

south
mountain
COMPANY

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FY23 Annual Benefit Corporation Report



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DATE

January 30, 2024

COMPANY NAME

South Mountain Company

ADDRESS:

*15 Red Arrow Road, PO Box 1260,
West Tisbury, MA 02575*

YEAR ESTABLISHED

1975

PRESIDENT/CEO

Deirdre Bohan

BENEFIT DIRECTOR

*Ronald H. Rappaport, 106 Cooke Street,
Edgartown, MA 02539*

**SIGNIFICANT (>5%) OWNERSHIP POSITIONS
IN THE COMPANY**

*see Addendum - Board of Directors
Including FY23 Ownership Positions and
FY23 Compensation*

BOARD OF DIRECTORS

*see Addendum - Board of Directors
Including FY23 Ownership Positions and
FY23 Compensation*

Introduction

South Mountain Company (SMCo) is in its 48th year in business and its 36th year as an worker-owned worker cooperative.

Today, we have 36 full-time employees, and one part-time employee. Of these, 18 are owners and the others are on track to ownership. There is an abundance of talent, skill, youth, and passion. We are fortunate to have many people who have made long-term commitments to the company.

The company is thriving in all ways. We have a tremendously varied backlog of good work. As we continue to balance profits with mission and values (see attached mission statement), the future looks promising.

SMCOO AS CONTRIBUTOR

An essential part of our purpose as a business is to constantly try to improve the ways we contribute to the lives of our employees, to our community, and to the world we live in.

We contribute to the lives of our employees and their families through the provision of stable, meaningful jobs with better-than-living wages, profit sharing, industry-leading benefits, and ownership opportunity.

We contribute to our community through our pro-bono work and advocacy, and we make charitable contributions through our South Mountain Company Foundation. This year, we continued to perform discounted work for various local organizations, including the Island Grown Initiative and MV Community Services.

We contribute to the wider world through our progressive business practices and the many ways we share them (see Reaching Out below.)

EXPRESSING OUR VALUES IN WHAT WE DO

Although we remain an architecture, interiors, building, and solar company, with each passing year, our projects express our values to a greater degree. Most of our projects these days include one or more (usually more) of the following: solar energy systems, high-performance building envelope, net energy production, deep energy retrofit, and affordable housing. We are also engaged in a series of important capital projects for local non-profits.

Solar design and installation are approximately 10% of our business, and we are engaged in innovative work with battery storage and parking lot canopies.

We also try to express our values in our investment activity. We invest our 401k funds and equity funds in socially screened investment vehicles. We have expanded investments in smaller mission-driven companies including Boston Community Capital, Clean Energy Credit Union, Equal Exchange, and Real Pickles.

We continue to try to minimize our carbon footprint and have made policy changes that incentivize further carbon reductions. We have stepped up our efforts to reduce and sequester carbon in the materials we use. At our facility, we provide car chargers for electric vehicles.

REACHING OUT

We share what we have learned by teaching, speaking, writing, and advocating.

This year, we continued to take part in Building Energy Bottom Lines, a triple bottom line peer group program for architecture, building, design/build, and renewable energy companies in the Northeast. We worked with the Northeast Sustainable Energy Association (NESEA), the owner of the program, to expand its reach to more like-minded companies in our region. Within our local region, we are actively involved with the Martha's Vineyard Building Association, which, through education and collective action, aims to strengthen our local design and construction industry while enhancing our local economy, environment, and community.

We are a member of Amicus Solar, a national purchasing cooperative and advocacy group comprised of +/- 50 progressive independent solar companies nationwide.

THIRD-PARTY STANDARD

We selected B Labs' "B Impact Assessment" tool as the third-party standard to assess South Mountain Company's progress in the creation of a general public benefit and overall performance regarding our triple-bottom-line operating philosophy. We feel that their approach is well-aligned with our values and mission, and their process is rigorous, thorough, and constantly improving.

OUR ASSESSMENT

Our most recent B Corp certification resulted in an excellent final score of 184.1 (out of 200 possible points). At South Mountain Company, we have been recognized for our efforts in the Workers area. You can find the B-Lab score report in the Addendum. We are preparing for our re-certification in 2024.

ONWARD WE GO...

South Mountain continues to seek ways to be of greater service to our stakeholders, our community, and the planet as we complete our 48th year and continue to plan for long-term continuous improvement.

ADDENDUM

- (i) Board of Directors FY23 Compensation for Board-Related Activities*
- (ii) Most Recent B-Lab Report (Note: B Lab Certification is completed every three years)*
- (iii) Mission Statement*
- (iv) Benefit Director's Statement*



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