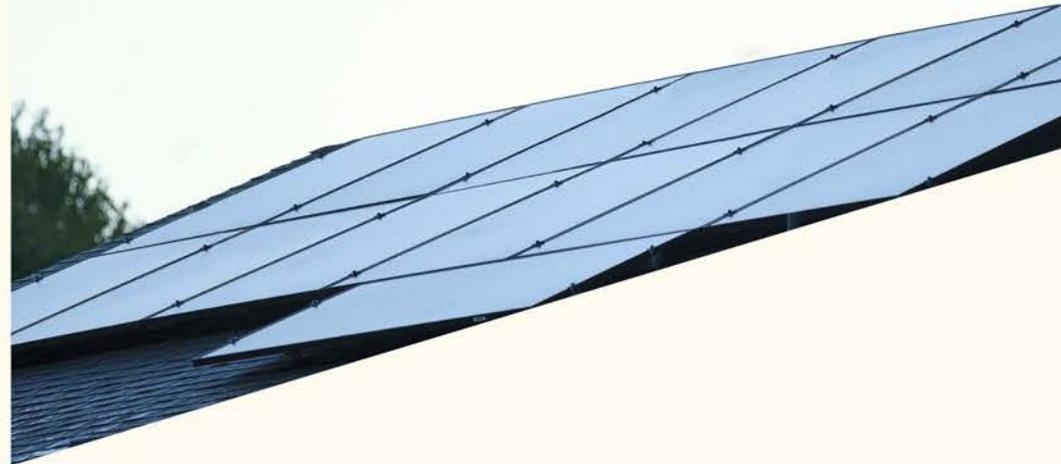


**SUNRUN**

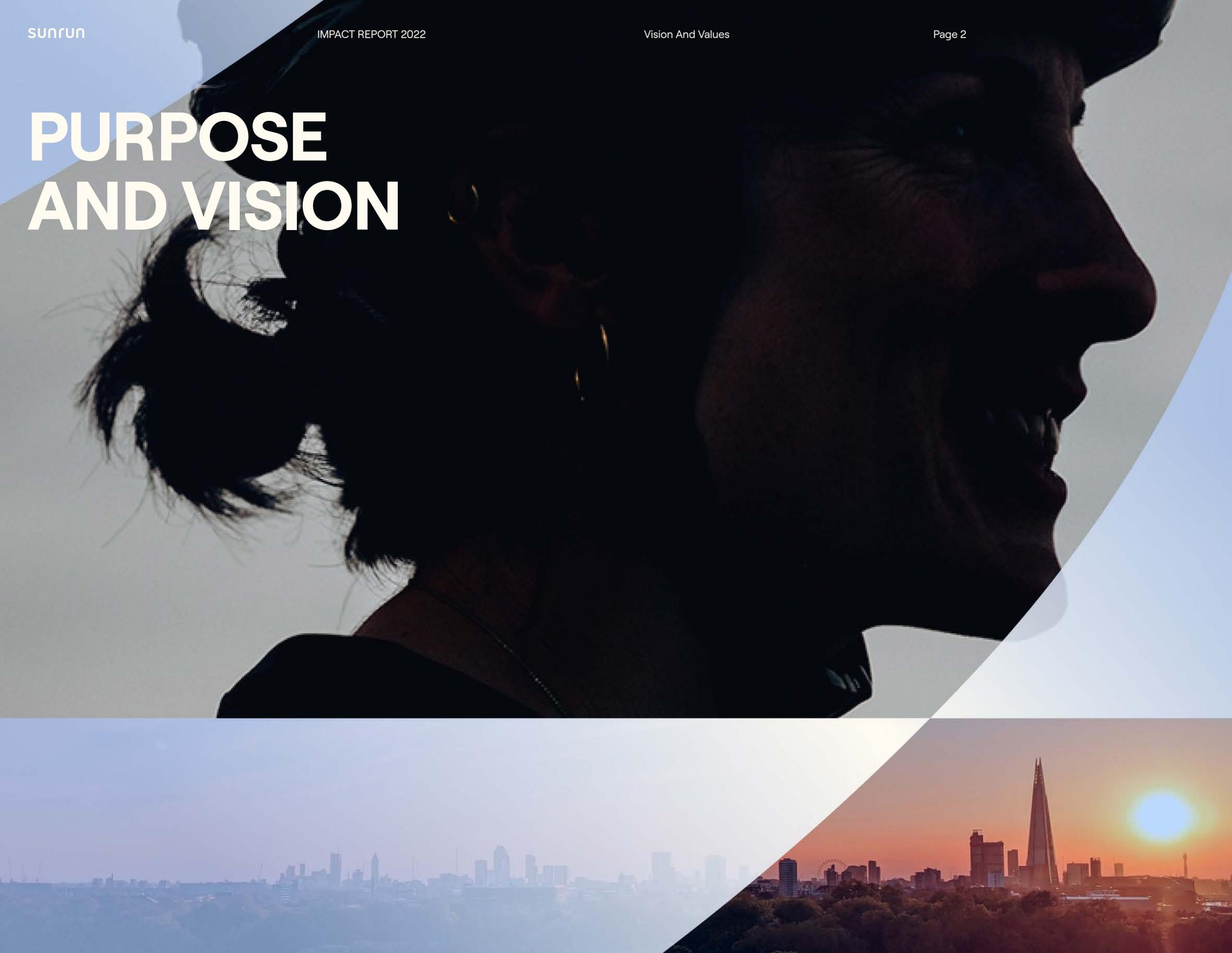


**IMPACT  
REPORT  
2022**



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# PURPOSE AND VISION



# A Message From Our CEO



## CREATING LONG-TERM SUSTAINABLE VALUE & PROFITABLE GROWTH

At Sunrun, our mission is to create a planet run by the sun, and that begins with creating long-term value for all of our stakeholders by having an unwavering focus on sustainable, profitable growth. Over the past year, it has been a pleasure to speak with a great number of our stockholders and stakeholders about Sunrun's opportunities as the nation's leading solar, storage and home electrification company. Our laser focus is on crushing it on the fundamentals and generating value for our stockholders, customers, employees, and communities. We strive to create value and drive efficiencies to make us faster, better and stronger, which in turn makes the communities we serve healthier and more resilient.

We had a record-breaking year in 2022. Our teams continued to innovate new methods of operation, and our staff worked relentlessly to meet the demands

of our customers in a knowledgeable, quick, and easy manner—helping contribute to record sales and strong earnings results. As I look at a year marked by tremendous growth, increasing demand, and industry challenges, I'm proud that our commitment to placing our customers at the center of all we do has never wavered.

We aspire to be the most customer-obsessed clean energy provider in the world, and while we began as a solar-only business 15 years ago, our persistent focus on understanding our customers' increasing energy needs has led us to develop a lineup of clean energy products and a workforce committed to providing a personalized energy experience for customers of all backgrounds, every day.

## AT SUNRUN WE START WITH SAFETY

Nothing is more important than the health and safety of our people and our communities. Sunrun's culture is built around the idea of always putting safety first. We're investing in our people, equipment, and technology to raise workplace safety metrics even further. We launched the Safe-to-Start Program in 2022, a new program that mandates a full jobsite safety check before any work is done, resulting in a material decrease in serious accidents and safety violations. It is critical that our employees and customers understand that safety will always be a top priority at Sunrun.

## BUILDING A SUSTAINABLE FUTURE

Our efforts to operate sustainably begin with our understanding that our biggest impact on the environment comes from our products and services. We provide our customers access to products that

are good for their homes, good for the environment, and good for them financially. Since 2007, our solar energy systems have generated 25.6 billion kilowatt-hours of clean energy, enabling the avoidance of 14.6 million metric tons of CO<sub>2</sub>e from entering the atmosphere.

As part of our commitment to reach net-zero emissions across our operations by 2040, we continue to expand our use of hybrid sedans and all-electric forklifts, light-duty trucks, and cargo vans to deliver solar and storage systems to our customers' doorsteps. We are also investing in last-mile strategies that will significantly reduce the overall miles our fleet drives every day. And as we deploy more clean energy systems, we are focused on managing their end-of-life cycle. In 2022, Sunrun redeployed or recycled more than 85% of solar panels with qualified recycling providers.

## DELIGHTING OUR CUSTOMERS

We strive to be customer-obsessed in all that we do, and we believe that delivering an exceptional customer experience is essential for generating long-term, sustainable value for our customers and investors. To ensure we're addressing our customers' changing needs, interests, and concerns, we often solicit their feedback using several online customer satisfaction surveys. In 2022, we increased staffing and modified the structure and incentives of certain organizations to drive greater satisfaction, and throughout the year we saw the positive results of these efforts.

## ADVANCING DIVERSITY AND INCLUSION

Our ability to deliver a personalized customer experience and positive change for our planet relies on diverse perspectives from smart, passionate, and committed people from all backgrounds. In 2022, we continued to make progress on fostering a diverse workforce by increasing gender representation in our people-leader roles. We continue to prioritize the diversification of our workforce with new recruiting policies that expand talent reviews and require

diverse interview panels to provide candidates with a better experience, provide a more well-rounded view of the candidate, and provide growth for our employees.

Through our fully-funded employee education and upskilling program, PowerU, we're helping thousands of employees learn new and essential skills to advance their careers. More than 500 employees are now enrolled to become certified electricians, and more than 160 employees have been promoted to new roles after completing a course or foundational training.

## SERVING PEOPLE AND COMMUNITIES

In marginalized communities, we are supporting the development of solar systems on affordable multifamily housing. As of December 2022, our 150 completed projects are delivering meaningful energy savings each month to over 11,100 households. We are also strengthening these communities by providing career pathways in the solar industry. We completed more than 6,500 hours of solar job training in 2022 for residents in disadvantaged communities so that they can be well positioned for good-paying jobs in the solar industry.

I want to express my sincere appreciation for all the Sunrun employees working so hard to create a company that is faster, better and stronger for our customers and our communities. Building the best company and helping turbocharge the consumer-led revolution in energy is only possible with the talented and committed team who is ready to lead the charge every single day.

Mary Powell  
Chief Executive Officer

# Purpose Guides Us

In 2022, Sunrun celebrated its 15th anniversary: 15 years of moving the world forward through the power of solar energy. Our journey started in a San Francisco attic with a vision to build a planet run by the sun. Our goal was simple: make clean energy accessible and affordable. Today, our passion for innovation still drives us. Our values continue to guide our growth, and our belief in clean energy will never change. But now more than ever, we're dreaming even bigger about the difference that Sunrun can make. Today, our ambition is to break down barriers and build communities to change the centralized energy system for all. That means building a diverse, inclusive team and culture and living the values that we share. It means innovating to protect our planet's future and the future of the communities we serve. It means moving people into action to create a better world—whether it's helping more families access the joy and power of solar energy, building partnerships to shape more equitable communities, or lending our voice and our example to help drive bigger change. We're proud of the progress we've made, and we're even more inspired by how much further we can go. The power of the sun moves us forward. It always has. It always will.



# 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 solutions bring families affordable, resilient, and reliable energy. The company can 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. Sunrun also offers electric vehicle charging solutions, including those with bidirectional power flow capabilities. For more information, please visit [www.sunrun.com](http://www.sunrun.com).



## ORGANIZATIONAL PROFILE

Sunrun changed the solar industry 15 years ago when we introduced our innovative solar-as-a-service subscription model. We are building a sustainable future for everyone by making clean energy technology affordable and accessible for millions of people, not just a select few.

Since our founding in 2007, Sunrun has a long history of combining product innovation and industry expertise that enables people to generate, use, store, share, and sell their own power. Originally a solar-only business, we've quickly become the leading clean energy technology company that's dedicated to bringing the best clean energy solutions to our customers. In 2016, we added home storage to our line of products. This made our customers' energy use more efficient and gave them a critical backup power source. Sunrun has recently released a Level 2 home electric vehicle charger, 14 grid services programs that empower customers to participate in the shared clean energy economy, and the Ford Home Integration System, a revolutionary bidirectional power flow system that makes vehicle-to-home backup possible.

## HERE'S HOW SOLAR-AS-A-SERVICE WORKS:

### Step 1.

We assess the best solar or solar-plus-storage solution to meet a household's energy needs.

### Step 2.

Our experienced team designs and installs a system customized to the household's specific roof and home energy specifications.

### Step 3.

The household simply pays a low, locked-in rate which is often lower than its local utility's rate for the power that's produced, helping families manage their electric bills without big upfront costs.

### Step 4.

We handle the financing, insurance, monitoring, and repairs for the life of the system.

# Committing to Our Future



We believe in the power of the individual, and that the customer-led clean energy revolution will help us fight climate change.

Climate action has never been more critical. In response to avoid the threat of climate change, communities around the world must drastically alter their energy systems and phase out their reliance on polluting fossil fuels. The U.S. government has set ambitious targets for developing a carbon-free power industry by 2035 and reaching net-zero emissions by 2050. An increasing number of cities and states are also establishing net-zero goals to decrease carbon emissions and promote healthier, more resilient communities.

We strongly support these goals and are committed to helping homes make the transition to a cleaner, more abundant energy future. For the past 15 years, we've been at the forefront of providing households with sustainable energy solutions that reduce air pollution, make the environment cleaner, and improve comfort and well-being. We remain committed to establishing a zero-carbon operational footprint, providing environmentally responsible products, and cultivating a sustainable culture among our customers, employees, and partners. We believe in the power of the individual and know that a customer-led clean energy revolution will aid in the battle against climate change. Our mission is supported by the dynamic energy market, technological developments, and growing demand for a cleaner, more sustainable future for all.

## OUR WORKFORCE

As of December 31, 2022, Sunrun employed approximately 12,400 people throughout the United States, including our active direct-to-home salesforce. We focus on fostering a culture of diverse, inclusive, and connected teams coming together to do their best work every day to meet the needs of customers and transform the way we power our lives.

## OUR CUSTOMERS

Sunrun provides home solar and battery storage services from coast to coast, in 22 states plus Puerto Rico and the District of Columbia. We proudly serve more than 797,000 customers across the country and are growing rapidly.<sup>1</sup>

## OUR IMPACT

Our solar energy systems have generated 25.6 billion kilowatt-hours of clean energy since 2007, helping enable the avoidance of an estimated 14.6 million metric tons of CO<sub>2</sub>e from entering the atmosphere. This is the equivalent of carbon dioxide emissions from approximately 16.1 billion pounds of coal burned or 1.6 billion gallons of gasoline consumed.<sup>2</sup>



# ESG GOALS

We pledge to continue our commitment to sustainability and reducing the environmental impact of our operations by improving our processes and discovering innovative carbon footprint reduction strategies. Consistent with our core values, we have committed to several goals to further our environmental, social, and governance leadership. In 2021, we established a number of long-term ESG goals for our company, and each year, in conjunction with the release of our annual Impact Report, we intend to publish an update on our progress toward these goals, as well as any newly developed goals.



# GOAL 1

**Sunrun is committed to mitigating the impacts of anthropogenic climate change.**

GOAL	STATUS	NOTES
<b>By the end of 2030, build a network of solar systems that will add enough renewable energy equivalent to avoid carbon emissions by more than 600 million metric tons of CO2e over their lifetimes.</b>	On Track	In 2022, we deployed solar energy systems estimated to be equivalent to more than 21 million metric tons of CO2e avoided over their lifetimes.
<b>Adopt science-based emissions reduction targets and achieve net-zero emissions of our operations by the end of 2040.</b>	On Track	We committed to adopting science-based targets for reducing emissions and are currently working with the Science Based Targets Initiative to establish and evaluate these goals. After our targets have been determined, we anticipate accelerating the timeline for this goal.
<b>Reduce our transportation emissions by converting 100% of our warehouse, sales, and corporate vehicle fleet to electric or hybrid alternatives by the end of 2025.</b>	New Goal	As of December 31, 2022, approximately 70% of forklifts at warehouses had been converted to electric, and nearly 60% of all sedans had been converted to hybrid vehicles. We are on track to convert all remaining forklifts to electric by the end of 2023 and remaining sedans to hybrid alternatives by the end of 2025.
<b>Reduce our transportation emissions by converting 50% of our installation vehicle fleet to electric or hybrid alternatives by the end of 2027.</b>	Updated Goal	Severely restricted availability and access to electric and hybrid light-duty trucks, box trucks, and cargo vans are limiting our ability to convert larger vehicles to lesser-emissions alternatives. Due to supply chain constraints, we are updating this goal to be achieved by the end of 2027. In the interim, we are exploring new last-mile strategies to minimize the number of miles our fleet travels.

GOAL	STATUS	NOTES
<b>Decrease the overall carbon intensity of operations by 20% from 2021 levels by the end of 2030.</b>	On Track	As described in the "GHG Emissions" section on page 21, we worked closely with an external vendor to calculate our Scopes 1-3 emission, which resulted in our operational emission intensity decreasing by 10% in 2022. While we are encouraged by this result, we remain vigilant in identifying additional actions to further reduce our emissions intensity to coincide with our upcoming Science Based Targets.
<b>Achieve 100% recycling of solar panels at each facility by the end of 2023 and 100% recycling of batteries and inverters by the end of 2025.</b>	Updated Goal	We have separated our recycling of solar equipment into two distinct categories: (i) solar panels and (ii) batteries and inverters. We are on track to reach 100% recycling of solar panels this year, and we are building partnerships and systems to reach our goal of 100% recycling of batteries and inverters in 2025.



# GOAL 2

## Sunrun is committed to building a safe, diverse, fair, and equitable workforce.

At Sunrun, we start with Safety! And to enhance our company-wide focus on employee safety, we have added one new goal to this year's report. This addition ensures that each Sunrun employee has a responsibility to prioritize safety above all else. Further consideration may be given to longer-term, multi-year safety goals.



ACTION	STATUS	NOTES
<p><b>Embed the principles of diversity, inclusion, and belonging as implicit in everything we do and sustain our focus on pay equity through periodic review.</b></p>	On Track	<p>In 2022, we took a number of steps to improve our representation, including a new recruiting policy requiring diverse interview slates for all Director and above roles and diverse interview panels for manager-level roles to provide candidates with a better experience, provide a more well-rounded view of the candidate, and provide growth for our employees. We also expanded talent reviews to senior managers and incorporated deliberate diversity focus in quarterly reviews with functional leaders.</p>
<p><b>Foster a diverse workforce that represents our customers and the communities in which we live and work by:</b></p>	On Track	<p>As of December 31, 2022, approximately 28% of Director and above positions were held by women, a 3% increase from the previous year. BIPOC managers in the company remained flat at 31%.</p>
<p><b>1. Increasing the representation of employees who identify as women in Director and above roles by 50% and increasing our Black, Indigenous, and People of Color (BIPOC) representation in manager roles by 25% by the end of 2025</b></p>		<p>We are encouraged by the progress toward our goal of achieving gender parity at Director and above levels and plan to add additional focus toward our work to increase the number of BIPOC managers.</p>
<p><b>2. Reach gender parity in Director and above roles and BIPOC representation parity in Manager roles by the end of 2030</b></p>		
<p>according to the baseline reported in Sunrun's 2021 Impact Report.</p>		

GOAL	STATUS	NOTES
<b>Support the expansion of our Employee Resource Groups in order to promote inclusiveness and belonging among our employees, raise awareness, and increase our social impact.</b>	On Track	In 2022, we took a number of steps to improve our representation, including a new recruiting policy requiring diverse interview slates for all Director and above roles and diverse interview panels for manager-level roles to provide candidates with a better experience, provide a more well-rounded view of the candidate, and provide growth for our employees. We also expanded talent reviews to senior managers and incorporated deliberate diversity focus in quarterly reviews with functional leaders.
<b>10% reduction in OSHA's Days Away, Restricted and Transferred rate (DART) by the end of 2023.</b>	New Goal	We've identified Safety as one of our priority ESG issues and added this goal as a component of our 2023 corporate cash bonus plan to incentivize the importance of working safely. In 2022, we also established programs that require managers to review the safety setup at each customer's home prior to installation. These new programs are reinforcing our safety requirements at all project sites, resulting in a dramatic decline in serious accidents and safety violations.



# GOAL 3

Sunrun is committed to improving energy equity and environmental justice.



ACTION	STATUS	NOTES
<p><b>Contribute 100,000 employee volunteer hours by the end of 2030.</b></p>	<p>On Track</p>	<p>In 2022, Sunrun employees logged more than 6,700 volunteer hours, the equivalent of approximately 280 days.</p> <p>In the first quarter of 2023, we introduced a more robust platform to track volunteer hours in connection with the roll-out of our employee giving program, which will include a charitable match based on the number of hours volunteered. We believe this will serve as a catalyst to greatly increase staff volunteerism.</p>
<p><b>Bring at least 500 megawatts of low-income solar to people across the country by the end of 2030, benefiting hundreds of thousands of residents in disadvantaged communities.</b></p>	<p>On Track</p>	<p>During 2022, we successfully advocated for expanded low-income solar programs in several states, in addition to continuing to expand our programs that directly install solar in such communities.</p>

# Our Priority ESG Issues

In order to be most effective in all aspects of our business, we must identify the ESG issues that are most important to Sunrun, our customers, our shareholders, and the communities in which we operate, and then prioritize them in our decision-making, goal-setting, and reporting. Following an analysis of our operations and impact opportunities, our Executive ESG Committee and Nominating, Governance & Sustainability Committee identified Safety, Customer Experience, Emissions Reduction, and Diversity as the most material ESG factors for our business this year. By focusing on these material ESG factors, we are better positioned to achieve our business goals while also contributing to a just and sustainable future.

## SAFETY

At Sunrun, we start with safety. We believe that safety is essential for protecting our employees, customers, and the environment. Failing to uphold rigorous safety standards can result in accidents, injuries, and reputational harm. Working smart means working safely, and we are committed to promoting safety throughout all of our operations.

## CUSTOMER EXPERIENCE

We strive to be customer-obsessed in all that we do, and we believe that delivering an exceptional customer experience is essential for generating long-term, sustainable value for our customers and investors. Furthermore, we believe that offering superior products and services to our customers strengthens communities and creates a more reliable energy system for everyone.

## EMISSIONS REDUCTION

Since day one, our mission has been to create a planet run by the sun; it is core to our business model. We constantly evaluate new and innovative ways to help our customers in reducing their emissions, while simultaneously reducing our own.

## DIVERSITY

Improving innovation, decision-making, and financial success is possible when diversity is prioritized. We believe that diversity positions us to attract and retain top talent, making us a better, stronger organization for our customers.



# Our Impact On The Environment

## 25.6 billion

Cumulative kilowatt-hours of clean energy produced since 2007.

---

## 14.6 million

Cumulative metric tons of carbon emissions avoided by Sunrun solar systems since 2007—this is the equivalent of carbon dioxide emissions from approximately:

- **36.6 billion** miles driven by an average passenger vehicle<sup>3</sup>
  - **2.9 million** homes' electricity use for a year<sup>4</sup>
- 

## 1 minute

How often a new Sunrun system is installed<sup>5</sup>

---

## 5.6 billion

Kilowatt-hours of clean energy produced in 2022

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## 5.7 gigawatts

Cumulative amount of Networked Solar Energy Capacity deployed since 2007, making Sunrun one of the largest solar companies in the world

# Our Impact On Energy Consumers

## 797,000+

Total number of Sunrun customers across the U.S.

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## 53,000+

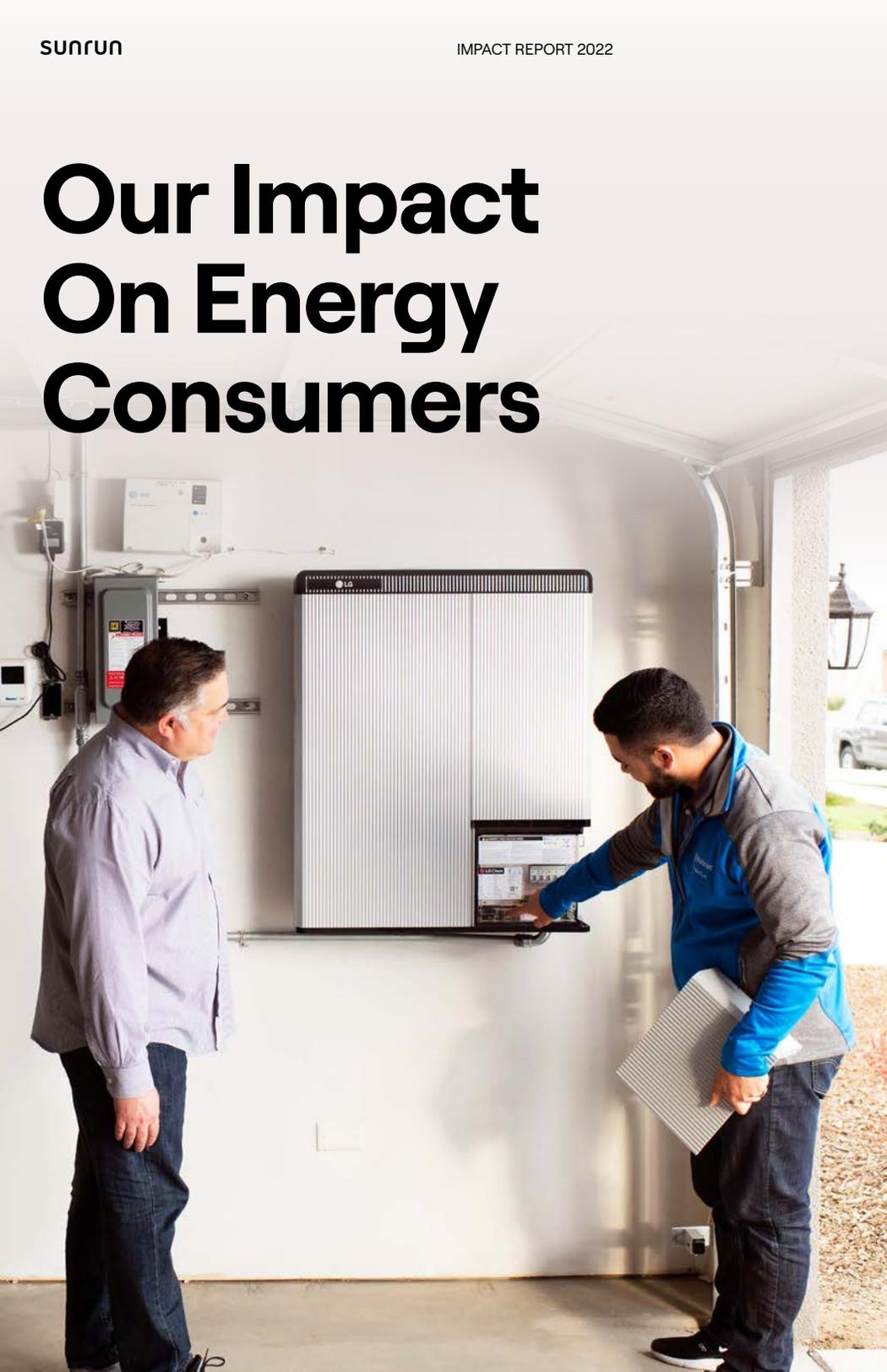
Total number of Sunrun home storage systems installed across the U.S.

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## \$1 billion+

The amount of savings we have provided to our customers since 2007

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# Our Impact Through Our Completed And Contracted Future Work With Low-And- Moderate Income Multifamily Housing Projects

## 645

Low-and-moderate income multifamily solar projects contracted with Sunrun

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## 146,000

Low-and-moderate income residents across 48,500 housing units

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## 114,000

Anticipated megawatt-hours of solar energy produced per year through low-and-moderate income installations

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## \$18 million

Estimated total value of anticipated annual solar savings directly to tenants in affordable housing units

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## 6,500

Total hours of solar job training completed in 2022 for residents in disadvantaged communities

# Financial Sustainability

Sunrun has experienced tremendous growth during its 15-year history. We strive to generate significant returns for our financial partners while developing a stable financial basis that will enable the company to have a lasting influence for decades to come. Sustainable growth is fundamental to Sunrun's mission, and our operational and financial performance demonstrates our discipline and dedication to this philosophy. We ended 2022 with more than 797,000 customers, a 21% year-over-year improvement. We adapted swiftly to the dynamic environment during the year, adjusting pricing to reflect higher input and cost of capital, improving our cost

structure by increasing installation efficiency and overhead cost discipline, increasing our market position, and strengthening our competitive advantages. We have \$11.9 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 2022 with \$12.4 billion in Gross Earning Assets (or \$11.1 billion measured using a 6% discount rate) and \$5.6 billion in Net Earning Assets (or \$4.2 billion measured using a 6% discount rate). The company has \$7.5 billion in non-recourse debt, which is solely secured by the solar energy systems.

"As a publicly traded company, we are accountable to not only ourselves, but those who have invested in our mission. We must always act with the utmost integrity. Honesty is foundational to doing the right thing, the right way."

**Danny Abajian**  
Chief Financial Officer



## 2022 FINANCIAL & OPERATION HIGHLIGHTS:

- Total Revenue of \$2.3 billion, an increase of 44% compared to 2021
- Customer Agreements revenue of \$983 million, an increase of 19% compared to 2021
- Ended 2022 with \$1.04 billion in Annual Recurring Revenue (ARR) with an Average Contract Life Remaining of 17.6 years
- 797,000 customers at year-end, 21% year-over-year growth
- Net Earning Assets of \$5.6 billion, including \$953 million in total cash

Figure 1 - GROWING CUSTOMER BASE

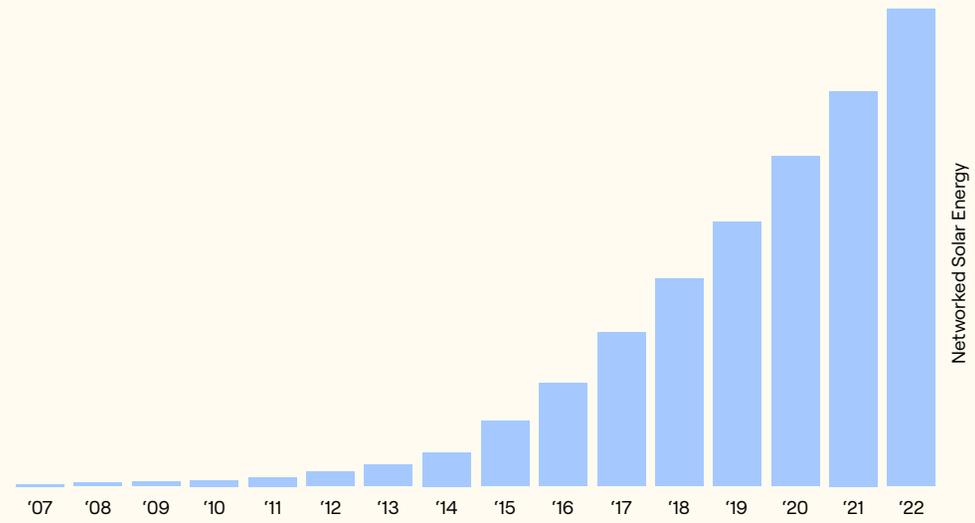
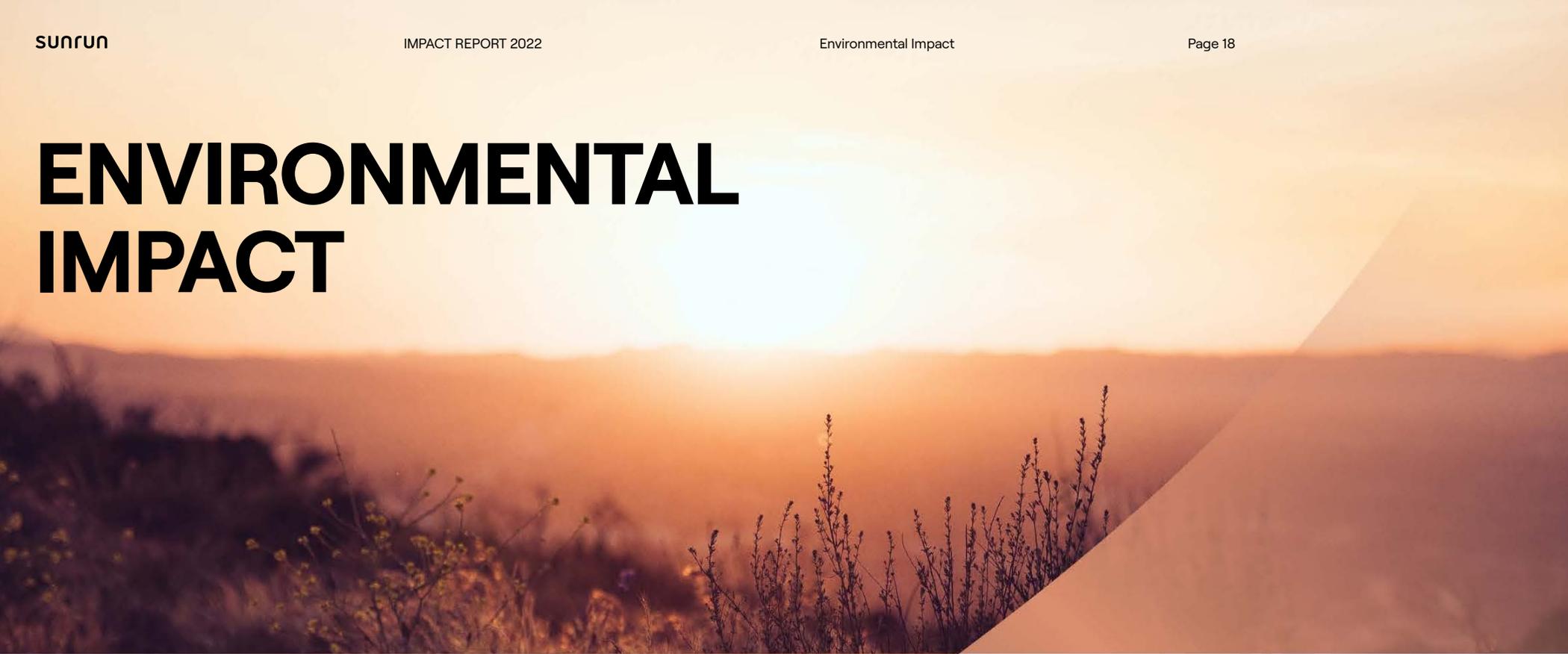


Figure 2 - NET EARNING ASSETS NOW AT \$5.6 BILLION



Please see our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at [investors.sunrun.com](https://investors.sunrun.com) for important information about our metrics and their definitions, as well as our financial statements.

# ENVIRONMENTAL IMPACT



# Sunrun's Environmental Impact

The climate crisis is the defining challenge of our time, and simultaneously our greatest opportunity to improve our communities with abundant, clean energy. Sunrun is committed to developing a local, human-centered energy system with home solar, storage, and other clean energy technologies to reduce humanity's adverse effects on the environment. Our work is underpinned by sustainability leadership and a commitment to being good environmental stewards. Through maximizing the positive environmental effect of our products from sourcing through end-of-life management, Sunrun has established a reputation for enhancing the environment and our communities. We are dedicated to leaving the planet in a better state for generations to come. Sunrun does this in the following ways:

## **RESOURCE EFFICIENCY AND POLLUTION PREVENTION**

Sunrun has made significant strides in reducing waste generation, greenhouse gas emissions, and advancing our end-of-life product stewardship. For example, in 2022, Sunrun formalized a partnership with SOLARCYCLE to recycle or reuse decommissioned solar panels and other solar system equipment.

## **SUPPLIER RESPONSIBILITY**

Sunrun is dedicated to reducing emissions, and we expect our supply chain partners to do the same. We have directly engaged with our strategic suppliers to obtain primary environmental data that helps us better understand their role in Sunrun's emissions footprint, and we continue to work together to further drive emissions reduction efforts.

## **PERFORMANCE EVALUATION AND REPORTING**

We monitor our performance and keep improving how we report our progress, in line with current sustainability reporting frameworks. We rely on recommendations from the Task Force on Climate Related Disclosures (TCFD) to help us increase transparency and climate-related disclosures. Our annual reporting informs stakeholders on environmental performance and helps us prioritize areas for improvement.

## **EMPLOYEE AWARENESS**

Our employees have opportunities to develop environmental knowledge and skills that help them lessen their personal environmental impacts.



# Sunrun's Climate Change Strategy: Innovation and Sustainability

In recent years, the energy sector has undergone significant transformation, while customer expectations and needs have constantly evolved. This trend persisted in 2022 as a result of the constraints posed by international conflict and a dynamic business environment, such as rising electricity bills, frequent power outages, tight supply chain conditions, regulatory hurdles, and the intensifying need to address the climate crisis. To react to the fast-changing macro environment and fulfill the increased demand for clean energy throughout the year, we prioritized performance efficiencies and a strong customer value proposition through product innovation and differentiation.

Climate change is reaching alarming levels due in large part to emissions from burning fossil fuels for electricity generation and transportation, which have historically been among the largest polluters in the United States and worldwide. Greater awareness of our industry-leading solar-as-a-service subscription model, which makes mass adoption of clean energy technology possible by removing the financial barriers to entry for millions of Americans, will have the greatest impact on greenhouse gas emissions in these two sectors.

As demand for electric vehicles increases, so will residential electricity usage. Sunrun has introduced multiple charging options for electric vehicles, including its Level 2 home charger and Home Integration System, a bidirectional charging solution developed in collaboration with Ford Motor Company. Both of these products can harness the power of the sun with solar panels for clean energy charging. Our products and services minimize our customers' dependency on polluting fossil fuel power plants and prevent more lifetime emissions than they produce.

Since 2007, Sunrun has deployed 5,667 megawatts of solar power, helping enable the avoidance of an estimated 14.6 million metric tons of carbon dioxide. With more than 797,000 customers and 53,000 solar

and storage systems deployed—far more storage systems than any other energy company—we are increasingly networking these clean energy resources to form virtual power plants, which offer greater grid resilience and precision than inefficient centralized infrastructure and directly reduce the amount of harmful emissions entering the atmosphere by displacing fossil fuel burning power plants.

Our ability to achieve sustainable, profitable growth while meeting the needs of our customers and combating climate change is largely attributable to the strategic investments we've made over the past several years to streamline our operations, enhance the customer experience, and deliver a compelling customer value proposition. In the future, we will capitalize on the momentum generated by these strategic investments and continue to invest in our business to achieve the following objectives:

- We seek to reduce emissions and the total carbon intensity of our operations; to recycle 100% of our equipment at each of our locations; and to bring solar energy to underserved communities.
- We aspire to build a better, faster, and stronger organization for our customers, employees, and the environment, and to cultivate a diverse staff that is representative of our customers and the communities in which we operate.

We believe that these objectives will allow us to have a greater impact on climate change, and we are committed to achieving them. We have the right plan and a high-energy, focused, and experienced team to navigate these unpredictable times with success. As utility prices continue to climb and consumers seek affordable, clean, and predictably-priced energy, our value proposition to customers continues to increase.

# GHG Emissions

Sunrun's calculations of greenhouse gas emissions adhere to the GHG Protocol Corporate Standard.<sup>6</sup> In 2017, we prepared our first emissions inventory and have supplied GHG reporting every year since. In addition to providing this year's emission data, we are restating 2021 figures for Scopes 3. We hold ourselves to high accountability standards and believe that data accuracy and integrity is paramount as we strive to adopt science-based emission reduction targets. Please refer to the Appendix for more details about our decision making process and our refined methodology.

In 2022, our Scope 1 and 2 direct emissions increased as we continued to scale our operations and grew our volume by over 25%, whereas our Scope 3 indirect emissions decreased as we were able to collect a larger amount of supplier- and product-level data, which provided us with a more precise understanding of total emissions. This was a significant factor in the year-over-year fall in emissions intensity.

### Restatement of 2021 Scope 3 Emissions

Last year, we engaged a third-party carbon accounting firm in an effort to gather more granular emissions data and more accurate emissions calculations, as reported in our 2021 Impact Report. However, during a re-assessment of our 2021 emissions data, we identified a material tabulation error that underestimated our scope 3 emissions for 2021. As a result, this report contains a restatement of our 2021 scope 3 emissions.

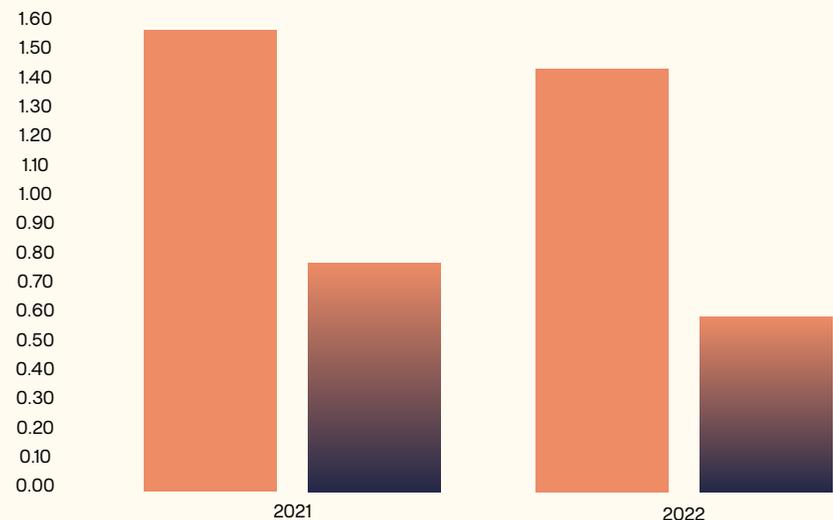
In 2022, we redoubled our efforts to gather more granular and accurate emissions data. We engaged a new carbon accounting vendor, conducted an internal audit of our ESG disclosure, and implemented additional review procedures in order to improve the accuracy and computation techniques of our emissions data. Through this process, we have also determined that it may be possible for our analysis of previous years' emissions to change in the future when our partners provide us with more refined emissions data. For instance, we have shifted from a spend-based approach for calculating emissions to a product-specific framework. With this shift, because we do not yet have product-level emissions data from each of our suppliers, we have made assumptions in our calculations to substitute the product-level emissions data of one supplier for the products of other suppliers.

Figure 3 - GREENHOUSE GAS EMISSIONS AND CARBON INTENSITY

YEAR	2021	2022	2021-2022 YoY % Change
<b>Direct Emissions (Scope 1) (Thousand MTCO<sub>2e</sub>)</b>	38	62	63%
<b>Electricity Indirect Emissions (Scope 2) (Thousand MTCO<sub>2e</sub>)</b>	3	7	133%
<b>Other Indirect Emissions (Scope 3) (Thousand MTCO<sub>2e</sub>)</b>	1,191	1,331	12%
<b>Total Emissions For Scopes 1-3 (Thousand MTCO<sub>2e</sub>)</b>	1,232	1,400	14%
<b>Emissions Intensity per MW (Thousand MTCO<sub>2e</sub> / MW Deployed)</b>	1.56	1.41	-10%
<b>Emissions Intensity per \$M (Thousand MTCO<sub>2e</sub> / \$M Revenue)</b>	0.77	0.60	-22%

Figure 4 - EMISSIONS INTENSITY

- Emissions Intensity per MW (Thousand MTCO<sub>2e</sub> / MW Deployed)
- Emissions Intensity per \$M (Thousand MTCO<sub>2e</sub> / \$M Revenue)



# Positive Carbon Returns



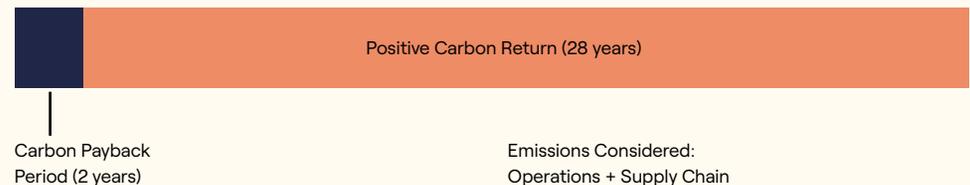
We deployed 991 megawatts of solar energy in 2022. In the next 30 years, these systems can generate 37.5 billion kilowatt-hours of solar energy, which is estimated to be equivalent to 21 million metric tons of CO<sub>2</sub>e avoided. This amount is 15 times more than the amount of CO<sub>2</sub>e emitted to deploy these systems, suggesting that the systems we have deployed negate significantly more emissions than we produce.

Our solar energy systems prevent more GHG emissions than they emit over their product life cycle, resulting in a net-positive carbon balance. After operating for just 24 months, a Sunrun solar energy system will have produced enough clean energy to compensate for any emissions released during its manufacturing and installation. Because Sunrun’s systems have a lifespan of 30 years or longer, they prevent the release of harmful GHGs for 93% of their lifetime.

For each metric ton of CO<sub>2</sub>e emitted by Sunrun in 2022, our entire fleet of solar energy systems have produced enough clean energy to avoid approximately 2.3 metric tons of CO<sub>2</sub>e from entering the atmosphere.

Because Sunrun’s systems have a lifespan of 30 years or longer, they prevent the release of harmful GHGs for 93% of their lifetime.

Figure 5 - CARBON PAYBACK PERIOD



# Preserving Clean Air and Water

Sunrun solar systems saved 67 billion gallons of water from being used to cool power generators.

Traditional fossil fuel combustion emits air pollutants, including nitrogen oxides, sulfur oxides, particulate matter, and contributes to the formation of ozone. In 2022, Sunrun's solar systems will have significantly reduced these harmful air pollutants as well as potent greenhouse gasses like methane by lowering household consumption of fossil-fuel electricity.<sup>7</sup> Sunrun also reduced carbon emissions because solar electricity sources emit fewer GHGs per kilowatt-hour during their life cycles than do fossil fuels.



Sunrun's systems not only prevent air pollutants and greenhouse gasses, but they also consume less freshwater than fossil-fuel power plants. Traditional power plants need to be cooled, calling for significant freshwater reserves. The U.S. Energy Information Administration estimates that nearly 48 trillion gallons of water were withdrawn for thermoelectric power plants in 2020, or approximately 12,000 gallons of water per megawatt-hour produced. Solar energy production reduces the need for thermoelectric energy and, therefore, conserves water. Based on the electricity generated by Sunrun's solar systems in 2022, approximately 67 billion gallons of water were saved and not utilized for power generation, assuming the energy produced resulted in an equivalent reduction in thermoelectric power generation.<sup>8</sup>

Figure 6 - GHG EMISSIONS COMPARISON

Generation Source	Carbon Dioxide Emissions (g/kWh)
Sunrun System	41
Natural Gas	490
Coal	820

## ENVIRONMENTAL MANAGEMENT SYSTEM

Being the largest residential solar provider in the United States comes with great responsibility. We are environmental stewards at our core. This means we make improvements to our environmental management system (EMS), and we keep a close watch on our value chain, which helps us define environmental performance metrics and set ambitious new benchmarks. In 2022, we continued involving our vendors in utility reporting and saw improved results in Sunrun's EMS program.

## ELECTRIFYING OUR VEHICLE FLEET

The conversion of our vehicle fleet to electric or hybrid alternatives is essential to reduce our transportation emissions. Due to the nature of our business operations, converting our fleet is a complex challenge. Access to suitable vehicle types for our operations, such as light-duty trucks, cargo vans, and box trucks does not currently exist at the scale needed to serve our customers. In 2022, we took delivery of Ford e-Transit cargo vans and Ford F-150 Lightnings, with plans to acquire more as supply becomes available. In the coming years, the electric and hybrid vehicle supply must rise considerably if we are to reach our transportation goal by the end of 2027.

- Warehouse Operations: Nearly 70% of forklifts have been converted to electric, and we are on track to reach near 100% by end of year 2023.
- Sales & Corporate Fleet: Nearly 60% of all sedans have been converted to electric or hybrid vehicles, and we plan on reaching 100% by end of 2025.
- Installation Fleet: Approximately 12% of our light-duty trucks and 2% of our cargo vans have been converted to electric or hybrid vehicles, but we expect supply and access to increase in 2024 and 2025. Due to limited available options today, box trucks remain at 0% converted.

As we continue to electrify our vehicle fleet, we are building the charging infra-

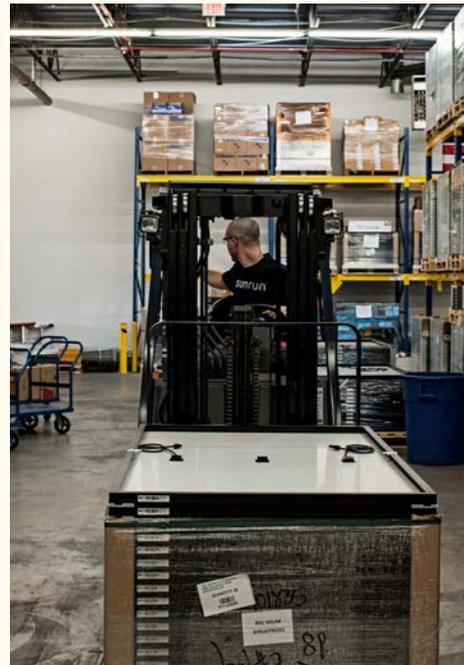
structure needed to enable this shift at our facilities. While our electricity usage will increase due to electric vehicle charging, we are developing strategic approaches to overcome this challenge. We will share more on this in the coming years as electric vehicle supply ramps up.

## Exploring Last-Mile Delivery Solutions

We are also exploring a variety of routing and last-mile delivery solutions to minimize the number of miles our fleet travels. This can include eliminating unnecessary trips to the warehouse, and using smaller, less energy-intensive vehicles where possible.

## ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Sunrun's supply chain is an integral part of our total ESG impact. It is crucial that we continue to drive improvements throughout our entire supply chain by identifying risks in advance and engaging with suppliers who share our commitment to a healthy, just, and sustainable world. Therefore, our Vendor Code of Conduct,



which all suppliers are required to execute and comply with, includes policies on environmental preservation, sustainability, and ethical mineral sourcing. Sunrun collaborates with industry-leading third-party auditors to audit the quality and traceability of direct material suppliers in order to identify and evaluate social and environmental risks. To date, Sunrun has conducted factory quality and traceability audits of suppliers who account for more than 50% of our direct material expenditures, and we are increasing our efforts to reach 80% by the end of 2024. Additionally, Sunrun plans to expand this approach in 2023 by incorporating a supplier ESG assessment scope into qualification assessments for all new vendors. The Supplier Quality function at Sunrun establishes the evaluation criteria for suppliers during the qualifying process and then collaborates with third-party, independent auditors to confirm supplier compliance with those requirements. As part of the supplier qualification and onboarding process, all new direct material suppliers will also be audited against the same criteria.

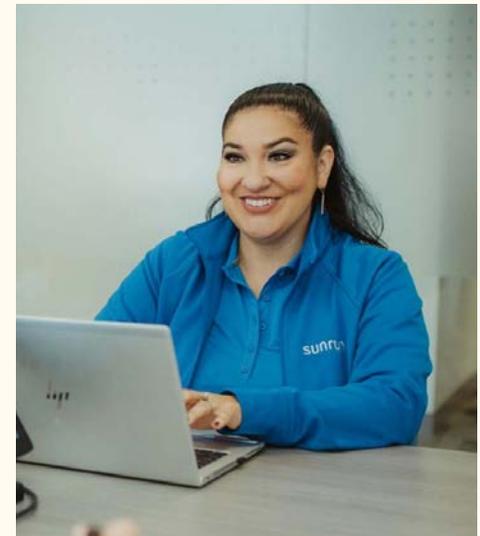
## RESPONSIBLE MINERAL SOURCING

Sunrun expects that its suppliers will provide products containing only materials that have been ethically sourced. Vendors who supply products containing minerals from conflict-affected and high-risk regions, such as cobalt, wolframite (titanium), cassiterite (tin), tungsten, and gold, must ensure that the sourcing of these minerals does not knowingly support—directly or indirectly—armed conflict, 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 acknowledges that cobalt, a material needed in some types of batteries, poses a greater risk of being acquired from regions with a history of unjust labor prac-

tices. We choose to partner with battery manufacturers who share our commitment to responsible mineral sourcing. Some of our most important suppliers are members of the Responsible Cobalt Initiative, which works to establish agreed policies and promote supply chain transparency. In addition, Sunrun continues to evaluate battery improvements that may lower the mineral content of batteries further.

Sunrun's commitment to human rights extends to the sourcing of products we develop. We recognize that solar supply chains have risk exposures to Conflict Minerals, as defined under Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), and we are committed to ensuring our products do not contain such materials from the "Conflict Region" of the Democratic Republic of Congo and neighboring regions. Sunrun adheres to all applicable foreign and U.S. federal laws related to the use of Conflict Minerals, and condemns violations of human rights related to Conflict Minerals. We expect suppliers to provide accurate information about their products so that, if necessary, the origin of their materials can be determined with reasonable assurance that these materials are conflict-free.





### EQUIPMENT RECYCLING

As we continue to scale our operational footprint and deploy more clean energy systems, we bear responsibility for managing the end-of-life cycle of our hardware products. In 2022, Sunrun redeployed or recycled approximately 85% of decommissioned solar panels. Additionally, Sunrun recycled other decommissioned solar equipment, including batteries, inverters and microinverters with qualified e-waste recycling providers.

Sunrun uses monocrystalline and multicrystalline photovoltaic modules, thereby avoiding the growing concerns about hazardous materials present in alternative chemistries such as thin-film modules. We now have processes in place to sustainably dispose of modules, batteries, inverters, and other electronic equipment used in installations through partnerships with third-party recycling and refurbishment vendors, such as SOLARCYCLE, Recycle PV Solar, Echo Environmental, and other groups associated with the Solar Industry Energy Association's (SEIA) [National PV Recycling Program](#). These vendors are certified under the Responsible Recyclers R2:2013, OHSAS 1800:2007, and ISO 14001:2007 standards. We are also working with our third-party vendors to redeploy or resell modules to minimize recycling to support a reduced environmental impact overall. Learn more about the industry's approach to lifecycle considerations from [SEIA](#).

# SOCIAL IMPACT



# We Love People



## THE WORKPLACE

Our commitment to sustainability starts with creating a workplace that treats all people with fairness, equity, and respect. This includes providing them with equal opportunities, a diverse and inclusive workforce, training programs, career advancement, competitive benefits, incentives, and programs that promote health, safety, and wellness. We want to be the company people want to work for, so we emphasize inclusion, diversity, and equal treatment as part of a culture that values excellence and safety.

## OUR WORKFORCE

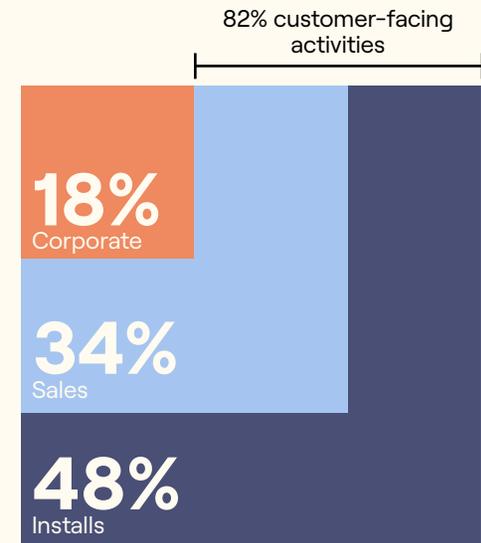
Our impact is made possible by our strong Sunrun culture and motivated employees who have immense passion for people and the planet. Our team members are our greatest and most cherished and valued investment, and because of this, we have put in place initiatives and programs to make sure that they are safe, engaged, and able to grow while working at Sunrun. These initiatives help us develop a skilled and engaged workforce with many opportunities to contribute to our purpose and advance professionally—the key to our mission of innovating and improving the world.

2022 was full of challenges and opportunities, especially as several regions of the nation dealt with power outages, hurricanes, wildfires, flooding, and droughts. Throughout it all, Sunrun’s frontline employees were on hand to help maintain the stability of electrical grids and keep the lights on for millions in the wake of multiple catastrophic disasters. Whether during hurricanes Fiona and Ian in Puerto Rico and Florida, or unprecedented heat waves in California, Sunrun personnel have consistently risen to the occasion. Our employees are our heroes, so we do everything we can to take care of them and make sure they are safe, healthy, and happy.

Our employees’ opinions and feedback have earned us top honors from Comparably’s 2022 Best Places to Work.



Sunrun ended the year with approximately 12,400 employees across the nation.



**EXPECTATIONS AND EMPLOYEE FEEDBACK**

To create a remarkable employee experience based on our people's and the organization's top goals, we've increased emphasis on our employee listening strategy. We facilitate one annual survey and one six-month pulse survey each year.

Our annual employee survey in 2022 received the highest response rate we've ever recorded, with approximately 9,000 employees providing critical feedback. After analyzing survey results, leaders engage in collaborative conversations and planning sessions with their teams to drive employee engagement objectives for the following year.

We found that when our employees know what is expected of them in their roles and can clearly see how their efforts advance Sunrun's goals, we succeed.

We also implemented our first "People Reviews," which are consistent with one of the core pillars of our organization: We Love People. People Reviews give us a better way to gauge our productivity, each employee's contribution, and our high and low performers. With the help of this new assessment process, we can classify employees into three categories and set clear expectations for each level. These employee engagement initiatives serve as a foundation for the creation of improvement action plans and encourage fruitful dialogue within our company and a climate of candid criticism. We take employee feedback seriously and strive to adopt it wherever we can.

84% of employees would recommend Sunrun as a great place to work.

95% of employees know what they need to do to be successful in their role.

88% of employees say their manager regularly communicates with them about important decisions and developments.

"Integrity and respect are key ingredients to a creative environment and successful workplace. These virtues build trust within our teams and empower individuals to bring their ideas to the table—unlocking their full potential to make a positive impact."



**Jeanna Steele**  
Chief Legal Officer and Chief People Officer



## Employee Spotlight

**“I joined Sunrun after being diagnosed with cancer. I chose Sunrun for their flexibility with my treatments, family time, and recovery. Working in such a positive environment has lifted me up.”**

Philecia LaBounty, Solar Sales Manager



# Employee Safety

## At Sunrun, We Start With Safety.

We prioritize the safety, health, and welfare of our team members as part of our people-centric culture. Our safety strategy consists of four pillars: visible leadership, technical qualification and knowledge, operational discipline, and formal safety communications. We have implemented numerous initiatives to reinforce our safety culture, such as an expanded fall protection policy, the implementation of a zero-tolerance policy for serious safety violations, required recurring competent persons and human factors training, onsite safety visits from the executive leadership team to each front-line manager, the adoption of a formal rewards and recognition program, and the incorporation of proactive safety targets within bonus structures.

Our mantra, "At Sunrun, we start with Safety" has guided us through 2022 and will continue to do so into 2023. Every employee, from corporate leadership to frontline workers, is committed to putting safety first. Ensuring that our people are aware of and can see that our leadership is committed to their safety helps build a strong foundation of trust in our safety culture. We are fostering an environment in which our employees feel empowered to contribute to the creation of a safe workplace, and we anticipate that the success of our efforts will be reflected in the year-over-year improvement of our recorded safety measures.

### 2022 Actions

Established the Safe-to-Start Program, mandating that managers review the safety setup at each customer's home prior to installation.

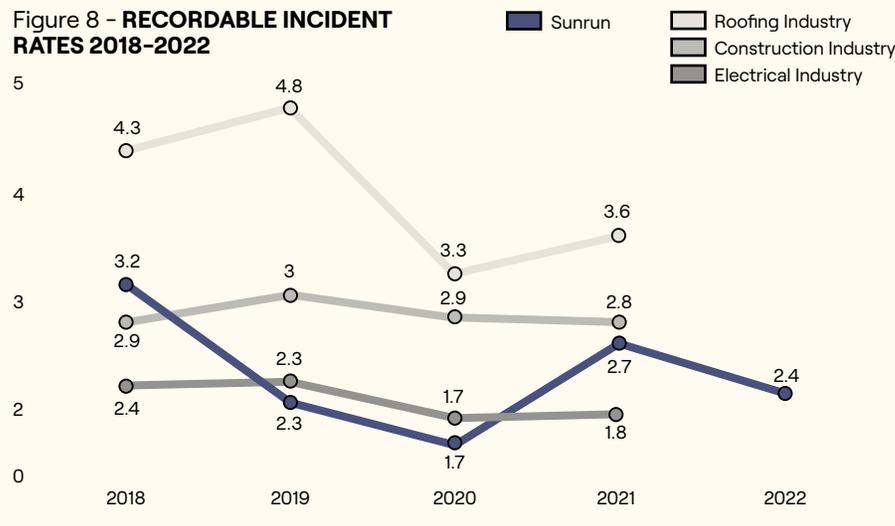
Field Safety Quality team conducting site safety visits, reinforcing our safety requirements at all project sites.



Figure 7 - OCCUPATIONAL HEALTH AND SAFETY METRICS

INCIDENT TYPE	2016	2017	2018	2019	2020	2021	2022
<b>Total Recordable Injury Rate (TRIR)</b>	4.74	3.92	3.21	2.27	1.66	2.65	2.39
<b>Lost-time Incident Rate (LTIR)</b>	1.54	0.76	0.37	0.41	0.17	0.54	0.64
<b>Work-related Fatalities (WRF)</b>	0	1	0	0	1	1	1
<b>Days Away, Restricted, or Transferred Rate (DART)</b>	3.94	2.96	2.41	1.87	1.30	2.03	2.06

Figure 8 - RECORDABLE INCIDENT RATES 2018-2022



Compared to similar industries, including roofing, electrical, and construction, Sunrun's incident rates continue to be in the same range or lower than most averages.

To further promote employee safety, Sunrun has structured methods for documenting unsafe behaviors and conditions during site visits, inspections, meetings, and communications when operating in the field. In addition to all OSHA-required safety subjects, this includes a developed, unambiguous corrective action policy, annual safety training plan, and formal

communication program. External certification and licensing agencies strengthen Sunrun's internal training programs. These include journeyman and master electrician license holders, Associate and Certified Safety Professionals (ASP/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. Every construction supervisor and foreman is CPR-certified.

# Using Technology to Improve Safety



Sunrun received the Guardian of Safety Award in 2022 from DroneDeploy, the leading reality capture platform in the world. The award is given to businesses

that use reality capture programs to reinvent old labor methods and enhance worker safety.

Sunrun's drone program enables more rooftop inspections and minimizes the risk of a fall or other injury on a roof.

**64,000 hours**  
of inspection time saved  
per year

**90,000 hours**  
of safety risk avoided  
per year

To further demonstrate its commitment to safety, Sunrun has assembled the largest drone fleet in residential solar to perform site inspections and audits. The technology to perform drone-based site inspections is now at 100% of Sunrun branches and is used at nearly three-quarters of homes interested in installing solar with Sunrun, marking a significant shift towards digital processes and allowing us to keep our customers and workers safe while obtaining vital data. In 2022, Sunrun conducted an average of approximately 2,500 drone flights per week, resulting in 130,000 rooftop inspections. Incorporating drones into our processes has enhanced both safety and efficiency by helping eliminate the need to use ladders and fall protection equipment to perform measurements.

Conventional rooftop inspections and audits require around 45 minutes and pose a substantial safety risk. Rooftop inspections with a drone take only 10 to 15 minutes, saving around 30 minutes per home. This equates to an annual savings of 64,000 man-hours on project sites, allowing the same amount of people to survey even more homes. It also avoids roughly 90,000 hours of a surveyor's time spent at risk of a fall or other injury on a roof.



In 2022, we instituted a Drone Bootcamp for new tech hires to provide them with hands-on training and ensure they are equipped to use a drone on the job for Sunrun. This initiative led to the certification of 120 new pilots. We also implemented a ranking system for Survey Supervisors to motivate them to ensure drone flights were performed effectively and incident-free as frequently as possible.



**VERIFICATION AND COMPLIANCE**

Compliance with safety policies includes vehicle monitoring, inspections, and auditing of quality-assurance (QA) photographs. The telematics devices in our fleet vehicles constantly transmit data on speed, driving behavior, and location, allowing for targeted training on vehicle safety for employees. Additionally, we are committed to supporting the health, safety, and equality of our suppliers, partners, and contractors. We are implementing a new Contractor Safety Compliance Program to help us uphold standards across our supply chain, standardize processes, and ensure workplace safety for our employees and those who conduct business with us.

All installs are audited for safety through photo documentation, ensuring our work is performed to Sunrun's safety and quality standards.

**VENDOR HEALTH AND SAFETY**

Our commitment to injury-free and safe workplaces extends to our suppliers. Sunrun's Vendor Code of Conduct requires that all vendors create a safe and healthy work environment. Vendors must adhere to all applicable health and safety laws, rules, and practices. In addition, we require vendors to ensure that all necessary permissions, licenses, and registrations are obtained, maintained, and kept up-to-date, and that all workers are qualified and equipped to carry out their duties in a safe and responsible manner.

Sunrun employs third-party independent auditors to perform periodic audits of direct material suppliers to ensure compliance with the Sunrun Vendor Code of Conduct and relevant laws and regulations. Sunrun has the right to terminate its agreement with a vendor and put restrictions on future business if an audit reveals a breach, unless the issue is promptly remedied. By the end of 2024, we intend to assess new suppliers and vendors who account for at least 80% of total value transacted with Sunrun and validate that each vendor is aware of and in compliance with our Vendor Code of Conduct. In 2022, we completed audits of our most significant global partners.

"People are our most cherished and valuable investment. We make safety, in every aspect, our highest priority so that our people can not only succeed but thrive in the work they do for the planet."

**Christopher McClellan**  
Chief Field Operations Officer



# Talent Acquisition and Talent Management

Sunrun was the first national solar company to offer career opportunities to transitioning service members and spouses of active-duty military personnel through the Department of Defense's SkillBridge program and the Military Spouse Employment Program (MSEP). Sunrun has hired 500 veterans since 2021.

Sunrun is proud to be an employer that provides equal employment opportunities and does not tolerate any form of discrimination or harassment. Our commitment to creating a welcoming work environment and building diverse teams is crucial to our ability to provide superior customer service.

We believe that Sunrun's reputation as an industry leader in sustainability makes it easier for us to hire and keep top professionals who want to change the future of energy. We pride ourselves on having an inclusive and diverse employee population, and we attract people who are motivated to advance Sunrun's mission. To help us cast a wide net and entice exceptional people to apply to work at Sunrun, we make use of professional networks, minority partnerships, job boards, social media, and specialist employment sites.

We are committed to hiring, supporting, and promoting more women and people of color at all levels. This means continuing to discover and invest in partnerships that help us recruit from a more representative talent pool and ensuring that, when recruiting for our most senior-level positions, we evaluate a diverse slate of candidates. In 2022, Sunrun formed a Sourcing Team to aid in developing further collaborations with local communities and better identifying underrepresented talent.

Supporting the professional development of our employees is essential to preserving our competitive advantage and developing future leaders.

In 2022, we sponsored eight employees from our Black+ ERG to attend the Mid-Level Managers Symposium of the Executive Leadership Council, nine employees who identify as LGBTQ+ to attend the Out & Equal Workplace Summit, four employees who identify as having a disability to attend the Disability: In National Conference, and sixteen employees to attend the Catalyst Advocating for Real Change conference. We also nominated 36 candidates for the McKinsey Leadership Academy for employees who identify as Asian, Black, or Hispanic Latino. These Leadership Academies provided a three-month Executive Leadership Program and a six-month Management Acceleration Program focusing on professional development and skill building.



# Diversity and Inclusion



We believe that everyone is entitled to equal treatment and opportunities, and that when individuals feel appreciated and included, they are more likely to be creative, innovative, and successful. We set the expectation that everyone, at every level of the business, is responsible for cultivating a more inclusive and diverse work environment. A variety of viewpoints and experiences broadens our thinking and increases our problem-solving abilities, enabling us to make better decisions for our employees, customers, and the communities we serve.

Everything we do centers on our customers. It is our responsibility to electrify their homes and transportation with an abundant, affordable, and sustainable energy source. This is no easy feat. To properly understand those we serve, we

must consciously engage in inclusiveness and guarantee the diversity of our teams so that we can be attuned to their unique needs and experiences. Our organization is proud to have a workforce as diverse as our customers.

Sunrun is committed to recognizing and appreciating the distinctive cultures and celebrations of our employees. In addition to our work holidays, we offer employees the opportunity to recognize and observe culturally relevant and religious holidays that are significant to them. These include options for the Lunar New Year, Vaisakhi, Easter, Easter of the Eastern Orthodox Church, Eid al-Adha, Rosh Hashanah, Yom Kippur, Indigenous Peoples' Day, Diwali, and Veterans Day. In 2020, we added Juneteenth as a business holiday.

Sunrun scored a perfect 100 on the 2022 HRC Corporate Equality Index "Best Places to Work for LGBTQ+ Equality"

Sunrun CEO Mary Powell, topped Comparably's 2022 annual list of Best CEO for Women and Best CEO for Diversity.



"Sunrun has a culture that keeps humanity at the core of the business, whether that is our customers, our partners, or the intentional focus on building an inclusive and diverse team that understands everything we do is to serve humanity."

Sandy Anuras  
Chief Technology Officer



# Key Diversity Metrics



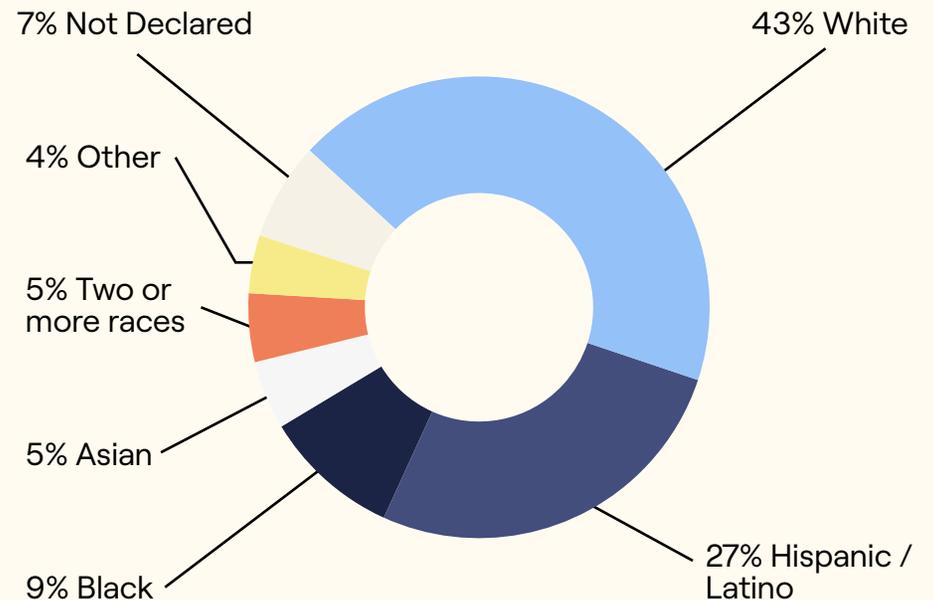
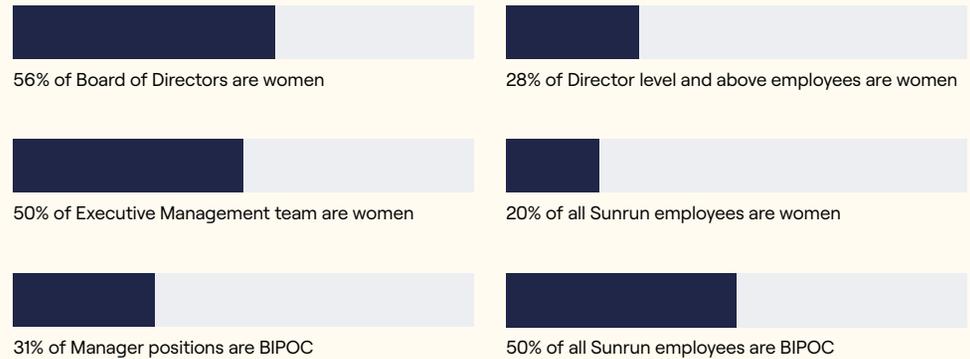
Understanding our current demographics is the first step toward diversifying our workforce. Transparency in our representation at all organizational levels assists us in identifying improvement areas and measuring our effectiveness. From a Black, Indigenous, and People of Color (BIPOC) perspective, our review at the end of 2021 emphasized the breadth of diversity across our total workforce. However, we observed a less favorable picture in terms of female representation at all levels and BIPOC representation at higher levels.

As of December 31, 2022, women made up 56% of Sunrun's Board of Directors, 50% of our executive management team, and 28% of Director and above positions, a 3% increase over the previous year. Women make up approximately 20% of Sunrun's workforce. Approximately 31% of Sunrun's BIPOC population serves in management positions and currently accounts for 50% of Sunrun's total workforce. In 2021, we reported that 35% of managers were BIPOC. Since last year's report, Supervisor roles have been reclassified as non-managerial

positions. Applying this reclassification to 2021 reporting, the adjusted baseline is 31%.

As we continue to work towards our 2030 objectives, we are adhering to many of the best practices established by organizations such as the California Commission on the Status of Women and the SEIA Diversity Best Practices Guide for the Solar Indus-

try. These include creating processes to ensure we have diverse candidate slates for our director and above populations and diverse interview panels for our manager and above roles. Additionally, we participate on the SEIA Diversity, Equity, Inclusion & Justice Leadership Council to stay up to date on best practices and contribute to benchmarking initiatives.



# Employee Support and Development

Training and education are essential to our success, and each business line focuses on their expertise and skills to design workforce-specific training programs.

We believe people work best when they are developed, promoted, and held accountable according to clear expectations. Leadership competencies for all staff support Sunrun's goals, and our programs focus on developing these abilities through hiring, education, performance management, career development, and other rewards and recognition. Training and education are essential to our success, and each business line focuses on their expertise and skills to design workforce-specific training programs. This includes in-person instruction, on-the-job training, and just-in-time training. We increase role efficacy, boost productivity, raise morale, and retain top people by customizing material to individuals rather than broad categories. Additionally, an employee experience team, which focuses on events and communications to offer a meaningful everyday experience, and an employee listening team, which administers our surveys and helps executives act on strategic findings, consciously drive our employee initiatives to enhance staff engagement.

## ONBOARDING

Starting a career at Sunrun begins with an exciting onboarding process that guides new hires through their first week at Sunrun, emphasizing basic information, tools, and resources and promoting participation in online communities and employee resource groups. In 2022, Sunrun introduced a new learning management system called Sol (Sunrun Online Learning). With better accessibility, Sol has taken over as our main tool for centralized content management, allowing us to improve content quality and consistency while lowering learning curves for employees at all levels of the company. Sol hosts approximately 400 content classes, from general Sunrun information to skill-specific systems. Approximately 5,600 users have completed 153,000 courses in Sol since January 2022.



## CONTINUED EDUCATION

Sunrun continues to invest in its people through its fully-funded employee education and upskilling program, PowerU, allowing them to acquire the skills necessary for their careers. By the end of 2022, more than 500 employees were enrolled in the Electrical Certification Program—Hispanic men making up 48% of enrollees—and 135 had earned professional certificates in a variety of disciplines. Nearly 10% of all Sunrun employees are currently enrolled in an upskilling program through PowerU. Since the program's launch in 2021, more than 160 employees have been promoted to a new role after completing a course or foundational training. Of all graduates, 35% identify as women or non-binary, contributing to our efforts to increase the representation and retention of women in our industry.



"I was saving up money for tuition for the apprenticeship program, but then I was told Sunrun was going to cover it. I can't believe Sunrun is paying for me to complete this program. What a great benefit for employees."

Christopher Phillip,  
Removal & Reinstallation Technician



"When I heard Sunrun introduce PowerU, I immediately took advantage of the amazing benefit. I recently graduated from my course at LSU Online and I couldn't be happier. I wanted to show my kids that it's never too late to continue your education!"

Vanessa Oros,  
New Homes Project Manager

# Employee Resource Groups

## Our ERGs have expanded to more than 1,600 participants

25% increase over 2021



Employee Resource Groups (ERGs) are one of the best methods for employees to engage with one another, learn from diverse experiences, and work together to address the problems we encounter every day. Sunrun has seven employee resource groups for Asian+, Black+, Disability+, Latinx+, Pride+, Veterans+, and Women+. These ERGs contribute to the development and facilitation of programming that promotes personal and professional growth while also advancing the company's goals. Professional development workshops to foster career progress, Candid Conversations, and support for religious and cultural holidays are a few examples of the support we offer our employees.

Talented Sunrun workers lead ERGs with help from our Inclusion & Culture team and Senior Leadership Inclusion Council. Our Senior Leadership Inclusion Council is composed of Directors, Senior Directors, and Vice Presidents from various business unit functions. They meet monthly to provide guidance to the ERG leadership teams and to serve as the steering committee for our company's Inclusion and Diversity initiatives.

The growth of our ERGs and interest in the programs offered each year have significantly impacted our employee engagement scores, which have shown a positive effect on our employees' sense of belonging. Job seekers want to work for a company that appreciates who they are as individuals and what they can contribute to the organization's success. Supporting ERGs as places for networking and learning helps us attract top talent and meet the needs of a wide range of customers.

In 2022, we also introduced Employee Engagement Networks, including a military support network and mental health network, which are open to all employees aligned by a common passion or set of interests.

# Employee Programming



Our commitment to sustainability includes how we treat our people. Thus, we keep in touch with employees through regular "All Hands" meetings, frequent company-wide communications, pulse surveys, and performance conversations to make sure they feel heard, supported, and respected. During our All Hands meetings, which can be joined in person or virtually, our executive team and other business leaders discuss safety, career development, key business operations, strategy, and market conditions in addition to addressing employee questions. This promotes an environment and company culture characterized by open communication and collaboration.

In 2022, we provided engaging staff programs on an assortment of themes and

interests. One of the quarterly programs, titled "Candid Conversations," featured live streaming aimed to stimulate and steer employee discussions on particular themes in an inclusive and psychologically safe atmosphere. Subjects for Candid Conversations spanned from Women in the Workplace to Body Positivity, Disability Diversity, and Allyship.

Sunrun also hosted monthly wellness webinars and Critical Conversations talks that addressed current events and promoted a sense of community and belonging among all employees. Our monthly mental health reminders and wellness events encouraged employees to prioritize self-care and educated managers to check in with teams to build an emotionally healthy and supportive workplace.



# Compensation, Wellness, and Benefits



In order to recruit and keep top talent, Sunrun is constantly working to differentiate our complete compensation and benefits package. Sunrun has an ambitious growth strategy, and one way to make sure we can execute on it is to create compensation, wellness, and benefits programs

that are viewed by all employees as being market-driven and competitive. When compared to the market, our compensation and benefits plans are very competitive, but we're constantly developing more recognition and wellness programs to further improve our offerings.

## 2022 highlights

- We expanded our equity program to all Sunrun employees with the OneRun Anniversary Equity Award program, which grants \$2,500 in Sunrun stock to eligible employees with one year of continuous service. During 2022, we granted approximately \$13 million in stock to employees through this program.
- 94% participation rate in 401(k)

## Paid time off

It is important for our employees to take time off to rest and recharge, spend time with loved ones, focus on personal well being, and serve their communities. In 2022, we offered:

- 10 paid holidays
- Paid time off for non-exempt employees and freedom time off for exempt employees
- Two paid volunteer days per year to allow our employees to help build stronger communities
- One annual flexible holiday
- 10 days of paid leave for active military service
- Up to 8 weeks of paid parental leave for all employees who have been at the company for more than a year

## Pay Parity at Sunrun

Sunrun was the first national solar company to fully achieve gender pay equity. We adhere to the California Equal Pay Pledge and the White House Equal Pay Pledge. We pay all employees a wage of at least \$15 per hour, and we remain committed to leading the industry in pay fairness.

# Customer Experience



“In my experience, happiness comes from three things: the impact you make in the world, how many people you are able to help, and the relationships you forge.”



**Chance Allred**  
Chief Experience Officer

We believe a differentiated customer experience and offering superior products and services are critical factors to creating long-term sustainable value. To ensure we’re addressing our customers’ changing needs, interests, and concerns, we often solicit their feedback using several online customer satisfaction surveys. Based on what we hear from our customers, we identify opportunities and quickly address issues that will ultimately improve the solar experience. Customer input also allows us to develop clear experience training for our Customer Care employees, team leaders, and other customer-facing business functions. It also helps drive product innovation and improvements within our service offerings.

In 2022, we embarked on numerous initiatives to provide our customers with a best-in-class experience. We increased staffing and modified the structure and incentives of certain organizations to drive greater satisfaction, and throughout the year we saw NPS (Net Promoter Score) scores dramatically improve, resulting in the score for the month of December being materially above our full-year target. We are encouraged by these results and will continue to allocate resources in areas we think will drive the greatest positive impact within the customer experience.



“The key for us is that we were comfortable with Sunrun. It wasn’t somebody selling it then being handed off. I feel like we knew everyone in the chain, and that was a big deal. I felt like I knew who to contact if I had a question.”

**Derek Singh** |  
Bakersfield, CA

# Community Engagement



Collectively, our people provided more than 6,700 hours of volunteer work to a variety of causes in 2022.



Sunrun believes in giving employees the opportunity to help build stronger communities. Every year, we provide our people with volunteer time off to allow them to participate in community engagement opportunities that are meaningful, purposeful, and help those in need. Collectively, our people provided more than 6,700 hours of volunteer work to a variety of causes in 2022.

We recently introduced the Sunrun Empowered Giving Program, which will make it easier for employees to identify volunteer opportunities and make donations to charitable organizations. We've invested more than \$3 million in the program to provide employee matching for both contributions and volunteer hours. We believe this will serve as a catalyst to greatly increase staff volunteerism.

## 2022 Sunrun Empowered Giving recipients



# Company Recognition

We earned several accolades in 2022 for our dedication to our employees and for putting diverse backgrounds and experiences at the center of Sunrun. Thanks to our people’s favorable perceptions of

Sunrun’s culture, we were recognized with eight awards from Comparably’s annual Best Places to Work awards program. Sunrun won the following designations in 2022



## Supporting our Veterans



Sunrun received recognition for its assistance to our military veterans and their spouses. We consider it a pleasure to assist those who have served our country in starting or restarting their civilian professions. Sunrun was named a “2022 Best for Vets Employer” by Military Times, the largest and most comprehensive ranking of top companies for active-duty personnel and veterans.

## Elevating Women in the Workplace



Years ago, Sunrun achieved 100% pay parity for all of its employees, regardless of gender, but we never stopped striving for workplace equality and closing the long-standing gender gap in leadership positions. The online career network for women, Fairygodboss, featured four Sunrun women leaders throughout 2022. Those featured include our head of corporate learning and development, our senior inclusion and diversity partner, our director of sales, and our vice president of operations and field performance.

## Promoting LGBTQ+ Equality



In 2022, we also earned a perfect score of 100 from The Human Rights Campaign Foundation Corporate Equality Index, as the “Best Place to Work for LGBTQ+ Equality.” This is the top benchmark study in the country evaluating how corporate practices and policies affect LGBTQ+ workplace equality. Sunrun is proud to be acknowledged for our efforts to foster an inclusive and equitable workplace for all.

# Sunrun Celebrates 15 Years



In 2022, we celebrated our 15th anniversary. That's 15 years of fighting for climate justice, bringing affordable solar power to millions, and disrupting the energy industry with innovation and an affinity for people. What began as a startup operation in a San Francisco attic is now one of the largest clean energy providers in America.

This is a monumental achievement for our employees, our industry, and our planet. Our team has successfully expanded into whole-home electrification, electric vehicle charging, and stabilizing the nation's electric grids, while remaining loyal to our foundation of delivering home solar panels and storage for little to no upfront cost.

These achievements in our first 15 years motivate us to accelerate our mission to deliver a future with more reliable, clean, and affordable energy. We're excited to continue expanding our offerings, our growth, and our positive impact on people and the planet.

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**IN 15 YEARS,**  
we've brought  
reliable,  
affordable solar  
power to

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**797,000**  
Customers

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**22**  
States

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**5,000**  
Cities

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## Customer Spotlight

**“I’m very happy to have found Sunrun. They’ve been wonderful in communicating with me and going solar has been a great experience from beginning to end. I’m very happy to be the company’s 700,000th customer!”**



Mike Goodwin, CA

# Meeting Global Challenges With Local Solutions

During a record-breaking heat wave in September, more than 18,000 Sunrun solar-plus-storage systems in California shared stored solar energy back to the grid during peak demand to prevent statewide blackouts. Over one gigawatt-hour of energy was dispatched over eight days, with over 650 megawatt-hours delivered at peak times.

More than 141 million people in over 40 states face rising energy costs or possible blackouts.<sup>9</sup>

Recent climatic events have emphasized the need for greater energy independence. No longer viable, our antiquated, centralized infrastructure struggles to manage the increasingly destructive effects of climate change-induced extreme weather.

Strained electric grids in many states are facing supply capacity problems that are driving rising energy costs and frequent disruptions, causing many energy markets and grid operators to issue alerts regarding the potential for extended outages and rolling blackouts.

Sunrun is prepared to support the nation's energy grid by deploying its installed storage capacity of more than 150 megawatts, which can mitigate the severity of grid shortages and blackouts across the country. This essential service was important to California's efforts to stabilize the grid last summer. Sunrun reported in August that it delivers more than 80 megawatts per day of energy capacity from customers' storage devices within the normal Time of Use window to California's electric grid in an effort to reduce stress and enhance energy resilience for all Californians.

Solar and solar-plus-storage systems play an essential role in helping grid operators avoid rolling outages and enhance grid reliability. According to the California Solar and Storage Association (CALSSA), California has more than 90,000 distributed batteries with a combined capacity of 900 MW, which is approximately the same size as the Redondo Beach gas-fired power plant.<sup>10</sup>



# Sunrun's Disaster Relief Response



"Because of the solar battery system we installed, our communications systems were powered all night and day during Fiona, enabling us to respond to emergency calls."

Lt. Francisco Cruz, San Juan Metro Fire Station

In response to the damage caused by Hurricanes Fiona and Ian in Puerto Rico and Florida, Sunrun collaborated with the

Footprint Project to mobilize emergency solar systems to restore essential power to affected communities.

## Child Care Centers, Safehouses, and Schools

Sunrun's \$45,000 donation to the Footprint Project helped dispatch mobile solar generation units across Puerto Rico and Florida, including:

- Alejandro Tapia y Rivera School in rural Puerto Rico, which enabled the school to re-open months before expected
- A child care center created during the hurricane in Port Charlotte, Florida
- A safehouse in Cape Coral, Florida that provided equipment charging stations for emergency responders

## First Responder Emergency Communications

In the aftermath of Hurricane Maria in 2017, Sunrun installed several solar and battery systems at fire stations to aid first responders. These reliable systems proved to be critical during Hurricane Fiona.

- Donated solar systems and batteries provided backup power for several fire stations across Puerto Rico
- This ensured first responders could receive and react to emergency calls during outages.



# Outages From Coast to Coast

Climate change is increasing the frequency, duration, and intensity of hurricanes, wildfires, ice storms, flooding, and heat waves, exposing the vulnerabilities of our antiquated electrical grid and leaving millions without power.

The National Oceanic and Atmospheric Administration (NOAA) estimated that 2022 was the third most expensive year on record for climate disasters.<sup>11</sup> There were 18 climate-related disasters that caused damages of at least \$1 billion apiece, for a total of \$165 billion. Additionally, re-

search suggests there were 64% more power outages from 2011 to 2021 than the previous decade, with 83% of all reported outages being attributed to weather-related events.<sup>12</sup>

As severe weather persists and the grid continues to fail, Sunrun provides customers with cost-efficient ways to gain energy independence, security, and peace of mind with home solar, storage, and innovative technology that enables Ford's all-electric F-150 Lightning to power homes during an outage.

## Hurricane Fiona

Hurricane Fiona devastated Puerto Rico, which was still rebuilding key infrastructure following Hurricane Maria. Solar and storage systems kept tens of thousands of Puerto Rican families powered during and after Hurricane Fiona. Sunrun customers used more than 350,000 hours of backup power in the two weeks after the storm. Each family had an average of over 100 hours of backup, allowing them to operate their refrigerators, keep food fresh, keep the lights on, power other important devices, and serve as resiliency hubs for their neighbors.

## Hurricane Ian

In September, Hurricane Ian hit southeastern Florida, knocking out power for millions. Residents experienced multi-day blackouts despite energy suppliers' quick repairs. Hundreds of Sunrun customers withstood the multi-day blackouts. Their storage systems successfully provided more than 3,300 hours of backup power; some customers had reserves for six days as a result of their solar systems' daytime recharge.

Sunrun has delivered more than

**1,000,000 hours**  
of backup power  
to customers  
since 2019

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**2022**

**33,000** events

**501,000** hours

Duration (~20,900 days)

**ALL TIME**

**114,000** events

**1,016,000** hours

Duration (~42,300 days)





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## Customer Spotlight

**“Continuous electricity is critical. Our community did lose power during a hurricane recently, but nothing changed in our home. My husband I continued to work all day like normal; our daughter didn’t even realize the power was out. The level of stress involved when a hurricane comes in and your power goes out, you don’t want to relive that experience.”**

Kelly Hopkins, TX

# Valuing Home Storage Through Energy Services



By enrolling their storage device in a local energy program and sharing a portion of their stored energy, customers can help strengthen the electricity grid during peak demand periods. In exchange, customers are compensated for the energy they have shared with grid operators while also feeling gratified for helping transform the grid into a more efficient, sustainable, and affordable model for all.

These local energy programs, also known as “virtual power plants,” create a network

of residential solar and storage that Sunrun can manage and dispatch during periods of constrained energy supply without compromising their ability to provide back-up power to homes during grid disruptions. Virtual power plants play a vital part in the building of a sustainable clean energy future and offer numerous advantages to solar and storage customers, as well as to their neighbors, communities, and all grid-connected energy consumers. Some benefits include:

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## Cost Savings

In addition to providing compensation for participants, virtual power plants reduce the need for utilities to activate costly fossil fuel-burning power plants to satisfy high energy demand. Furthermore, they prevent utilities from constructing additional transmission lines and substations.

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## Enhanced Reliability

Virtual power plants improve grid stability and resiliency by using residential solar and storage, which are proven technologies that have kept the lights on for tens of thousands of Sunrun customers during severe weather and natural disasters.

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## Emissions Reductions

Using clean, renewable solar energy, virtual power plants are an emissions-free alternative to high-polluting coal or gas-fired “peaker” plants, which frequently have a disproportionate impact on the health of marginalized and low-income areas.

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## Democratized Power

Virtual power plants compensate and empower people to become producers and participants in designing a clean energy future that transforms an antiquated, economically inefficient energy system into one that’s more affordable, clean, and reliable.

Sunrun is committed to offering more value opportunities for our customers by expanding virtual power plant programs around the country. We currently have 14 virtual power plants that are either oper-

ational or under contract, and we intend to expand program availability to new geographies over the coming years. The following are some recent highlights from Sunrun's virtual power plant programs:




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### California

Sunrun and PG&E introduced a first-of-its-kind residential virtual power plant to improve grid reliability. Sunrun will enroll up to 7,500 new and existing solar-plus-storage systems in the PG&E service area with the goal of providing 30 megawatts of clean energy to the grid during the summer months, when California's energy supply is tightest. Sunrun and PG&E created a storage dispatch schedule that lowers the overall cost of power during periods of peak demand and reduces the reliance on fossil fuel-burning power plants. Participants will receive a \$750 upfront payment as well as a free smart thermostat.

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### Puerto Rico

The electric utility provider in Puerto Rico selected Sunrun to develop the island's first distributed large-scale storage network, a 17-megawatt virtual power plant. This innovative solution will assist in bolstering the fragile energy system on the island while simultaneously reducing energy costs for all grid-connected users and harmful pollution island-wide. Sunrun will enroll a minimum of 7,000 solar-plus-storage systems in the program and will begin dispatches in 2024. Customers who participate will be compensated over a ten-year period.

In New England, thousands of Sunrun customers shared **1.8 gigawatt-hours** with the regional grid during summer months when electricity supply was tight

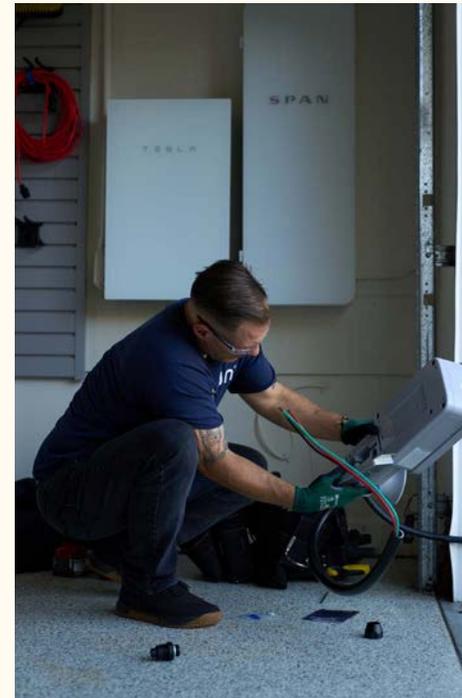
# Innovation and Differentiation



We have the tools needed to move to a decentralized energy architecture today. Home solar and storage can operate economically at small scale and can therefore be located where energy is consumed, leveraging the built environment instead of relying on expensive, centralized infrastructure whose design specifications do not meet today's energy needs and weather reality. Sunrun is effectuating this

transition through continued business model innovation and a superior customer experience. We are investing in efforts to further electrify the home, including electric vehicle charging infrastructure and converting gas appliances to electric. We expect these efforts will increase Sunrun's share of the home energy wallet and enhance our value to customers.

## Electrifying the Home



Our joint venture, Lunar Energy, emerged from stealth mode in 2022 with a mission to electrify homes and give people energy independence. Lunar Energy plans to launch a next-generation integrated home energy storage, inverter, and software offering with advanced grid services capabilities in the coming quarters. Sunrun owns a significant portion of Lunar Energy and has preferential access to its technology. Sunrun integrated Lunar Energy's Gridshare software platform into its robust in-house grid services operations to manage and optimize its virtual power plant programs. Gridshare is a cloud-based, device-agnostic management software platform that provides granular device-level insights to maximize energy from virtual power plants for end users and ensure device owners have enough energy reserves in case of a power outage.

Sunrun expanded its pilot program with SPAN, the leading provider of intelligent home electrical panels, to lower installation hurdles for homeowners adding solar, storage, and electric vehicle chargers. In 2022, Sunrun became Puerto Rico's sole smart panel supplier after partnering with SPAN. As it rebuilds from hurricanes Maria and Fiona, Puerto Rico's electricity grid remains vulnerable to unexpected disruptions and protracted blackouts. Through fully adjustable power circuit controls, customers can shift power supply to other applications around the home during an outage, potentially increasing backup power efficiency by 40%.

## Electrifying Transportation



Sunrun’s partnership with Ford continues to gain momentum. Customers who want bidirectional power flow and future energy management options need the 80-amp Ford Charging Station Pro and Home Integration System. Customers interested in combining their Ford Charging Station Pro and/or Home Integration System with solar energy may be eligible for zero dollars down and lower installation costs. Installations are rising with over 2,000 Ford Charging Station Pro orders and thousands of initial conversations. Approximately 50% of F-150 Lightning owners buy bidirectional home backup.

Sunrun launched a Level 2 electric vehicle charger in 2022 to complement its home energy management products as customers electrify their homes and vehicles. Sunrun’s new charger can be bundled with a Sunrun home solar-plus-storage system to unlock significant savings by charging their vehicles with abundant solar energy.



## Reducing Soft Costs



Sunrun was a founding member of the Solar Automated Permit Processing (SolarAPP+) in conjunction with the Department of Energy and the National Renewable Energy Laboratory, and we continue to support SolarAPP+ through our active participation on the SolarAPP+ Foundation Board. This free, online permitting tool removes a resource-intensive and time-consuming review process by automatically determining compliance with safety and code criteria for a proposed residential solar and battery system. Soft costs and delays can increase system prices by \$7,000 per project. By using the platform, cities and counties can save important staff resources, save customers time and money, and make solar a much better experience for customers.

California Bill 379, enacted in September, requires cities and counties with populations over 50,000 to use an online, automated permitting platform like SolarAPP+ by September 2023. The California Energy Commission also issued a \$20 million one-year funding program (CalAPP) to help local governments adopt SolarAPP+. Over 110 cities and counties have applied for CalAPP funds. In November, the Department of Energy selected 12 cities for a nationwide SolarAPP+ prize in addition to launching a grant-funding program.



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## Customer Spotlight

**“When the storm hit, everybody was basically out of power. We were the only ones who had power. We didn’t have anything to worry about. It made me feel really great about the system.”**



Eric Robertson, TX

# Solar on Multifamily Affordable Housing

In 2018, Sunrun made a commitment to develop 100 megawatts of solar on affordable multifamily housing in California by 2030 via the state Solar on Multifamily Affordable Housing (SOMAH) program.

SOMAH is crucial to marginalized communities, and Sunrun has been a strong supporter of the program from its beginning. Using non-ratepayer dollars, this program is funded with California cap and trade auction proceeds and offers up to \$100 million in annual financial incentives for the installation of solar panels on multifamily affordable housing in California. SOMAH utilizes Virtual Net Metering (VNM) to directly credit residents of multifamily affordable housing projects, on average, between \$30 to \$50 per month when their housing development installs solar panels on their properties. Sunrun's multifamily affordable housing business ended 2022 with 645 contracts successfully executed for solar installations to benefit low-income renters, and nearly 150 systems

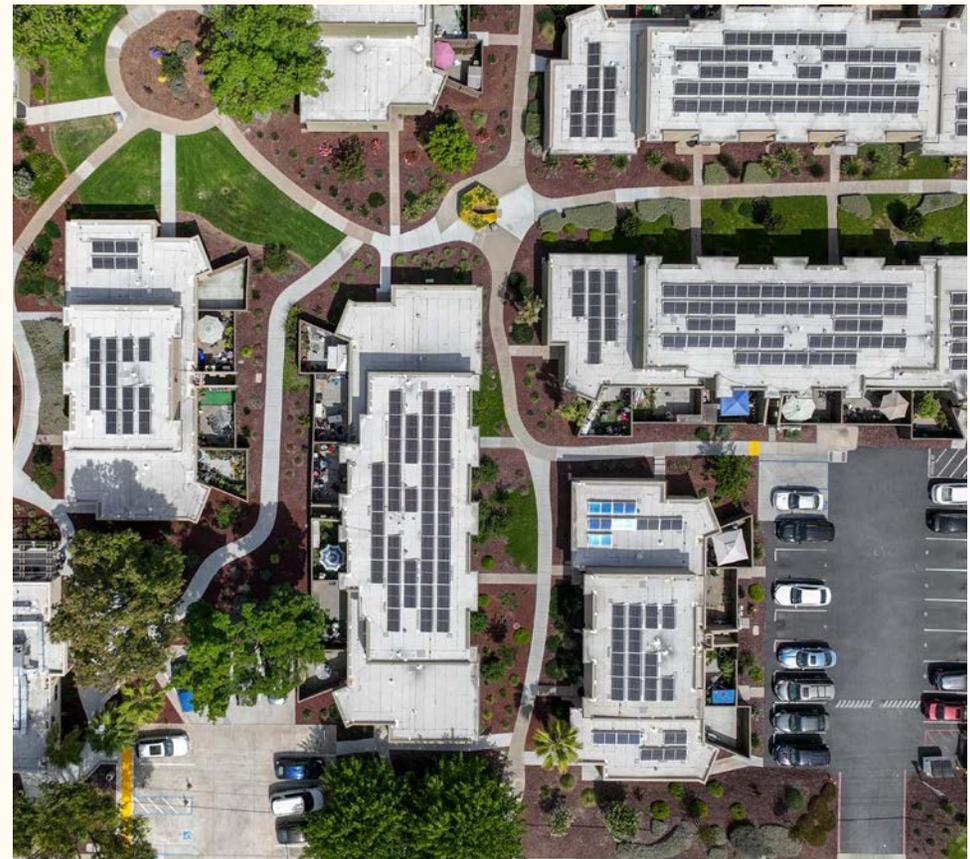
completed and now delivering clean energy and substantial bill savings to over 11,100 households. When all 645 projects are completed, it is anticipated that yearly bill savings will exceed \$18 million, saving California ratepayers over \$3 million annually in decreased electricity rates.



"Being in these apartments have helped us a lot financially. And now with solar going on the apartments is a huge blessing. Everything is getting more expensive. Anyway we can save now is perfect, and my family is very grateful and excited."



Miguel Rios, Don de Dios multifamily resident



# Advancements in Policy



We have the technology today to fight climate change and create hundreds of thousands of jobs in a new clean energy economy.

In 2022, Sunrun worked with clean energy advocacy groups, policymakers, and individual advocates to create and protect policies that expand access to clean energy technologies, such as home solar and storage. The unprecedented demand for these technologies underscores the need to reimagine our energy system and deliver more local, reliable, and clean energy for all.

Sunrun achieved groundbreaking state and local energy policy progress critical to laying the foundation for a better energy system and putting people at the center of the solution. We have the technology today to fight climate change and create hundreds of thousands of jobs in a new clean energy economy. Our teams are working tirelessly to pursue an aggressive electrification agenda and help more people gain access to rooftop solar, storage, and other clean energy technologies.



# Inflation Reduction Act



According to the Solar Energy Industries Association (SEIA), the 10-year ITC extension at 30% will add an additional 228 gigawatts of solar to the grid by 2032, or 66% more solar than would be built without an ITC extension.

In 2022, in part to accelerate solar and storage deployment, President Biden signed the Inflation Reduction Act (IRA) into law, which extends the solar investment tax credit (ITC) at 30% for ten years, through 2032. This tax credit extension will make solar and storage more affordable for Americans and will help the United States achieve its climate goals. The IRA also includes several ITC “bonus credits” to incentivize the use of domestically manufactured equipment and the adoption of solar and storage technologies in low-income communities and communities transitioning away from fossil fuels.

In addition to the ITC, Sunrun supported the development of other proposals and programs in the IRA, including ones that will help Americans upgrade their electric service, decarbonize their homes by swapping out fossil fuel appliances with clean electric ones, and install electric vehicle charging equipment that can provide whole-home backup power as well as energy to the grid when it needs it most, advancing grid resilience and helping prevent outages.





# Key Partners in Expanding Access to Solar

Sunrun has long partnered with key allies to help expand solar energy in underrepresented communities across the country. Everyone has a right to clean energy, regardless of race, background, or ethnicity,

and Sunrun is committed to enabling more access to clean energy in the communities that need it the most and ensuring a diverse, welcoming workforce.

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## GRID Alternatives

For more than a decade, Sunrun has partnered with GRID Alternatives, the nation's largest nonprofit installer of clean energy technologies, serving economic and environmental justice communities. To date, through the partnership, Sunrun and GRID have generated an estimated \$140 million in lifetime savings and have helped avoid 358,000 tons of greenhouse gas emissions from entering the atmosphere while supporting communities that are affected the most by climate disasters, pollution, and related health disparities.

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## Honnold Foundation

In 2022, Sunrun continued its partnership with the Honnold Foundation. Together, we launched The Innovation Fund, which discovers and finances grassroots organizations that use solar energy as a multifaceted solution to address social and economic inequities around the world. Sunrun helped support solar projects around the world, including the following:

### **CHICAGO ECO HOUSE, CHICAGO, IL**

Solar-powered flower farms, producing jobs, revitalizing vacant land, and providing sustainable agriculture education for inner-city Chicago.

### **CREAMOS, GUATEMALA**

Creamos is using solar to support the communities surrounding Guatemala City's municipal garbage dump, empowering economic self-determination, and safer and healthier lives.

### **NATIVE RENEWABLES, NAVAJO AND HOPI NATION, UNITED STATES**

Off-grid solar installations and workforce development on the Navajo and Hopi Nations.

## Local Solutions

Energy policy is largely decided at the state and local level. Many local, state, and regional governments have different needs, and create solutions specific for their communities. Sunrun successfully advocated for and defended critical solar and battery policy with dozens of state utility commissions and legislatures throughout 2021. Sunrun worked with key local and national stakeholders to ensure fair compensation for home solar and battery storage, cut red tape to increase access to this critical technology, expand regional utility partnerships, and generally improve customer satisfaction.

### CALIFORNIA

After more than two years, on December 15, 2022, the California Public Utilities Commission (CPUC) voted in favor of making revisions to Net Energy Metering in California. Importantly, the final decision did not include a discriminatory “solar tax.” Additionally, California Governor Gavin Newsom signed SB 379 into law in 2022, which requires cities and counties with more than 50,000 people to implement an online, instant permitting tool like SolarAPP+ by September 30, 2023 to streamline solar and battery permitting across the state.

### FLORIDA

During the 2022 Florida Legislative session, the Sunrun policy team worked closely with stakeholders to successfully advocate against two bills aimed at eliminating net energy metering and adding fees on solar customers. Ultimately, we were heartened to see Gov. Ron DeSantis veto this legislation.

### HAWAII

In September 2022, the last coal plant on the island of Oahu closed. This was enabled in large part due to the Hawaii Public Utilities Commission’s decision to utilize Distributed Energy Resources (DERs) as a tool to replace this capacity for the grid. Additionally, after three years of the stakeholder process after launching Battery Bonus programs on Maui and Oahu, new

customer Distributed Energy Resources (DER) programs that will use customer-sited solar+batteries to help meet the electricity needs for the island are slated to begin in mid-2023. These programs help keep the lights on for all Hawaii customers while modernizing the state’s existing solar fleet and moving forward the transition to Hawaii’s clean energy future.

### ILLINOIS

Sunrun was proud to work alongside stakeholders to see the passage of the nation-leading Climate and Equitable Jobs Act, which is increasing access to solar, storage, and an electrified future for all Illinoisans, and expanding local family-supporting solar careers in Illinois. Sunrun was able to deepen its investment and service in Illinois with its branch expansion in Peoria. Additionally, Illinois utilities were directed in rate recovery requirements to use distributed energy resources to reduce peak load capacity needs, which will help encourage more households to invest in, and share, their solar and battery resources.

### PUERTO RICO

In November 2022, Puerto Rico’s electric utility provider chose Sunrun and its local partners to help rebuild and transform the island’s energy system through the development of a 17 megawatt virtual power plant (VPP), the first distributed large-scale storage program on the island. The VPP will help lower energy costs for all consumers, reduce pollution island-wide and help harden Puerto Rico’s fragile grid with reliable, abundant solar energy by networking together more than 7,000 solar-plus-battery systems installed on homes. Sunrun is grateful for the work of our partners to ensure Puerto Ricans have affordable and reliable clean energy.

### TEXAS

In 2022, the Public Utilities Commission of Texas (PUCT) approved the Aggregated Distributed Energy Resources (ADER) Pilot Program in collaboration with state and industry stakeholders. Born out of the devastat-

ating impacts from Winter Storm Uri, and growing demand for electricity in Texas, the pilot created a pathway for distributed resources like home solar and batteries to provide power to the ERCOT market when it needs it most. This program will help diversify and improve grid resilience in the face of growing demand and extreme weather patterns.



# Preventing Forced Labor



Sunrun is at the forefront of addressing concerns regarding forced labor in the solar supply chain. Sunrun has taken a significant role in the development of the Solar Supply Chain Traceability Protocol with SEIA and has worked closely with its suppliers to improve their end-to-end supply chain traceability and transparency over the past several years. Sunrun has also developed a Certificate of Compliance program in collaboration with a number of suppliers and third-party auditing firms to validate and enforce traceability criteria. Sunrun will continue to expand and intensify its end-to-end supply chain management to promote the ethical and equitable treatment of all workers.

Sunrun has taken a significant role in the development of the Solar Supply Chain Traceability Protocol.



# GOVERNANCE



# Sunrun's Governance

Sunrun creates value for customers and builds trustworthy relationships by dealing fairly with customers, suppliers, government agencies, competitors, and employees.

"Integrity is at the core of our business. Ultimately, it is up to each of us to uphold our standards and build a reputation as a company that puts doing what's right above everything else."

**Paul Dickson**  
Chief Revenue Officer



At Sunrun, operating our business with integrity, responsibility, and accountability is a priority. We believe having a culture of compliance with strong governance practices promotes long-term value, and we are committed to conducting business ethically. We work to continually enhance the structures, policies, and internal controls that support and promote accountability, transparency, and ethical behavior.

Our relationship with our employees and business partners is foundational to operating responsibly. We expect all of our employees and 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, Human Rights Policy, Vendor Code of Conduct, Whistleblower Policy, and other related governance policies, which are reviewed annually by our Nominating, Governance, and Sustainability Committee, and any changes deemed appropriate are submitted to the full Board for its consideration.

Sunrun creates value for customers and builds trustworthy relationships 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.

Solar and solar-plus-storage systems play an essential role in helping grid operators avoid rolling outages and enhance grid reliability. According to the California Solar and Storage Association (CALSSA), California has more than 90,000 distributed batteries with a combined capacity of 900 MW, which is approximately the same size as the Redondo Beach gas-fired power plant.

Sunrun prohibits retribution or retaliation in any way against any person who has in good faith made a complaint or reported a concern 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.

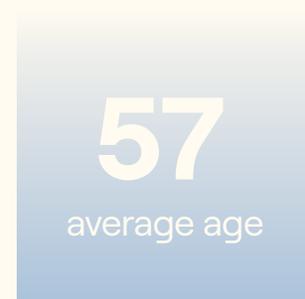
# Board of Directors

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 nine members, all but three of whom are independent. Gerald Risk serves as Lead Independent Director and is responsible for overseeing separate meetings of the independent directors. Sunrun co-founders, Lynn Jurich and Edward Fenster, serve as Co-Executive Chairs. Of our nine member Board, the majority (five) are women, including our CEO Mary Powell.

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, as well as risk management and cybersecurity. The Compensation Committee seeks to align

executive compensation with stockholders' interests and corporate goals. The Nominating, Governance, and Sustainability Committee oversees the evaluation of the Board, recommends new director candidates, develops and maintains corporate-governance policies, and oversees ESG initiatives and reporting. At least twice a year, the Nominating, Governance, and Sustainability Committee reviews disclosures on progress toward our ESG initiatives to external stakeholders.

The Company's Board is classified and consists of three classes of directors. Annually, a class is nominated and elected to serve a three year term. However, in response to stockholder feedback we received in 2022, we proposed in our 2023 Proxy Statement that the Company declassify our Board over a three-year phase-out period.





performance-based equity awards will include at least one ESG-related metrics, which we currently contemplate focusing on safety, since at Sunrun, we start with safety.

At the Board level, our Nominating, Governance, and Sustainability Committee is responsible for Board-level oversight of ESG matters, including the oversight of climate related opportunities and risks; however, ESG risks are also reviewed by the Audit Committee in connection with the Company's enterprise risk management process. The full Board also reviews our ESG programs and disclosures annually.

#### **HUMAN RIGHTS POLICY**

Our Board of Directors adopted a Human Rights Policy to codify our commitment to human rights, including the following key impact areas: (i) protecting the environment, (ii) maintaining high labor standards, and (iii) operating ethically and with integrity. We believe that climate change is a fundamental human rights issue, as the devastating impacts of climate change not only impact our planet, but also our lives, wellbeing, housing, and food and water security. While human rights are the responsibility of all of us at Sunrun, executive oversight and responsibility for the implementation of this policy rest with our ESG Executive Committee and with the Nominating, Governance, and Sustainability Committee at the board level.

#### **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 maintains an Open Door Policy and welcomes feedback and assistance in maintaining our commitment to these policies. Sunrun prohibits retribution or retaliation in any way against any person who has in good faith made a complaint or reported a concern 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.

#### **VENDOR INTEGRITY AND ETHICS**

We require our vendors to act with integrity and 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, whistleblower retribution, human trafficking, and involuntary labor.

#### **CODE OF BUSINESS CONDUCT AND ETHICS**

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. The Code of Business Conduct and Ethics summarizes the ethical standards and key policies that guide the business conduct of all employees, officers and directors of Sunrun and each of Sunrun's direct and indirect subsidiaries.

#### **ESG GOVERNANCE**

We embed best practices for ESG performance throughout our organization. In 2019, we formed the ESG Executive Committee, a formal committee of senior management tasked with driving ESG performance and reporting initiatives throughout the company, overseeing the implementation of our ESG initiatives and prioritizing internal resources committed to the advancement of our ESG objectives.

Our ESG Executive Committee meets on a quarterly basis, and each meeting includes a review of our ESG scorecard for assessing progress made on our goals, as well as a deep dive into various ESG risks. We also share our ESG goals and priorities with the Company's extended leadership team and encourage leaders to incorporate ESG goals into their objectives and key results.

In response to shareholder feedback we received in 2022, beginning in 2023, our



# 2022 Compensation Governance & Philosophy



For 2023, the key elements of our executive compensation program will include the existing components of base salary, annual cash bonus incentive awards, time-based equity awards, and health, welfare, and retirement programs, as well as performance-based equity awards. We believe that providing a portfolio of performance based equity awards, time-based equity awards, and cash compensation supports the objectives of our long-term incentive compensation program by further aligning the interests of our executive officers and

stockholders, balancing performance and retention considerations, and enabling us to use our equity compensation resources more efficiently. We also maintain a “claw-back policy” that would allow us to recover certain cash or equity-based incentive compensation payments or awards made or granted to certain senior leaders and executive officers in the event of misconduct that results in the need for us to prepare a material financial restatement or material restatement of certain operational results.

Recently, Nasdaq filed proposed listing standards with the SEC related to the clawback of erroneously awarded executive compensation as required under Rule 10D-1 under the Exchange Act. This rule, in part, directs stock exchanges to require issuers that are publicly listed in the US to adopt clawback policies that comply with this new rule and our Compensation Committee intends to modify our clawback policy at a future date to be fully compliant with the Nasdaq listing standards once finalized.

In 2021, we also adopted stock ownership guidelines for our directors and executive officers, which establish the level of stock ownership that they are expected to retain. We adopted these policies based on our belief that stock ownership further aligns the interests of our directors and executives with those of our stockholders.

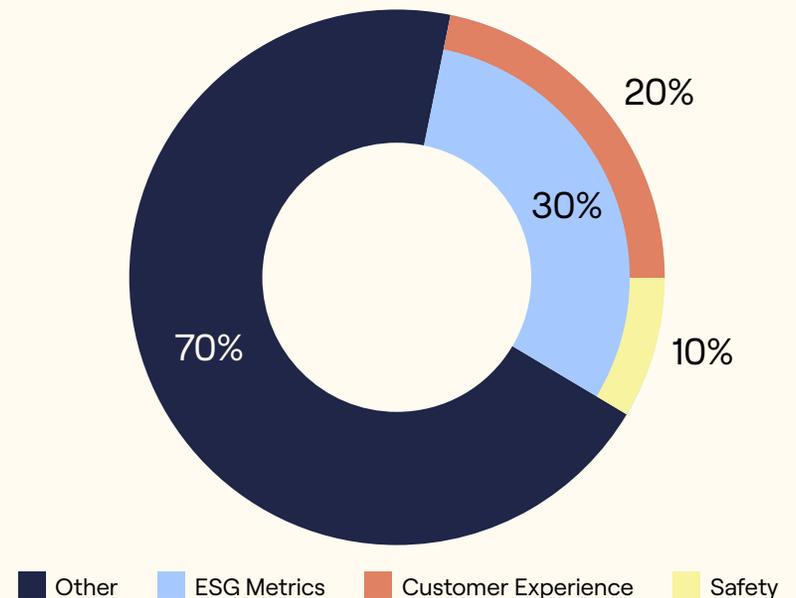
In 2022, we completed an assessment of how ESG is best incorporated into our compensation structure. We have previ-

ously incorporated Customer Experience (measured through Net Promoter Score) as a factor in our annual cash bonus plan and for our 2023 annual cash bonus plan we have added Safety as a second ESG factor, resulting in ESG metrics comprising 30% of our overall cash bonus metric weighting.

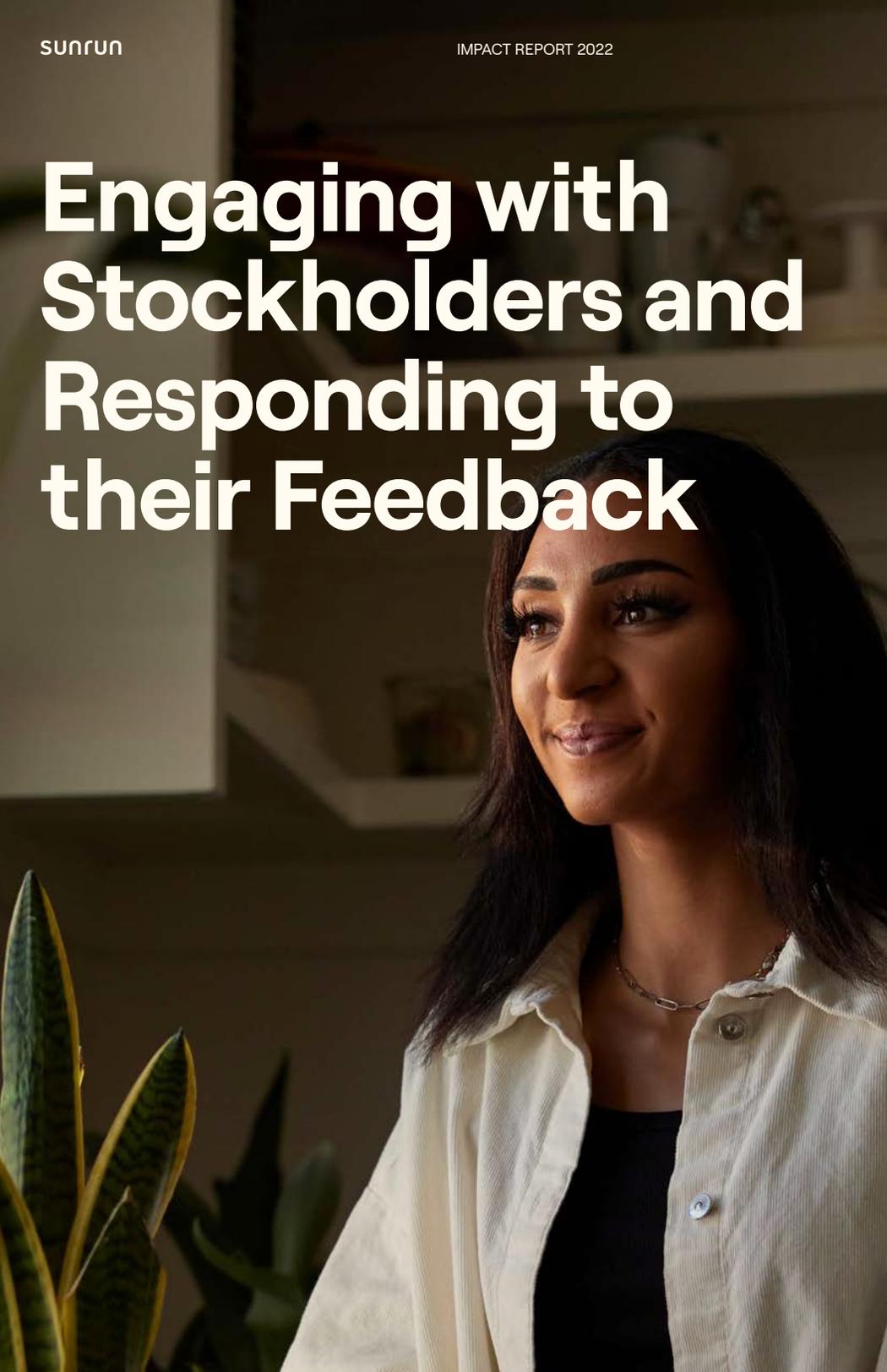
We view Safety and Customer Experience as material and complementary factors to creating long-term sustainable value and incorporating them in our executive compensation structure as a method to further accelerate our progress in these areas.

*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](https://investors.sunrun.com).*

ESG Metrics in 2023 Annual Cash Bonus Plan



# Engaging with Stockholders and Responding to their Feedback



Our Board of Directors values our stockholders' perspectives, and feedback from our stockholders has been important considerations for discussions with the Board of Directors and its committees throughout the year. We have a history of actively engaging with our stockholders, and we approach stockholder engagement as an integrated, year-round process that includes proactive outreach as well as responsiveness to stockholder concerns or feedback. In addition to our Annual Meeting each year, we regularly provide stockholders with opportunities to deliver feedback on our corporate governance, compensation and ESG practices.

In response to investor feedback during the past few years, we have made a number of enhancements to our governance and compensation practices and disclosures, including the introduction of performance equity and stock ownership guidelines, adoption of a clawback policy, and more robust ESG disclosures. Upon consideration of feedback from our stockholders in 2022, our executive team and Board of Directors decided to:

- increase the mix of performance-based compensation;
- add a relative total shareholder return metric to our compensation structure for 2023;
- incorporate additional ESG-related metrics into our short-term compensation design;
- use differing performance metrics in our 2023 compensation design for

short- and long-term compensation to avoid overlap;

- recommend that stockholders approve an amendment to our Amended and Restated Certificate of Incorporation to declassify our board of directors through a three year phase-out process with full declassification achieved at our 2026 Annual Meeting of Stockholders; and
- recommend that stockholders approve an amendment to our Amended and Restated Certificate of Incorporation to eliminate certain supermajority voting requirements.

In addition, our response to a stockholder proposal we received was made available in 2022 on the Corporate Governance portion of our website at [www.sunrun.com](http://www.sunrun.com) on the "Governance Documents" page under the "Investor Relations – Leadership & Governance" section a report on our use of concealment clauses in the context of harassment, discrimination, and other unlawful acts.

# United Nations' Sustainable Development Goals (SDG)

The United Nations (UN) Sustainable Development Goals (SDGs) provide a framework for organizations to address environmental and social issues, such as poverty, gender equality and climate change.

The United Nations (UN) Sustainable Development Goals (SDGs) provide a framework for organizations to address environmental and social issues, such as poverty, gender equality and climate change. At Sunrun, we strive to help advance the achievement of these SDG goals through our business operations. Our business activities contribute to multiple SDG goals, as they are so interconnected. Sunrun is a signatory to the [United Nations' Global Compact](#) and [The Climate Pledge](#), and this report constitutes Sunrun's "Communication on Progress" (COP1) under the UN Global Compact.



## Caring for our planet

We are aware of the environmental impact of our operations and have set goals to achieve net-zero emissions from our operations. Future generations will thrive in a world powered by clean, resilient solar energy, and it is our mission to provide technology that is sustainably sourced and supports a circular economy. By partnering and innovating throughout our supply chain, we aim to address the most pressing environmental challenges of our time.



## People at the center

Everything we do is focused on people. Our success depends on the health, safety, and wellbeing of our employees, customers, supply chain partners, and the communities we serve. By developing a more inclusive and diverse workplace that welcomes a variety of viewpoints and experiences, we advance our goal, which is to help all families experience the joy and abundance of solar energy.



## Foundation of ethics

We are responsible for instituting and adhering to strong, ethical corporate governance processes and policies that represent our core values. Our commitment requires that we hold ourselves accountable to creating and working toward quantifiable targets, and to frequently report on our performance across our ESG priority areas in a manner that informs, engages and is transparent to all stakeholders.



# Task Force on Climate-Related Financial Disclosures 2022 Report

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board with the goal of developing voluntary, consistent climate-related financial disclosures that would be useful to all relevant stakeholders. The recommendations of the TCFD are focused on four thematic areas representing core operational pillars, including:

(1) governance; (2) strategy; (3) risk management; and (4) metrics and targets.

Sunrun believes the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities within financial markets.

## I. GOVERNANCE

*Disclose the organization's governance around climate-related risks and opportunities.*

### A. Describe the board's oversight of climate-related risks and opportunities.

As the second largest owner of solar assets in the United States and a top five owner of solar assets globally, Sunrun's business model is inherently linked to addressing climate change. We embed best practices for ESG performance throughout our organization.

In 2019, we tasked a formal committee of senior management to oversee ESG performance and reporting at the company. We also established board level oversight of ESG matters, including the oversight of climate-related opportunities and risks, by our Nominating, Governance, and Sustainability Committee.

At least twice a year, the Nominating, Governance, and Sustainability Committee reviews disclosures on progress toward our climate-related initiatives to external stakeholders. ESG risks are also reviewed by our Board's Audit Committee in connection with the Company's enterprise risk management process. The full Board reviews our ESG programs and disclosures at least annually.

### B. Describe management's role in assessing and managing climate-related risks and opportunities.

We embed best practices for ESG performance throughout our organization. In 2019, we formed the ESG Executive Committee, a formal committee of senior management tasked with driving ESG performance and reporting initiatives throughout the company, overseeing the implementation of our ESG initiatives, and prioritizing internal resources committed to the advancement of our ESG objectives.

Our ESG Executive Committee meets on at least a quarterly basis, and each meeting includes a review of our ESG scorecard for assessing progress made on our goals, as well as a deep dive into various ESG risks. We also share our ESG goals and priorities with the company's extended leadership team and encourage leaders to incorporate ESG goals into their objectives and strategic work plans. In response to feedback we received from stockholders in 2022, 30% of our annual cash bonus plan for 2023 will be based on ESG factors (Safety and Customer Experience). Further, our executive compensation plans are inherently tied to reducing carbon emissions as the amount of solar energy capacity we install is a significant component of our compensation plans.

Among the executives and senior leaders included as members of our ESG Executive Committee are the following:

- Chief Executive Officer
- Chief Legal Officer, Chief People Officer, and Corporate Secretary
- Chief Revenue Officer
- Chief Customer Experience Officer
- Senior Vice President, Legal
- Senior Vice President, Investor Relations
- Senior Vice President, Marketing
- Senior Vice President, Supply Chain
- Vice President, Procurement
- Vice President, People Acquisition & Inclusion/Diversity
- Vice President, Policy
- Vice President, Internal Audit
- Senior Director, Safety

## II. STRATEGY

*Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.*

### **A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.**

Climate change poses a systemic threat to the global economy and will continue to do so until our society transitions to renewable energy and decarbonizes. While our core business model seeks to accelerate this transition to renewable energy, there are inherent climate-related risks to our business operations. Warming temperatures throughout the United States, and in California, our biggest market and the location of our headquarters, in particular, have contributed to extreme weather, intense drought, and increased wildfire risks. These events have the potential to disrupt our business, our third-party suppliers, and our customers, and may cause us to incur additional operational costs. For instance, natural disasters and extreme weather events associated with climate change can impact our operations by delaying the installation of our systems, leading to increased expenses and decreased revenue and cash flows in the period. They can also cause a decrease in the output from our systems due to smoke or haze. Additionally, if weather patterns significantly shift due to climate change, it may be harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical.

We aim to reduce the causes of greenhouse gas emissions by transitioning more energy production to clean solar energy and to provide a solution to consumers who would potentially face adverse

effects from severe weather caused by climate change. As the nation's leading home solar, battery storage and energy services company, we believe we are well positioned to accelerate the transition to a lower carbon economy and generate attractive risk-adjusted returns in the current environment as well as over the mid- and long-term time horizons. We have deployed 4,677 megawatts of solar since 2007, but residential solar is still only 4% penetrated in the United States today and the runway for growth remains massive.

Residential electricity comprises 21% of power usage in the United States, and electrification of our homes is critical to achieving 100% clean, renewable energy in our energy system. When we blanket all solar available rooftops with panels, we believe residential solar can service almost half of America's total electricity needs with clean energy.

In the future, we expect homes to generate solar power on rooftops, store and manage energy in batteries, heat with electricity rather than fossil fuels, and charge electric vehicles from renewables. We expect people to face a continued increase in power outages from extreme weather caused by climate change. As families experience days without power, year after year, they will seek a clean, reliable and long-term solution. Our battery storage can power through even multi-day outages, offering resiliency and peace of mind. When we network home solar and battery storage to deliver virtual power plants, we further accelerate the transition away from polluting fossil fuels, providing clean, cost effective peaking capacity. Ultimately, Sunrun seeks to be the energy provider of choice, integrating solar, storage, electrification, and virtual power plants into a smart solution for each home and community.

### **B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.**

We view addressing climate change as a global imperative. Sunrun was founded and our business strategy has been formed to address climate change head on. We believe that more businesses, consumers and government bodies will seek to address climate change and that Sunrun will be able to benefit from these actions. This increase in consumer awareness of climate change, coupled with the declining costs of solar modules and batteries in the face of rising utility rates, creates structural advantages for the company to capitalize on climate related opportunities.

In the future, we expect homes to generate solar power on rooftops, store and manage energy in batteries, heat with electricity rather than fossil fuels, and charge electric vehicles from renewables. Ultimately, this drives Sunrun to be the energy provider of choice, integrating solar, storage, electrification, and virtual power plants into a smart solution for each home and community.

Natural disasters and extreme weather events associated with climate change present risks to our business as well. They can severely impact our operations by delaying the installation of our systems, leading to increased expenses and decreased revenue and cash flows in the period. They can also cause a decrease in the output from our systems due to smoke or haze.



Additionally, components of our systems, such as panels and inverters, could be damaged.

If weather patterns significantly shift due to climate change, it may be harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical.

Increasing regulation of fuel emissions can substantially increase the cost of energy, including fuel, required to operate our facilities or transport and distribute our products, thereby substantially increasing the distribution and supply chain costs associated with our products. Although we

would expect these types of regulations would also increase the cost of energy to end consumers, which increases our value proposition, potentially mitigating or more than offsetting any increased costs in our operations.

We prepared our first emissions inventory in 2017 and set our first emissions target in 2020. We continually seek to minimize the impacts of our business operations on climate change including the continued retiring of gasoline vehicles in favor of hybrid and electric vehicles, facility recycling and vendor sustainability

**C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

**TCFD Transitional Scenario 1**

Sufficient globally coordinated action is taken to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels.

Assumption	Impacts and Strategy
Increased demand for solar energy, battery storage, and other home electrification solutions.	Increased demand for our offerings, which we would expect to have positive economic impacts; however, this could also result in additional market competition, pricing pressures, supply chain challenges, and lack of available resources and workforce.
Enactment of robust decarbonization policy, such as a price on carbon, results in increased (i) incumbent utility power prices, and (ii) operating and product costs for certain carbon-intensive industries.	The adoption of robust decarbonization policies may result in increased demand for our offerings with improved economics for low-carbon products and services; however, this could also result in additional market competition, pricing pressures, supply chain challenges, and lack of available resources and workforce.



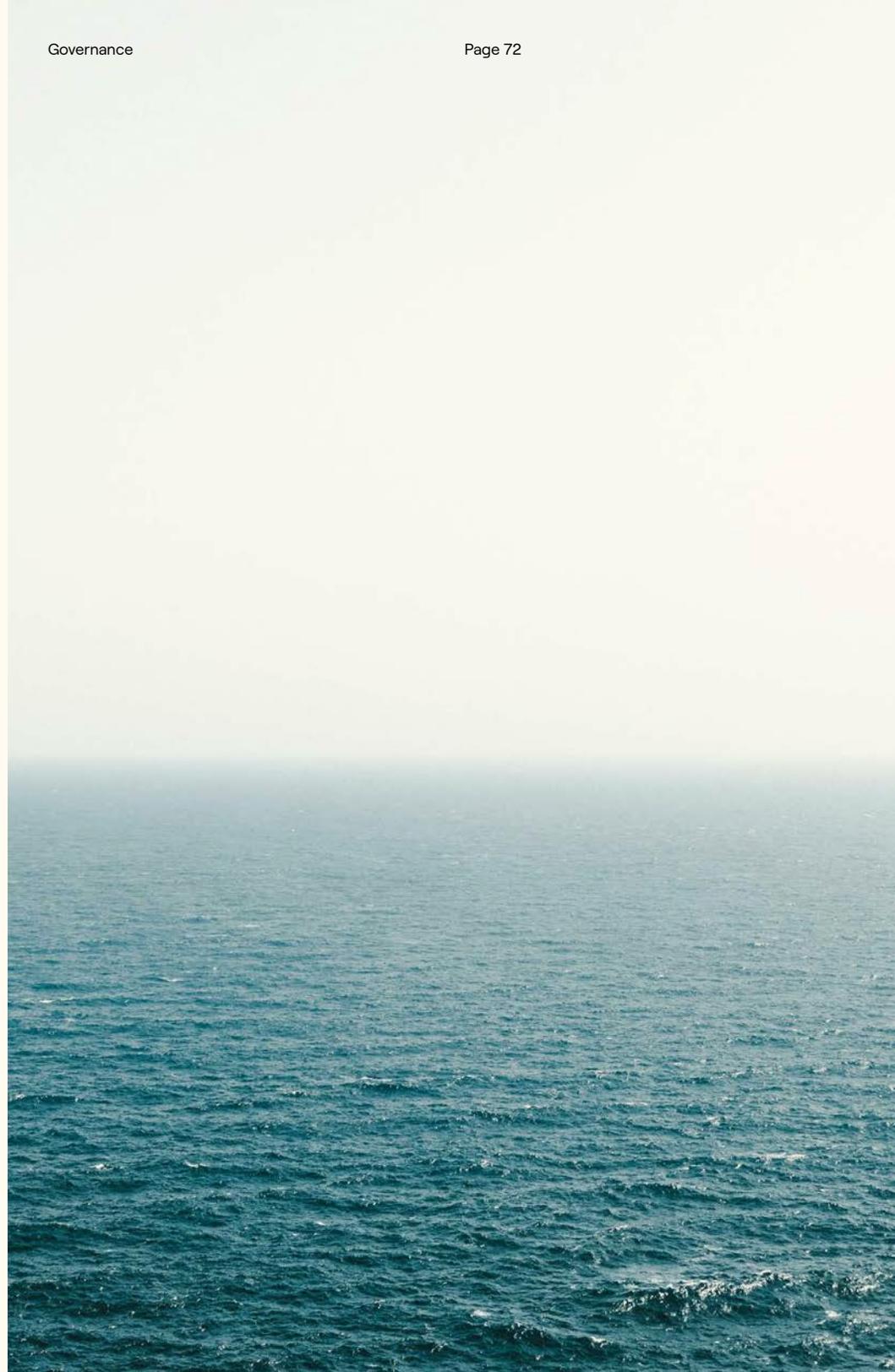
**TCFD Transitional Scenario 2**

Global action is insufficient to prevent global temperatures from increasing more than 2 degrees Celsius above pre-industrial levels.

Assumption	Impacts and Strategy
Lack of laws, regulation, policy or other market conditions significant enough to shift the trajectory of climate change.	If current trends continue, even without a robust decarbonization policy, our offerings may be increasingly competitive in comparison to incumbent utility prices.  Certain current policies, such as the net metering policies and the federal investment tax credit, have provided economic benefits to the solar industry and our business; however, if such policies expired or were repealed, our offerings and pricing may become less attractive and future growth may be limited.
Increased demand for solar energy, battery storage, and other home electrification solutions.	Increased demand for our offerings, which we would expect to have positive economic impacts; however, this could also result in additional market competition, pricing pressures, supply chain challenges, and lack of available resources and workforce.

## TCFD Physical – Scenario 1 & 2:

Assumption	Impacts and Strategy
Increased frequency and severity of extreme weather events, including severe wildfires, intense drought, heavy rainfalls and increased storm surge due to rising sea levels, and other extreme weather-related events.	Extreme weather resulting from climate change may disrupt our business, our third-party suppliers, and our customers, and cause us to incur additional operational costs. For instance, natural disasters and extreme weather events associated with climate change can impact our operations by delaying the installation of our systems, leading to increased expenses and decreased revenue and cash flows in the period.
Diminished operational performance of our solar energy systems due to a global temperature increase and impacts of extreme weather events, such as wildfire smoke.	The performance and power generation of our solar energy systems may decrease based upon an increase in ambient temperatures resulting from warming, as well as from smoke, haze, or residual soiling resulting from extreme weather and wildfire.
Increased temperatures and more frequent heat waves could result in fewer applicants for certain employee roles requiring extended outdoor exposure, such as rooftop installation and direct-to-home sales teams.	A warming climate producing more frequent and more acute heat waves could result in less interest from employees for roles that require prolonged outdoor exposure. Inability to adequately staff such roles, would limit productivity and negatively impact our operational results.
A significant shift of weather patterns due to climate change.	Changing weather patterns could result in a diminished ability to accurately predict the average annual amount of sunlight striking each location where our solar energy systems are installed, which could make our solar service offerings less economical overall or make individual systems less economical.
Increased insurance premiums related to property and systems in particularly vulnerable regions.	Insurance premiums may increase in connection with the impacts of global warming, the increase of extreme other events, and the other factors described herein.



### III. RISK MANAGEMENT

*Identify how the organization identifies, assesses, and manages climate-related risks.*

#### A. Describe the organization's processes for identifying and assessing climate-related risks.

Our business model is influenced by climate change through our core mission, to create a planet run by the sun. This mission drives every decision in the business, from the day-to-day senior management decisions to crafting the long term vision and strategy. Among the management processes for identifying and assessing climate-related risks and opportunities we have adopted are the: (a) integration of a carbon intensity reduction target, among other climate-related goals, targets, and initiatives, into our sustainability strategy; (b) review and management of climate-related strategy and actions in the context of our short- and long-term business strategy; (c) establishment of internal audit procedures to flag risks to the company, including those related to climate change, and provide structured internal controls that promote compliance in our processes and accuracy in our reporting; (d) formation of an ESG Executive Committee to oversee ESG performance and reporting at the Company and Board level oversight of ESG matters on a regular basis by our Board, Nominating, Governance, and Sustainability Committee, and Audit Committee; and (e) inclusion of climate-change related risks in our Annual Report on Form 10-K.

#### B. Describe the organization's processes for managing climate-related risks.

The individuals and processes involved with identifying and assessing climate-related risks are also involved in the management of climate-related risks. In addition, our solar energy systems are subject to environmental forces, including climate-related risks and extreme weather events, such as

floods, wildfires, and hurricanes. We seek to mitigate this risk by purchasing property insurance with industry standard coverage and limits approved by an investor's third-party insurance advisors.

We continue to integrate responsible sourcing, environmental protection, and sustainability, including the management of climate-related risks and impacts, into various aspects of our supply chain functions and launched a Vendor Code of Conduct in 2019. We expect all of our vendors to adhere to the policies set forth in our Vendor Code of Conduct and Human Rights Policy. Sunrun is also a signatory to the United Nations' Global Compact and The Climate Pledge.

We also rely on third-party manufacturing warranties and warranties provided by our solar partners. We have focused on improving the resiliency of our business operations by implementing cloud-based information technology systems to allow our employees to work from remote locations in the event of weather or other workplace disruptions.

#### C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

Our leadership team is encouraged, and the governance of our Company is structured, to incorporate ESG matters, including climate-related risks, in its risk management processes. Our Board, and our Board's Audit Committee and Nominating, Governance, and Sustainability Committee, regularly identify, assess, and manage risk within the company, including those related to climate change. We tasked our ESG Executive Committee with driving ESG performance and reporting initiatives throughout the company, overseeing the implementation of our ESG initiatives, and prioritizing internal resources committed to the advancement of our ESG objectives. In addition, we established internal audit procedures to develop formalized inter-

nal controls that promote compliance in our processes and ensure accuracy in our reporting.

### IV. METRICS AND TARGETS

*Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*

#### A. Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

See our goals as provided on page 7 and the section titled GHG Emissions in this Impact Report.

#### B. Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

See the section titled GHG Emissions in this Impact Report.

#### C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

See the section titled GHG Emissions in this Impact Report.



# APPENDIX



# Glossary

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**Deployments**                      Deployments represent 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 (inclusive of acquisitions of installed systems), or (iii) for multi-family and any other systems that have reached our internal milestone signaling construction can commence following design completion, measured on the percentage of the system that has been completed based on expected system cost.

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

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**Subscriber Additions**              Subscriber Additions represent the number of Deployments in the period that are subject to executed Customer Agreements.

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**Customer Additions**              Customer Additions represent the number of Deployments in the period.

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**Solar Energy Capacity Installed**              Solar Energy Capacity Installed represents the aggregate megawatt production capacity of our solar energy systems that were recognized as Deployments in the period.

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**Solar Energy Capacity Installed for Subscribers**              Solar Energy Capacity Installed for Subscribers represents the aggregate megawatt production capacity of our solar energy systems that were recognized as Deployments in the period that are subject to executed Customer Agreements.

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**Creation Cost**                      Creation Cost represents the sum of certain operating expenses and capital expenditures incurred divided by applicable Customer Additions and Subscriber Additions in the period. Creation Cost is comprised of (i) installation costs, which includes the increase in gross solar energy system assets and the cost of customer agreement revenue, excluding depreciation expense of fixed solar assets, and operating and maintenance expenses associated with existing Subscribers, plus (ii) sales and marketing costs, including increases to the gross capitalized costs to obtain contracts, net of the amortization expense of the costs to obtain contracts, plus (iii) general and administrative costs, and less (iv) the gross profit derived from selling systems to customers under sale agreements and Sunrun's product distribution and lead generation businesses. Creation Cost excludes stock based compensation, amortization of intangibles, and research and development expenses, along with other items the company deems to be non-recurring or extraordinary in nature.

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**Subscriber Value**                      Subscriber Value represents the per subscriber value of upfront and future cash flows (discounted at 5%) from Subscriber Additions in the period, including expected payments from customers as set forth in Customer Agreements, net proceeds from tax equity finance partners, payments from utility incentive and state rebate programs, contracted net grid service program cash flows, projected future cash flows from solar energy renewable energy credit sales, less estimated operating and maintenance costs to service the systems and replace equipment, consistent with estimates by independent engineers, over the initial term of the Customer Agreements and estimated renewal period. For Customer Agreements with 25 year initial contract terms, a 5 year renewal period is assumed. For a 20 year initial contract term, a 10 year renewal period is assumed. In all instances, we assume a 30-year customer relationship, although the customer may renew for additional years, or purchase the system.

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**Net Subscriber Value**                      Net Subscriber Value represents Subscriber Value less Creation Cost.

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**Total Value Generated**                      Total Value Generated represents Net Subscriber Value multiplied by Subscriber Additions.

# Glossary

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<b>Customers</b>	Customers represent the cumulative number of Deployments, from the company's inception through the measurement date.
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<b>Subscribers</b>	Subscribers represent the cumulative number of Customer Agreements for systems that have been recognized as Deployments through the measurement date.
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<b>Networked Solar Energy Capacity</b>	Networked Solar Energy Capacity represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as Deployments, from the company's inception through the measurement date.
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<b>Networked Solar Energy Capacity for Subscribers</b>	Networked Solar Energy Capacity for Subscribers represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as Deployments, from the company's inception through the measurement date, that have been subject to executed Customer Agreements.
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<b>Gross Earning Assets</b>	Gross Earning Assets is calculated as Gross Earning Assets Contracted Period plus Gross Earning Assets Renewal Period.
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<b>Gross Earning Assets Contracted Period</b>	Gross Earning Assets Contracted Period represents the present value of the remaining net cash flows (discounted at 5%) during the initial term of our Customer Agreements as of the measurement date. It is calculated as the present value of cash flows (discounted at 5%) that we would receive from Subscribers in future periods as set forth in Customer Agreements, after deducting expected operating and maintenance costs, equipment replacements costs, distributions to tax equity partners in consolidated joint venture partnership flip structures, and distributions to project equity investors. We include cash flows we expect to receive in future periods from state incentive and rebate programs, contracted sales of solar renewable energy credits, and awarded net cash flows from grid service programs with utilities or grid operators.
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## Gross Earning Assets Renewal Period

Gross Earning Assets Renewal Period is the forecasted net present value we would receive upon or following the expiration of the initial Customer Agreement term but before the 30th anniversary of the system's activation (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term), for Subscribers as of the measurement date. We calculate the Gross Earning Assets Renewal Period amount at the expiration of the initial contract term assuming either a system purchase or a renewal, forecasting only a 30-year customer relationship (although the customer may renew for additional years, or purchase the system), at a contract rate equal to 90% of the customer's contractual rate in effect at the end of the initial contract term. After the initial contract term, our Customer Agreements typically automatically renew on an annual basis and the rate is initially set at up to a 10% discount to then-prevailing utility power prices.

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## Net Earning Assets

Net Earning Assets represents Gross Earning Assets, plus total cash, less adjusted debt and less pass-through financing obligations, as of the same measurement date. Debt is adjusted to exclude a pro-rata share of non-recourse debt associated with funds with project equity structures along with debt associated with the company's ITC safe harboring facility. Because estimated cash distributions to our project equity partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level non-recourse debt is deducted from Net Earning Assets, as such debt would be serviced from cash flows already excluded from Gross Earning Assets.

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## Annual Recurring Revenue

Annual Recurring Revenue represents revenue arising from Customer Agreements over the following twelve months for Subscribers that have met initial revenue recognition criteria as of the measurement date. Total Value Generated represents Net Subscriber Value multiplied by Subscriber Additions.

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## Average Contract Life Remaining

Average Contract Life Remaining represents the average number of years remaining in the initial term of Customer Agreements for Subscribers that have met revenue recognition criteria as of the measurement date.

# Glossary

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## **Positive Environmental Impact from Customers**

Positive Environmental Impact from Customers represents the estimated reduction in carbon emissions as a result of energy produced from our Networked Solar Energy Capacity over the trailing twelve months. The figure is presented in millions of metric tons of avoided carbon emissions and is calculated using the Environmental Protection Agency's AVERT tool. The figure is calculated using the most recent published tool from the EPA, using the current-year avoided emission factor for distributed resources on a state by state basis. The environmental impact is estimated based on the system, regardless of whether or not Sunrun continues to own the system or any associated renewable energy credits.

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## **Positive Expected Lifetime Environmental Impact from Customer Additions**

Positive Expected Lifetime Environmental Impact from Customer Additions represents the estimated reduction in carbon emissions over thirty years as a result of energy produced from solar energy systems that were recognized as Deployments in the period. The figure is presented in millions of metric tons of avoided carbon emissions and is calculated using the Environmental Protection Agency's AVERT tool. The figure is calculated using the most recent published tool from the EPA, using the current-year avoided emission factor for distributed resources on a state by state basis, leveraging our estimated production figures for such systems, which degrade over time, and is extrapolated for 30 years. The environmental impact is estimated based on the system, regardless of whether or not Sunrun continues to own the system or any associated renewable energy credits.

# GHG Accounting Data Sources and Methodology

Earlier this year, we expanded our GHG calculation efforts to dive deeper into the impacts of our supply chain partners. We continued to follow the Greenhouse Gas Protocol methodology, a well established and comprehensive global framework with which to measure an organization's emissions, and expanded our efforts to calculate our entire GHG footprint. Below we provide the details of what was included in our GHG calculation.

## Scope 1

These are direct emissions from owned or controlled sources. For Sunrun, this includes natural gas consumption used by leased facilities and fuel used by the leased fleet.

## Scope 2

These emissions are indirect emissions from the generation of purchased energy. Sunrun's Scope 2 emissions are primarily from purchased electricity, either directly or through their office leases. Additionally, both market and location-based emissions are reported, as recommended by Scope 2 dual reporting guidance. The location-based method calculates emissions based on electricity consumption of the grid at the location where the energy is used, taking into account the regional fuel mix used to generate the electricity within the locations and time periods of operation. The market-based accounting method enables the application of utility based emissions factors and other energy contract instruments. When supplier emissions factors are not available for market-based accounting, and when possible, residual grid mixes that factor out voluntary purchases are used. Per the Protocol, both are reported, and the location-based result is included in the total emissions.

## Scope 3

These are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Sunrun's Scope 3 emissions include purchased goods and services, upstream transportation and distribution, business travel, capital goods, employee commuting and teleworking, waste generated in operations, end-of-life, processing of sold products, and fuel and energy related activities. Emissions categories excluded from this scope are listed below and were found to be immaterial to Sunrun's overall footprint.

- **Use of sold products:** Solar panels do not generate emissions during their usage.
- **Franchises:** Sunrun does not have any franchises.

**Calculation Process**

Sunrun used primary data for the calculation of Scope 1 emissions, based on natural gas, propane, diesel and petrol consumption. For Scope 2, we used a location based and market based approach to determine emissions from purchased electricity for our leased facilities. For Scope 3, we used primary data to determine the following emissions: waste generated in operations, 71 suppliers (we used primary data from four suppliers as proxy for the remainder), channel partners (we used Sunrun's primary data as a proxy for our channel partner emissions), transportation and distribution, end-of-life, and fuel-and-energy related activities. For the remaining categories we used spend-based data.

**Extended Carbon Calculations**

Carbon balance calculations are based on derated expected production over 30 years. All kilowatt-hour values are translated into metric tons of CO<sub>2</sub>e 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 and dividing that figure by systems deployed in the period. This gives us the carbon footprint of the average system deployed in the period, which, when divided by the expected carbon avoided of the average system 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, which is derated over over 30 years, and Sunrun's carbon footprint. Fossil-fuel figures for other sources of energy were taken from a 2014 study by the Intergovernmental Panel on Climate Change (IPCC), Annex III of Climate Change 2014: Mitigation of Climate Change.

**Emissions from Electricity Generation.**

Calculations for avoiding air pollution and water consumption are derived from expected average system production derated over 30 years. Thermoelectric power generation, on average, requires 11,857 gallons of water to produce 1 megawatt-hour of electricity, according to the U.S. Energy Information Administration.

# 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](https://investors.sunrun.com)

Disclosure	Disclosure Location
<b>GRI 102: General Disclosures</b>	
<b>Organizational profile</b>	
102-1 Name of the organization	Sunrun Inc.
102-2 Activities, brands, products, and services	Form 10-K, pgs. 5-12
102-3 Location of headquarters	Form 10-K, pgs. 29 & 51
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 > News & Events > Presentations > Sunrun Investor Presentation

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**Governance**


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102-18 Governance structure	Proxy Statement pgs. 7-11, Investor Relations Website > Leadership & Governance > Overview
102-22 Composition of the highest governance body and its committees	Proxy Statement pgs. 13-15, Investor Relations Website > Corporate Governance > Governance Highlights > Committee Composition
102-23 Chair of the highest governance body	Proxy Statement pg. 7, Corporate Governance Guidelines pg. 1
102-24 Nominating and selecting the highest governance body	Proxy Statement pgs. 15-18, Corporate Governance Guidelines pg. 2
102-25 Conflicts of interest	Corporate Governance Guidelines pg. 3
102-28 Evaluating the highest governance body's performance	Corporate Governance Guidelines pg. 4
102-35 Remuneration policies	Proxy Statement pgs. 25-40
102-36 Process for determining remuneration	Proxy Statement pgs. 29-34
102-37 Stakeholders' involvement in remuneration	Proxy Statement pg. 32

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**Reporting practice**


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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 > News & Events > Presentations
102-51 Date of most recent report	Investor Relations Website > News & Events > 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. 80

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**GRI 201: Economic performance** Annual Report, Form 10-K

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**GRI 302: ENERGY**

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302-1 Energy consumption within the organization Impact Report, pg. 21

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**GRI 305: EMISSIONS**

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305-1 Direct (Scope 1) emissions Impact Report, pg. 21

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305-2 Energy indirect (Scope 2) GHG emissions Impact Report, pg. 21

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305-3 Other indirect (Scope 3) GHG emissions Impact Report, pg. 21

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305-5 Reduction of GHG emissions Impact Report, pg. 21

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305-6 Emissions of ozone-depleting substances (ODS) Impact Report, pg. 23

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305-7 NOx, SOx, and other air emissions Impact Report, pg. 23

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**GRI 401: EMPLOYMENT**

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401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees Impact Report, pg. 39

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401-3 Parental Leave Impact Report, pg. 39

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**GRI 403: OCCUPATIONAL HEALTH AND SAFETY**

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403-1 Workers representation in formal joint management-worker health and safety committees Impact Report, pgs. 30-32

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403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, number of work-related fatalities Impact Report, pg. 30

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**GRI 404: TRAINING AND EDUCATION**

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404-1 Average hours of training per year per employee Impact Report, pg. 36

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404-2 Programs for upgrading employee skills and transition assistance programs Impact Report, pg. 36

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404-3 Percentage of employees receiving regular performance and career development reviews Impact Report, pg. 28

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**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY**

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405-1 Diversity of governance bodies and employees Impact Report, pgs. 34-35

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405-2 Ratio of basic salary and remuneration of women to men Impact Report, pg. 39

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**GRI 406: NON-DISCRIMINATION**

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Investor Relations Website >  
Leadership & Governance >  
Governance Documents > Code of  
Business Conduct and Ethics

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# Reference Table to Sustainability Accounting Standards Board Standards

Topic	Disclosure Location
<b>Materials Sourcing (RR0102-15, RR0102-16)</b>	Impact Report, pg. 24, Investor Relations Website > Leadership & Governance > Governance Documents > Sunrun Vendor Code of Conduct
<b>Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks (RR0102-09)</b>	Impact Report, pgs. 44-49, 51-54
<b>Discussion of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure (RR0102-10).</b>	Impact Report, pgs. 57-60
<b>Discussion of the management of environmental risks associated with the polysilicon supply chain (RR0102-16).</b>	Impact Report, pg. 61, Investor Relations Website > Leadership & Governance > Governance Documents > Sunrun Vendor Code of Conduct

# United Nations' Sustainable Development Goals (SDG)



## GOAL 1: No Poverty

Sunrun has pledged to install at least 100 megawatts of solar on affordable housing in California—where 80% of tenants fall below 60% of the area median income—before 2030. Through our completed and contracted future multifamily work, we anticipate \$18 million in annual solar savings that go directly to over 146,000 tenants in affordable housing units. We have also supported more than 6,500 hours of job training for residents of these communities.



## GOAL 2: Zero Hunger

Sunrun is committed to ensuring a sustainable world that supports health, safety, and equality for all. We are creating good-paying jobs, promoting employee wellness programs, and helping customers save over \$1 billion in energy costs.



## GOAL 3: Good Health and Well-being

Sunrun has generated 25.6 billion kilowatt-hours of clean energy since 2007 and has helped avoid 14.6 million tons of CO<sub>2</sub>e from entering the atmosphere. This number will continue to grow over the next decade. The energy from home solar and batteries displaces fossil fuel power plants, creating better, healthier air for all.



## GOAL 4: Quality Education

Sunrun promotes and supports solar job training programs in disadvantaged communities throughout the country. We have supported tens of thousands of hours of job training over the past decade, working with partners like GRID Alternatives and several others.



## GOAL 5: Gender Equality

Sunrun was the first national solar company to achieve 100% gender pay parity. In 2016, we also committed to the White House Equal Pay Pledge and the California Equal Pay Pledge. As of December 31, 2022, 56% of Sunrun's Board of Directors and 50% of its executive management team were women.



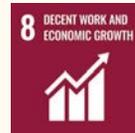
## GOAL 6: Clean Water and Sanitation

We integrate product end-of-life considerations into our EMS and have plans to decommission, redeploy, resell, or recycle our energy systems. Responsible end-of-life management of product life cycles is a key factor in maintaining our clean water reserves.



## GOAL 7: Affordable and Clean Energy

This goal is the underlying mission of our business. We offer clean and reliable solar power at an affordable price. Our solar service financing model has made home solar accessible to many, and we are leading the way with our work installing solar on low- and moderate-income multifamily households across the country.



## GOAL 8: Decent Work and Economic Growth

Financial sustainability and ethical business practices are core to the company's philosophy. We ended 2022 with more than 797,000 customers, a 21% year-over-year improvement. We are one of the largest solar asset owners in the world.



## GOAL 9: Industry, Innovation, and Infrastructure

Sunrun is constantly innovating to build the energy system of the future. We are creating a vast network of connected homes with battery storage systems to create what's known as "virtual power plants." Sunrun has 14 virtual power plants in operation or under contract, with many more planned for the future. These programs help displace fossil fuel plants.



## GOAL 10: Reduced Inequality

We seek to attract, develop, advance, and retain the best diverse talent and focus on hiring underrepresented groups across all functions and managerial levels. Sunrun signed 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 our goals to become a model for gender equality, diversity, and inclusion.

# United Nations' Sustainable Development Goals (SDG)



11 SUSTAINABLE CITIES AND COMMUNITIES

## GOAL 11: Sustainable Cities and Communities

Sunrun's local solar-plus-storage systems are working every day to reduce the amount of local air pollution in communities by generating clean, renewable energy from the sun. Our networked energy systems are also helping retire fossil fuel plants, many of which are disproportionately impacting vulnerable and low-income communities.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## GOAL 12: Responsible Consumption and Production

Sunrun engages in the most responsible end-of-life equipment programs in the industry, and we expect all of our vendors to adhere to the policies set forth in Sunrun's Vendor Code of Conduct. We integrate product end-of-life considerations into our EMS and have plans to decommission, redeploy, resell, or recycle our energy systems.



13 CLIMATE ACTION

## GOAL 13: Climate Action

Creating a clean, reliable, and renewable distributed energy system is a direct adaptation to climate change. We are working every day to expand clean energy across the globe. Our solar-plus-storage systems have helped avoid 14.6 million metric tons of CO<sub>2</sub>e from entering the atmosphere since 2007.



14 LIFE BELOW WATER

## GOAL 14: Life Below Water

Ocean acidification is caused by the ocean absorbing large amounts of carbon dioxide. Sunrun is committed to ensuring a more sustainable world. Our solar energy systems have helped avoid 14.6 million metric tons of CO<sub>2</sub>e from entering the atmosphere since 2007, helping to preserve our precious water-based environments.



15 LIFE ON LAND

## GOAL 15: Life on Land

Human-caused climate change is having a devastating impact on our lands, including an increase in droughts, fires, floods, and other extreme weather events. Our solar-plus-storage systems have helped avoid 14.6 million metric tons of CO<sub>2</sub>e from entering the atmosphere since 2007, helping to preserve our precious land-based environments. We are putting solar on built environments like single-family and multifamily homes, which preserves our ever-decreasing open spaces across the country.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

## GOAL 16: Peace and Justice Strong Institutions

Sunrun strives to create an open and inclusive culture where everyone's unique backgrounds, thoughts, experiences, and abilities are welcomed, valued, respected, and celebrated. In 2022, we expanded our seven Employee Resource Groups (ERGs) to create and sustain a workplace where everyone belongs.



17 PARTNERSHIPS FOR THE GOALS

## GOAL 17: Partnerships to achieve the Goal

Sunrun works hand in hand with nonprofits, utilities, advocacy groups, policymakers, and other clean energy industry stakeholders to ensure we are working toward building a just transition to create a planet run by the sun.

# Footnotes

<sup>1</sup>As of December 31, 2022

<sup>2,3,4</sup>Calculated using the EPA calculator and 25.6 billion kilowatt-hours (<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>)

<sup>5</sup>On average in workday minutes

<sup>6</sup>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>

<sup>7</sup>Steffen Schlömer (ed.), Technology-specific Cost and Performance Parameters, Annex III of Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (2014) available at [https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc\\_wg3\\_ar5\\_annex-iii.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-iii.pdf)

<sup>8</sup>U.S. Energy Information Administration, "U.S. electric power sector's use of water continued its downward trend in 2020," December 2021, <https://www.eia.gov/todayinenergy/detail.php?id=50698>

<sup>9</sup>Vote Solar, "Powering States in 2023 and Beyond: Local Solar and Batteries as a Roadmap to Resiliency," December 2021, <https://www.eia.gov/todayinenergy/detail.php?id=50698>

<sup>10</sup>California Solar and Storage Association, "Distributed Sun-Charged Batteries Helped Grid During California Heat Wave, Again," September 2022, <https://calssa.org/press-releases/2022/9/8/distributed-sun-charged-batteries-helped-grid-during-california-heat-wave-again>

<sup>11</sup>The National Oceanic and Atmospheric Administration, "Billion-Dollar Weather and Climate Disasters," April 2023, <https://www.noaa.gov/access/billions/time-series>

<sup>12</sup>Climate Central, "Surging Weather-related Power Outages," September 2022, <https://www.climatecentral.org/climate-matters/surging-weather-related-power-outages>

# Forward Looking Statements

This communication contains forward-looking statements related to Sunrun (the “Company”) within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements related to: the Company’s business plan, trajectory, and expectations, market leadership, competitive advantages, operational and financial results and metrics (and the assumptions related to the calculation of such metrics); the Company’s momentum in its business strategies; the Company’s anticipated impact and momentum in the Company’s ESG and climate-related strategies, expectations, effectiveness and performance; the Company’s ESG and climate-related results and performance metrics (and the underlying assumptions involved in the calculation of such metrics); the growth of the solar industry; the Company’s ability to derive value from the anticipated benefits of partnerships, new technologies, and pilot programs; anticipated demand, market acceptance, and market adoption of the Company’s offerings, including new products, services, and technologies; expectations regarding the growth of home electrification, electric vehicles, virtual power plants, and distributed energy resources; the Company’s ability to manage suppliers, inventory, and workforce; supply chains and regulatory impacts affecting

supply chains; the Company’s leadership team and talent development; the legislative and regulatory environment of the solar industry and the potential impacts of proposed, amended, and newly adopted legislation and regulation on the solar industry and our business; the ongoing expectations regarding the Company’s storage and energy services businesses and anticipated emissions reductions due to utilization of the Company’s solar systems; anticipated, or potential impacts of the COVID-19 pandemic and its variants; and factors outside of the Company’s control such as macroeconomic trends, public health emergencies, natural disasters, acts of war, terrorism, geopolitical conflict, or armed conflict / invasion, and the impacts of climate change. These statements are not guarantees of future performance; they reflect the Company’s current views with respect to future events and are based on assumptions and estimates and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. The risks and uncertainties that could cause the Company’s results to differ materially from those expressed or implied by such forward-looking statements include: the Company’s continued ability to manage costs and compete effectively; the availability of additional financing on ac-

ceptable terms; worldwide economic conditions, including slow or negative growth rates and inflation; volatile or rising interest rates; changes in policies and regulations, including net metering and interconnection limits, or caps and licensing restrictions and the impact of these changes on the solar industry and our business; the Company’s ability to attract and retain the Company’s business partners; supply chain risks and associated costs; the impact of COVID-19 and its variants on the Company’s operations; realizing the anticipated benefits of past or future investments, partnerships, strategic transactions, or acquisitions, and integrating those acquisitions; the Company’s leadership team and ability to attract and retain key employees; changes in the retail prices of traditional utility generated electricity; the

availability of rebates, tax credits and other incentives; the availability of solar panels, batteries, and other components and raw materials; the Company’s business plan and the Company’s ability to effectively manage the Company’s growth and labor constraints; the Company’s ability to meet the covenants in the Company’s investment funds and debt facilities; factors impacting the home electrification and solar industry generally, and such other risks and uncertainties identified in the reports that we file with the U.S. Securities and Exchange Commission from time to time. All forward-looking statements used herein are based on information available to us as of the date hereof, and we assume no obligation to update publicly these forward-looking statements for any reason, except as required by law.

SUNRUN