a total of 67, that still produced 182.007 kWh in 2018.

¹² Theguardian.com, "UK home solar power faces cloudy outlook as subsidies are axed", 27/06/18

¹³ Greentechmedia.com, "Germany's course correction on solar growth", 03/11/16



BOX 3:

SOLAR ON THE CUSP OF GOING MAINSTREAM

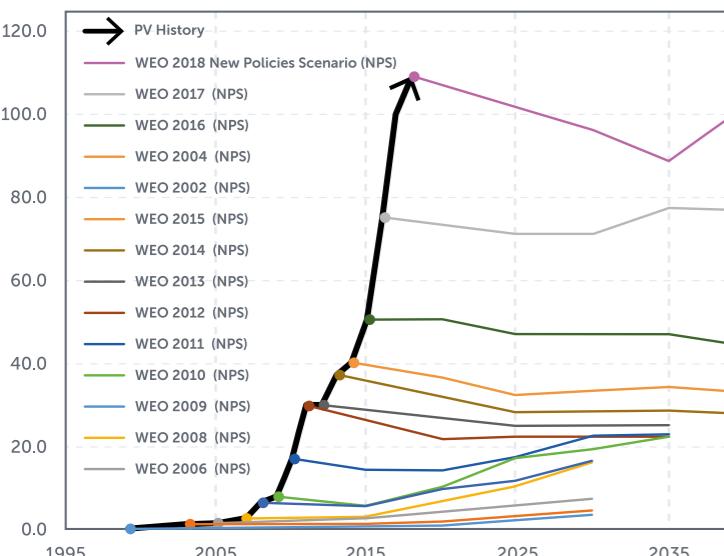
Why are we so excited to see these growth numbers? Because they show the potential and stunning growth prospects of solar. So does the following graph, that compares the predictions made by the International Energy Agency to the actual added PV capacity since 2000. Solar has outperformed the predictions over and over again!

To fully understand why, it is important to understand the concept of the adoption curve: like any technology, acceptance of solar is a multistep process. First a handful of people just have to have it at any price: the so-called innovators. Over time, when prices drop and familiarity goes up, more people adopt the technology, starting with the early adopters, then

the early and late majority. And finally, after a technology has completely developed and dirt cheap, off the shelf solutions are available, the laggards join the ranks.

A good example of a technology that went through such an adoption curve is the mobile phone, which went from brick for the happy few to a large screen phone/camera/computer combination for the masses in a matter of decades.

Solar energy is on a similar trajectory. Going solar is certainly not just for hardcore tree huggers anymore, the early adopters and some of the early majority have joined in by now, drawn by the double whammy of attractive returns - significantly higher than the interest on a bank account - and the fact that solar is good for the environment. We believe solar power



Annual PV additions:
historic data versus IEA
WEO predictions.

(In GW of added capacity per year
Source: - International Energy Agency
- World Energy Outlook
Source: Auke Hoekstra, 2018)

is ready to make the next leap and become mainstream, and especially in the three countries we are currently active.

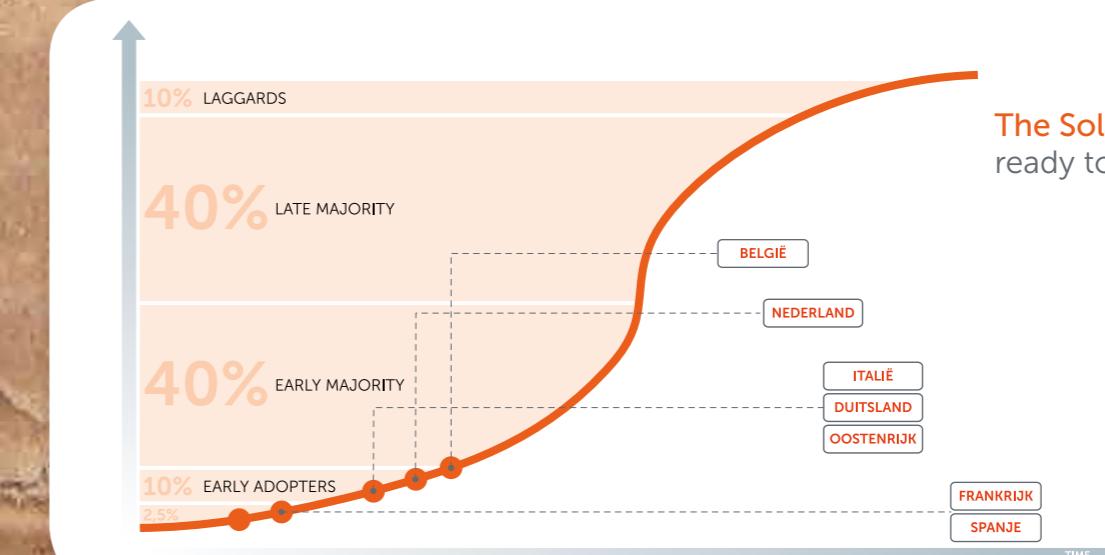
The adoption curve is also crucial to our way of thinking. Everything we do is geared towards speeding up the movement along the curve. With faster service, with pushing costs down, with more reliability, but also with buzz and appealing to emotions. Strategies for the adoption of solar are too often focused on ratio: yes it's a good investment, and yes it's also better for the environment. But if that were enough, why isn't every roof covered with solar panels by now?

It's our conviction that, unless you find the right emotional button to push, the next wave of

BOX 3:

potential solar customers won't get into action. That is why we not only emphasize that switching to solar is easy, but also fun. We want customers to broadcast their experience, and in turn inspire neighbours and friends to do the same. We call this peer-pride. And this works. One of our customer ambassadors even convinced 160 of his friends and family to go solar! Another way we try to speed up the movement along the adoption curve is by clearing hurdles for promising market segments that are stuck for no other reason than red tape and psychological barriers. More about these efforts in later chapters.

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The Solar Adoption Curve:
ready to go!

BOX 3:

THE SUSTAINABLE ENERGY REVOLUTION AND THE LEAD ROLE OF SOLAR

But it's not all bleak. While politicians often move more cautiously than many of us would like, the sustainable energy revolution is moving full speed ahead. In 2017 for example, half of the new power generation capacity the world added was renewable, with solar and wind in the driver's seat. A quarter of the global electricity supply is now green,¹⁴ and Bloomberg New Energy Finance, a

research agency, expects the percentage will be 71% in 2050.¹⁵ For Europe it's even higher: almost 90% of the electricity supply.

Within that new energy revolution solar is the biggest star. Since 2010 the global installed solar capacity grew tenfold to just short of 500 gigawatt,^{16 17} 20% of it in the last year.

In the same period, the price of solar electricity dropped with 88%.¹⁸ And solar is just warming

up. In 2050 solar power will account for 40% of the world's electricity, predicts global energy risk management firm DNV GL in its Energy Transition Outlook 2018.¹⁹ The fact that DNV also forecasts that the share of electricity in the total global energy consumption will go up from 19% to 45% in the same period, makes solar's performance even more impressive.

But even these numbers may underestimate the growth potential of renewables in general and

BOX 3:

solar power in particular. The last 20 years are littered with solar growth forecasts that were wildly off the mark when it came to predicting the explosive trajectory of solar power. At the same time novel forms of pressure on governments and companies to act are rising. Investors forcing fossil fuel companies to assess climate risks²⁰ or pay up for hiding facts.²¹ Lawsuits from action groups forcing governments to step up emission reduction.²² The heat is on and solar and other forms of renewable energy stand to benefit.

NEW PHASE, NEW PARTNER

In 2017 we joined forces with a new partner that supports our mission of powering lives with sunshine to speed up the energy revolution: multinational utility ENGIE. From 2014 we, Sungevity International, were part of Sungevity Inc in the US, that shared our mission-driven approach. However, Sungevity US itself was taken over by private equity firm Northern Pacific Group in 2017. After it became clear that Northern Pacific wanted to focus on the US market and was planning to replace our mission-driven focus with a purely commercial one, both parties agreed that it was in the best interest of Sungevity International to split off and continue independently.

Our management has always been of the opinion that a strong like-minded partner is essential to execute our mission of having a large positive impact on climate change and fulfill our ambition of further European expansion. We have found our partner in these ambitions in ENGIE Electrabel, a company that we have worked with in the Dutch and Belgian market for years. Since May 2017 Sungevity International is owned by ENGIE but retains full legal and managerial independence (see Box 4 for more information). After a period of getting used to each other, 2018 characterized itself by an increasingly symbiotic relationship.

¹⁴ Iea.org/geco/electricity/, "Global Energy & CO₂ Status Report", 19/11/18

¹⁵ BloombergNEF, "New energy outlook 2018"

¹⁶ Irena.org/solar, 29/01/19

¹⁷ Cleantechnica.com, "Solar Breaks The 100 Gigawatt Barrier In 2018, Could Reach As High As 140 Gigawatts In 2019", 23/01/19

¹⁸ Solarsolutions.nl, "Nationale Solar Trendrapport 2019", 30/01/19

¹⁹ Energypost.eu, "DNV GL's Energy Transition Outlook shows massive shift of investment from oil and gas into power lines", 10/09/18

²⁰ Ceres.org, "Nearly 400 investors with \$32 trillion in assets step up action on climate change", 12/09/18

²¹ Insideclimatene.ws.org, "Fossil Fuels on Trial: Where the Major Climate Change Lawsuits Stand Today", 06/01/19

²² Dw.com, "Four climate change lawsuits to watch in 2018", 12/10/18

BOX UP

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WHY DO WE WORK WITH ENGIE?

In the past, ENGIE has not been known for its environmentalism. Some might say that is a reason not to join forces with them. However, with 27 million European customers ENGIE is an energy powerhouse and a powerhouse that, under the leadership of Isabelle Kochner, is committed to a new direction: a focus on decarbonisation and decentralization of energy production and energy efficiency. ENGIE is trying to move away from old, unsustainable practices, and we believe that working to expand solar in Europe is a big step in the right direction.

That's where our track record comes in. Through the long standing cooperation with Sungevity in the Dutch and Belgian solar market ENGIE has experienced first-hand how well our mission and data-driven business model works, not only for selling systems but also for forging strong relationships with customers and raising their sustainability awareness. These two factors create a huge potential to offer our customers sustainable energy products and services on a much broader scale.

"THE 21ST CENTURY WILL MARK THE END OF FOSSIL FUELS"²³

Isabelle Kocher, ENGIE CEO



This is why ENGIE has selected Sungevity as their solar partner in Europe: to convince their existing and new customers to go green and provide them with solar and sustainable products and services that are easy, simple and fun. To explore new markets and customer segments together. For us being part of ENGIE means getting much faster and easier access to new countries in Europe: one of our core ambitions all along. The faster we scale up, the larger the positive impact we can have on limiting the consequences of climate change.

Still, we cherish our independence and so does ENGIE: our agility as a smaller company is at the heart of our added value. That's why, even though Sungevity is fully owned by ENGIE, Sungevity remains a separate legal entity with its own management. Sungevity CEO Jan Slaghek reports to the Sungevity International Board, which consists of 4 representatives from Sungevity and 4 from ENGIE. The Board meets 8 times per year to discuss performance and major strategic decisions are discussed in the board.

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ORGANIZING FOR SCALE: GETTING IN SHAPE WITH THE ROCKEFELLER PRINCIPLES

For a long time we cherished our start-up status. The informality, the knowing everybody by name, the quirky ways things in the office were held together on a shoestring sometimes. But with the explosive growth of our business and the number of Solar Warriors we have to face facts: we're not a start-up anymore, we're a scale-up now.

So we took the opportunity to take a good look at ourselves. What do we want to take with us from the start-up culture that we love and what do we want to change? What we want to keep is easy: we want to stay informal, we want to have fun in the office as well as working hard, we want to maintain the mission-driven energy that makes us do the right thing, from the big to the small. But it also dawned on us: as we get larger we can't expect everything to just fall into place by itself anymore. In order to keep all the things we love, we needed to put a structure and way of working in place. Not a traditional, top-down structure or way of working, but a structure and way of working that combines our collaborative and non-hierarchical spirit with clear, measurable goals.

We chose the Rockefeller Principles. With the Rockefeller Principles, you start with a Big Hairy Audacious 15 year Goal (BHAG) and reverse engineer this into goals for 3 to 5 years, then into 1 year goals, then quarterly, and finally into monthly, weekly, and even daily goals.

In 2018, we started with the implementation of the Rockefeller Principles in Sungevity. What we love about them is that the Rockefeller Principles give us an inspiring but also structured and data-driven roadmap to secure that everything we do, from multi-year goals to daily tasks, is firmly rooted in our core values and contributes to our big dream. They are hands-on yet full of optimism and dreams. How they work exactly? We'll explain in Box 5.

First of all, the management team looked deep into their souls to pin down the right mission and Big Hairy Audacious Goal (again, see Box 5). We enlisted the Scale Up Company to coach Sungevity's management team to get all the basics right. For example, they coach during meetings where the quarterly goals are set. Setting hands-on and attainable quarterly goals for Sungevity as a whole, which can also be broken down into individual



BOX 5

ROCKEFELLER PRINCIPLES: FILL YOUR JAR

It's one of life's ironies that the Rockefeller Principles, or Rockefeller Habits, are based on the organisational insights and managerial prowess of John D Rockefeller, the man who grew Standard Oil into the largest oil company the world had ever seen. But hey, at least one good thing came out of the fossil fuel industry.

The key insight of the Rockefeller Principles: it's great and necessary to have a mission and a long-term goal to sink your teeth in. But if you don't break it down into short-term, attainable goals your company can rally around and focus on, you will never get there. So the first step is to select a mission the whole company passionately believes in and translate this into a Big Hairy Audacious Goal for where you want your company to be in 15 to 25 years. For example, our mission is 'powering lives with Sunshine to speed up the energy revolution'. And our BHAG: 5 million lives powered by sunshine in 2030.

Sounds lofty right? The question is: how do you bring it back to earth? That's where the three main pillars of the Rockefeller Principles come in.



quarterly goals is no easy task: we're still on the learning curve.

The management hammered out a long list of Key Performance Indicators (KPIs) for the medium and short-term, which we are now testing to see how well they work in reality.

We also set up a meeting structure to communicate the monthly and daily KPIs, based on our quarterly

goals. In 2018, we got all our Solar Warriors in the habit of working with the Principles and give data-driven feedback. No more endless meetings full of yawns and coffee-stained cups on the conference table. Our daily huddles are targeted, 15-minute affairs. To remind people of quarterly and daily KPIs, they are also visible on posters and boards throughout the office building.

BOX 5:

works if you are very serious about it. But if your company pulls it off, it has the right foundation for unprecedented growth. Apart from Standard Oil, companies like Google, Adobe and Intel credit their meteoritic rise on the use of specific, attainable goals firmly anchored in a long-term mission.²⁴

1 PILLAR 1: SET PRIORITIES

Sounds logical, but it's all in the execution. Does your company have a top 5 priorities in place for the year and the quarter that are crystal clear and shared by everyone? Do all employees have their own specific priorities they can work with?

2 PILLAR 2: PRODUCE REAL-TIME DATA

This is key to track whether you manage to attain your goals. Does your company have daily and weekly data to provide insight into the organisation and the market? Do all employees have at least one key daily or weekly metric to drive his/her performance?

3 PILLAR 3: CREATE A RHYTHM

Again it's all in the execution. With many priorities and feedback loops employees need discipline, or rather need to get into the habit, to pay close attention to them and act on them. That's why you need rhythm. So does your company have an effective rhythm of daily, weekly, monthly, quarterly and annual meetings?

All pillars sound deceptively easy, but of course, getting it right is exceptionally hard. And it only

A helpful analogy is a jar you want to fill with sand, pebbles and rocks. The rocks are the larger, quarterly goals for the company. The pebbles are smaller, weekly tasks, while the grains of sand are the daily tasks, like checking email, that need to happen. When you put in the sand first, you might be able to push some pebbles in after, but there surely won't be any room for the rocks, and the company won't be able to grow successfully.

However, if you start with the rocks, you can add the pebbles in between, and finally fill up the last cracks with sand. This way everything fits in the jar and your company meets its goals. Scaling up is all about keeping your priorities straight in a very fast moving hectic environment. And we want our jar filled without an air pocket the size of a molecule left.

3

Rooftop Revolution



WHAT TO EXPECT IN CHAPTER 3:

This chapter assesses how successful our core activities actually are in making a positive contribution to the green energy revolution. We do this first and foremost by calculating the amount of greenhouse gas emissions we helped avoid, thanks to the solar systems we've installed. Innovation and green job creation are other engines of positive environmental and social impact. Finally, we dive into the negative social and environmental impacts occurring in our supply chain, and our efforts to reduce these impacts.

our main driver: the emissions we help avoid

It's simple: we hate climate change. That's what keeps us up at night. And chipping in to combat it, to keep our earth livable, is what makes us jump out of bed every morning. The amount of CO₂ emissions we helped avoid is the most important yardstick by which we measure ourselves. It's what determines how much of a difference we are making. How successful we are as a company at translating our mission and environmental engagement into real, concrete results.

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THE DENT WE MADE SO FAR

What a year 2018 was. As we mentioned earlier, our installations of solar systems last year accounted for 46 % of all systems we ever installed (for details see chapter 2)! This was also good news for the amount of green electricity our systems produced, and, most importantly, for the amount of CO₂ emissions that they helped avoid.

How did we calculate avoided emissions? We assume every green kilowatt hour of power a Sungevity system generates, replaces a grey - or

largely generated with fossil fuels - kilowatt hour of electricity the owner of that system would otherwise have bought from the power grid. To get to avoided emissions, we then multiply all green kilowatt hours with the amount of CO₂ emissions it takes to generate one grey kilowatt hour.

The tricky thing is that this conversion factor is different for every country: depending on what the so-called 'fuel mix' is of the grey electricity that ends up on the grid. For a country that has a lot of old dirty coal-fired power stations the average emissions of grey electricity will be higher than in a country with modern power stations running on natural gas and a lot of wind energy parks. In the last case impact on avoided emissions will be lower. For example, one kWh of electricity from the grid in the Netherlands emits 451 gCO₂, while a kWh of grid electricity in Belgium or Italy emits 222 gCO₂ or 229 gCO₂ respectively. These differences are mostly caused by the larger use of nuclear energy in the last countries.

²⁵European Environmental Agency, 2014. Carbon intensity of grid in Germany, 424.9 gCO₂/kWh and in the United Kingdom 388.8 gCO₂/kWh.

BOX

OUR CRYSTAL BALL: PREDICTING ELECTRICITY OUTPUT

The electricity output of all the solar systems we've installed: a very important number since it underpins our avoided emission calculation. To come to the total electricity production of all Sungevity systems we currently work with the annual production of each solar system as predicted by our Remote Solar Design (RSD) team. We also use these production predictions when we offer our production warranty, so it is in our interest to keep them as accurate possible.

The RSD team considers many factors in their detailed calculation: coordinates, optimal pitch of a system, the sunlight angle (azimuth). It also accounts for system losses by predicting future shading, based on Cyclomedia and recent Google Earth imagery. All this is then fed into the PVGIS database, which combines our parameters with local weather and solar intensity data to compute

the predicted power production per year (in kWh).

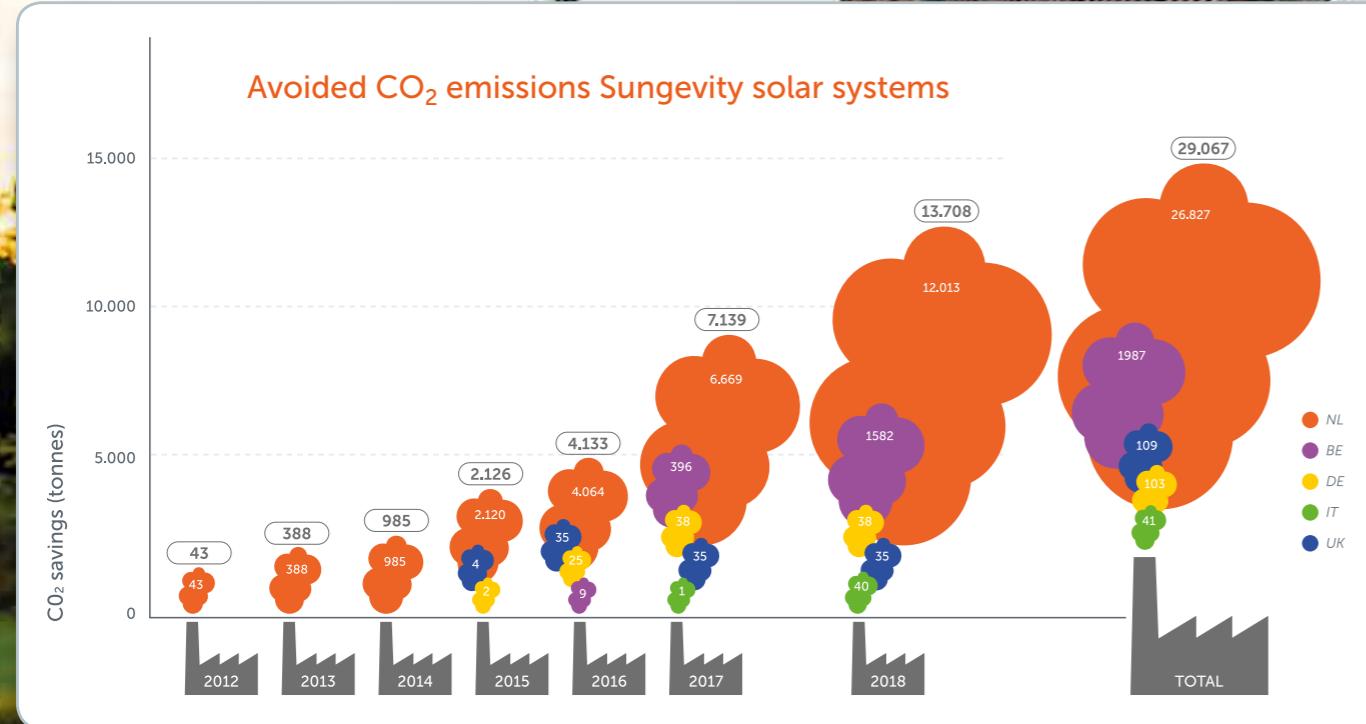
Sungevity's predicted production data is likely on the conservative side. A comparison of the total predicted output and the total actual output of over 5000 systems - as measured between June 2017 and June 2018 - found that the total actual output of electricity was 13% higher than initially predicted. So the emissions our installed systems have avoided might very well be higher than we report here.

Still, we chose to use the combined predicted production data since actual production data of a substantial number of residential systems was not available on time to be included in this report. This was due to the fact that not all installed systems have monitoring yet, and there are problems with extracting readings from certain inverter brands. We are currently experimenting with different kinds of monitoring and expect to be able to report on actual data for almost all our systems in the coming years.

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The amount of CO₂ emissions we helped to avoid in 2018 is **13.708 tonnes of CO₂!**

That is 48 % of the total CO₂ emissions we helped to avoid since we started in 2011. It's a pretty picture to see our contribution to avoided CO₂ emissions over time. From close to zero and a subdued start, they took off around 2015 and have continued to soar ever since. With 2018 as our most impactful year (to date...).



To put these numbers into perspective: 13.708 tonnes of avoided CO₂ emissions equal:

- > 92.628.378 fossil car kilometers not driven²⁶
- > 10.619 flights from Amsterdam to New York and back not taken²⁷
- > The CO₂ 629.650 trees can absorb in a year²⁸

Needless to say we're very excited with this rapid growth of the amount of carbon emissions our

newly installed solar systems helped avoid. At the same time we realize there is still a long way to go until our Big Hairy Audacious Goal of 5 million lives powered by sunshine in 2030. But we are convinced the scaling up of the solar market has only just started, so this year's big jump won't be the last.

²⁶ Based on 148 gCO₂/km: greentripper.org, 14/01/19

²⁷ Based on 1291 kgCO₂/person in economy class/flight: greentripper.org, 14/01/19

²⁸ Based on 48 lbCO₂/tree/year: arboreenvironmentalalliance.com, 14/01/19

BOX 7:

THE FIGHT OF OUR LIFETIME

It's gonna get serious for a bit here guys: we think it is important to elaborate a bit on why we work so hard to fight climate change. It's easy to block out inaccessible climate reports and bespectacled scientists talking about the soaring number of carbon particles per million. But many people have that one visceral experience which opens their eyes. That makes them see the alarming truth behind all the numbers and graphs climate scientists keep feeding us at a steady pace. For our founder Roebyem that moment came twenty years ago on a trip to Mexico City to set



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View of Ajusco Mountain on a 'normal' day and when all backup generators are on

up a solar project on a bus station for the World Bank. For several days she had enjoyed the stunning view of the Ajusco Mountain from her hotel room window. But one morning, after a blackout, thousands of businesses fired up their backup diesel generators. Within minutes the city was covered in a blanket of thick brown smog. There and then it dawned on Roebyem how crazy it was that a country which such a huge solar power potential, poisoned itself with fossil fuels.

Things have gotten a lot more dire since that morning in Mexico city. The world is facing a climate crisis of massive proportions. For example, five of the hottest years on record occurred after 2009.²⁹ If that feels too abstract, just look out the window: countries all over the world, including many European countries, have been pounded by unprecedented heat waves, forest fires and floods during the last few years.³⁰ We are the ones causing it: since 1950 the earth's temperature and emissions from fossil fuels have jumped in tandem. The air now contains more than 400 particles per million (ppm) of CO₂, the highest number in



millions of years, and our planet is on average 1 degree Celsius warmer than in pre-industrial times. If we keep burning fossil fuels at the current speed we'll reach even more dangerous levels very soon: scientists predict that a level of 500 - 700 ppm can push the average global temperature 3 degrees Celsius above pre-industrial levels.³¹

²⁹ 350.org/science/, 19/11/18

³⁰ Knowledge.wharton.upenn.edu, "2017 Was a Terrible Year for Natural Disasters: Is It the New Normal?", 19/01/18

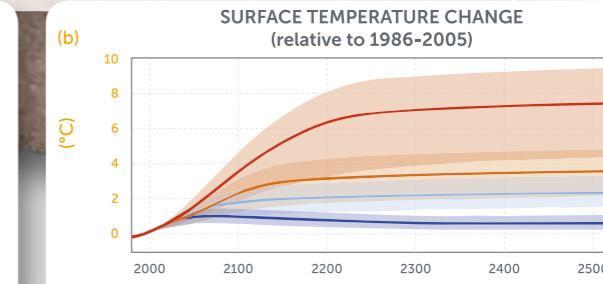
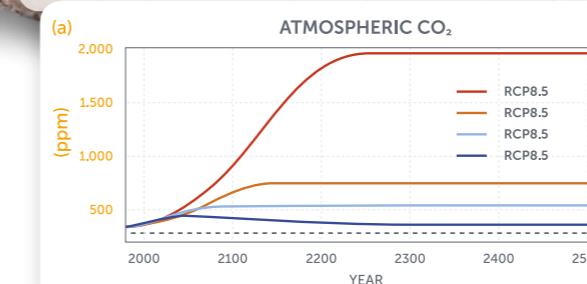
³¹ E360.yale.edu, "How the World Passed a Carbon Threshold and Why It Matters", 26/01/17

BOX 7:

Unfortunately, the reduction plans are voluntary. And even if all the national plans were to be executed to the last gram of CO₂, the global surface temperature would still rise 2.7 to 3.7 degrees Celsius.³² So the hard fact is: we don't have the luxury to drag our feet. Every additional gram of CO₂ we spout in the air will be around for a very long time, affecting our climate for up to thousands of years.³³

GETTING INTO TROUBLE

Such a rise is well above the two degrees scientists agree is the limit to keep our planet livable, although 1.5 degrees would be a lot safer. The 196 countries that signed the Paris Climate Agreement in 2015 adopted this view and promised to submit national reduction plans, which together should keep the global temperature increase at or below 2 degrees Celsius.



(IPCC scenarios for CO₂ concentrations and correlating rises in temperature)

working on our dent in the future: innovations

So, what are we doing to reach that Big Hairy Audacious Goal? Well, in 2018, we worked on two innovations, that we consider an important engine of positive environmental impact: first of all, we scaled up our offering of additional sustainable

energy products. Secondly, we entered the market of rental housing to scale up our sales of solar. Both innovations help us to increase our impact on CO₂ emissions.

³² Wri.org, "With Latest Climate Commitments, How Much Will the World Warm? It's Complicated", 18/11/15

³³ Theguardian.com, "How long do greenhouse gases stay in the air?", 16/01/12

MOVING BEYOND PANELS

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insulation solutions

We see it as our next big challenge to use solar power as a stepping stone to put our clients life on a much broader sustainable footing. We know from experience, that people's awareness about their energy use, soars after they've switched to solar power. The question is how we can translate this awareness, and the strong relationship we have with our clients, to clear the way to a comprehensive effort to green up their entire lives.

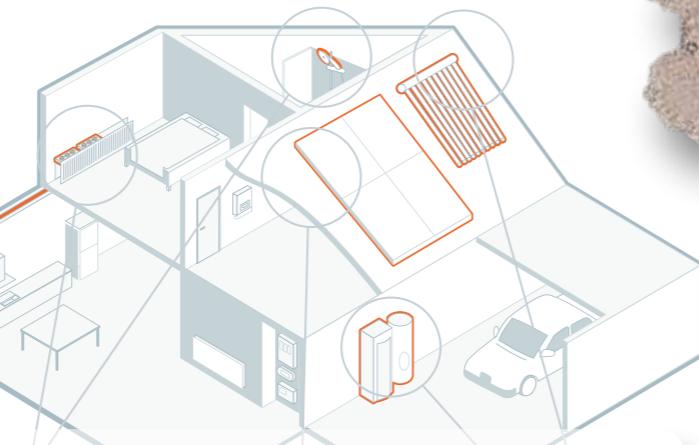
To solve this puzzle we set up the Beyond Panels team, as part of our business development department, two years ago. Its mission: to boldly go to where Sungevity hasn't gone before and put together a comprehensive range of sustainable products and services to push our clients beyond solar panels.

Currently, our Beyond Panels range consists of insulation solutions, heat pumps, solar water heaters, plug-and-play solar systems for boats or campers, gas-saving radiator fans and water-saving shower heads. We also offer a cleaning & visual inspection

water-saving shower head

gas-saving radiator fan

cleaning & visual inspection



service for solar systems and a VAT return service, to make sure our clients fully benefit from the available tax breaks. This by no means is a set portfolio, we are in full experimentation mode and expect to add many more services in the future.

Beyond Panels is only active in the Dutch market right now. And the results are very promising. In 2017, we sold 429 Beyond Panel products and services. In 2018, that number of sales already surpassed 3.348, a growth of 780%! In 2019, we aim to at least double the contribution of our Beyond Panel sales. Due to its success we are now considering to introduce Beyond Panels in the Belgian market as well.

The over 3.750 Beyond Panels sales we've achieved since the start of the Beyond Panels team represent a certain amount of avoided CO₂ emissions generated by Sungevity's operations as well, just as our solar sales. We strive to calculate the exact annual contribution to avoided emissions by Beyond Panels sales before the end of next year, so we can include them in our next impact report.

SUNGEVITY
INTERNATIONAL
IMPACT
REPORT
2018

BOX & BEYOND

MEET THE BEYOND PANELS TEAM

How does the Beyond Panels Team work their magic? They tell it in their own words.



LISANNE BRUMMELHUIS,
INNOVATION MANAGER

"We couldn't scale up our Beyond Panels range of products and services as fast as we do without working with reliable partners. It's also a lot of fun: you learn so much about partners' products and expertise. By adding our own expertise we stand stronger together. Of course, you need to pick your partners very carefully. We scrutinize their products and track records for reliable service. It also needs to click on a mission level: are they as passionate about climate change as we are? We don't want to expose our customers to anything but the best quality and the best service. And should something go wrong then Sungevity takes full responsibility."



RACHNEL KRAMER,
CAMPAIGN MANAGER

"Beyond Panels has grown fast in 2018, in large part because we started running dedicated campaigns. We do around six campaigns a year, normally centered around an attractively priced offer from one of our partners which we send out to all our customers. The success of this approach has triggered a rapid growth of our range of products and services. Insulation, heat pumps and solar boiler are our biggest hits. The goal is to make Beyond Panels account for 9% of Sungevity's revenue in 2021, and we're well on our way. But we're also a young operation still. What we will work on hard in the next few years? Building processes that can handle scale. Better integrate Beyond Panels in our customer journey so clients get one comprehensive advice about both solar and Beyond Panels-products. And of course we'll keep experimenting with new products and services to further green the lives of our customers."



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BREAKING INTO THE MARKET OF RENTAL HOUSING

Residential solar first took off among homeowners. At the end of 2017 approximately 500.000 houses and apartments in the Netherlands had solar and, according to our estimates, just about 50.000 of those were rental units. With 4.3 million households owning their house,³⁴ this means about 10% of owned houses are currently powered by solar already. In the rental market, the situation is starkly different. Of the 3.3 million rental units just 1.5% had solar by the end of 2017.

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This gap has always bothered us immensely. Why can't renters have access to cheap and clean energy too? Not only does this deprive renters from the benefits of solar power, but also misses a huge chance to positively impact the environment. But where there's a gap, there's also a huge opportunity. That's why in 2018 we decided to make a concerted effort to break into market for rental homes. We focus our efforts on housing associations, a group of 380 organisations owning 2.3 million rental units.

Housing associations not only have a historically deep sense of social responsibility, but also have the organisational and financial credibility to roll out

solar on a large scale. Associations also have stated the ambition to switch 3 out of 4 of their rental units to solar by 2050.³⁵ So by working together with associations, we can give green energy transition a big push.

But solar on rental units has its unique challenges. How do you make sure both the renters and the associations benefit from the resulting energy savings? What's the best legal structure to come to a positive business case? How do you overcome persistent doubts renters have? Their consent is crucial to get any large residential solar projects off the ground.

We support associations on all these issues to secure that projects succeed. We help building trust, for example, by organising Open Roof Days, during which renters can talk to installers, watch live how a Remote Solar Design works and, most importantly, talk to other renters who already benefit from finished solar projects. That's how we convinced approximately 65% of renters in a recent solar project with cooperative De Alliantie to switch to solar; an unprecedented level of renter



participation. And of course we also provide and install solar systems and provide full-service after.

To fuel momentum further we also initiated the Rental Rooftop Revolution, together with green building consultant Innax. This foundation is a platform for housing associations, solar system suppliers, city councils, consultants and any other party interested in solar to share their experiences, knowledge and best practices. And that momentum is obviously building: mid 2018 80.000 rental homes had switched to solar, up 60% from six months earlier (for more info on the Rental Rooftop Revolution, see chapter 5).

So how did we do in the rental market in 2018? We partnered with 4 housing associations, together owning 78.600 rental units. We installed 1.479 solar systems for them in 2018. And with already many more installations scheduled for 2019, we are confident that the momentum will keep picking up next year. We are proud that our efforts in this market help make solar energy accessible to a previously forgotten group, directly touching Sustainable Development Goal 7 of the United Nations: "Ensure access to affordable, reliable, sustainable, and modern energy for all". We are looking how we can expand our efforts into the Belgium market as well.

can't do it alone: creating clean jobs

In 2018, the amount of Solar Warriors working towards our mission grew with 30%. We started the year with 133 Warriors and ended it with 174. That means 41 newly created clean jobs. Welcome to the family y'all!

Besides creating clean jobs directly at Sungevity, we also indirectly support clean jobs through our Preferred Installer Network (PIN). The Netherlands is the only market where we have a close-knit Preferred Installer Network right now, although we are actively working on rolling out our PIN approach in Belgium and Italy as well. In the Netherlands our Preferred Installer Network consists of 16 installation partners we work with very closely, who on average have a total of 53 installers working for Sungevity at any given time. And it pays off to work with us: the preferred installation partners on average get 42 % of their work from Sungevity. In the following paragraphs, we would like to dive a little deeper into our PIN: how does it work? What do we offer our installation partners? And what do we expect in return?

³⁴ Statline.cbs.nl, 11/01/19

³⁵ Solarmagazine.nl, "Aedes: woningcorporaties willen 3 van de 4 woningen van zonnepanelen voorzien", 30/05/18



THE PIN: GOING FOR SOLAR SYNERGY

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We could not have achieved our rapid growth and increasing positive impact on the environment without our dedicated installation partners. But why have we chosen to work with a Preferred Installer Network (PIN)? Well, we believe in close cooperation and focusing on your own strengths. Our strengths are reaching customers and managing that relationship and their experience. We innovate, we create buzz, we forge partnerships, we train, monitor and negotiate. Our strength is welding all these pieces into a well-oiled machine to let solar spread its wings.

Needless to say that we couldn't grow this fast if we tried to do everything ourselves. Why build an installation team from scratch, when there

are plenty of great installation companies, with both deep technical expertise and deep local connections, we can partner up with? Why not fuse their vast knowledge with our own to conquer the solar market together? That's the philosophy behind our Preferred Installer Network. In return, we help our installation partners by taking care of all marketing and customer contacts for them, by offering training, by making it as easy as possible to communicate with us and by arranging discounts for our partners on installation materials they couldn't get on their own.

Building community is in our blood, but when it comes to installers it's simply paramount to go the extra mile and create a bond that lasts. A brutal shortage of installers is a given in today's exploding solar market and we feel the pinch as well. So we are constantly looking for ways to improve the relationship with our PIN and offer products and services that make life easier for our installers and create more business for them.

BOX 9:

JUMPING THROUGH THE HOOPS

We are more than ready to give our preferred installers lots of love. But we want our installers to live up to strict requirements in return. A peek into our PIN contract for the Dutch market (see Box 10 for explanation of terms and acronyms). The installer contracts for the Belgian and Italian market are similar, but of course adapted to meet national requirements.

THE PARTNER COMPANY:

- > Has at least one installation manager in every installation team (conform NEN 3140).
- > Has at least one work manager in every installation team (conform NEN 3140).
- > Has at least one installer in every installation team with a SEI-erkennung zonnestroom
- > Is VCA certified as a business.
- > Has a company liability insurance of EUR 1.250.000 per incident, including employee insurance and (other) legal insurances.
- > Is driven by innovation and quality.
- > Is driven by efficiency and continuous improvement of service

THE INSTALLERS OF THE PARTNER COMPANY:

- > All qualified electricians at advanced technical school level, or (a combination of)

demonstrable experience and education, or have done a complimentary course. This course is focussed on the installation of solar systems specifically. The content of the course will be presented to Sungevity for review.

- > All installers have B-VCA, all supervisors have VOL-VCA.
- > Are customer friendly.

THE (INSTALLERS OF) PARTNER PREFERABLY:

- > All installers of an installation team are employed by the partner company.
- > Is VCA certified.
- > Is ISO 9001 certified.
- > Has 'zegelrecht' from the local network administrator.
- > Has experience with mechanical engineering of utility installations (apartment and office buildings).
- > Is a member of UNETO-VNI
- > Are Sterkin certified

The installation partner needs to provide documentation to Sungevity to proof they fulfill all these requirements. Any changes or updates have to be shared with Sungevity. Partner companies should also endorse Sungevity's insane customer experience approach and treat Sungevity's customers accordingly, as specified in the annex to the contract.



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SAFETY AND QUALITY: SAFEGUARDING A STELLAR INSTALLATION EXPERIENCE

One thing we will never do, is compromise on quality and safety. We cherish our rigorous criteria for PIN-access as a crucial backbone for this (see Box 9).

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We also monitor the safety and quality of installations once an installation partner has entered the PIN-network. For example, after every installation the installer and the customer sign a final report, documenting the installation process: steps taken, the individual specifics, including photos of the installation and of the gear setup used to make sure the installer worked in the safest possible way. We care deeply about the safety of the trusted installers we work with. That's why we also zoom in very closely on the safety practices and culture of possible partners during our selection process.

Our project managers thoroughly check each final report before they sign off as well. After feedback from our installers that the documentation process is quite time-consuming, we are currently looking into simplifying the process, but without diluting its rigor. We did switch from paper to digital final reports, which not only saves a considerable amount of

paper, but also makes the whole reporting process less of a hassle for our installation partners.

Apart from the final reports, we also check the quality of installations in various other ways. For one, we ask the customer for feedback after every installation, both over the phone and through an online survey. When we work with new partner companies, the first three installations are monitored in detail by one of our experienced project managers, who are all VCA certified (see Box 10). If the installations are not up to par, we end it there and then.

On top of the monitoring we do ourselves, we hire two independent companies to check the quality of our installations. This happens at random and can take place both during and after installation. New installation partners can expect independent checks on about 20% of their installations in the first few months. For every installation that doesn't meet our high standards, the installation partner is required to solve issues free of charge.

Is that enough? Almost. As a last step to proof to everybody we are dead serious about quality we're also Zonnekeur certified (again, see Box 10 for explanation). As part of the certification process, Zonnekeur checks our installations and administrative processes every two years. Zonnekeur also prescribes a mechanism to resolve consumer complaints, including binding arbitration.

BOX 10:

INFLATE YOUR LIFE JACKET

For a moment you thought we'd leave you treading the word soup of Box 9, didn't you?
Look here to make sense of it all.

- > **NEN 3140:** standard including safety requirements for the operational management of electric installations and electric work equipment.
- > **SEI-erkenning zonnestroom:** a Dutch certification scheme, vouching the PV-installer has the right diplomas, has the right knowledge and expertise, is aware of the latest developments and works according to existing legislation, safely and with the right equipment.
- > **VCA:** stands for safety, health and environment checklist contractors. With a VCA certification employers and employees demonstrate they are familiar with and behave according to the latest safety regulations.
- > **B-VCA:** VCA certification for employees.
- > **VOL-VCA:** VCA certification for managers or supervisors
- > **ISO 9001:** international standard including requirements for a quality management system, showcasing a company meets customer and regulatory requirements
- > **Zegelrecht:** a Dutch license allowing installers to safely adapt or replace fuse boxes
- > **UNETO-VNI:** the Dutch employer association for installation & technical retail sector.
- > **Sterkin:** a Dutch certification scheme, promoting the engineering of safe installations, including PV-systems.
- > **CE:** a European certification scheme used to demonstrate products meet standards on health, safety and environmental protection
- > **Zonnekeur:** a Dutch certification scheme, qualifying installers of PV-systems, mostly vouching they work safely

ZONNEKEUR
Installateur

TRAINING: HELPING OUR INSTALLERS STAY SHARP

The solar market is moving fast, both in technology and in the service customers expect. Sungevity's requirements in combination with our PIN's professionalism and expertise secures a high level of customer service, quality of installations and safe work practices. Still, there's always skills to hone and new developments to digest. That's why Sungevity organizes an installer training day twice a year, in February and September, each with a wide variety of workshops.

Installers learn about the latest solar technology and market developments, hone their customer service skills and learn about latest norms, laws and regulations. And since all work and no play just isn't our thing, we make sure our installation partners can mingle with each other and Solar Warriors afterwards: for example by organizing an annual BBQ after the September training days. For drinks, food, connecting or just shooting the breeze.

Sungevity expects all employees at partner companies in regular contact with our customers to attend the workshops. We also expect partner companies to take any additional steps needed to keep all their employees up to date with any changes in norms, laws and regulations and to maintain installations well above average quality.

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HARDWARE: GETTING THE HARDWARE RIGHT AND AT THE RIGHT PRICE

Hardware is crucial for a humming solar system. All parts have to work together seamlessly to live up to the promise we make to our clients beforehand. Hardware also makes up a big chunk of the costs of a solar system. We're on both for our preferred installers. First of all we do the due diligence, negotiations, and maintain relationships with wholesalers for the procurement of panels and inverters: which we then deliver to our PIN partners when they need them for the installations.

And we are good at this: we pay considerably less for safe, durable, high-quality panels and inverters than our installation partners could arrange for themselves, a discount we happily pass on to our customers. Our installation partners buy the rest of the additional installation materials, such as mounting brackets and cables, themselves. We provide our installation partners with a budget for this. But we do our due diligence on additional materials as well, providing our partner companies with a list of pre-approved brands and insisting on CE-certification (see Box 10 for explanation) for all materials.



COMMUNICATION: OPEN DOOR POLICY

Obviously close partnerships only work if you listen to each other, learn from each other and consult each other on a frequent basis. Some of our installation partners have been working with us for a long time, other partners are relatively new. We have weekly and, in many cases, daily contact with all of them. A lot of this contact is informal, and can as easily relate to work as to the last soccer match of a favorite team. At least once a week partner companies have a more formal work-related exchange about topics prepared by the project manager responsible for that installation partner. Structured contact with new partner companies in their 'starting up' phase is substantially more frequent.

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We find it very important to have open and clear communication with our installation partners, welcome feedback and ideas from them with open arms, and to freely bring up issues or ideas ourselves, to make our partnership even stronger. But how do the objects of our affection think we do in reality? To find out we started conducting an Installer Happiness Survey in 2018.

CATEGORY	SCORE (1 TO 5)
Overall satisfaction	4.1
Communication with project managers	4.2
Quality and timeliness of hardware delivery	3.5
Help with growing the business	3.8

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As these things go, our self-image is not always completely in line with how our preferred installers see it. Still the overall satisfaction with working with Sungevity is high; 4.1 on a scale of 5. The smooth communication with our project managers scores especially high, but the delivery of panels and inverters leaves room for improvement.

These are great insights for us: smooth delivery of materials is crucial of course. The survey also gave valuable clues on additional services our installers would like us to offer to them, such as technical education to further hone installers' knowledge and product-specific training to help them move their companies beyond panels as well. Last but not least, partners would like to recruit more new installers. We consider the results of the survey a crucial to-do list for the coming year and will report on the progress made in next year's impact report.



SCORE (1 TO 5)

the solar supply chain: making our influence count

Probably the largest, be it indirect, negative impact of Sungevity is the environmental and social impacts of the goods we buy through our supply chain. The production of panels takes up energy and as you may know, some materials are mined in countries with a questionable track record when it comes to human rights and labour conditions.

We can break down our supply chain responsibility in three main parts: the procurement of materials, the recycling of our solar systems at the end of their lifespan and the social impacts derived from these two. How can we make sure broken parts or systems no longer in use don't end up polluting the environment? How can we make sure all the panels and inverters we buy are manufactured in the least harmful way for people and the environment?

We are directly responsible for procuring panels and inverters, while our preferred installers are responsible for procuring all other materials needed for installing solar systems, like cables and mounting brackets. They are also the ones removing materials that are no longer in use, and thus crucial in making sure these get properly recycled. Our influence on recycling is less direct, but this does not make the issue any less important to us. We like to take responsibility of this part of our supply chain as well.

BUYING THE SUN: PROCUREMENT OF PANELS AND INVERTERS

Solar panels produce clean energy. But the manufacturing process of the panels themselves can be messy. Many different materials need to be mined, producing silicon wafers takes an impressive amount of heat and many solar panels are shipped from thousands of miles away. Don't worry: solar panels still have a net positive effect,³⁶ but the way solar panels and other hardware are manufactured does matter. And with respect to recycling, solar panels luckily consist largely of materials that for almost 90% can be recycled (such as glass, aluminum and sand).³⁷

During the information collection for this first Impact Report, we found out that our procurement policy was



³⁶ Carbonbrief.org, "Solar, wind and nuclear have 'amazingly low' carbon footprints, study finds", 08/12/17

³⁷ Sciedirect.com, Comparative analysis of old, recycled and new PV modules, 'About 90% of the materials recovered from solar panels can be recycled into useful products.'

not put down on paper yet. In 2019, we will focus writing down what we already do, such as only working with Bloomberg Tier 1 manufacturers and look hard for the most efficient, the most environmentally responsible supplier in the market, which also offers a competitive price, and to see where we can do more. How can we make sure we buy panels and inverters from suppliers and manufacturers who use materials efficiently, who use green energy during its energy-intensive manufacturing process, who think about energy-efficient transport and labour conditions and also of their suppliers?

The first steps towards this comprehensive review of our procurement policy have already been taken. We have contacted our supplier, Libra Energy, to see what requirements they have for the products they import, and how they ensure these requirements are met.

Libra Energy buys her panels based on the SolarPanel ScoreCard,³⁸ developed by Silicon Valley Toxics Coalition. This scoring card gives points to the impact of different type of solar panel brands on the environment, society and employers. We have agreed to only supply panels which score higher than average. This all added up to get on board with Libra Energy as our major supplier for solar panels.

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Libra Energy is also registered at the Waste Electrical and Electronic Equipment ((W)EEE) register,³⁹ that has been designated by the Dutch government to ensure correct recycling of electronic equipment. Yearly Libra Energy visits manufacturers of Solar Panels to verify if the quality standards on paper match reality. Moreover, we have looked at ENGIE's procurement policy, to see whether we can draw inspiration from them for our own procurement policy. Finally, we have decided to conduct some of our own research into the solar panel supply chain, to identify the main social and environmental risks. Our aim for the coming years is to set clear environmental and social goals for our procurement policy, review our current suppliers according to these goals and produce a Supplier Code of Conduct, to be signed by the bulk of our suppliers. Naturally, we will report on how far we got in this area in next year's impact report.

³⁸ Solarscorecard.com, 'Over the past six years, the Solar Scorecard has provided a framework to accurately track company practices and progress.'

³⁹ Weee.nl, Their goal is clear: added value for every link in the chain!

BOX II

SOLAR SYSTEM RECYCLING: HOW DOES IT WORK AND DOES IT WORK?

To answer this question Wouter Hoekstra, Team Lead NL/BE Customer Care, dove into the world of solar panel recycling. He is happy to share what he found out:



"Since the market is still relatively young and solar panels have a lifespan of at least 25 years, solar system recycling isn't a huge issue yet. So the volume of products in need of recycling is pretty small right now, especially compared to the volume of sales. The last volume also gives you an indication of the recycling challenge we'll face later on, of course."

I recently interviewed our wholesalers to investigate what happens to systems panels that are returned to them. There are two routes discarded panels and inverters can take. If they're replaced because of a defect and are still under warranty, they're sent back to the factory. It's not clear what happens with broken panels and inverters there: are parts reused? Recycled? Or just disposed of? We need to get a clearer picture of that.

The second route is recycling, so that wholesalers hand over discarded materials to WEEE NL or ZRN, who take care of the actual recycling. This is what happens when a panel/inverter is at the end of its

life cycle, has broken during transport, or a defect occurs after the warranty period. Wholesalers cover the collection and recycling costs. But don't feel too sorry for them: these costs are included in the prices they charge for panels and inverters.

How does the actual recycling work? For most common silicon-based modules, aluminium frames and junction boxes are dismantled manually at first. Then the module is crushed and its several components are separated, allowing recovering up to 90% of the panel. A large part of this is glass.

The wholesalers I spoke to observed that the volumes of discarded materials are lower than they would have expected by now. One likely reason: not all materials that should be send back for recycling, actually make it back. In principle, installers take the panels and inverters back to their company location after they replace them. The wholesaler is then obliged by law to pick them up and start the recycling process.



BOX II:

However, the installer first needs to notify the wholesaler. And we know it often takes a lot of paperwork for installers before wholesalers come for pick up. To make it more cumbersome they often won't come for just a few panels. But installers dislike broken panels taking up valuable storage space. So I can imagine you're tempted, especially since recycling is not your core business, to just toss those two panels in the container you already have outside.

However understandable, this is a bad outcome, of course. So what we need to do now, is to think of ways we can both raise awareness among installers on the importance of recycling and how we can help to smooth the collection process for them."

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waste management: massaging the kinks

On paper the recycling of photovoltaic solar panels, inverters or batteries that are broken or at the end of their life cycle is very clear cut. The companies which manufacture, brand, or import these products

are responsible for correctly retaking and recycling them, and for making sure they reserve a budget to do so, before their products can hit the market. It's European law: the Waste Electronic and Electrical Equipment Directive, WEEE in short, to be exact.

That would make it easy for us: we neither directly manufacture, brand, or import any of these products, but the wholesalers where we buy them do. So the responsibility of retaking and recycling defunct solar systems or broken parts lies with them. But being legally off the hook doesn't mean you aren't morally responsible

to monitor whether the retaking and recycling actually happens. And when you do see kinks, that you have to help solve them. That's how we look at it anyway.

Naturally, we only buy from wholesalers which have sound collection, recycling, and budgeting systems in place. They all work closely with WEEE Nederland or ZRN (Foundation Solar Energy Recycling Nederland): both organisations that execute the collection and recycling of used solar panels for our wholesalers. But even though the flow of broken parts and defunct systems is currently still quite low due to the long lifespan of solar systems, flaws in the collection and recycling system have already surfaced (see Box 11). Since the waste flow is expected to grow substantially in the coming decades, when hundred of thousands of systems in the Netherlands alone will get to the end of their life cycle, it's important to get it right as soon as possible.

More anecdotal evidence, from wholesalers, from installers, from our own observations, supports our inkling that a good part of the waste ends up in the trash and is not properly recycled. The main flaw seems to be the collection process. The procedure is that installers who end up with defunct solar systems they take down or broken parts they replace, call the wholesaler to pick it up. But red tape for

installers is intense and wholesalers are reluctant to come out for just a few panels, expecting installers to store waste until they have a bigger batch. Both factors seem to lead to lower amounts of returned electronic solar waste than expected (see Box 11).

It is our goal for next year to figure out what exactly is going on in the world of solar panel recycling. We will conduct research on the topic, involving our wholesalers and installers, because they are the ones that know how the recycling system works in practice. We recognize the pivotal role of installers in making the collection process work, while at the same time recognizing the administrative burden and storage space it would take to fulfill that role in a satisfactory way. Since we work closely with our installers, a relationship also pivotal to Sungevity's own success, we bear a responsibility to help them smooth out the kinks in the collection process.

We strive, in collaboration with our wholesalers and installers, to come up with a constructive approach to do this. Measures could range from supporting our installers with necessary paperwork to serving as an intermediary for the storage of defunct systems and broken parts. All options are still open. In return we expect our installer partners to take recycling very seriously. More on where this discussion will lead in next year's impact report.

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4 Home sweet home



WHAT TO EXPECT IN CHAPTER 4:

So far, we have looked at the social and environmental impacts of the solar products we installed, including the avoided CO₂ emissions and their supply chains. In this chapter, we stay closer to home. Because how can we change the world if our home isn't in order? Of course, our home is more than just the physical office we work from. Home also means our Solar Warriors, whose happiness is super important. Without happy Solar Warriors, happy customers wouldn't exist.

The environmental impact of our office: don't mind the scaffolding

"Want to change the world? Start with yourself first" as the saying goes. The environmental impact of an office is relatively low compared to, say, a steel factory, but it's the impact we have most direct control over so it's very important, also symbolically, to let you know what we do with that control.

The good news: we are on the right track. We have taken extensive energy efficiency measures even though financial gain from them ends up in our landlord's pocket, practically everybody does arrive at the office with public transport or on bike, and we joined a waste recycling initiative. What we didn't do until we started working on this impact report, was systematically collecting data on these efforts to grasp the full picture and present that picture to the outside world.

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Now we've made the effort we have to be honest: the picture of the environmental footprint of our office is far from comprehensive. But what we did get, was a clear picture of the data gaps we need to work on in the coming years. This will also help us to set meaningful goals and measure our progress. Still, data gaps won't stop us from taking action to lower our office footprint right now. Below our findings, actions and ambitions in several areas.

ENERGY, GAS AND WATER USE: BATTLE OF THE QUESTION MARKS

Our main office in Amsterdam on the top two floors of an old turn-of-the-century factory building is a hipsters dream: charming red brick, ceiling to floor windows overlooking the harbor, industrial chic restaurants and quirky microbreweries at



your fingertips. But it has some downsides from an energy perspective. Single pane windows and poorly insulated walls and roof let the cold in as easily as warmth leaks out.

Another downside is the fact that the rent for Sungevity's office space includes water and other utilities and our use of water, electricity and gas isn't metered separately. Attempts to get any individualized data on our energy and water consumption from the building manager failed, as did our request for insight into the building's energy contract. The latter to assess the fuel mix used to generate the electricity we are consuming.

In order to be able to include our electricity consumption in our next report, Sungevity has performed baseline measurements and will continue to measure our power use throughout the year. We will also work on a solid estimate of our annual water and gas use, which can serve as a baseline for actions in those two fields. With those baselines in place we will present specific goals to lower our electricity, gas and water use in our next report.

But the absence of baselines doesn't mean we sat still this year. That our office could be more energy efficient was quite clear, so we decided to make that happen, no matter the fact that we

can't measure the effects exactly yet. It's the right thing to do!

Spring 2018, a green building specialist stated what we instinctively knew already: the shell of the building is a drafty mess. Instead of waiting for the unlikely event that the building owner would invest heavily to insulate the outer shell, the green building specialist advised to improve the inner climate of our office.

Following his advice Sungevity invested 20.000 euro to cover our rooflights with special foil. This foil reduces sun heat by approximately 80% which significantly lowers the need to crank up the air conditioning in the summer. To combat the cold in the winter, and save on heating, we also had a specialist reduce the drafts coming through the outer wall bordering our office. Last but not least, we changed our heating/cooling policy: aimed at lowering the average energy consumption in both winter and summer.

Lowering our energy consumption is one thing, but it would be much better if we could also slap solar panels on the roof of our office! That's exactly the possibility we are discussing with the building owner right now. Depending on its size, the system could

not only provide Sungevity with solar power, but other offices in the building as well. We are renters so we need to wait for permission. But, oh man, are we itching to get started.

RECYCLING AND OFFICE SUPPLIES: WORKING ON THE BASICS

Recycling of paper and plastic has been a widespread practice from the start at Sungevity, but every department did it according to its own system and nothing was tracked. Since June 2017 we have implemented a new, company wide system and have joined the WastedLab-program, which helps us to track how much waste we recycle.

How does it work? We now all have the same recycling bins with separate compartments for each

type of waste. All waste is collected weekly and put in 60 liter bags which are scanned and registered by waste-type when brought to the trash bins outside our office. As an extra incentive to recycle, the WastedLab-program gives Sungevity waste coins for each bag of glass, plastic and paper waste we recycle. Those coins can then be spent at selected local stores. On average Sungevity recycles 10 bags of plastic and 2 bags of paper a week through WastedLab. Our cafeteria staff disposes of all other waste, on average 4 trash bags a day.

In the coming year we will give full attention to the procurement of our office supplies, ranging from paper and cartridges to bulletin boards and extension cords. We'll analyze the types of office supplies we use and how much of it, and create a list of criteria to ensure we choose the most environmentally and socially responsible products.

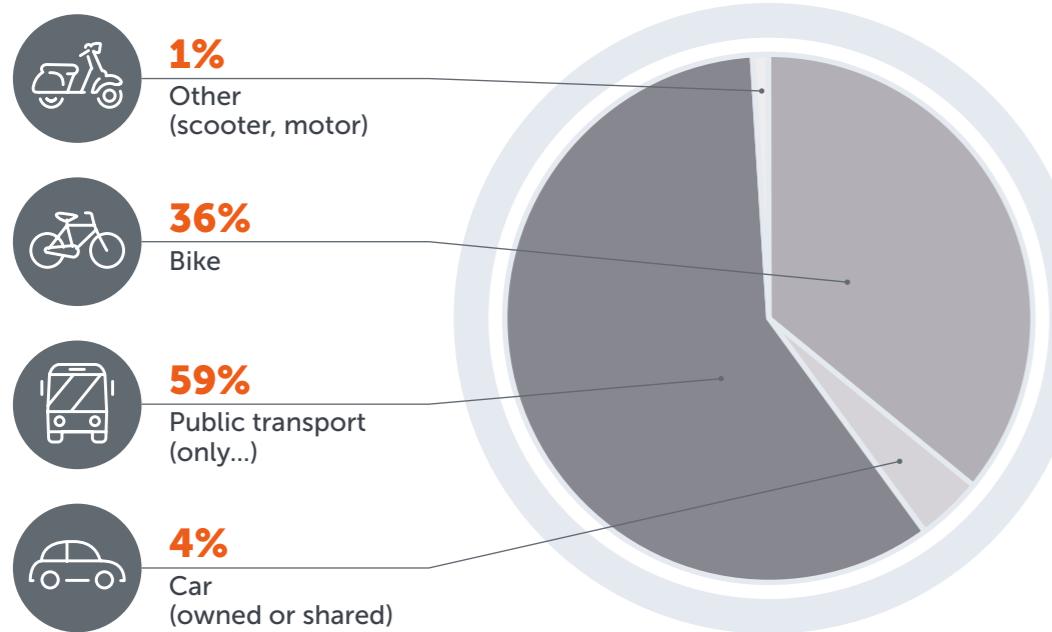


MOBILITY: BIKE AND TRAIN ARE KING

To get a good picture of our commuter habits, we conducted a mobility survey (in collaboration with the clean transport network BREIKERS). Judging by the jumble of randomly parked bikes in front of our office, and just a handful of cars, we sort of felt which way the survey would go. And we weren't surprised. Almost 4 out of 10 Solar Warriors bike to work. Another 59% comes by public transport alone (18%) or combined public transport with biking (30%), walking (10%), or the car (1%). And just 4% fires up the car engine (or unplugs his/her hybrid or EV) in the morning. 1% of Solar Warriors prefers the freedom of travelling by motorcycle or scooter.

How Solar Warriors commute to work*

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*3PM benchmark (172 org.), 2018: Car 66%; Public transport 13%; Bike 21%

Compared to the average Dutch worker, our Solar Warriors commute exceptionally sustainably. On average almost 7 out of 10 Dutch workers take the car to work, while only just over 21% hop on their bike. The rest takes public transport. We also stand out when it comes to the amount of people who live close to work. Almost half of our Solar Warriors live within 7,5 kilometers of our office, compared to a quarter for all Dutch workers.⁴⁰ This of course is great news for our footprint: the closer our Solar Warriors live to our office, the bigger the chance they will grab their bike and commute emission free. But it's not all roses. Only 41% of our Solar Warriors are happy or very happy with the mobility policy we have. Almost a quarter is downright dissatisfied. Next year, we will look into how we can improve these numbers.

A limitation to this survey is its response rate (which might have been related to the fact that we conducted the survey over summer...). Only 65 Solar Warriors responded, leaving more than half of the Solar Warriors unaccounted for. We learned from this, and will present an updated survey with a higher response rate next year.

Even if limited, our employees did drive some distance. And also, more sustainable than driving, travelling with public transport does cause emissions. Together with business air travel by our management, and the kilometers made in our company van, these components make up the

transport footprint strongly related to Sungevity's business operations.

We are currently not able to calculate our complete transport footprint in kilograms of CO₂, but we were able to calculate the CO₂ emissions of our company van: between 17 jan 2018 and 17 jan 2019 we drove exactly 14.921 km in it. As our Toyota Proace emits 143 gCO₂/km, this brings its total CO₂ emissions during this year to just over 2 tonnes.

When we look broader, it becomes less straightforward. Although our administration does register work-related kilometers employees travel, it does not distinguish between car and train kilometers. Moreover, air travel is not included in these numbers. In 2018, air travel accounted for 54.800 kilometers.⁴¹ Our CEO personally offsets all his flights, which account for 39% of the total air travel. We strive to set up a registration system which clearly separates all three categories, so we can correctly calculate and offset our transport footprint for 2019.

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⁴⁰ 3PM benchmark (270 org.), 2018

⁴¹ 30 return flights from Amsterdam to London: 30*720 km + 20 return flights from Amsterdam to Milan: 20*1660 km = 21.600 km + 33.200 km = 54.800 km flown in total. All distances based on distancecalculator.net, 29/01/19.

GOOD OFFICE HABITS: MEAT-LIGHT LUNCH AND SHARING IS CARING

We are mission-driven in all things big and small, as we mentioned earlier. That includes our lunch. Apart from being a daily moment to chat, laugh and connect, it's also a moment where we can practice what we preach by being aware what we eat. We are not in the business of lunch dictates, but we do make an honest effort to educate all Solar Warriors on the big negative impact of meat on the environment.

As part of those efforts, we hosted a meatless month in our cafeteria this spring, to show it's easier than most people think and there are plenty of tasty alternatives. We kicked it off with a soapbox session (for more details on soapbox sessions see chapter 5) from Jaap Korteweg, founder of Vegetarian Butcher, specialized in tantalizing meat replacements, and several documentaries on the topic (Cowspiracy and What the Health).

We didn't convince all our Solar Warriors to leave meat totally behind, but the month did have a lasting impact. Since then we have slashed our meat purchases: instead of ordering meat on the daily, we limit ourselves to only ordering meat on mondays and do without the rest of the week. We also

switched from bulk ordering fruits and vegetables to ordering them freshly from a greengrocer, who prefers to deliver daily to ensure the quality of his products. The added benefit? We can better assess the specific needs of the day and first use leftover produce from the day before. This directly leads to less food waste!

The circular economy is all the rage, but it can get a little abstract. Good thing then that our Mission Team made it tangible by introducing the Sharing Shelf this year. The shelf has been stacked with a trove of fashionable clothing and other products ever since: all ready for the taking. We know of several Solar Warriors whose entire wardrobe must originate from our Shelf by now. Persistently neglected items are donated to a thrift store.

Solar Warrior happiness

Our company staff is on a very steep trajectory right now. There have never been so many Solar Warriors as in 2018! It's a year that we've come to realize that this rapid growth means we need to put a system in place to track if we are hitting our goals in areas like hiring, diversity and employee happiness. So that is what we did.

BOX 12:

EVERYTHING YOU'VE ALWAYS WANTED TO KNOW ABOUT OUR HR POLICY

As the architect of Sungevity's HR policy, Eva Benderdouch can answer a question or two about what makes it tick.



How do you see your role within HR?

"It's an overarching role. I am responsible for professionalizing Sungevity's HR department: I work on our recruitment strategy, HR policy, and assess how many new Solar Warriors we need. A lot of what I am currently working on will be presented in the Solar Warrior handbook next year. I make sure everyone is treated fairly and equally. On top of that, I work closely with the team responsible for recruitment, contracts, salaries, and the working environment. Oh, I also do labour conditions and help managers if they run into issues they can't solve on their own. I don't need much sleep, luckily".

Does Sungevity take its mission into account when recruiting new Solar Warriors? If so, how?

"For me, our mission is always a set topic in interviews, and I expect the same from any new people who are going to conduct interviews in the future. Most of the candidates that want to work for Sungevity are mission-driven. That's the reason they apply for a job here. I see a trend lately: people want to work for a company that does something good first. The exact position is of secondary importance. I personally think it's equally important; you need both for employee happiness. When we have many candidates,

we pick the one who's motivation convincingly relates to our mission. However, being mission-driven is not an absolute must, genuine enthusiasm and a good fit for the job are".

How does Sungevity promote diversity among its Solar Warriors?

"Now we grow so rapidly we need to be more on the ball with this (note: see later in chapter) and started to do so. Personally I believe who you are, and what your background is, should not matter at all. I train people who will conduct interviews or select candidates to, very consciously, only look at the skills a person brings to the table. What I often do is ask them their opinion about a CV and then later ask them their opinion again, but now with name and picture covered. Just to confront them with any unconscious bias. I strive to recruit a mix regarding cultural background, gender including gender non-conforming, and sexual orientation. It's not a math exercise: Sungevity doesn't work with any quota. But you have to put in energy to make diversity happen. When I got back from my pregnancy leave, for example, I noticed the percentage of women had slipped during my months of absence. We also changed the pictures on the 'working at Sungevity' webpage, because they didn't reflect

BOX 12:

the true diversity in our office. We're now actively looking how we can recruit among a more diverse groups of people, how we can reach groups that don't have Sungevity on their radar right now."

Does Sungevity offer training for Solar Warriors: if so, what kind?

"Yes, for every position we offer an initial training.

What kind depends on the position. After the initial training, typically a coach will be assigned to you and you'll learn a lot on the job, of course. This year, we also introduced the Development Passport. With it each employee can spend five days on personal and professional development. Anything goes."

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We put special emphasis on employee happiness in 2018. As we said before, we won't get far with our mission without the mission-driven, energetic and eager Solar Warriors that embody it. Up until now the culture in which such employees thrive almost fell into place by itself. But we've grown too big to expect this will always be the case. So to maintain our informal culture of mission-driven energy, we

started surveying our Solar Warriors on a monthly basis, to assess if they still 'feel' it. This way we can detect snags early on and fix them. Our special emphasis on Solar Warrior happiness in 2018 is covered in detail in this subchapter along with diversity within our company, our hiring policy and several initiatives to create community and community engagement among our Solar Warriors.

**EMPLOYEE BREAKDOWN:
MANY STRIPES AND COLOURS**

Ok, let's look at what all these Solar Warriors look like: the most impressive category of diversity within Sungevity is probably the many different nationalities, 17 of them in total. Dutch Solar Warriors still make up the majority, with 69 %. When it comes to gender identity Solar Warriors identifying as male are overrepresented, both overall and in the International Management Team. Sungevity is also quite a young company: more than half of the Solar Warriors are under 30.



DIVERSITY BY	TOTAL	MANAGEMENT TEAM (= 8 MEMBERS)	COMMENTS
GENDER (MALE/FEMALE)	32% female, 68% male	25% female, 75% male	
NATIONALITY	69% Dutch, 9% Italian, 6% French, 5% Belgian, 4% Indian, 7% Other (British, Nepali, New-Zealandish, Portuguese, Macedonian, Indonesian, Greek, Finnish, Canadian, Australian, Chinese, German)	75% Dutch, 12,5% Belgian, 12,5% British	17 different nationalities in total!
FULL-/PART-TIME	67% FT, 33% PT	75% FT, 25% PT	Full-time = 1 FTE, part-time < 1 FTE
AGE	57% <30 years, 40% 30-50 years, 3% >50 years	0% <30 years, 87,5% 30-50 years, 12,5% >50 years	

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IVITY

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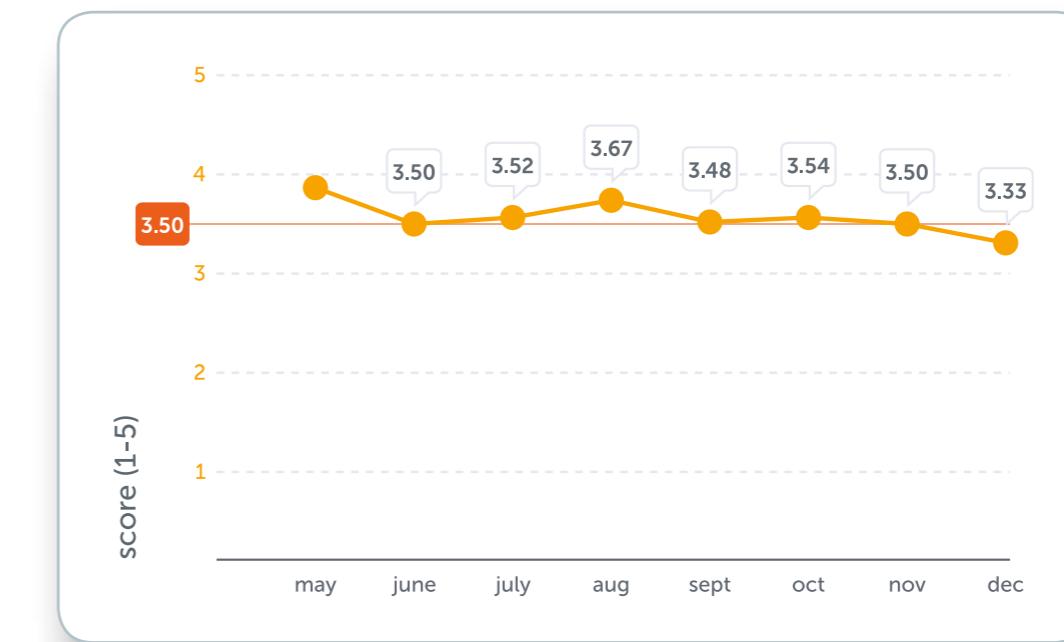
In 2019 and the years after we will keep striving to represent society properly in our Solar Warriors. First of all, we will work towards a more even distribution among male employees, female employees and employees who are gender non-conforming. The same goes for the age distribution of our Solar Warriors. Secondly, we expect diversity by nationality (meaning the passport someone carries) to move in tandem with our success to expand further in non-Dutch European countries. However, nationality is not the same as ethnic background: our headquarters are located in Amsterdam, a city where more than 30%⁴² of the population has a non-western background. As a company we strive to reflect this better than we currently do. The first step towards this goal is to map the ethnicity of our Solar Warriors for our next impact report.



Sungevity is an open, broadminded company and we don't accept discrimination of any kind by Solar Warriors nor our partners, not by race, not by gender, not by sexual orientation, not by any other random characteristic. Neither do we accept other forms of egregious behavior, including but not limited to bullying and sexual assault. We recognise our current system in place for complaints is pretty basic and inadequate when it comes to strict confidentiality. As we speak, HR is working on publishing a whistleblower policy and installing a confidential advisor, to make sure this situation improves in 2019.

⁴² Cbs.nl, "Bevolking naar migratieachtergrond", 21/11/16

IS EVERYBODY HAPPY? HAPPINESS SURVEY RESULTS



The happiness of our Solar Warriors, since we started with the happiness survey in May 2018, has been decent. We aim for a score of at least 3.5 out of 5 and except for two months we've managed to stay above this threshold. But a Solar Warrior happiness that permanently hugs the 5 would be much better! So the message is clear: we can't rest on our laurels, we need to get busy and think of creative ways we can make our Solar Warriors, our main asset, even happier. And for that, we created:



THE HAPPINESS PLAN

Together, we dissected what makes our culture work and why our Solar Warriors were attracted to us in the first place. Those are the things that make our Solar Warriors happy. We came to the conclusion that you could break Solar Warrior happiness down into four steps. Solar Warriors are happy when they:

- 1 have the feeling that they contribute to something bigger than themselves,
- 2 work in a pleasant and open atmosphere,
- 3 are always open to learn and challenge the status quo,
- 4 and when the basics are in place so they can flourish at their jobs.

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To make the steps more concrete we then translated them into quarterly tangible goals, or KPIs. Does that smell like Rockefeller Principles? You bet it does! Want to know what our goals are for every step to Solar Warrior happiness? And what kind of KPIs we set ourselves for last year to contribute to these goals? You can find them on our latest happiness poster in Box 13.

ONGOING:

- DEFINE YOUR OWN PURPOSE WITHIN THE MISSION OF THE COMPANY, AND CONTRIBUTION TO OUR VALUES/KPIS, WITH ONGOING EVALUATION OF YOUR IMPACT WITH TEAMLEADER.
- SUNGEVITY ORGANIZES CLIMATE COLLEGE TOURS & SOAPBOXES TO INSPIRE
- SUNGEVITY ENCOURAGES PARTICIPATION IN PROGRAMS THAT RELATE TO CLIMATE CHANGE
- WE ALWAYS TRY TO SHOW THE BIGGER PICTURE IN OUR COMMUNICATIONS

ACTIVITIES Q3/Q4:

- FIRST COMPANY IMPACT REPORT DUE Q4 2018
- EACH SOLAR WARRIOR TO FORMULATE YOUR CONTRIBUTION TO VALUES/KPI
- TRAIN ALL SOLAR WARRIORS TO DELIVER AL GORES 'TRUTH IN 10' PRESENTATION
- IDENTIFY OPPORTUNITIES FOR SOLAR WARRIORS TO PARTICIPATE IN SCHOOLDAKREVOLUTIE FUND

ONGOING:

- ACTIVELY RECOGNIZING EACH OTHER BY SENDING VALUE CARDS
- SOCIALIZING AND FUN - HOSTING FRIDAY AFTERNOON OFFICE DRINK, MOVIE NIGHTS, REGULAR PARTIES TO CELEBRATE ACHIEVEMENTS, SEASONAL ACTIVITIES
- MONTHLY PEOPLE HAPPINESS SURVEY AND FOLLOW UP TO IMPROVE PEOPLE HAPPINESS.
- INVENTORY OF PEOPLES TALENTS AND PASSIONS AND USE WHERE RELEVANT

ACTIVITIES Q3/Q4:

- INTERVISION LAUNCHED, WHICH HELPS WITH PERSONAL DEVELOPMENT, BEING HEARD AND GIVE/ASK FOR HELP
- IMPROVE PEOPLE MANAGEMENT THROUGH TEAM LEAD TRAINING

ONGOING:

- TARGET 5 DAYS PER YEAR PER EMPLOYEE FOR PERSONALIZED PROFESSIONAL DEVELOPMENT THROUGH DEVELOPMENT PASSPORT
- ONGOING INTERVISION PROGRAM
- WATTSHOT IDEAS BOX AND INSPIRATIONAL READS

ACTIVITIES Q3/Q4:

- ROLL OUT OF INTERVISIE SESSIONS FOR ALL STAFF FOR JOINT LEARNING
- DEVELOPMENT PROGRAM BEING PILOTED WITH CHOICE OF LEARNING EVENTS THAT COUNT TOWARDS ANNUAL 5 DAYS PER YEAR OF PERSONAL DEVELOPMENT
- INCREASE FREQUENCY LUNCH & LEARN
- TRIAL SUNGEVITY TED: IDEAS WORTH SPREADING PITCH SESSION
- IDEAS BOARD CAFE DE ZON

ONGOING:

- IMPLEMENT PLANS OF TEAM SUNGEVITY SUSTAINABILITY
- HEALTHY LUNCHES PROVIDED FREE OF CHARGE AS WELL AS FRUITS
- WEEKLY SPORT LESSONS (KICK BOX, YOGA, SOCCER, BASKETBALL)
- GREEN OFFICE (PLANTS)
- IMPROVE OFFICE CLIMATE

ACTIVITIES Q3/Q4:

- EXPAND OFFICE MEETING FACILITIES
- PROVIDE A SILENCE ROOM
- DEVELOP SOLAR PROJECT ON KROMHOUTHALLEN
- INCLUDE STRESS AWARENESS IN TEAMLEAD TRAINING PROGRAM
- PENSION ARRANGEMENT IN PLACE (SUBJECT TO ALL STAFF JOINING)

BOX 13

THE 4 UNIVERSAL STEPS TO SOLAR WARRIOR HAPPINESS

Our latest happiness poster, presenting the happiness efforts that took place in 2018.
Of course, happiness is only a handful of KPIs away. ;)

4 STEPS TO SOLAR WARRIOR HAPPINESS

TOGETHER WE FIGHT CLIMATE CHANGE

MISSION DRIVEN

I CONTRIBUTE TO SOMETHING BIGGER THAN MYSELF



Sungevity creates an environment in which each Solar Warrior can contribute to the mission: fighting climate change by powering lives with sunshine.

DON'T BE AFRAID TO GIVE UP THE GOOD FOR THE GREAT

INNOVATIVE

I WILL ALWAYS BE OPEN TO LEARN AND CHALLENGE THE STATUS QUO



Sungevity creates an open environment where Solar Warriors are encouraged to learn, get the tools and share knowledge to get the most out of themselves. Where they think outside the box, give constructive feedback and make suggestions on improvements. We believe that personal ownership is a key element in personal development and in fulfilling our mission.

SHINE BRIGHT LIKE A DIAMOND

PEOPLE CENTRIC

I WORK IN A PLEASANT AND OPEN ATMOSPHERE

Sungevity recognizes people's achievements and efforts and aims to reward team achievement. We have an open culture where appreciation, asking help and giving feedback is stimulated. Sungevity promotes diversity and creates space and opportunities for all backgrounds, sexes, cultures and for people with distance to the labour market.

A SOLID FOUNDATION IS THE KEY TO BUILDING ANYTHING ENDURING AND OF VALUE

BUILD FOR SCALE

THE BASICS ARE IN PLACE SO I CAN FLOURISH IN MY JOB

Sungevity stimulates a healthy office and lifestyle to support solar warrior well being. We empower solar warriors and invests in their personal development. Sungevity practices what it preaches and strives to be as sustainable as it can be.

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Of course, our happiness poster doesn't tell the whole story. How did we work towards our goals? Below you will find a taste of the initiatives that have been going on in 2018 and already contributed to the happiness of our Solar Warriors.

goal: 'Sungevity encourages employee participation in and supports initiatives of programmes that relate to climate change'

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In June, we sent five Solar Warriors to Berlin to participate in Al Gore's Climate Reality Program. Having finished the three day program, they can now officially call themselves Climate Leaders. They learned from master Al how to effectively communicate the urgency of the climate crisis, how to mix science and solutions to engage a mainstream audience, and how to inspire others to take action. Good news for the Solar Warriors who were staying behind at the office: the Gore Warriors shared their experiences in daily blogs from Berlin and passed on what they learned during a lunch & learn afterwards.



The Climate Reality Project

goal: 'there is room for socialising and fun'

Our Solar Warrior love to hang out together! We host Friday afternoon office drinks at our own Café de Zon, have movie nights together, fun office traditions like Corporate Kyle day (where everyone dresses up all corporate for once), a back-to-work sports day after summer, and many parties to celebrate milestones (the introduction party of the Rockefeller Principles this year was a blast!). And as pictures speak louder than a thousand words: enjoy!



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goal: 'create internal platforms to share ideas and inspiration'

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Late 2018, the first trial version of TedX style inspirational talks for and by Solar Warriors took place during Corporate Kyle day. We had talks about the role of the sun in South-American culture, minimum-waste living, female leadership, energy efficiency and about machine learning. Turns out our Solar Warriors are quite the presenters. We can't wait for next edition!



goal: 'we promote healthy living in a healthy office environment'

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We already facilitated sport activities like weekly kickboxing classes and a Sungevity soccer team, but this year we also added free yoga classes to the list. All so that our Solar Warriors can stay fit and healthy without breaking the bank. On top of that, we provide a free healthy lunch (go salad bar!) and fruit during the day. Oh, and almost forgot: some Solar Warriors are even crazy enough to plank together every hour!



5

Joining forces: social partnerships



WHAT TO EXPECT IN CHAPTER 5:

As a social enterprise, we find it important to give back to the community. We try to do this in multiple ways: first of all, we believe combating climate change is not something you can do alone, it's a deeply collaborative affair. So we are always looking for social partnerships with like-minded organisations, that have so far resulted in the School Rooftop Revolution and Rental Rooftop Revolution foundations and The Refugee Project. Another way we try to inspire is to be out there and join the debate around green energy and climate change; we do this by writing op-ed pieces, speaking at conferences, organising free climate events, publishing podcasts, and lobbying for policy proposals. In turn, this leads to media seeking us out, asking for our opinion, wanting to learn more about our social initiatives. We love to share what we think about the topics we know something about: solar and green energy and what you need to do to keep it moving forward.

viva La Revolución Solar

After kicking off the Rooftop Revolution in the market for privately owned homes, it seems only fitting that we look for other places to ignite a sea-change. As we said earlier, it's an integral part of our mission to look much broader than just our own company. We couldn't believe why thousands of schools, with flat roofs ready for the taking, still had no solar panels. Or why millions of renters in the Netherlands alone, still have no access to solar power, leaving the environmental and financial potential of millions of homes untapped.

So we set up two revolutions - the School Rooftop Revolution and the Rental Rooftop Revolution: not to make money, but to create awareness, map the obstacles and find ways around them. Below we report on the progress we have made.

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THE SCHOOL ROOFTOP REVOLUTION: INVESTING IN THE FUTURE

Schools have trouble coughing up the money for the upfront investment in a solar system, even though annual savings in energy costs are huge. Therefore, together with Foundation Urgenda,



284 solar panels were placed on the roof of the Amstelveen College together with ZonnepanelenDelen



a green accelerator in the broadest sense and internationally well-known for winning a climate lawsuit against the Dutch government, Sungevity co-initiated the non-profit School Rooftop Revolution foundation (SRR), and two years later it is still going strong.

June 19th 2018 was a big day for the SRR! That day, the Dutch parliament passed a motion supporting the creation of a 100 million euro solar fund for schools. The idea: every school rooftop should have a solar system to save energy costs, save the environment and educate their students about the importance of green energy.

The fund will provide schools with long-term, low-interest loans to make this a reality and let them fill up their roofs with solar panels. Of course, the devil is in the details. Currently the School Rooftop Revolution Foundation is in conversation with the Dutch federal government and the Dutch Bank for Municipalities (BNG) to hammer out the structure and the requirements for the fund. But we are confident that next spring the first loans will be issued.

With the fund on track, SRR has checked off a very important item on its wish-list. It's the culmination of three years of hard work.





64 solar panels for De Ark in Espel

Our aim was clear from the start: get solar systems on top of all 8.000 suitable elementary, secondary and special education schools. Approximately 1.200 schools have switched to solar already and we hope to drag 6.600 more schools over the finish line by 2023. The result of all these 6.600 schools switching to solar?

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- > Almost 2,2 million more solar panels on Dutch roofs
- > 532 million kWh of clean energy produced every year⁴³
- > 240.145 tonnes of CO₂ not emitted to the atmosphere every year
- > € 60,9 million in savings for Dutch society every year

To make clear for people who, understandably, are wondering if this is commercial intent disguised as

a socially responsible project: Sungevity is excluded from providing any of the solar systems resulting from support by the School Rooftop Revolution. We really started up this foundation because we believed in its mission.

And finance is not the only obstacle the School Rooftop Revolution helps to smooth out. In many cases the amount of red tape and complex regulations is what's holding school managers back as well. SRR gets it: the core task of schools is teaching, not getting into spreadsheets. That's why SRR campaigns to create awareness about what solar can do for schools. SRR helps select the right system and clear the paperwork, encourages schools and city councils to make solar on schools a priority in local green policy.

Last but not least: SRR appeals to school managers as educators. Schools can use the solar system on their roof as a springboard for green education: by monitoring its power production, by helping maintaining the system, by getting into green technology and policy, by explaining the role of green energy in combating climate change. In short: by using it to raise green awareness that may prevent students from making the same mistakes as prior generations. To help with that, SRR also provides relevant teaching material.

⁴³ Piet van Lingen, Schooldakrevolutie, 12/12/18

⁴⁴ Piet van Lingen, Schooldakrevolutie, 09/11/18

THE RENTAL ROOFTOP REVOLUTION: PEDAL TO THE METAL



Shortly after Sungevity started its efforts to break into the rental market and we had gone through a steep learning curve about the obstacles we needed to overcome to unlock the potential of solar on rental homes, it dawned on us. Why keep all this hard earned knowledge to ourselves? Why not share it broadly with housing associations, solar system suppliers, city managers and other interested parties?

Why also not draw lessons from others who, like us, are trying to get to a solar model for the rental market that works? With 3,3 million rental homes, over 2 million of them owned by just 380 housing associations, there is plenty of potential to be tapped for everyone. And by sharing knowledge and learning from each other we could speed up that process.

So that's what Sungevity decided to do, together with a green building consultant: start a knowledge sharing platform called the Rental Rooftop Revolution (RRR), which is currently a foundation in formation. To get the juices flowing we organized a kick-off inspiration session in late 2017 and encouraged invited housing





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associations to publicly commit to a hard number of solar homes. The enthusiasm was overwhelming, so we felt confident enough to set a target for 1.5 million solar panels, or 10% of rental homes owned by associations, in 2020.

The RRR supports housing associations by getting the lowest finance and procurement costs. Associations can finance up to 100% of the costs of solar systems for a social rate via the RRR-fund, and by buying collectively, can save up to 15% on procurement costs. The RRR also supports interested housing associations in setting up juridical structures that optimally use tax benefits, such as the postcoderoosregeling. We share our knowledge on how to motivate renters to participate, and by offering free roof scans, we help housing associations to see how large the potential of their roofs actually is.

The most important channel of knowledge sharing is face-to-face contact during so-called inspiration sessions. During a second session in April 2018 we presented the results of the first Rental Rooftop Survey we conducted among 450 professionals at housing associations. It revealed a surprising surge in momentum: in just six months the amount of rental homes with solar had jumped from 50.000 to 80.000.

Due to this fast growth the Rooftop Rental Revolution has cranked up the dial, doubling its goal to 3 million solar panels on rental roofs in 2020, equal to 20% off all rental homes owned by associations. And RRR will continue playing its part in fueling that momentum. One way we will do this is by continuing to organise inspiration sessions in the coming year. We hope to increase the amount of inspiration sessions, and give them a regional flavour.

the Refugee Project: two backs scratched

We want to introduce you to two very different realities. One: rapid growth in the solar market, leading to a structural shortage of qualified solar installers. Two: dramatic geopolitical and climate events, like the war in Syria and ongoing devastating droughts in East Africa, leading to a steady stream of refugees into Europe for the foreseeable future. At its core our Refugee Project, set up in cooperation with the Refugee Company, aims to turn these two negatives into one positive: training refugees with a technical background to become certified solar installers. This helps alleviate our desperate need for installers, and offers them a job that will help them settle into their newly adopted home country.



Participants in the Refugee Project go through extensive training, ranging from technical to language courses and getting their driver's licence, indispensable if you want to work as an installer. At the end of the training phase candidates need to pass the so-called VCA (safety, health and environment) exam, which is mandatory for solar installers.

The next step is matching the candidates with our partner companies or other installers. We borrowed a well-known romantic technique; speed-dating. After a six month internship candidates are ready for the real deal. In 2018, 8 refugees entered the Refugee Project, of which 6 ended the program successfully and now work at installer companies or at the Sungevity office.

→

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~~REFUGEE~~
COMPANY

That's a big success in our book. So big in fact Sungevity and the Refugee Company plan to ramp up the Refugee Program to 60 candidates in 2019. Due to our experience in the last year the program will be tweaked in certain aspects. After matching with an installer we keep coaching candidates during their internship, and possibly after. We also plan to offer mental health support and to organise sports activities to help the participants with any past experiences that hamper their future achievements.

Another idea in the works for 2019 is to start an installer company together with Refugee Company, solely aimed at refugees and other people who lack easy access to the labour market. It will be a social enterprise and a safe haven. The installer company will focus on clients with a strong social compass, like municipalities and housing associations.

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Currently we only train refugees in the Netherlands. We are looking into the possibility to replicate the model in Belgium or Italy, although we're aware that that might prove difficult due to local circumstances and regulations.

media & events: inspiring the community

At Sungevity, we believe that climate change, and its solutions, are a message worth spreading. Many of us work from a conviction of doing something good for the planet. We wouldn't be Sungevity without trying to spread our story far and wide. We take active and media-savvy steps to prominently position ourselves in the public discussion on energy and climate. Not because we're vain but because we think we have a valid contribution to make. And sure, a continued public presence doesn't hurt our business either. But since we're in the business in combating climate change we would call that a win-win.

We do this in the following ways: by event and media appearances to give our opinion on the energy transition, by sharing inspiring stories on our social media pages about climate change and especially solar, by inviting guests to speak about their passion on our soapbox (and recently, by making podcasts out of these talks, freely accessible for all), and by organising public and free climate college tours with Social Enterprise NL (which we are a member of)⁴⁵ and The Student Hotel.

Joris Luyendijk interviewed by Peter Melis
at the Climate College Tour



⁴⁵ www.social-enterprise.nl/onze-leden/lid/sungevity-nederland-105

TRADITIONAL PRINT, BROADCAST AND ONLINE MEDIA

Even in our digital times a solid quote or op-ed piece in a respectable major newspaper often is the gold standard. It gets recycled, it gets you on the radar and increases your credibility with potential business partners, politicians and opinion leaders, that often leads to follow up invitations. Similarly, well-established shows on radio and tv and published articles on sector websites do much to boost the profile of your company. Lifestyle magazines and regional papers, on the other hand, are a great way to get the value of solar across at a personal level. See Box 14 for some of our most notable media appearances in 2018.

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SUNGEVITY'S MOST NOTABLE MEDIA APPEARANCES IN 2018

As you can see, our media efforts currently take place predominantly in the Dutch market.
We strive to expand our media presence in Belgium and Italy in the coming year.

08-01-18 (Sprout.nl)

*Vergeet de unicorns,
hier komen de zebra's*



30-01-18 (Vrij Nederland)

*Keerpunt: we zijn op weg om de
opwarming van de aarde om te buigen*



08-06-18 (NOS)

*Leg zonnepanelen eerst op
daken en dan pas op de grond*



02-08-18 (Financieel Dagblad)

*Hittegolf is slecht nieuws voor de
stroomproductie door zonnepanelen*



18-08-18 (De Tijd (BE))

Groene daken tegen de opwarming



10-09-18 (Amvest.nl)

*Amvest brengt verduurzaming
woningportefeuille in hogere versnelling*



12-11-18 (NOS)

*Speciaal fonds voor zonnepanelen
op scholen*



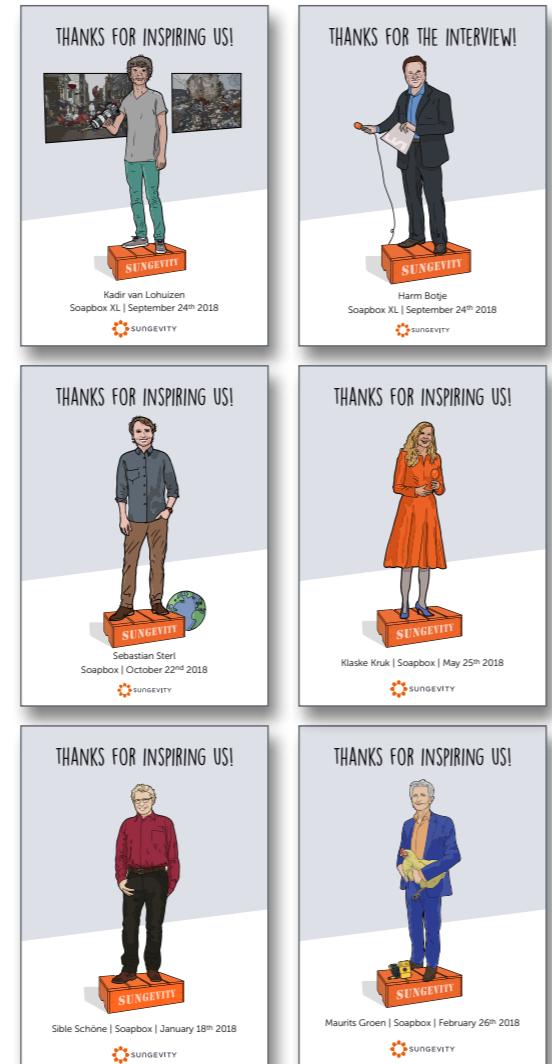
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SOCIAL MEDIA: INSPIRATIONAL READS AND PODCASTS

The content we share on our social media is diverse and serves many purposes. The groups we try to reach vary from new and existing customers, to journalists, to housing professionals and installers. The content also varies from playful shares and lifestyle articles, to updates on market trends, solar regulations or climate policy to in-depth white papers. End 2018, our social media channels had a reach of almost 5.250 followers.

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In 2018, we introduced two new types of inspirational content: the weekly Sungevity Climate News and podcasts of our Soapboxes. Sungevity's Climate News is a climate oriented newsletter, giving an overview in English with a selection of the most important climate news of that week. The Sungevity Climate News is a direct result of our internal Watt To Read, in which our Solar Warriors share inspiring reads. Secondly, we started turning our Soapbox Sessions - each with a speaker on a sustainable theme - into podcasts.⁴⁶ In 2018, we welcomed 6 different speakers at our office (see the posters below). By making both these internal resources public, we hope to inspire even more people to take steps to reduce climate change.



⁴⁶ Want to listen to these podcasts? You can find them on our Soundcloud: soundcloud.com/user-697921439

EVENTS: CLIMATE COLLEGE TOURS AND EXTERNAL EVENTS

Together with Social Enterprise NL and The Student Hotel, we have been organising Climate College Tours - focussed on raising general green awareness among students, but open to anyone who wants to attend - since early 2017. After welcoming guests such as Boyan Slat, Faiza Oulahsen, and Bernice Notenboom,⁴⁷ we continued this successful cooperation in 2018. This year alone, we inspired 400 students and other interested guests.

In April we interviewed Dutch non-fiction author, news correspondent and talk show host Joris Luyendijk about his views on electric mobility, the impact of the oil industry, and how the financial system is related to climate change.

In October we invited Diederik Samsom, a well-known Dutch politician, to talk about his role in the Dutch climate negotiations and how politics, activism and business can work together to speed up the energy transition. However, due to unfortunate circumstances, he couldn't make it last-minute. Luckily enough, Marjan Minnesma, threefold winner of the Sustainable top 100 and founder of environmental organisation Urgenda,



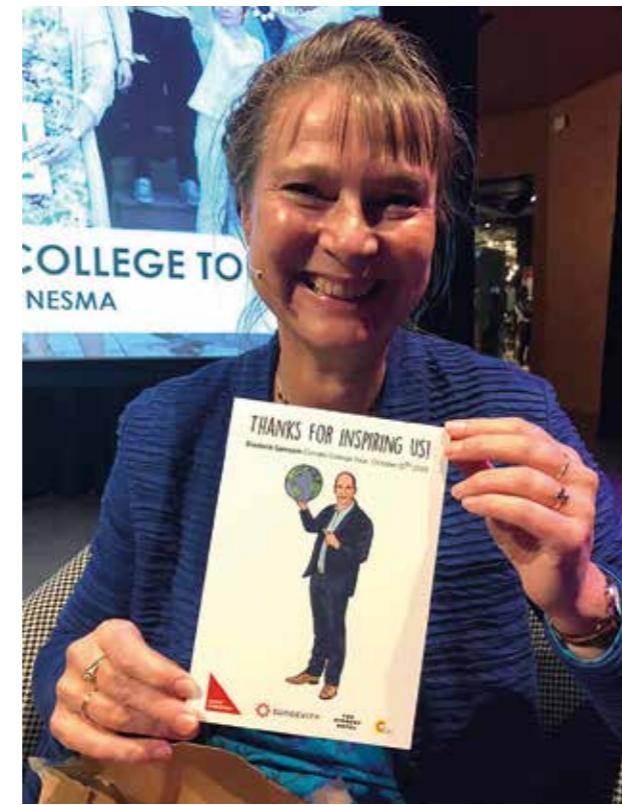
⁴⁷ Want to see these interviews for yourself? sungevity.nl/climatecollegetour



stepped in to save the day. Just two days before the Climate College Tour, she won the appeal in the Climate Case against the Dutch government. We couldn't have wished for a more timely guest to interview about the Climate Case and what you can do to save the environment!⁴⁸

Besides organizing our own events, Roebyem is also a frequent guest speaker at external events. This is a great way to meet a wide variety of audiences and really pick up the momentum, both from a social and a commercial point of view. It's also a great way to make new and often unexpected connections with other companies and organisations, experts and professionals. That's why we never turn down an invitation to a quality event. In 2018 Roebyem spoke for example at Meet The Energy Leaders (TU Delft), Bright Future and Social Impact Day Noord.

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BOX 15:

OUR AWARD SHELF

Over the last year, we received multiple awards. We hate to brag, but secretly we are pretty proud of them. So, here they are:

- 2018 **NRC (leading Dutch newspaper) Impact Award**
- 2016, 2017, **Our Chief Mission Officer (CMO) in Trouw Duurzame 100**
- 2018 **(most prestigious Dutch ranking for sustainable leaders); from #41 to #9 to #29.**
- 2017 **Our CMO in the final selection for Female Executive of the Year**
- 2015 **#29 in Small and Medium Enterprises (SME) Innovation Top 100**
- 2013 **#3 Most Sustainable Dutch Brand**



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⁴⁸ You can find recordings of the 2018 CCTs here: facebook.com/ClimateCollegeTour/

Wij steunen



Rode
Kruis

the Red Cross: first aid during climate disaster

For every solar system we sell we donate a percentage to charity. But there are so many great charities around doing incredible work in the world. That can make it hard to choose. That's why we opt to select a new charity every year (see Box 16) to donate to. In 2018 the charity of our choice was the Red Cross.

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Why the Red Cross? Sungevity and the Red Cross are like two sides of the same coin. Where we combat climate change spreading solar power, the Red Cross is increasingly called upon in areas devastated by natural disasters, often related to climate change. How bad is it? Pretty bad. Over the last decade the number of extreme weather events increased from 80 to 400 every year, with developing countries bearing the brunt of this.⁴⁹ The Red Cross works tirelessly to help people pick up the pieces by providing shelter, water, food and offering basic hygiene training.

The money Sungevity donated in 2018 is being used by the Red Cross to build a school in Haïti, which can also function as a relief shelter when a natural disaster strikes. To add to the building's resilience, a solar system will be installed on the school's roof.

BOX 16

SUNGEVITY'S HISTORY IN CHARITY PARTNERSHIPS

We have a long history of teaming up with charities that are as mission-driven as we are.

2014: Waka Waka/War Child

Our first social partnership, in providing solar powered lights to people in need. Waka Waka and Sungevity launched at the same time, and we gave their flashlights as presents to our customers. In total, we donated 500 Waka Waka's to War Child, one for every customer.

2015: Empower Initiative

In 2015, we donated Waka Waka's to a microcredit project in Indonesia called the Empower Initiative. It supports and empowers Indonesian female entrepreneurs. This project helped women setting up their own companies, and the Waka Waka's gave them the solar light to also work on their companies at night as well. We donated a set amount per customer. In the end, we donated a total of 285 Waka Waka lights.

2016: Solar Mama's with Barefoot College

Sungevity donated an amount of € 6.075,- to Barefoot College to make the education possible of rural women to become solar installers.

YEAR	DONATION	CHARITY
2014	€10.000,-	War Child (with Waka Waka)
2015	€5.700,- (+ shipping)	Empower Initiative (with Waka Waka)
2016	€6.075,-	Solar Mama's (with Barefoot College)
2017	€0,-	None
2018	€16.000,-	School and relief center in Haïti (with Red Cross)

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Appendices

What's to share?

OUR SHARING CLOSET

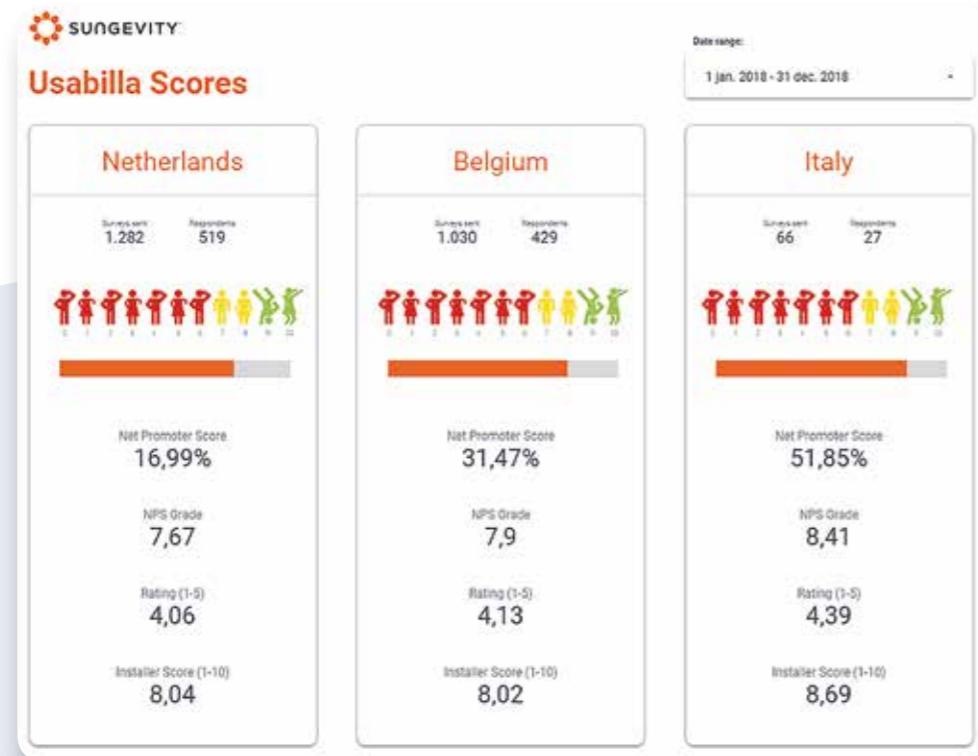


a. customer satisfaction scores

We use the Net Promoter Score (NPS) score to measure how satisfied our customers are with us. Basically, with the NPS, you can see how likely customers are to recommend us to a friend. -100% means very unlikely and 100% means very likely. All scores above 0% mean a higher number of people would recommend you to a friend than the people that would not. than not.

In the Netherlands, the average NPS score for typical energy providers was -26% in 2017, with the best providers scoring 5% and 9%. As you can see in the graph below, in 2018 our customers in all countries gave us above average grades and in Italy we really earned a high score!

Beside the NPS, we also ask our customers for an overall rating from 1 to 5 and a rating of our installers from 1 to 10. The results are also shown in the graph below.



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b. structured for impact

We are very dedicated to maximizing our positive impact and minimizing the negative impact of our operations. To make sure to get there, we formed a Mission Team led by our founder and Chief Mission Officer Roebyem Anders. In this section we will briefly discuss the breakdown of the Mission Team and what topics they focused on in 2018.

MISSION TEAM: A MIXED BUNCH

A variety of perspectives leads to the best outcomes. This is why Solar Warriors from different departments, such as Marketing, Business Development, Sales, Customer Care, Customer Service and IT, are represented on our Mission Team. In total, the Mission team consists of Roebyem and 10 Sungevity employees and they work on different projects in smaller teams.

All Mission team members spend two regular work hours per week related to Sungevity's mission and are exempt from their functional responsibilities during that time, with the exception of the Chief Mission Officer (CMO), the beating heart of the Mission team. Being the CMO is a full-time position, held by Roebyem Anders. She's part of the International Management Team (IMT) with two distinct tasks: one, actively track whether decisions made by the

IMT live up to Sungevity's values and mission and two, drafting and executing an annual plan for initiatives which are both in line with and contribute to our mission and values and strengthen our brand.

Additionally, the CMO is responsible to select the right people and partners, both inside and outside the Mission team, to make mission-related initiatives a success, set key performance indicators (KPIs) for them and guard their progress. In this process the CMO frequently consults the Mission Team, but she remains the single point of accountability for the success of all initiatives.

The CMO has a dedicated budget to support the Mission Team and the various projects she and the Mission Team initiate. To further emphasize the importance Sungevity puts on its mission and values, the CMO is rewarded with a bonus that depends on the success of the mission-related initiatives she is responsible for.

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b. structured for impact

YOURS TRULY: THE IMPACT REPORT TEAM

One of the projects that the Mission Team worked on in 2018, and one of the main KPIs of our CMO as well, was the writing of this Impact Report. We realised this would be a labour intensive project to get it right and set up a reporting structure that will last for years. That is why we decided to call in help. In addition to the CMO and 2 Mission Team members, the Impact Report Team 2018 was created with the help of a part-time coordinator (0.6 FTE) and a senior sustainability expert from the consultancy firm The Rock Group.



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C.GRI content index

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COLOFON

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SUNGEVITY INTERNATIONAL IMPACT REPORT

2018

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