



## **Sunrun Report Regarding Employment-Related Arbitration**

At the direction of the Board of Directors of Sunrun Inc (“Sunrun” or the “Company”), the Company has prepared this report on the impact of the use of mandatory arbitration on Sunrun’s employees and workplace culture. This report seeks to evaluate the impact of Sunrun’s current use of arbitration on the prevalence of harassment and discrimination in its workplace and on employees’ ability to seek redress.

In 2020, out of approximately 8,500 employees, there were 3 employment-related arbitrations initiated against Sunrun.<sup>1</sup> None of the arbitrations initiated in 2020 have proceeded to a final award by an arbitrator, so it is not known how many of them ultimately will be decided in favor of the employee or Sunrun. Given the small number of employment-related arbitrations that were initiated in 2020, Sunrun also reviewed the various ways in which employees can and do raise concerns—both privately and publicly.

At Sunrun, we encourage open communication, feedback, and discussion about issues that matter to our employees. Sunrun has an “open door” policy. When employees—including employees and their managers—communicate openly and directly with each other, a positive, trusting and productive work environment can be created. Many issues—whether perceived or actual—are resolved informally and productively through the open door process.

Additionally, before initiating arbitration, employees often publicly raise disputes either by filing charges with an appropriate administrative body or by filing a lawsuit in state or federal court. Administrative bodies having jurisdiction over employment-related disputes include, for example, state labor commissioners, the California Department of Fair Employment and Housing, the federal Equal Employment Opportunity Commission, and the National Labor Relations Board. Most employment-related disputes are resolved informally, prior to the filing of administrative charges or lawsuits.

Ultimately, given the various ways in which Sunrun employees can and do raise employment-related concerns—and in light of the small number of employment-related arbitration petitions actually filed—Sunrun’s arbitration provision appears to have no appreciable negative impact on employees. Instead, Sunrun believes our mutual

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<sup>1</sup> Sunrun defines “initiated” as a demand for arbitration having been submitted to the arbitral body. The total includes arbitrations initiated against Sunrun Inc. and its subsidiaries, including Vivint Solar, Inc., which was acquired in the fourth quarter of 2020.



arbitration agreement is functioning as intended—to benefit employees and the Company by providing dispute resolutions that are speedy, private, informal, and convenient. Additionally, Sunrun regularly completes employee feedback surveys, and the Company’s use of arbitration has never been flagged as a concern with respect to employee recruitment, retention, or development.

Sunrun regularly reviews its arbitration agreement and makes appropriate updates, and has done so again in connection with the preparation of this Report. Sunrun's existing mutual arbitration agreement contains no confidentiality provision and requires that Sunrun pay all arbitration fees. While already employee-friendly, in order to ensure that employees are not deterred from pursuing employment-related claims, Sunrun will add the following clauses to the Rules section of its Mutual Arbitration Agreement on a going-forward basis:

- "Employees remain entitled to the same relevant non-privileged information in discovery that they otherwise would be in a court of law;"
- "Nothing in this Agreement shall prohibit employees from engaging in protected discussions or activity relating to the workplace, such as discussions of wages, hours, or other terms and conditions of employment;"
- "Nothing in this Agreement shall prohibit employees from contacting witnesses, including current or former Sunrun employees, during the arbitration;" and
- "As part of the arbitrator selection process, Sunrun shall disclose to the employee if Sunrun has previously received a favorable decision from one of the potential arbitrators of the dispute and will agree to strike such arbitrator from the list of potential arbitrators at the employee's request."

Additionally, in order to ensure that Sunrun maintains a work atmosphere free from unlawful harassment, Sunrun will update its mutual arbitration agreement to provide employees the choice to opt out of arbitration for claims related to sexual misconduct in the workplace.

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