



sunrun

Impact Report 2019

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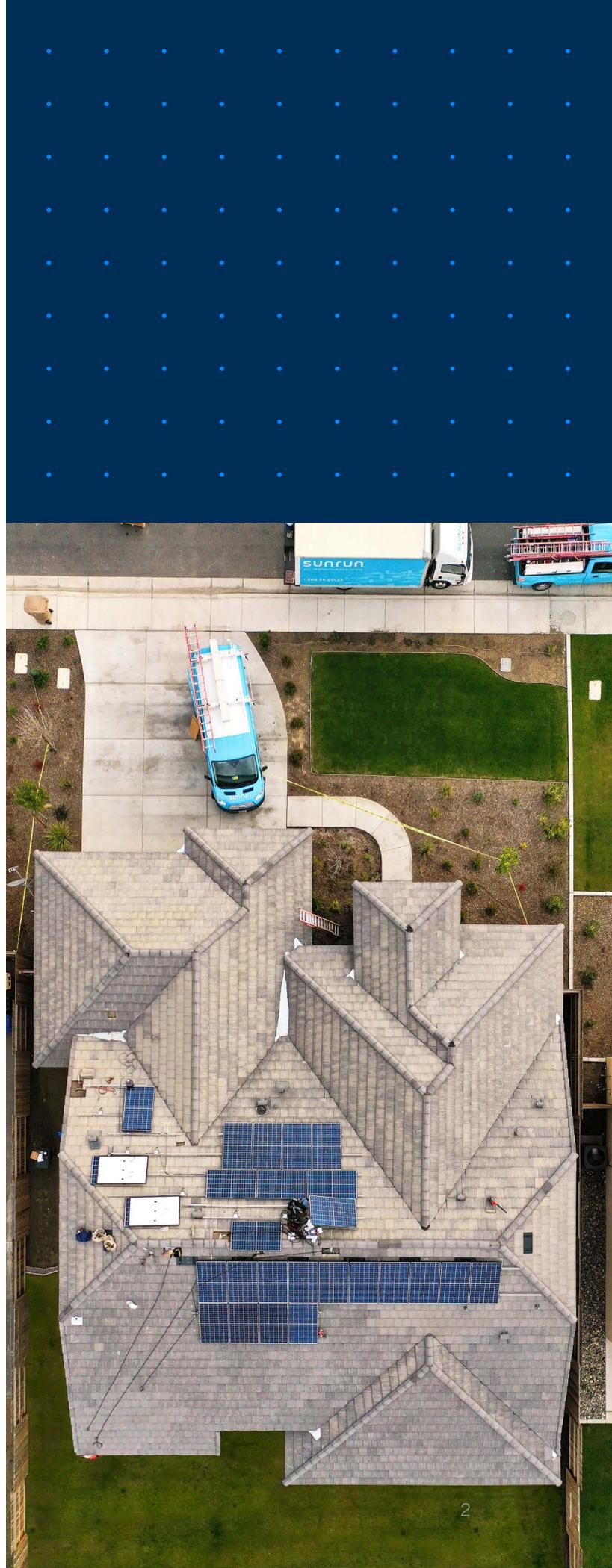
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A Letter from Our Founders

We founded Sunrun in 2007 with the vision to create a planet run by the sun. What began as graduate students building a company during the Great Recession has grown to thousands of employees and more than 285,000 customers across the country.

Recent events have changed the way the entire world is working, living, and thinking. Resiliency and energy are more important now than ever as we face wildfires, hurricanes, and other natural disasters, alongside the risk from pandemics like COVID-19. Yet these challenges present opportunities that will make Sunrun more durable. We are focused on employee and customer health and safety, the health of the company, and continuing to deliver value to our customers. We're quickly making the process of installing solar almost completely contact-free. We have already moved our sales consultations from in-person to virtual, invested in technology to streamline our installation processes, including online permitting and interconnection in many locations, and deployed drone technology to complete rooftop surveys.



Resiliency and energy are more important now than ever as we face wildfires, hurricanes, and other natural disasters, alongside the risk from pandemics like COVID-19. Yet these challenges present opportunities that will make Sunrun more durable.

In California, households are using as much as 20% more electricity than normal. Home solar and batteries not only give people peace of mind financially but, as homes become sanctuaries, it allows them to safeguard their families against the increasingly unreliable electricity grid when they need power most.

Sunrun is committed to serving all stakeholders: our employees, our customers, our financial partners, and the communities in which we operate. To ensure alignment with our mission, we created a formal committee of senior management to oversee Environmental, Social and Governance (ESG) matters at the company, while also establishing board level oversight of ESG performance by our Nominating & Corporate Governance Committee. These steps build on many actions we have taken over the years to be a company that embraces all aspects of sustainability.

We are already deeply carbon negative, and seek to help our customers and partners become carbon negative as well. Our solar systems have prevented greenhouse gas (GHG) emissions totaling 5.2 million metric tons of carbon dioxide equivalent (CO₂e). Our goal is to replace fossil fuel plants one at a time, and the choices we're making as a company are getting us a little closer to this goal every year.

We are also a financially sustainable company. In 2019, we grew our customer base by 22% while generating \$102 million in cash, after adjusting for certain activities. This strong financial foundation and attractive ongoing margins supports continued growth and innovation.

We will continue delivering our critical home solar and battery service to customers safely. In the decade ahead, we look forward to continuing to provide clean, resilient energy to people across the nation.



Lynn Jurich

Co-founder
Chief Executive Officer



Edward Fenster

Co-founder
Executive Chairman

Vision and Values

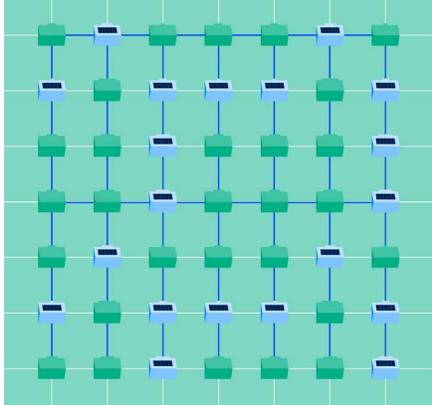
About Sunrun

Sunrun Inc. (Nasdaq:RUN) is the nation's leading home solar, battery storage, and energy services company. Founded in 2007, Sunrun pioneered home solar service plans to make local clean energy more accessible to everyone for little to no upfront cost. Sunrun's innovative home battery solution, Brightbox, brings families affordable, resilient, and reliable energy. The company can also manage and share stored solar energy from the batteries to provide benefits to households, utilities, and the electric grid while reducing our reliance on polluting energy sources. **For more information, please visit www.sunrun.com.**



Organizational Profile

Sunrun pioneered the “solar-as-a-service” model 13 years ago. Since then, we have been delivering on a vision to create a planet run by the sun and provide Americans with affordable, reliable and clean energy.



OUR EMPLOYEES

Sunrun employs more than **4,800*** people throughout the United States and collaborates with many partner organizations to enable access to clean energy and achieve important diversity milestones, such as hiring women, veterans, and people of color.

Some of the organizations Sunrun works with include GRID Alternatives, Solar Ready Vets, WISE (Women in Solar Energy), Blacks in Green, and CET (Center for Employment Training).

OUR CUSTOMERS

As of 2019, Sunrun provides solar service from coast to coast, in **22 states** plus Puerto Rico and the District of Columbia. We proudly serve more than **285,000 customers** across the country and are growing quickly.

OUR IMPACT

Sunrun has generated more than 7 billion kilowatt hours of clean energy since 2007 and **prevented 5.2 million tons of CO₂** from entering the atmosphere. This is the equivalent of preventing carbon dioxide emissions from more than 5 billion pounds of coal or 586 million gallons of gasoline.

**As of 12/31/2019*

About the Report

This is our third annual Impact Report. We are pleased to show improvement from the last two years and will continue to evaluate the impacts of our business on the world around us. We see this report as a holistic resource for ourselves, our shareholders, our partners, legislators, and our customers to measure our success as a sustainable business. We are proud that our business contributes to the United Nations’ Sustainable Development Goals (UN SDGs). This set of 17 goals is designed to eradicate poverty, eliminate inequalities, and spur the creation of a sustainable and resilient global society. Our core values at Sunrun align with this vision for the future.

SUSTAINABLE DEVELOPMENT GOALS

“GOOD HEALTH AND WELLBEING”

For customers, Sunrun’s commitment to energy services is to meet the end goal of replacing fossil fuel plants one at a time. In particular, we are focusing on disadvantaged communities where residents’ health is negatively impacted by nearby fossil fuel plants. For employees, Sunrun offers best-in-class benefits and wellness services.



“GENDER EQUALITY”

In 2018, Sunrun became the first national solar company to achieve gender pay parity. We have also committed to the White House Equal Pay Pledge and the California Equal Pay Pledge. We offer equal paid parental leave for men and women.



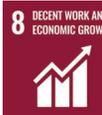
“AFFORDABLE, CLEAN ENERGY”

Sunrun has deployed 1,987 MW of solar energy systems. We pioneered the “solar-as-a-service” business model to ensure that clean, affordable and reliable power is available to all.



“DECENT WORK & ECONOMIC GROWTH”

Sunrun has seen sustained, inclusive and sustainable economic growth over the last 13 years. We employ thousands of people across the country, offering competitive benefits and salaries as well as paid time off and a respectful and impassioned work culture.



“INDUSTRY, INNOVATION, & INFRASTRUCTURE”

Home solar and batteries create a cleaner, more reliable and more resilient energy infrastructure. With little to zero money down, regular people across the nation can afford to take control of their own energy.



“REDUCED INEQUALITIES”

Sunrun’s leadership in California’s Solar on Multifamily Affordable Housing (SOMAH) legislation and program implementation, as well as Illinois’ Solar for All program, shows our commitment to making solar affordable and reliable for all.



“SUSTAINABLE CITIES AND COMMUNITIES”

As our infrastructure ages, outages are becoming more frequent and lasting longer. Sunrun is contributing to a better energy future by publishing thought leadership and engaging in pilot programs to test distributed power networks that will make neighborhood power safer, more resilient and more reliable.



“RESPONSIBLE CONSUMPTION & PRODUCTION”

Sunrun engages in the most responsible end-of-life recycling programs in the industry, and has vendors commit to a [Vendor Code of Conduct](#) before working with the team.



“CLIMATE ACTION”

By leading the home solar and battery industry, Sunrun is working to replace fossil fuel plants one at a time.



“PARTNERSHIPS FOR THE GOALS”

Sunrun works hand-in-hand with nonprofits, utilities, advocacy groups, legislators, regulatory agencies, and other industry players to ensure we are working together to build a planet run by the sun.





Our Impact in Numbers: Environment



7.4 BILLION

Kilowatt hours of clean energy produced since 2007



1,987

Megawatts of solar deployed since 2007, making Sunrun one of the largest solar companies in the world

5.2 MILLION

Metric tons of carbon offsetted by Sunrun since 2007

That is the equivalent to negating:



13 BILLION

Miles driven by an average passenger vehicle



586 MILLION

Gallons of gasoline from an average passenger vehicle



882 THOUSAND

Homes' electricity use for a year



2

How often, in minutes, a new Sunrun system is installed on average per work week



2.1 BILLION

Kilowatt hours of clean energy produced in 2019

Our Impact in Numbers: Customers



285 THOUSAND

Sunrun customers across the U.S.



\$300 MILLION+

Savings to our customers



15% +

Percentage of new customers in our direct business choosing to add a Brightbox to their solar installation. In California, approximately 35% of all new direct customers are choosing to add a Brightbox battery.



48

The length, in hours, of a recent sale to install in Las Vegas. We are cutting down on lead times to improve customer experience



10-40%

Typical bill savings for a Sunrun customer

Our Impact in Numbers: Community



3,564

Number of installations completed through GRID Alternatives in partnership with Sunrun, which translates to 14,155 kilowatts of solar installed



\$92.7 MILLION

Savings for low income families through these installations



185 THOUSAND

Tons of CO₂ prevented through this partnership



185 THOUSAND

Volunteer hours for participants on GRID Alternatives projects in partnership with Sunrun

Financial Sustainability

Sunrun has delivered robust growth over its 13-year history and aims to generate strong returns to our financial partners while building a solid financial foundation that allows the company to make a meaningful impact for decades to come. Financial sustainability is core to the company’s philosophy.

Our operating and financial performance highlights our discipline and commitment to sustainability. In 2019, we grew our number of customers by 22% while maintaining strong unit economics that allowed us to generate \$102 million in cash, without relying on common equity issuances or raising additional recourse debt. We believe that strong net unit margins provide Sunrun a foundation to be able to continue to grow, innovate, and serve all stakeholders, including our stockholders and financial partners.

We have \$5 billion of gross solar system assets on our balance sheet and have largely funded our growth with non-recourse project debt and tax equity. Sunrun ended 2019 with \$3.7 billion in Gross Earning Assets and \$1.5 billion in Net Earning Assets. The company ended 2019 with \$363 million in total cash and \$239 million in recourse debt. Sunrun has \$2 billion in non-recourse debt, which is solely secured by the solar energy systems. In 2019, we added as many customers as our two largest competitors combined.

2019 FINANCIAL & OPERATION HIGHLIGHTS:

- Total revenue of \$859 million, an increase of 13% compared to 2018
- Customer Agreements revenue of \$345 million, an increase of 27% compared to 2018
- 285,000 customers at year-end, 22% growth compared to the prior year
- Generated \$102 million of cash
- \$353 million of Net Present Value created

Please see our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at investors.sunrun.com for information about metrics and important notes regarding our financial statements.

FIGURE 1: Growing Customer Base

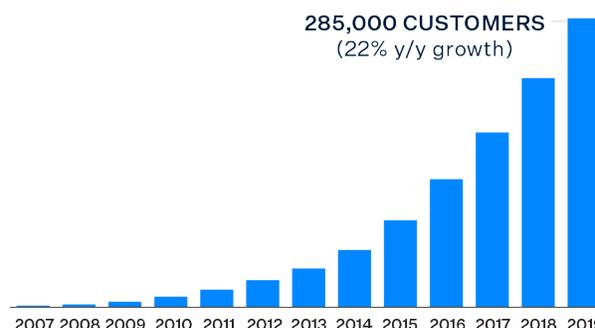


FIGURE 2: Strong Customer Values

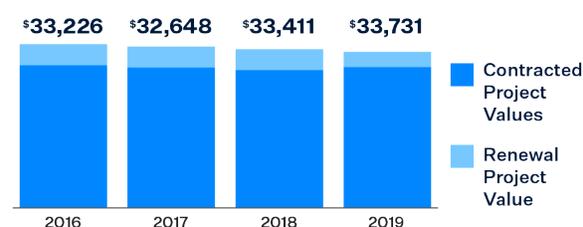


FIGURE 3: Continued Cost Improvements

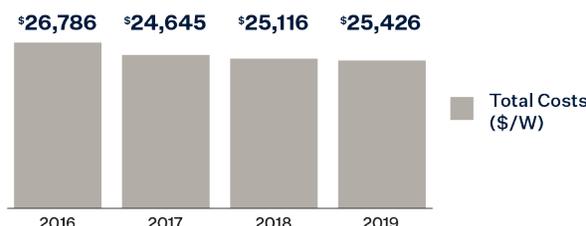
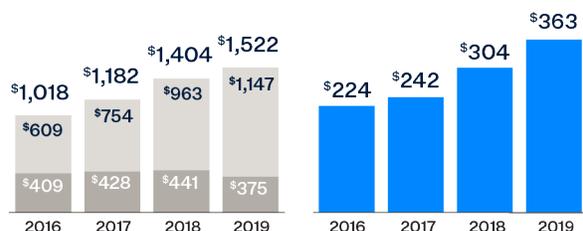


FIGURE 4: Improving Customer Net Margins



FIGURE 5: Growing Cash Flow & Long Term Value



Total Net Earning Assets (in millions)
 ■ Renewal Net Earning Assets
 ■ Contracted Net Earning Assets

Consolidated Cash Balance, unrestricted and restricted (in millions)

Sunrun's Environmental Impact

At Sunrun, we offer clean, reliable, affordable solar energy and battery storage solutions to accelerate the transition away from polluting fossil fuels. We recognize that inaction on climate change threatens global security and stability, and bringing solutions to bear on the issue remains the driving force behind our mission to create a planet run by the sun. Sunrun is committed to comprehensive environmental stewardship as demonstrated through the following avenues:

Supplier Responsibility Sunrun vendors are subject to screening on environmental and social criteria. Please refer to our [Vendor Code of Conduct](#) for more information on the policy and our “Vendor Sustainability” section below for 2019 updates.

Resource Efficiency and Pollution Prevention Sunrun is reducing or eliminating hazardous waste release, reducing waste generation, limiting greenhouse gas emissions, and engaging in product end-of-life stewardship.

Performance Evaluation and Reporting We monitor performance and report in accordance with prevailing sustainability reporting frameworks, such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). Our annual reporting informs interested stakeholders on environmental performance, and helps identify priority areas for improvement.

Employee Awareness Employees are provided with opportunities to develop environmental knowledge and skills, empowering them to lessen their personal carbon footprint.



Sunrun's Climate Change Strategy

Sunrun exists to accelerate the transition to a low-carbon, climate-resilient economy. However, we must appreciate that climate risks, which could disrupt or compromise our operations, are real today and will persist. Only through tireless efforts to deploy our products and services and to adhere to our evolving environmental and social policies can we insulate ourselves, our partners, and our communities from the consequences of unchecked climate change.

Reducing GHG Emissions

Sunrun's solar energy systems offset GHG emissions every moment that they deliver clean energy to our customers. During 2019, we deployed 413 megawatts of solar to 53,900 customers. These systems could generate nearly 16 billion kilowatt-hours of clean energy during the next 30 years, enough to prevent the emission of nearly 11 million metric tons of CO₂e. This quantity is more than 33 times greater than the quantity of CO₂e emitted to deploy these systems, which means that **Sunrun negates significantly more emissions than we produce.**

Sunrun's GHG emissions estimates draw on the guidance provided in the GHG Protocol Corporate Standard.¹ Our emissions inventory includes direct (scope 1), indirect (scope 2), and other indirect (scope 3) emissions, covering emissions attributable to Sunrun's company-owned and -operated vehicle fleet, occupied offices and warehouse space, equipment-lifecycle considerations, and the supporting activities of our partners. We prepared our first emissions inventory in 2017 and replicated the same methodology in subsequent years so results can be compared readily. Please refer to the Appendix for more details about our calculations and underlying assumptions.

Emission Types

SCOPE 1 EMISSIONS

Vehicle fleet and on-site natural gas consumption for Sunrun and our partners

SCOPE 2 EMISSIONS

Leased offices and warehouses of Sunrun and our partners

SCOPE 3 EMISSIONS

Module manufacturing, balance-of-system (BOS) components, and material transportation



FIGURE 6
Greenhouse Gas Emissions and Carbon Intensity

TYPE OF EMISSIONS (Thousand MT CO ₂ e)	2016	2017	2018	2019
Direct Emissions (Scope 1) + Electricity Indirect Emissions (Scope 2)	37	57	35	39
Other Indirect Emissions (Scope 3)	198	227	257	290
Total Emissions from Operations	235	284	291	329
Emissions Intensity (Thousand MT CO ₂ e per MW deployed)	0.83	0.88	0.78	0.80
Emissions Intensity (Thousand MT CO ₂ e per \$M revenue)	0.49	0.53	0.38	0.38

FIGURE 7
Emissions Intensity

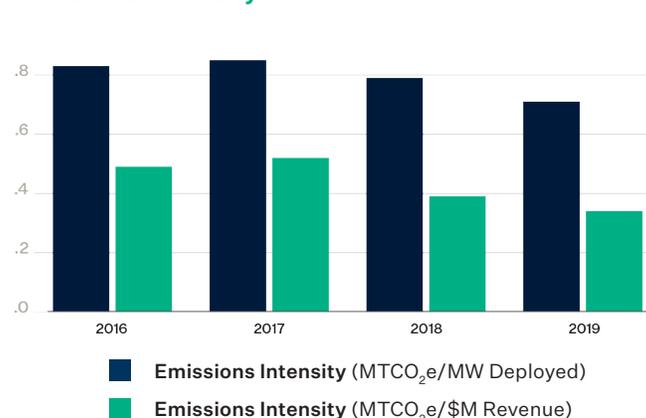
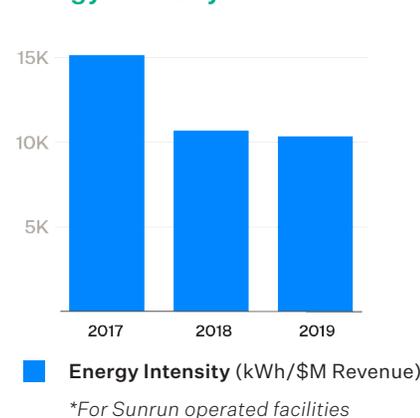


FIGURE 8
Energy Intensity*



Positive Carbon Returns

Once Sunrun’s solar energy systems begin operating, positive carbon returns accrue rapidly. Our deployed solar energy systems prevent more GHG emissions than they emit over their product lifecycle, resulting in a net-positive carbon balance. After operating for just 10 months, a Sunrun solar energy system will prevent the emission of as much GHGs as were emitted to create and install the system. Because Sunrun’s systems are expected to produce clean energy for 30 years or longer, **our systems prevent the release of harmful GHGs for 97% of their lifetime.**



Sunrun’s cumulative deployed systems of **1,987 megawatts** are estimated to offset more than **52 million metric tons of CO₂e emissions** over 30 years.



For each metric ton of CO₂e that Sunrun emitted in 2019, the solar energy systems that Sunrun deployed in 2019 are expected to prevent more than **33 metric tons of CO₂e emissions** over 30 years.

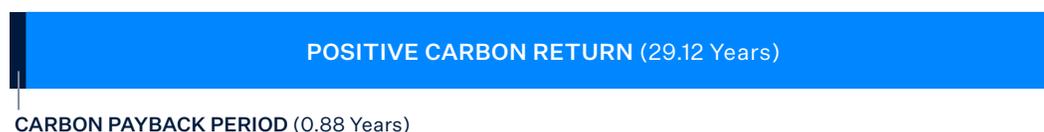


For each metric ton of CO₂e emitted by Sunrun in 2019, our entire fleet of solar energy systems has already prevented more than **16 metric tons of CO₂e emissions** from entering the atmosphere.

FIGURE 9

Carbon Payback Period

Lifespan (30 years)



*Emissions Considered: Operations + Supply Chain + End-of-Use

Preserving Clean Air and Water

Solar energy prevents emissions of nitrogen oxides, sulfur oxides, methane, and ozone that result from the combustion of fossil fuels. The electricity produced by systems that Sunrun deployed in 2019 will meaningfully reduce these harmful pollutants by lowering households' consumption of fossil-fuel electricity. In addition, solar and other renewable sources of electricity emit fewer GHG emissions per kilowatt-hour during their lifecycles than fossil fuels.^{2,3}

In addition to preventing the release of air pollutants, Sunrun solar and battery systems do not consume large amounts of freshwater like fossil-fuel power plants. Cooling traditional power plants requires the withdrawal of more freshwater reserves than any other activity. Solar energy production helps lessen this freshwater consumption by reducing the use of energy from thermoelectric sources.

FIGURE 10

Air Pollution Prevented and Freshwater Conserved

TYPE OF EMISSIONS (Thousand MT CO ₂ e)	2016	2017	2018	2019	Total since 2008
Nitrogen Oxide (Metric Tons Prevented)	569,000	793,000	1,041,000	1,315,000	4,652,000
Ozone (Metric Tons Prevented)	620	860	1,130	1,430	5,040
Sulfur Dioxide (Metric Tons Prevented)	1,390	1,940	2,540	3,210	11,360
Water Consumption (Avoided Millions of Gallons)	17	24	31	40	140

FIGURE 11

GHG Emissions Comparison

GENERATION SOURCE	CARBON DIOXIDE EMISSIONS (g/kWh)
Sunrun System	21
Coal	979
Natural Gas	470

Environmental Management System

Sunrun strives for exceptional environmental performance, and maintains an environmental management system (EMS) based on principles of continuous improvement. Our EMS is continually improved to remain aligned with Sunrun's business strategy and to ensure progressive environmental performance over time.

Vehicle Fleet

We continually strive for environmental responsibility at Sunrun, including how we manage our vehicle fleet. In 2019, we continued retiring gasoline vehicles in favor of hybrid and electric vehicles. Currently, nearly 50% of our vehicle fleet is hybrid, and we expect this number to continue increasing throughout 2020 and beyond. Additionally, in 2019 we added real-time monitoring to our vehicle fleet in telematics solutions, providing opportunities to track drivers, optimize route patterns that result in enhanced safety, and reduced emissions and operating costs.

Facilities

We promote employee wellbeing and minimize negative environmental impacts across all of our facilities. From the coatings and carpet we use to our extensive preventative maintenance policies, we continually search for opportunities to reduce our carbon footprint. In 2019, Sunrun relocated both our Denver and San Francisco corporate headquarters to LEED certified buildings.

Equipment Recycling

As we deploy more systems, we also bear a greater responsibility for managing the end of the systems' useful lives. We are integrating product end-of-life considerations into our EMS and are preparing to decommission, recycle, resell, or redeploy our energy systems. Sunrun uses monocrystalline and multicrystalline photovoltaic modules, thereby avoiding the mounting concerns about hazardous materials present in alternative chemistries such as thin-film modules. We are prepared to sustainably dispose of modules, batteries, inverters, and other electronic equipment used in installations through partnerships with third-party recycling and refurbishment vendors. These vendors are certified under the Responsible Recyclers R2:2013, OHSAS 1800:2007, and ISO 14001:2007 standards. Learn more about the industry's approach to lifecycle considerations from the [Solar Industry Energy Association \(SEIA\)](#).

Vendor Sustainability

Sunrun works with vendors that share our commitment to creating a better, greener, and kinder planet. That's why we advocate to include policies on environmental protection and sustainability as well as responsible mineral sourcing in our first Vendor Code of Conduct, adopted in January 2019. All of Sunrun's relevant vendors are required to sign our Vendor Code of Conduct, and in 2019, there were no known violations of the agreement.

Responsible Mineral Sourcing

Sunrun expects its vendors to provide our company with products that contain responsibly-sourced commodities. Vendors that supply products containing minerals (including but not limited to: cobalt, wolframite [titanium], cassiterite [tin], tungsten, and gold) sourced from conflict-affected and high-risk areas must ensure that the sourcing of these minerals does not knowingly contribute, directly or indirectly, to armed conflict, including terrorist financing or human-rights violations. Sunrun expects vendors to source minerals in a manner consistent with the Organization for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Sunrun recognizes that cobalt, a mineral used in some types of batteries, presents an increased risk of being sourced from areas associated with unfair labor practices. Because of this, we choose to work with battery manufacturers that share our commitment to responsible mineral sourcing. Additionally, Sunrun will evaluate battery innovations that may further reduce the mineral content of batteries.

Sunrun's Societal Impact

The Workplace

A Culture of Safety

Sunrun believes access to a healthy and safe workplace is a fundamental human right. Ensuring the safety of Sunrunners, our customers, and local communities is Sunrun's top priority, and we provide best in class training and tools for our employees. The backbone of a strong safety culture is two-way trust between employees and their employer. A key indicator of increased trust is employees feeling comfortable reporting unsafe conditions and "near-miss" incidents. In 2019, we saw an increase in these reports, which we view as an encouraging sign of increased trust.

This trust is demonstrated clearly in the improvement seen in tracked safety metrics year-over-year. The reduction of incidents in 2019 is directly attributable to field leadership taking an active role in reducing repeat accidents, ensuring immediate reporting, and correcting unsafe conditions.

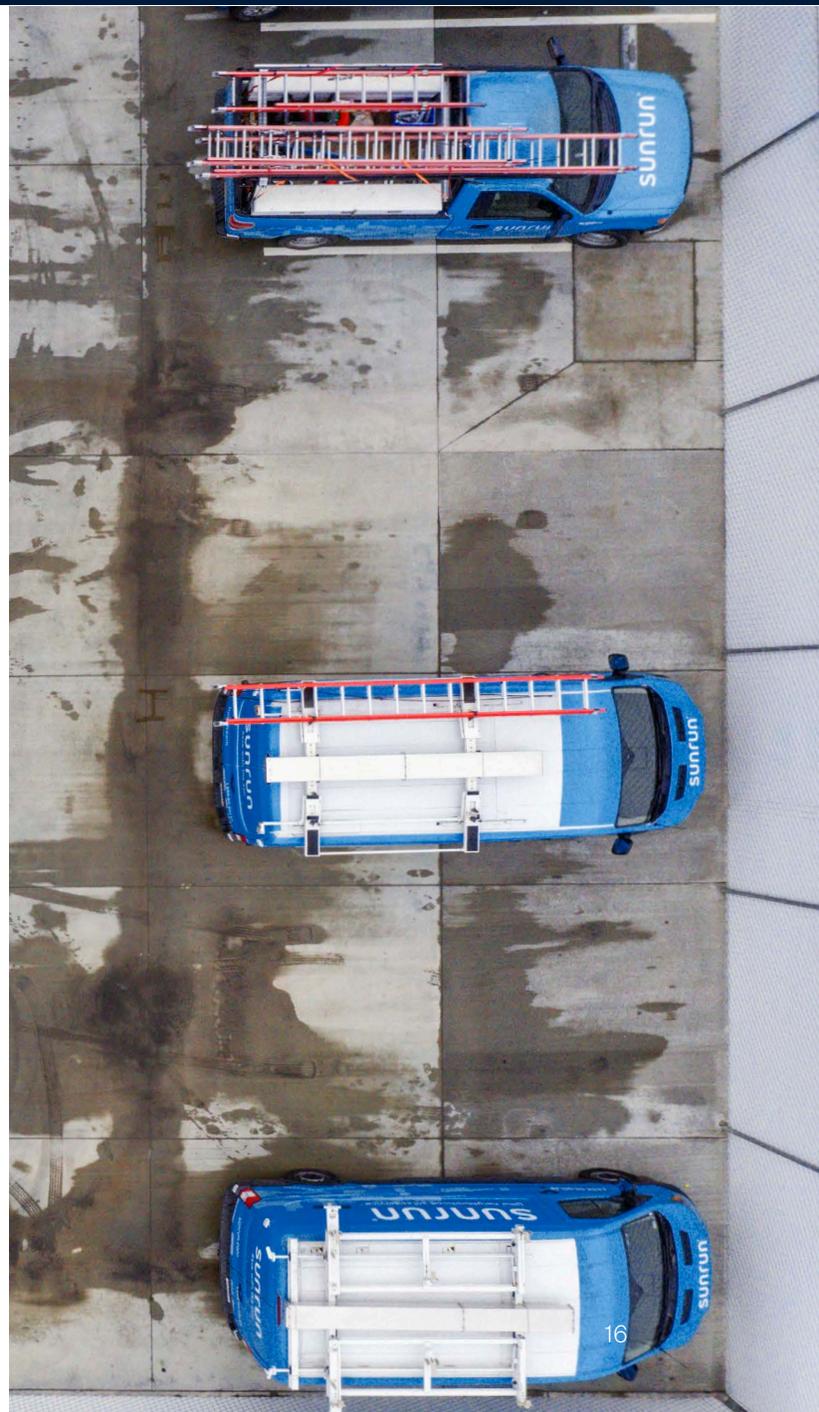
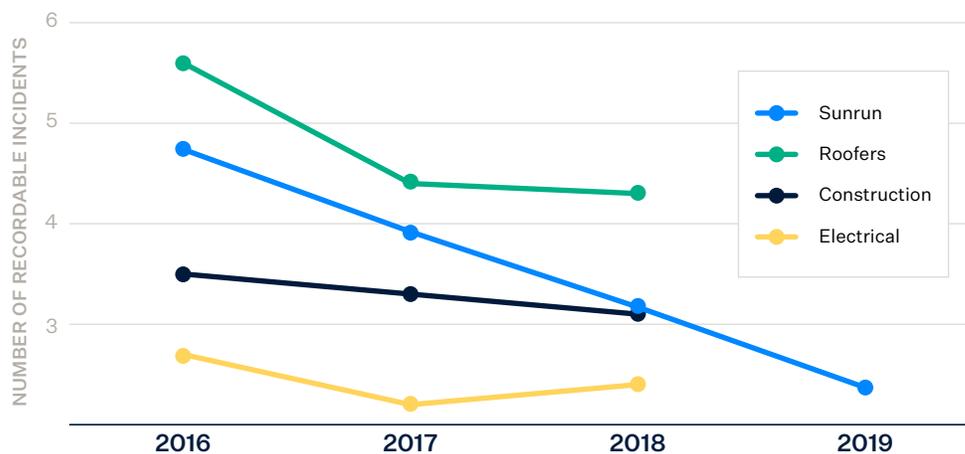


FIGURE 12
2019 Occupational Health and Safety Metrics

	2014	2015	2016	2017	2018	2019
Total Recordable Injury Rate (TRIR)	2.02	4.07	4.74	3.92	3.21	2.27
Lost-time Incident Rate (LTIR)	0.22	1.2	1.54	0.76	0.37	0.41
Work-related Fatalities (WRF)	0	0	0	1	0	0
Days Away, Restricted, or Transferred Rate (DART)	1.3	3.13	3.94	2.96	2.41	1.87
Near Miss Frequency Rate (NMFR)	0.86	0.85	1.54	2.86	2.78	3.34

Comprehensive safety training and certification programs also play a vital role in promoting safety across our organization. Sunrun provides safety training programs for all OSHA-required safety topics and additional topics specific to Sunrun for new hires. These trainings continue as employees mature in their roles. Two full days of training are provided to new solar installers, electricians, and site assessors before they can participate in an installation, with installers receiving an average of 40 hours of documented training by the end of their first year of employment.

FIGURE 13
Recordable Incident Rates (2016–2019)



The 200,000 hours in the formula represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates.
 All rates follow this calculation: Incident x 200,000 / Actual Hours Worked

Compared to similar industries, like roofing, electrical, and construction, Sunrun’s incident rates are currently lower than all averages and continue to decline annually. Our minor injuries have dropped year over year while support for injured workers increased and repeat incidents have decreased.

Our internal training programs are further strengthened by external certification and licensing agencies including journeyman and master electrician license holders, Certified Safety Professionals (CSP) through the Board of Certified Safety Professionals (BCSP), PV installation certifications from the North American Board of Certified Energy Practitioner (NABCEP) and OSHA 30 cardholders. All construction supervisors and foremen maintain CPR certification.

Verification and Compliance

Compliance with safety policies is achieved through vehicle monitoring, frequent inspections, and auditing of quality-assurance (QA) photographs. The telematics devices in each of our fleet vehicles constantly transmit data on speed, driving behavior, and location, allowing for targeted training on vehicle safety to employees. 100% of installs are audited for safety through photo documentation, ensuring our work is performed to Sunrun's safety and quality standards. Additionally, random job-site and facility audits are performed to verify compliance and training comprehension.

Product Safety

Sunrun's Safety and Logistics departments collaborate on the selection of all new products. When a new chemical is considered for use in field, office, or warehouse environments, Sunrun first evaluates the health and environmental hazards documented on the safety data sheet published by the chemical's manufacturer. Only products that can be safely handled with basic personal protective equipment are accepted for use by Sunrun employees.

Vendor Health and Safety

Our commitment to ensuring safe and injury-free workplaces extends to our vendors. Sunrun's Vendor Code of Conduct requires that all vendors provide workers with a safe and healthy work environment. We require vendors to comply with all applicable health and safety laws, regulations, and practices, including those relating to occupational safety, emergency preparedness, occupational injury and illness, industrial hygiene, physically demanding work, machine safeguarding, sanitation, food, and housing. We also require vendors to ensure that all required permits, licenses, and registrations are obtained, maintained, and kept up-to-date and that all workers are qualified and equipped to perform activities safely and responsibly.

To ensure that vendors abide by Sunrun's Vendor Code of Conduct and applicable laws and regulations, we may conduct periodic vendor audits. When an audit uncovers a violation, Sunrun reserves the right to terminate its relationship with the vendor and impose restrictions on future business unless the violation is promptly corrected. Sunrun aims to survey vendors that comprise at least 80% of total value transacted with Sunrun, along with new vendors, to seek confirmations that each vendor is aware of and compliant with the Vendor Code of Conduct.



People and Communities

As part of Sunrun's efforts to increase diversity and inclusion, this year Lynn Jurich became the first CEO in the solar industry to sign both the [CEO Action for Diversity & Inclusion](#) and the [Catalyst CEO Champions for Change](#) pledges. These commitments will help Sunrun and other member companies achieve their goal of modeling best practices in gender equality, diversity and inclusion. Catalyst recently released a report that showed an increase in women's representation from their member companies in the past five years.

Women make up 50% of our senior management team, and 43% of our Board of Directors. In 2018 we were the first national solar company to achieve 100% pay parity after committing to [The White House Equal Pay Pledge](#) in 2016.

Sunrun's six employee resource groups foster a culture of inclusion and belonging.

The groups include Sunrun Women's Network, Blacks & Allies, Latinx & Allies, Asians & Allies, LGBTQ & Allies, and Veterans & Allies.

Sunrun Women's Network Celebrating International Women's Day and Women's History Month in March is important at Sunrun. For the 2019 International Women's Day theme, #balanceforbetter, our female executives provided excellent insights into being a working mother with a demanding job. They encouraged everyone to accept career challenges while constantly recommitting to their values, both personal and professional.

Blacks & Allies Initiatives For the first time, Sunrun participated in the National Black MBA Conference and Career Fair, gathering 10,000 undergraduates and graduates each year seeking opportunities in sales, corporate functions and operations. In partnership with Blacks & Allies and Sunrun's Talent Acquisition team, this helped us hire top diverse talent.

Latinx & Allies Initiatives This Spring, Sunrun became a supporter of the DIY Invent Girls program, furthering our mission to make solar more inclusive and inspiring young girls to go into STEM careers in the clean energy industry.

Asians & Allies Initiatives To celebrate Asian Pacific American Heritage Month, Sunrun partnered with Catalyst to provide a webinar featuring talent from Asian Pacific descent. Klinton Miyao, our Vice President of Legal, and inspiring speakers from other industries shared how they dealt with bias and achieved success.

LGBTQ+ & Allies Initiatives To commemorate the 50th anniversary of the [Stonewall uprising](#), the Sunrun LGBTQ+ Employee Resource Group organized a panel discussion with members of the LGBTQ+ community and allies who shared their experiences. The focus was on creating safe spaces where everyone brings their full potential to work and shares their full self.

Veterans & Allies Initiatives Sunrun participates in a variety of programs to recruit and retain US veterans, including a veteran referral program, military base job fair partnership development, veteran workforce programs and apprenticeship programs. In addition to participation in the Veteran Employee Resource group, Veterans & Allies, eligible active-duty National Guard and reserve employees receive 10 paid days per year for military duty or leave.



PAY PARITY AT SUNRUN

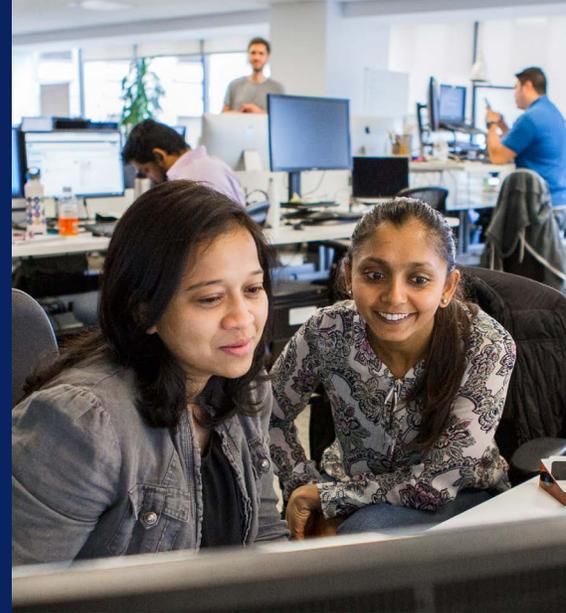
“Equal pay is about fair compensation for work performance and improving the quality of life for employees and their families,” said Jeanna Steele, Sunrun General Counsel and appointed member of the California Pay Equity Task Force.

At Sunrun, we believe achieving pay parity is a significant step toward gender equality in the workplace. Sunrun became the first national solar company to achieve this milestone after committing to The White House Equal Pay Pledge in 2016 under the Obama Administration. In 2018, Sunrun achieved 100% pay parity for its employees, regardless of gender, who perform similar work in similar locations across the United States.

Sunrun achieved its pay parity goal by committing to key principles:

- Completing a comprehensive annual review of compensation practices across the business with the help of an outside law firm.
- Voluntarily adopting a policy prohibiting inquiries into a candidate’s salary history.
- Providing equal paid parental leave for both male and female employees.

On April 1, 2019, Sunrun took the California Equal Pay Pledge developed as part of the partnership between the California Commission on the Status of Women and Girls and the Office of California First Partner Jennifer Siebel Newsom. Sunrun’s commitment ensures that all employees are fairly compensated and this creates a more inclusive and equitable work environment for everyone.



Diversity Policy and Strategies

Sunrun’s mission to create a planet run by the sun relies on making solar inclusive. To do so, we collaboratively orient work around three pillars: the workforce, the workplace, and the marketplace.

Workforce

- We are proud to be an equal opportunity employer and a welcoming place for everyone without consideration of race, color, religion, ethnicity, citizenship, political activity or affiliation, marital status, age, national origin, ancestry, disability, veteran status, sexual orientation, gender identity, gender expression, sex or gender, or any other basis protected by law.
- We seek to attract, develop, advance and retain the best diverse talent through the use of job boards and paid campaigns. We attend events like Black MBA Conferences to ensure we are hiring diverse, high quality candidates.
- We focus on hiring underrepresented groups across all functions and managerial levels.
- We work with groups like GRID Alternatives and Blacks in Green to help reach and recruit individuals who are traditionally underrepresented in the solar industry, including women and people of color.

Workplace

- We strive to create an open and inclusive culture where everyone's unique backgrounds, thoughts, experiences and abilities are welcomed, valued, respected and celebrated.
- With the sponsorship of our executives, we leverage our Employee Resource Groups (ERGs) to create and sustain a workplace where everyone belongs.
- We utilize the results of internal surveys to better identify and address any diversity concerns and improve Sunrun's processes.

Marketplace

- We plan to continue driving profitable growth by making solar and batteries more accessible to all, including people in low-income communities.
- On July 18, 2019 Sunrun won a contract with East Bay Community Energy to install solar and batteries on 500 low-income housing units in Oakland, California. The new solar paired storage resources will help offset the power generated from a retiring jet-fuel power plant in Jack London Square.

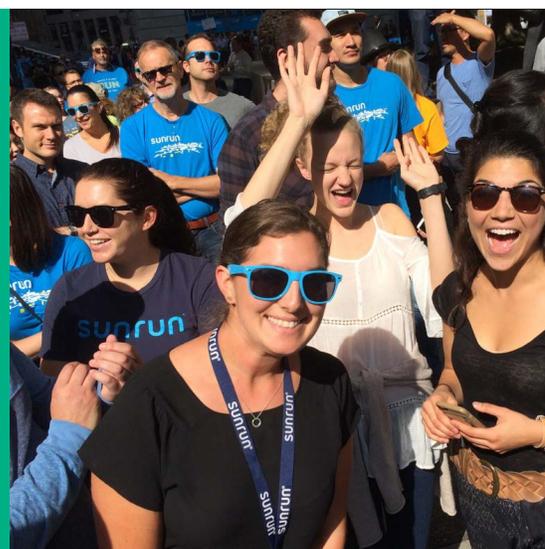
Benefits Program

Our competitive benefits program provides employees with the means to ensure the health and financial wellbeing for themselves and their families. Full-time employees are eligible for the Sunrun benefits package, which includes medical, dental, vision, life, and disability insurance, along with access to flexible spending programs and a suite of voluntary benefits such as legal and identity protection. It also includes an employee stock-purchase plan (ESPP) and a 401(k) retirement plan. We offer a company match feature to the 401(k) plan, under which Sunrun matches each employee's contributions up to a specific percentage. Part time employees are also eligible for ESPP and 401(k). We believe it is important for our employees to spend time with their families and focus on personal well being. We offer 11 paid holidays and paid time off for non-exempt employees, and freedom time off for all exempt employees. Additionally, Sunrun offers two paid volunteer days per year to allow our employees to help build stronger communities, one annual flexible holiday, and 10 days of paid leave for active military service. Additionally, Sunrun provides 10 weeks of paid parental leave for all employees who have been at the company for more than a year.

WELLNESS AND BALANCE

Sunrun also offers all full-time employees an array of comprehensive wellness benefits to improve employee health and wellbeing. We keep these benefits cost-effective for employees, regularly leading our industry peers in the quality and the cost of benefit plans. **These benefits include:**

- Health webinars
- On-site flu shots and wellness checks at facilities with large workforces
- Maven maternity and paternity program for new parents with 24/7 maternity concierge services, on-demand digital clinics, and online community forums
- Telemedicine services for fast assistance with general health and behavioral health needs
- Tobacco cessation programs
- An employee discount program, which includes fitness center discounts
- Blood drives
- Employee assistance program
- Weight Watchers memberships
- Employee assistance program
- Company-wide wellness challenges
- Mental health counseling
- Stress relief services
- Tuition reimbursement



Diversity within Sunrun

FIGURE 15
Gender Diversity within Sunrun

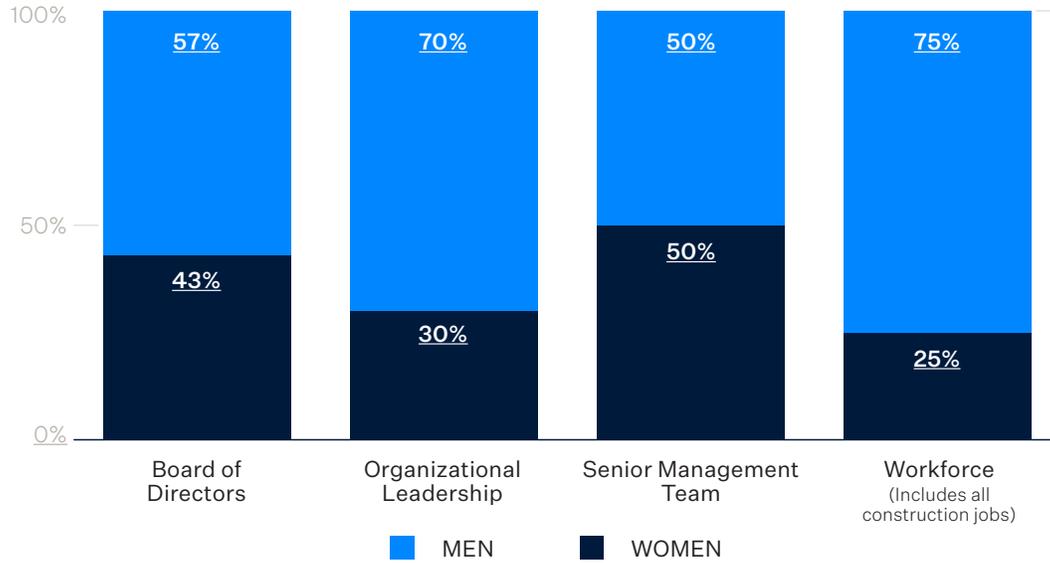


FIGURE 16
Ethnic Diversity within Sunrun

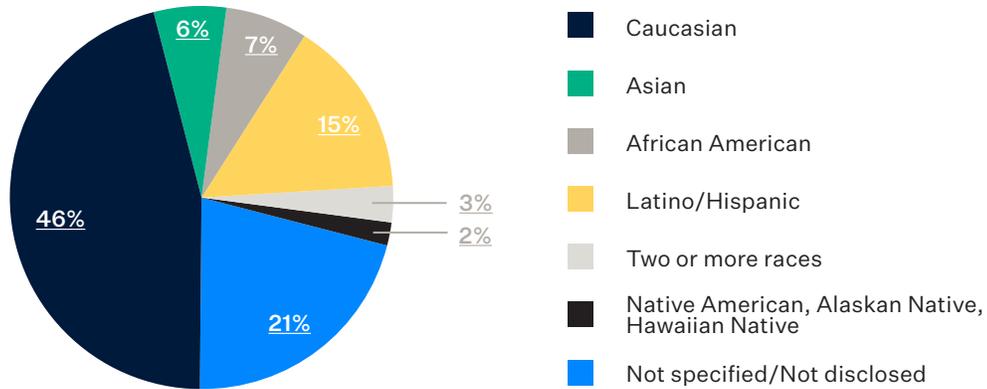
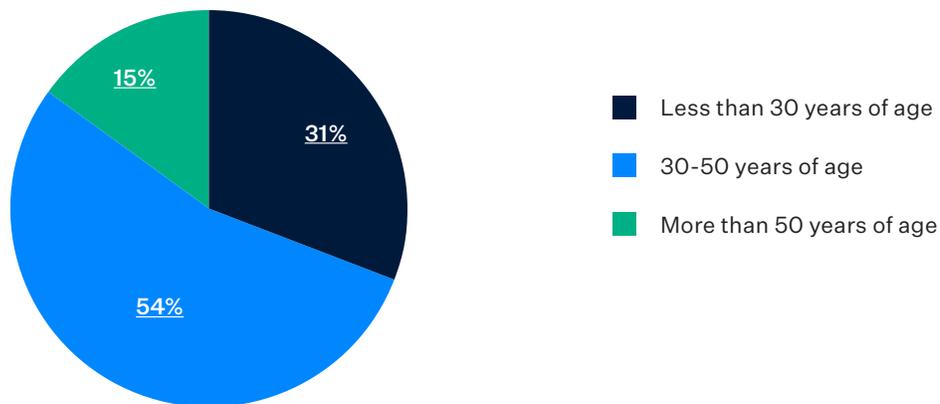


FIGURE 17
Age Diversity within Sunrun



Employee Satisfaction and Development

We want to make Sunrun an exceptional place to work and are committed to providing fair and equal pay to all employees. To measure employee engagement and satisfaction, we conduct a company-wide survey twice a year. Responses are anonymous to encourage employees to provide honest, candid feedback.

We believe that employee development and performance should be discussed between managers and their employees regularly. As such, Sunrun's "Check-Ins" program is scheduled for all employees three times per year. These discussions focus on skill development, past contributions, and reflection of Sunrun values. Check-Ins are purposefully separated from an annual compensation discussion to allow for an open discussion on areas for growth and career development.

Recognitions

Sunrun won 11 awards based on employee survey data, and Lynn Jurich was recognized as one of the best CEOs in the United States in 2019. These awards from [Comparably](#) are especially impressive because we were up against many other companies including Microsoft, Google, LinkedIn, Costco, T-Mobile, and Amazon.

Sunrun CEO Lynn Jurich was number 10 on Comparably's list of Best CEOs, and the only woman recognized in their top 15. This serves as a reminder that as a country we have much more work to do to increase representation. In addition to the Comparably award, Lynn recently received a Women Worth Watching Award by [Profiles in Diversity Journal](#), recognizing her efforts to advance diversity and inclusion. Past recipients include Mary Barra, CEO of General Motors, Lynne Doughtie, CEO of KPMG, and Marillyn Hewson, CEO of Lockheed Martin.



Training

Product training and the customer journey is a big focus at Sunrun. Therefore, we provide learning resources that prepare our employees to provide positive experiences and results. We offer training for all employees in the areas of new hire orientation, skill development, and leadership training for managers.

We have a robust library of online curriculum including electronic learning modules from third parties, as well as over 200 custom, in-house-developed eMods. The modules range from 2-minute "how to" videos to complex, multi-hour training programs. Employees spent over 10,000 person-hours completing online learning in 2019.

Our skill-based employees take advantage of classroom training, hands-on training, and distance learning in the form of webinars. We delivered 529 days of instructor-led training in 2019.

Online Resources

LinkedIn Learning is an on-demand learning solution designed to provide our employees with the tools to take charge of their development, gain new skills and advance their current role and overall careers.

Since April 2019, Sunrun had 633 active users on LinkedIn Learning who have logged more than 1,110 total hours developing their skills. The portal averaged 2 hours and 51 minutes per viewer.



The Customer Community

Since 2007, Sunrun has offset nearly **5.2 million metric tons** of carbon dioxide by deploying 1,987 megawatts of solar power. With a total of 285,000 customers, we see a new system installed every two minutes. This has created hundreds of millions of dollars in savings for our customers, who see an average bill savings of 10-40% over the lifetime of their system.

Brightbox has become a major focal point for the company, both in terms of energy services and customer experience. Now, more than 15% of all Sunrun customers choose to add a Brightbox to their system. The resiliency, protection during outages, and bill savings are clear values to customers across the country.

Permitting Efficiency

In 2018, Sunrun began working on the Solar Automated Permit Processing (SolarAPP) Campaign. SolarAPP is a collaborative effort to foster residential solar adoption by making it easier for cities, counties, and utilities to quickly and safely approve residential solar projects for installation and operation with the grid.

The first SolarAPP project kicked off in 2019, led by the National Renewable Energy Laboratory (NREL), which is working with an all-star team of experts to build an online permit platform that will enable automated compliance reviews and instant permit approval. This team includes solar industry groups, cities and counties, code bodies, environmental organizations, and government entities.

- External soft costs, delays and resulting cancellations can add \$1 per watt (or \$7,000) per project for solar customers
- Every week shaved off external processes can increase the rate of local installations by up to 10%

When rooftop solar installation blockers are removed, customers are happier, realization rates improve, and adoption rates go up. In turn, cities and counties benefit from greater community resilience and a higher volume of permitting fees. When available, the SolarAPP portal will:

- Be free for organizations to adopt as needed
- Standardize permit applications and perform automated compliance checks based on code year and certification
- Enable instant permit approval, online fee payment, and digital record tracking
- Be able to stand alone or interact with various existing government and inspection platforms
- Ensure that city and county manual design review and inspection resources are only used on installations
- Eventually expand to more renewable energy and smart home technologies like battery storage and EV chargers
- Incorporate a marketplace of resources and training from code bodies and expert organizations

Early testing of the SolarAPP model in Nevada reduced wait timelines for installs and activation from over a month down to zero days. This has allowed Nevada teams to set clear expectations with customers, ultimately ensuring a better solar experience.



Our Global Society

Beyond ensuring that our customers and employees are well cared for, Sunrun is committed to making an impact on society as a whole. We do this through our industry-leading work in thought leadership, policy development, and innovative energy networking programs.

Advancements in Thought Leadership

Putting panels on rooftops and batteries in garages is what we do on a daily basis. However, that is not our business. Our business is building a future of resilience and sustainability. Our Energy Services team is on the cutting-edge of energy technology and continually pushes the innovation envelope. We engage in partnerships that help create distributed energy communities, outline plans to bring connected energy networks to life, and author concept papers to share our vision with the world. Simply put, we're trying to retire fossil fuel power plants one at a time and create a healthier environment for future generations.

In 2019, we authored three pivotal pieces of thought leadership which set the stage for future action.

We Can Decarbonize Rapidly

Our climate is changing. Not only is it happening faster than expected, but extreme weather events are destroying the very electric grid we rely on. According to the Intergovernmental Panel on Climate Change (IPCC), we only have about 12 years to act before the damage is irrevocable. In her paper "We Can Decarbonize Rapidly," Lynn Jurich writes about the technology and solutions to decarbonize our electricity system, and points to overwhelming public support as the catalyst to get us there. Lynn outlines the value of prototyping, and focuses on how we can empower local resources to accelerates our efforts, recognizing that much of our ability to decarbonize will depend on local efforts.

We should boldly scale local energy resources, and prove out how they can complement and streamline our centralized power plants and transmission system. This will help us develop a reliable, affordable and decarbonized energy system on a timeline that supports a prosperous and sustainable future.

Building a More Resilient Grid

Over the past 40 years, fire seasons have grown significantly longer and large fires are five times more common. Higher temperatures and prolonged dry weather are testing our existing energy infrastructure and threatening our environment. Too much energy flowing through power lines can result in sagging, which can cause electrical sparks that lead to fires if this brings the line close to other objects, like trees. Sunrun's paper "Building a More Resilient Grid" outlines how rooftop solar and batteries can reduce the amount of electricity that needs to be transmitted to a neighborhood, thereby mitigating risks associated with sending high amounts of energy over power lines.

Repowering Clean

Local power can be the solution to the City of Los Angeles' plan to phase out three natural-gas power plants. The Los Angeles Department of Water and Power (LADWP) can access clean, reliable energy resources by harnessing home solar to create a city-wide "virtual power plant." Our analysis shows that rooftop solar and batteries sited at 75,000 Los Angeles homes and apartment buildings can replace the peak capacity of one of LADWP's retiring gas plants for \$60 million less than the construction of a new plant.

Going forward, Sunrun will continue paving the way for product developments and grid infrastructure impacts through pilot projects, thought leadership, and prototyping of new energy concepts. We are partnering on modernizing the grid, bringing home batteries to low-income communities, and continually developing advanced products to improve the grid.

Spotlight on Outages

This past year, millions of Californians were without electricity—for hours or days—as utilities shut down power lines to prevent fires. In Northern California, for instance, PG&E’s aging equipment has caused more than 1,500 fires, including the state’s deadliest, over the last six years. And the utility tells regulators that power shutoffs to prevent wildfires can be expected for the next 10 years. Extreme weather events are expected to increasingly disrupt our nation’s aging energy system. The United States suffers from the highest number of power outages in the developed world and will need to spend \$2.2 trillion on infrastructure upgrades over the next two decades to solve this problem.

Rooftop solar energy paired with batteries enables households to generate power where it’s used, reducing the effects of outages and providing reliable backup energy when the grid fails.

In a sampling of Bay Area counties served by PG&E which experienced power outages in October 2019, Sunrun customers were able to endure these outages by utilizing rooftop solar and battery storage, many for days at a time, until grid electricity was restored. Brightbox customers kept their lights on while the grid was down for more than 36 hours on average in this time period.

County by county, this snapshot of Brightbox’s performance during recent power outages in the Bay Area demonstrates the reliability and resilience afforded by rooftop solar and battery storage to households.

- 1. SONOMA COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 67 hours. One Santa Rosa family powered their essential home needs using rooftop solar and battery storage for 143 hours—nearly six straight days.
- 2. NAPA COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery systems for 53 hours. One Napa customer powered their essential home needs using rooftop solar and battery storage for 125 hours—more than five days.
- 3. MARIN COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 54 hours.
- 4. SAN MATEO COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 37 hours.
- 5. ALAMEDA COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 28 hours.
- 6. SANTA CLARA COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 24 hours.
- 7. CONTRA COSTA COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 22 hours.
- 8. SOLANO COUNTY** The average Sunrun customer utilized backup electricity from their solar and battery system for 21 hours. One Solano customer powered their essential home needs using rooftop solar and battery storage for 108 hours—more than four days.



Advancements in Connected Energy Networks

In 2019, Sunrun made major strategic advancements in connected energy networks through the development of several distinct programs across the country.

ISO-NE

In February 2019, Sunrun won a bid to provide 20 megawatts of residential solar and battery power to the ISO-NE wholesale capacity market. The capacity market auction determines what generating resources will be selected - and at what cost - to help power the electricity system across the six New England states, one of the most populated regions in the country. Sunrun's awarded contract signifies the first time that customer-sited solar and battery systems were selected to participate in a capacity market in the United States, competing head-to-head with traditional, centralized power plants in a wholesale market.

HECO-VPP

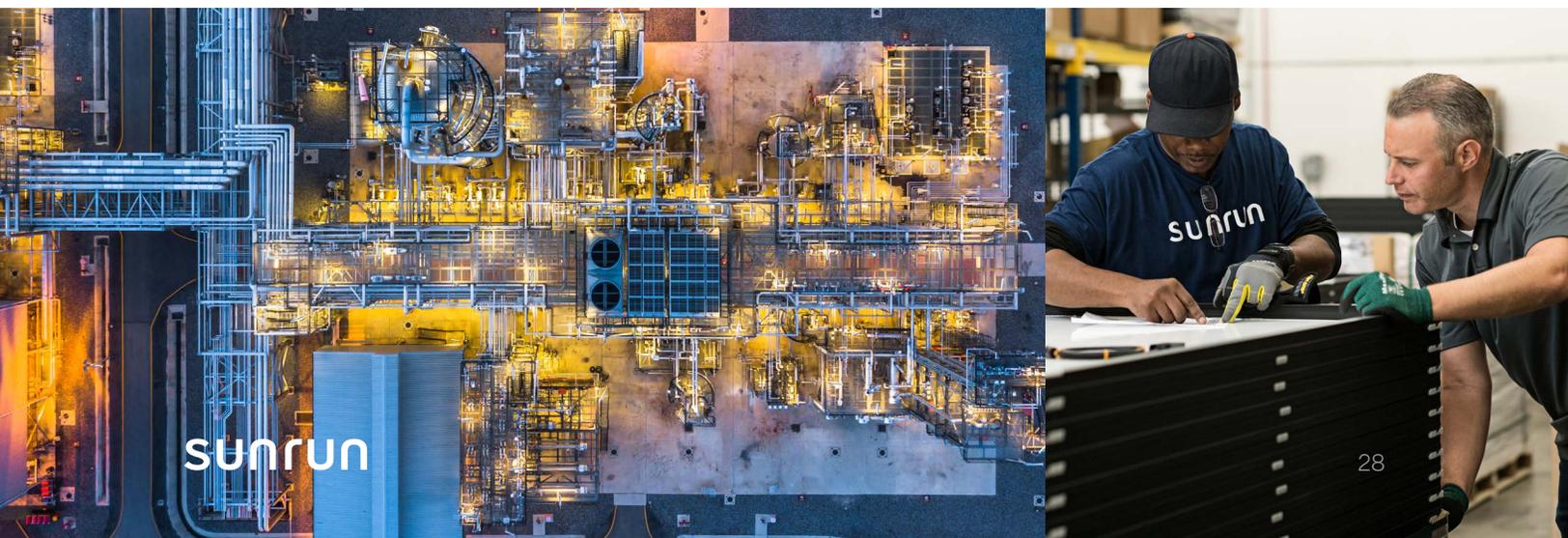
In partnership with Open Access Technology International (OATI), Sunrun committed to participate in HECO's Grid Services Program on the island of Oahu. Between the years 2020-2024, Sunrun Brightbox systems will provide stored solar power back onto the electricity grid during peak hours. More distributed energy means less need for additional utility generation during times of peak energy demand. Sunrun's Brightbox batteries will also be discharged back onto the electricity grid to provide energy stability and protect against blackouts during periods of underfrequency. Approximately 1,000 Brightboxes will be enrolled in the initial program.

Glendale, California

In July 2019, Glendale's City Council unanimously approved Glendale Water & Power's plan, as proposed by Sunrun, to replace the Grayson gas plant with local clean energy, including a "virtual power plant" made up of residential solar and batteries. While this is not a final contract, the vote gives the utility the green light to proceed with negotiations to secure these clean energy resources.

East Bay Community Energy

In 2019, Sunrun won a contract with East Bay Community Energy (EBCE) in Oakland, California to provide 500 kilowatts of power from home solar and battery systems installed in Alameda County. This contract utilizes California's Solar on Multifamily Affordable Housing (SOMAH) program and the Self-Generated Incentive Program (SGIP), helping low income families save money every month on their utility bills, providing backup power through battery storage, and contributing to workforce development for disadvantaged communities. Ultimately, the partnership with EBCE has a twofold benefit: It provides resource adequacy for the entire grid by providing backup power, helping to retire a local jet-fueled power plant, while also providing customer value streams through resilience and bill savings.



Advancements in Policy

In November, the Intergovernmental Panel on Climate Change released a report that found that global human-caused carbon emissions must reach “net zero” by 2050 in order to limit temperature rise to 1.5 degrees Celsius. This is no longer theoretical; in 2019, California’s largest utility went bankrupt due to liability from increasingly catastrophic fire seasons that are destroying entire communities and forcing lengthy blackouts for millions. Globally, we’re all witness to historic wildfires, torrential storms, and record-breaking temperatures.

It’s clear that reaching the climate apex is not an “if” but a “when.” Although we need to adapt to a changed, and changing, environment, there are mitigation steps we can take to protect our nation’s safety, economy and future. If we wait longer to act on climate, it will be too late. We need policies today that give us a lifeline to escape the climate crisis.

Home solar and batteries are changing how people experience energy. In particular, Sunrun’s policy team has seen many positive outcomes after advocating for fair compensation for excess solar energy that is sold back to the grid, programs that create connected energy networks using solar and batteries, and expanded access to solar and batteries for low income and disadvantaged communities. The team also continued its work leading local, regional, and national solar advocates organizing to help achieve key policy outcomes.

CASE STUDY

Compensation

Net Energy Metering: In 2014, South Carolina passed Act 236, which legalized net energy metering (NEM) and third-party-owned solar, but also put an arbitrary cap on how much would be allowed. Those caps were rapidly approaching in 2019. Without policies in place that encourages households to put solar panels on their rooftops, home solar would wither in the state.

To prevent this, Sunrun played a critical role in a coalition of key stakeholders, such as solar industry advocates, environmental groups, and other solar companies, to fight for market-saving legislation. This led to the introduction of the Energy Freedom Act, which eliminates the NEM cap and encourages low-cost, competitive options for clean energy in the state—like home solar sold by companies such as Sunrun. It also protects thousands of solar employees who would have otherwise lost their jobs, as no more solar could be installed once the NEM cap was hit. This year, the Energy Freedom Act was unanimously passed in South Carolina, a state with a Republican-led legislature, and signed by the Republican Governor.

This was a huge milestone, not only by making sure that NEM was protected, but also by empowering customers to continue taking control of their energy production. Some ratepayers were stuck paying an average of \$27 a month on their energy bills for two nuclear reactors that never produced any electricity. Rooftop solar can provide an alternative for many people looking to control their power bills.

CASE STUDY**Virtual
Power Plant**

ConnectedSolutions: In Massachusetts, Sunrun successfully worked with policymakers and the state’s largest investor-owned utility, National Grid, to build out a Bring-Your-Own-Device (BYOD) program titled “ConnectedSolutions” in which ratepayers reduce stress on the electrical grid during times of high energy demand in the region. This is done by harnessing the collective energy from home energy assets like batteries powered by clean solar energy. Sunrun then provides the power from this network to utilities as a type of “Virtual Power Plant.” We push energy from the solar-powered batteries during times when energy is expensive and in high demand, reducing the need to power up fossil-fueled peaker plants to meet this demand. Homeowners are compensated for providing power to the grid, while grid operators don’t need to run expensive, large scale infrastructure. This lowers costs for all electricity users and everyone financially benefits from this program, which also reduces the need for dirty, expensive fossil fuel plants to deliver energy.

After piloting this program with Sunrun and others, National Grid and the other utilities in Massachusetts made these programs available statewide. This means that home solar batteries will reduce costs and pollution for the entire Commonwealth and shows the pioneering partnerships that Sunrun is forging.

CASE STUDY**Accessibility**

Solar for All: Illinois Solar for All is a state program launched in 2019 that creates pathways for low-income communities to engage in the clean energy economy. With Illinois Solar for All, participants can get home solar for \$0 down, and monthly costs and fees will not be higher than 50% of the value of the energy generated from that system. There is also a job training component, with training programs and job fairs to ensure that disadvantaged populations also reap the benefits of clean energy job creation. In the works since 2014, Sunrun has been integral to the development and implementation of this program. Several Sunrun project managers working with the Solar For All program are helping families from their own communities gain access to solar energy where it has been traditionally underrepresented.

Spotlight on Partnerships



In 2019, Sunrun partnered with key industry allies to help expand solar energy in underrepresented communities across the country. Everyone has a right to solar energy, and Sunrun is committed to enabling more solar access in the communities that need it the most.

GRID ALTERNATIVES



In 2019, Sunrun continued its partnership with GRID Alternatives (GRID). GRID is a national leader in making solar power and jobs accessible to underserved communities. The partnership between Sunrun and GRID, now in its ninth year, supports job training and solar installations for low income families and traditionally underserved communities.

In 2019, Sunrun and GRID installed 4.5 megawatts of solar for 917 low-income families, providing \$19 million in lifetime savings. The solar projects also prevented 45,000 tons of GHG emissions in communities that bear the brunt of environmental pollution and health disparities. Finally, the 49,000 hours of job training delivered by Sunrun and GRID provide opportunities for people to acquire new skills and prepare for careers in the solar energy industry.

BLACKS IN GREEN



In 2019, Sunrun announced its partnership with Blacks in Green (BIG), an environmental economic development organization designed to tackle pollution and poverty, and expand access to solar energy and jobs in the Chicagoland area.

The goals of the partnership are to increase access to clean, affordable home solar energy for South Side Chicago homeowners, and to increase clean energy career opportunities for residents in traditionally underserved and underrepresented communities.

The partnership includes a commitment from Sunrun to recruit solar trainees from the BIG network. Sunrun will also support BIG at educational events throughout the community so residents can learn about rooftop solar, including the Illinois Solar for All program, designed by community members and policymakers to increase access to solar energy for underserved communities.

Sunrun's Governance

At Sunrun, we are committed to upholding strong corporate governance practices and conducting business responsibly. We seek to continually enhance the structures, policies, and internal controls that support and promote accountability, transparency and ethical behavior.

The company expects all its employees and business partners to act according to the highest standards of honesty and ethical conduct. Our commitment to good corporate governance is reflected in our Code of Business Conduct and Ethics, our Vendor Code of Conduct, and other related governance policies, which are reviewed annually by the Nominating and Governance Committee. Any changes deemed appropriate are submitted to the full Board of Directors for its consideration.

Sunrun creates value for customers and builds relationships based on trust by dealing fairly with customers, suppliers, government agencies, competitors, and employees. We also promote accountability internally by holding regular staff meetings and sharing financial performance and company updates with employees.

Sunrun maintains a strong open-door policy, a confidential employee hotline administered by an independent company, and an employee-relations team on our Human Resources team that is dedicated to thoroughly and fairly investigating all employee complaints.



Board of Directors

The Board of Directors makes recommendations and conducts unbiased evaluation and supervision of management activities. It maintains an independent majority at all times and comprises seven members, all but two of whom are independent. Gerald Risk serves as Lead Independent Director and is responsible for overseeing separate meetings of the independent directors. Our co-founder Edward Fenster has served as Chairman since March 2014. The Board has three female members, including our CEO Lynn Jurich.

The Board has three committees. The Audit Committee assists the Board in ensuring we uphold the highest standards of financial integrity through accounting transparency and conformance. The Compensation Committee seeks to align executive compensation with shareholders' interests and corporate goals. The Nominating and Corporate Governance Committee oversees the evaluation of the Board, assists in recommending new members and developing and maintaining corporate-governance policies, and oversees Environment, Social, and Governance initiatives and reporting at the Board level.

Vendor Integrity and Ethics

We require our vendors to act with integrity and to adhere to our Vendor Code of Conduct. This Vendor Code of Conduct, along with Sunrun's Code of Business Conduct and Ethics, prohibits undisclosed conflicts of interest, money-laundering, and whistleblower retribution.

Whistleblower Protection

Sunrun is committed to maintaining high standards of financial integrity and takes very seriously all complaints and concerns regarding accounting, internal accounting controls, auditing, and other legal matters, including violations of Sunrun's Code of Business Conduct and Ethics. Sunrun prohibits retribution or retaliation in any way against any person who has in good faith made a complaint or reported a concern or against any person who assists in any investigation. Sunrun also requires that vendors strive to allow their workforces to raise similar concerns without fear of retaliation.

For more information on corporate governance matters, including shareholder rights, Sunrun's approach to management compensation, and Board structure, please see Sunrun's annual proxy statement, which is filed with the SEC and available on the company's Investor Relations website at investors.sunrun.com.



Appendix

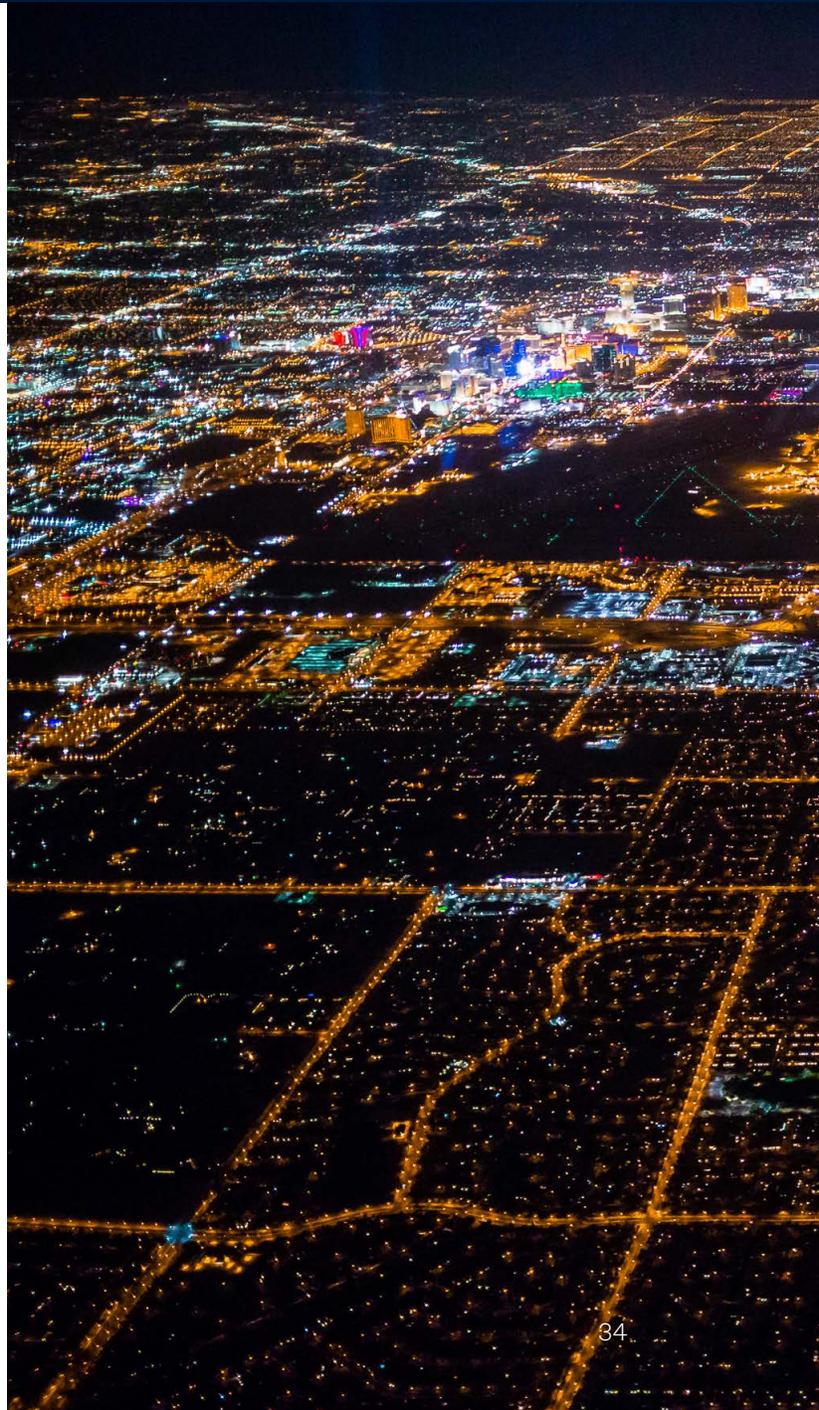
Glossary

Customers refers to all residential homeowners (i) who have executed a Customer Agreement or cash sales agreement with us and (ii) for whom we have internal confirmation that the applicable solar system has reached notice to proceed, or “NTP,” net of cancellations.

Customer Agreements refers to, collectively, solar power purchase agreements and solar leases.

Megawatts Deployed represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to executed Customer Agreements (i) for which we have confirmation that the systems are installed on the roof, subject to final inspection, (ii) in the case of certain system installations by our partners, for which we have accrued at least 80% of the expected project cost, or (iii) for multi-family and any other systems that have reached NTP, measured on the percentage of the project that has been completed based on expected project cost.

Notice to Proceed (NTP) refers to our internal confirmation that a solar energy system has met our installation requirements for size, equipment, and design.



GHG Accounting Data Sources and Methodology

GHG Emissions

Reported scope 1 emissions include vehicle fleet emissions, which are based on data from Sunrun's fleet-management group, and emissions from on-site natural-gas consumption, which are based on average office and warehouse square footage figures outlined in the U.S. Energy Information Administration's (U.S. EIA) 2012 Commercial Building Energy Consumption Survey (CBECS). An emissions factor in metric tons of CO₂e per megawatt deployed was calculated for Sunrun's operations across various eGRID regions and applied to partner megawatts deployed across various eGRID regions to estimate partners' emissions attributable to their vehicle fleets and their natural-gas consumption in offices and warehouses.

Reported scope 2 emissions include those from purchased electricity, which are calculated for both Sunrun and our partners in an analogous fashion to scope 1, using figures for office and warehouse square footage as outlined in the U.S. EIA's 2012 CBECS. An emissions factor in metric tons of CO₂e per megawatt deployed was calculated for Sunrun's operations across various eGRID regions and applied to partner megawatts deployed across various eGRID regions to estimate partner emissions attributable to electricity consumed in offices and warehouses.

Reported scope 3 emissions are based on a study by one of Sunrun's major module suppliers, which outlines emissions figures for a module that aligns well with the average module wattage deployed by Sunrun over the reporting period. An additional 20% factor was added to this calculation to account for emissions attributable to balance-of-system (BOS) components, drawing from information in a 2011 report from the International Energy Agency, Life Cycle Inventories and Life Cycle Assessments of Photovoltaic Systems.

Extended Carbon Calculations

Carbon balance calculations are based on derated expected production over 30 years and actual kilowatt-hour production to date. All kilowatt-hour values are translated into metric tons of CO₂e emissions avoided using the GHG equivalencies calculator provided by the United States Environmental Protection Agency.

The carbon payback period is derived by taking Sunrun's carbon footprint, adding an additional 5% to account for product end use, and dividing that figure by watts deployed. This gives us the carbon footprint of the average system, which, when divided by the expected carbon offset of the average system after one year, results in the carbon payback period.

Calculations for the comparison to fossil fuel are based on average Sunrun system size deployed, expected average system production derated at 0.06% per year over 30 years, and Sunrun's carbon footprint. Fossil-fuel figures for other sources of energy were taken from a 2013 study by the National Renewable Energy Laboratory (NREL), Life Cycle Greenhouse Gas Emissions from Electricity Generation.

Calculations for prevented air pollution and water consumption are derived from expected average system production derated at 0.06% per year over 30 years for systems deployed in 2016 through 2019. Energy production was equated to prevented air pollutants and water consumption using information provided by the U.S. Geological Survey⁴ and eGRID's Year 2010 Summary Tables.

Reference Table to Global Reporting Initiative Standards

We have used certain Global Reporting Initiative (GRI) Sustainability Reporting Guidelines to help inform what we disclose. The following table is presented to help readers find information that Sunrun has disclosed in reference to GRI's standards. The following charts provide a cross-reference location guide to our Impact Report, filings with the SEC (including our annual filing on Form 10-K), proxy statements, and other policies the company has posted on its investor relations website, available at investors.sunrun.com.

Reference Table to Global Reporting Initiative Standards

DISCLOSURE	DISCLOSURE LOCATION
GRI 102: General Disclosures	
Organizational Profile	
102-1 Name of the organization	Sunrun Inc.
102-2 Activities, brands, products, and services	Form 10-K, pgs. 3-8
102-3 Location of headquarters	Form 10-K, pg. 21
102-4 Number of countries where the organization operates	United States
102-5 Nature of ownership and legal form	Form 10-K
102-6 Markets served including geographic locations where products and services are offered, sectors served, types of customers and beneficiaries	Investor Relations Website > Events and Presentations > Sunrun Investor Presentation
102-7 Scale of the organization	Form 10-K
102-8 Information on employees and other workers	Form 10-K
Strategy	
102-14 Statement from senior decision-maker	Impact Report, pg. 3
Ethics and integrity	
102-16 Values, principles, standards and norms of behavior	Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics
102-17 Mechanisms for advice and concerns about ethics	Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics, Whistleblower Policy
Governance	
102-18 Governance structure	Proxy Statement pg. 8, Investor Relations Website > Corporate Governance > Governance Highlights
102-22 Composition of the highest governance body and its committees	Proxy Statement pg. 8-10, Investor Relations Website > Corporate Governance > Governance Highlights > Committee Composition
102-23 Chair of the highest governance body	Proxy Statement pg. 8, Corporate Governance Guidelines pg. 1
102-24 Nominating and selecting the highest governance body	Proxy Statement pgs. 10-11, Corporate Governance Guidelines pg. 2
102-25 Conflicts of interest	Corporate Governance Guidelines pgs. 3-4
102-28 Evaluating the highest governance body's performance	Corporate Governance Guidelines pg. 4
102-35 Remuneration policies	Proxy Statement pgs. 11-25
102-36 Process for determining remuneration	Proxy Statement pgs. 11-25
102-37 Stakeholders' involvement in remuneration	Proxy Statement pgs. 11-25

Reference Table to Global Reporting Initiative Standards (Continued)

DISCLOSURE	DISCLOSURE LOCATION
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Form 10-K
102-49 Changes in reporting	Form 10-K, "Recently Issued and Adopted Accounting Standards"
102-50 Reporting period	Investor Relations Website > Events and Presentations
102-51 Date of most recent report	Investor Relations Website > Events and Presentations
102-52 Reporting cycle	Form 10-K
102-53 Contact point for questions regarding the report	Investor Relations Website > IR Contacts
102-55 GRI content index	Impact Report, pg. 36
GRI 201: Economic Performance	Annual Report
GRI 302: Energy	
302-1 Energy consumption within the organization	Impact Report, pg. 13
302-3 Energy intensity	Impact Report, pg. 13
302-5 Reductions in energy requirements of products and services	Impact Report, pg. 15
GRI 305: Emissions	
305-1 Direct (scope 1) emissions	Impact Report, pg. 13
305-2 Energy indirect (scope 2) GHG emissions	Impact Report, pg. 12
305-3 Other indirect (scope 3) GHG emissions	Impact Report, pg. 13
305-4 GHG emissions intensity	Impact Report, pg. 13
305-5 Reduction of GHG emissions	Impact Report, pp.13-14
305-6 Emissions of ozone-depleting substances (ODS)	Impact Report, pg. 14
305-7 NO _x , SO _x , and other air emissions	Impact Report, pg. 14
GRI 401: Employment	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Impact Report, pp. 20-21
401-3 Parental Leave	Impact Report, pg. 20
GRI 403: Occupational Health and Safety	
403-1 Workers representation in formal joint management-worker health and safety committees	Impact Report, pp. 16-18
403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, number of work-related fatalities	Impact Report, pg. 17

Reference Table to Global Reporting Initiative Standards (Continued)

DISCLOSURE	DISCLOSURE LOCATION
GRI 404: Training and Education	
404-1 Average hours of training per year per employee	2017 Impact Report, pg. 23
404-2 Programs for upgrading employee skills and transition assistance programs	Impact Report, pg. 23
404-3 Percentage of employees receiving regular performance and career development reviews	Impact Report, pg. 23
GRI 405: Diversity and Equal Opportunity	
405-1 Diversity of governance bodies and employees	Impact Report, pg. 22
405-2 Ratio of basic salary and remuneration of women to men	Impact Report, pg. 20
GRI 406: Non-Discrimination	Available on Sunrun's Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics

Reference Table to Sustainability Accounting Standards Board Standards

TOPIC	DISCLOSURE LOCATION
Materials Sourcing (RR0102-15, RR0102-16)	Impact Report, pg. 15, Vendor Code of Conduct (available on Sunrun's Investor Relations Website > Corporate Governance)
Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks (RR0102-09)	Impact Report, pp. 26-30
Discussion of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure (RR0102-10)	Impact Report, pp. 26-30
Discussion of the management of environmental risks associated with the polysilicon supply chain (RR0102-16)	Impact Report, pg. 15 Vendor Code of Conduct (available on Sunrun's Investor Relations Website > Corporate Governance)

References

1. World Business Council for Sustainable Development and World Resources Institute, *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* (Geneva: World Business Council for Sustainable Development; Washington, DC: World Resources Institute, March 2004) available at <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>.
2. January 2013, <https://www.nrel.gov/docs/fy13osti/57187.pdf>.
3. Generation: Systematic Review and Harmonization,” September 2012, <https://www.nrel.gov/docs/fy13osti/57229.pdf>.
4. “Thermoelectric Power Water Use,” U.S. Geological Survey, last modified June 26, 2018, <https://water.usgs.gov/watuse/wupt.html>.

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