

sunrun

Impact Report 2020



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Vision and Values

Letter from the Founders



LYNN JURICH

Co-founder and
Chief Executive Officer



EDWARD FENSTER

Co-founder and
Executive Chairman

We can decarbonize our energy system with the technology we have today. Sunrun is accelerating this wide-scale transformation with affordable, reliable, and clean energy solutions like home solar and rechargeable battery storage.

We will drive the electrification of our homes and transportation by harnessing the sun to power our lives with abundance. We will never pump gas again and our families will be cooled and warmed by cleaner, all-electric devices. This future will also help households better manage their energy bills. It will also save everyone money by creating a more efficient system and reducing the need for expensive energy infrastructure like long-distance poles and wires.

The problem of runaway pollution is real. Today's energy system creates the majority of the world's carbon emissions. The climate crisis has led to an increased threat of wildfires, hurricanes, and other natural disasters that are severely straining the outdated technology that generates and delivers our power. We have a once-in-a-generation opportunity to build a sustainable future for humanity. The quicker we deploy our solutions, the faster we can decommission legacy fossil fuel power plants. Sunrun's success is the planet's success.

Our core values of being human-centered and making an impact anchor our drive to achieve this transformation. We prioritize our activities and decisions that make a difference and best serve our customers. Our teams also bring a diversity of perspectives to all steps of the problem-solving process. By cultivating empathy for all of our customers, and working together to solve problems as a team, we are able to design elegant solutions that more fully meet customers' needs.

The past year has tested these values more than ever before. The COVID-19 pandemic is like nothing else in modern history. It has forced us to rethink the way we operate as a business, engage each other, and go about our daily lives. It has put a new emphasis on the importance of reliable and affordable home energy as our households were transformed into the place we live, work, play, and

find solace. The pandemic highlights why local energy resiliency and affordable clean power are so important to our collective future.

As we move forward, Sunrun is once again reaffirming its commitment to serving all stakeholders, including our employees, our customers, our financial partners, and the communities in which we operate. In 2020 we hosted quarterly meetings with our executive Environmental, Social, and Governance (ESG) Committee. This group is made up of senior management tasked with aligning our ESG priorities with the company's broader vision and mission. The Nominating & Corporate Governance Committee of our Board of Directors also provided oversight of our ESG goals and performance.

The acquisition of Vivint Solar solidified Sunrun's position as the leader in home solar and energy services across the U.S. and a top owner of solar assets globally with more than three gigawatts of solar energy. Our combined company's expanded solar footprint has prevented greenhouse gas (GHG) emissions totaling 8.1 million metric tons of carbon dioxide equivalent (CO₂e), which is a more than 50% increase from the previous year.

2020 served as an inflection point, and now is the time for the next chapter in America's energy narrative. Through our commitment to our customers, our employees and our environment, Sunrun will lead the energy transformation towards a distributed, sustainable future.

Handwritten signature of Lynn Jurich in black ink.

LYNN JURICH

Co-founder and
Chief Executive Officer

Handwritten signature of Edward Fenster in black ink.

EDWARD FENSTER

Co-founder and
Executive Chairman

Company Values

At Sunrun, values guide the way we work and live. The company has six core values that ensure we are providing the best customer experience and being the best coworkers we can be.

These shared values are:



Human-Centered



Integrity



Curiosity



Passion



Courage



Impact



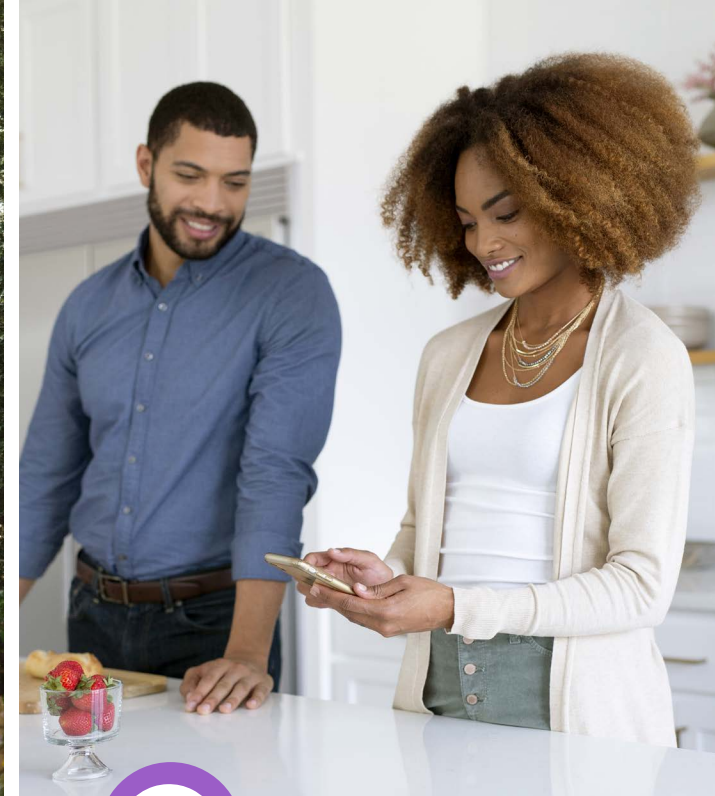
Human-Centered

Humanity is at the core of our business—our customers, our team, and our partners are all incredible human beings. We treat safety seriously. The safety and well-being of a person always comes first. That's why we design processes and experiences knowing another person is the recipient and audience. We make things simple, easy to use, understandable and easy to remember, and we communicate like regular people and avoid jargon.



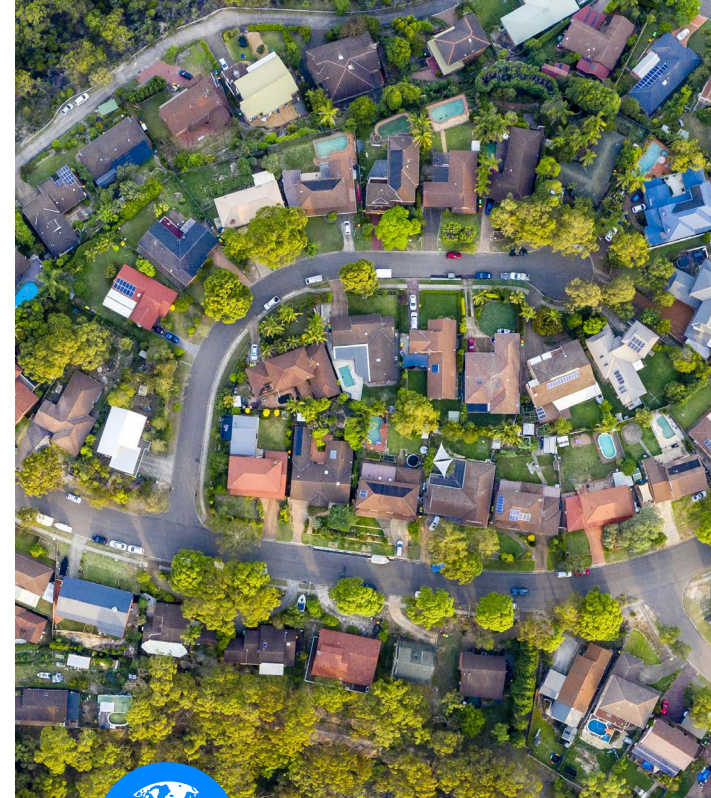
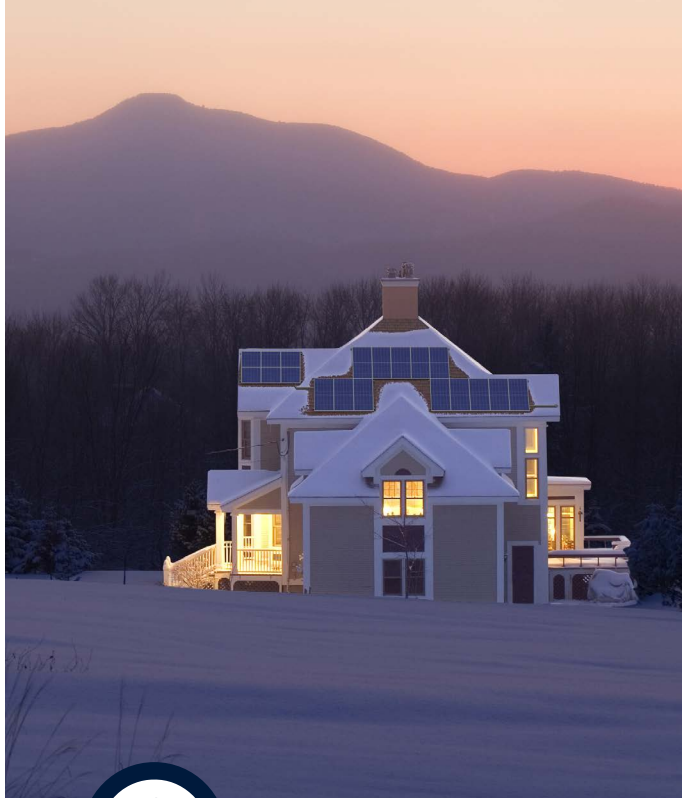
Integrity

Being on our team means operating with absolute integrity. We are known for candor, authenticity, transparency and not withholding. We make impeccable agreements with our customers, team members, and partners. If for some reason we can't keep the agreement, we renegotiate in a straight-forward, honest way. Everyone has a voice and we value the differences between individuals as diversity. Everyone is held to the same standards of conduct and behavior.



Curiosity

Our team has boundless curiosity. We regard every interaction as an opportunity to learn. We commit to curiosity as a path to rapid learning and creating momentum to advance our mission. We are not attached to the way things currently are or to being right. We realize that diversity brings a 360 degree view of the world around us. Differing perspectives help us make better decisions.



Passion

Passion is an irresistible driving force at Sunrun. We share our full magnificence and don't hold anything back. We stay positive and solution-oriented especially when tackling big, important projects. We love talking to our customers and we appreciate our interactions and contributions.



Courage

We exhibit courage and fortitude. This is done through acting boldly and having the fortitude to stand behind our recommendations, decisions and actions. We are resilient and find alternatives if things don't work out as expected. We see what is missing in the world as an invitation to become that which is required. We stand up when we see actions inconsistent with our values.



Impact

There is no doubt that the work we are doing as a team will forever alter the world. We concentrate our genius, our resources and our focus on the most critical business priorities and objectives. We will scale smartly to deliver industry-leading, profitable growth that builds a business to last for decades.

About Sunrun

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

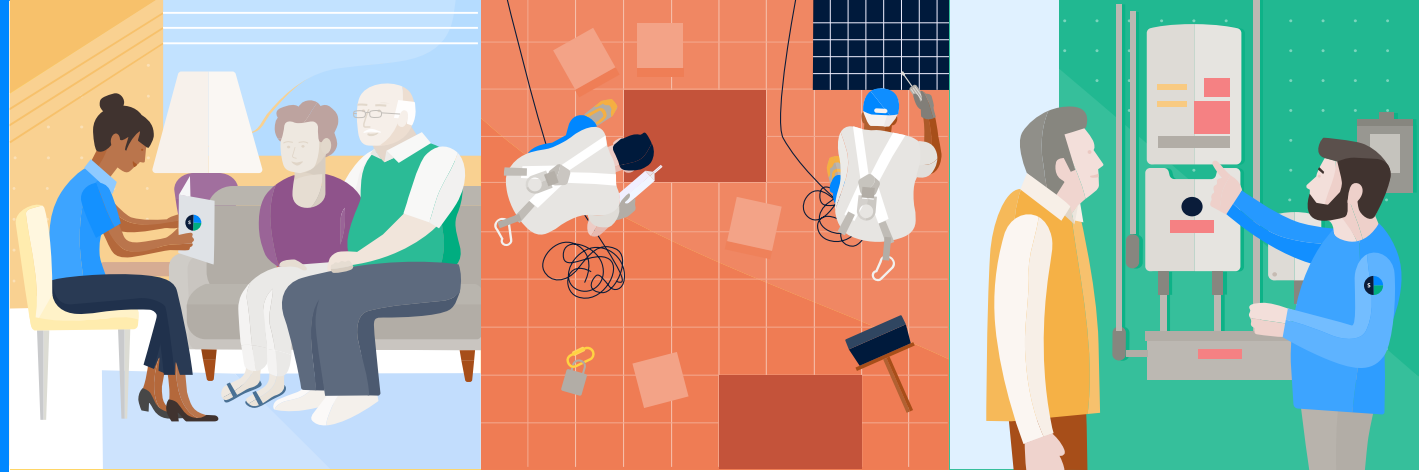
About the Report

This is our fourth annual Impact Report. We are pleased to show improvement from the last three years and will continue to evaluate the impact of our business on the world around us. We see this report as a holistic resource for ourselves, our shareholders, our partners, and our customers to measure our success as a sustainable business.



Organizational Profile

Sunrun pioneered the “solar-as-a-service” model 14 years ago. Since then, we have been delivering on a vision to create a planet run by the sun and provide Americans with affordable, reliable, and clean energy.



HERE'S HOW IT WORKS

- We assess the best solar or solar-powered home battery solution to meet a household's energy needs
- Our experienced team designs and installs a system customized to the household's specific roof and home specifications
- The household simply pays a low, locked-in rate for the power that's produced, helping families better manage their electric bill without big upfront costs
- We handle the financing, insurance, monitoring, and repairs for the life of the system
- Sunrun's home battery service, [Brightbox](#), delivers critical backup power, often at less than the cost of traditional grid power without the technology

Sunrun's history of blending innovation with expertise began when Sunrun co-founders, Lynn Jurich and Ed Fenster, invented this model of solar service. They made clean solar energy affordable, mainstream, and accessible for many more Americans.

This innovation continued with Sunrun's Brightbox, a home solar and battery service. The rechargeable home solar battery system offers people the peace of mind that comes with backup electricity and the ability to better manage the energy generated directly from their rooftops.

Our Employees

Sunrun employs more than 8,500 people throughout the United States with a focus on fostering a culture of inclusive, connected, diverse teams coming together to do their best work everyday to meet the needs of our customers and build a planet run by the sun.

Our Customers

Sunrun provides home solar and rechargeable battery storage services from coast to coast, in 22 states plus Puerto Rico and the District of Columbia¹. We proudly serve more than 550,000 customers across the country and are growing rapidly.

Our Impact

Sunrun has generated more than 11 billion kilowatt hours of clean energy since 2007 and prevented 8.1 million tons of CO₂ from entering the atmosphere. This is the equivalent of preventing carbon dioxide emissions from more than 8.9 billion pounds of coal, or 908 million gallons of gasoline.

Committing to Our Future

The future depends on a rapid global transformation of our energy system. Our work at Sunrun to deploy local solar and batteries at scale will accelerate electrification and ultimately decarbonization. We are creating the foundation for the rest of the world to use and benefit from, such as providing access to more reliable, affordable, and clean energy.

Here at Sunrun, we pledge to continue our commitment to sustainability. Consistent with Sunrun's core values of Human-Centricity, Impact, Integrity, Passion, Curiosity and Courage, Sunrun's leadership has committed to the following goals for our environmental and societal development:

GOAL 1

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

- We plan to build a network of solar systems that will offset carbon emissions by more than 600 million metric tons over their lifetimes in the next decade.
- We are setting a goal to decrease the overall carbon intensity of our operations by 20% by 2030.
- We are setting a goal to achieve net zero carbon emissions of our operations by 2040.
- We are setting a goal to decrease our transportation emissions by having one third electric or hybrid fleet within 5 years.
- We are setting a goal to achieve 100% equipment recycling at each facility within 5 years.

GOAL 2

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

- We will sustain our focus on pay equity through periodic review.
- We will embed the principles of diversity, inclusion and belonging as implicit in everything we do.
- We will foster the growth of our Employee Resource Groups to support inclusion and belonging among our employees, improve awareness, and drive greater social impact.
- We will foster a diverse workforce that represents our customers, and the communities in which we live and work. We strive to do this through gender representation parity in director and above roles by 2025 and race/ethnicity representation parity in manager roles by 2025.

GOAL 3

Sunrun is committed to improving environmental equity and justice.

- We are setting a goal to contribute **100,000 employee** volunteering hours by 2030.
- We plan to bring at least 500 megawatts of low-income solar to people across the country by 2030, benefiting hundreds of thousands of residents of disadvantaged communities.

Our Impact in Numbers

Sunrun's impact on the Environment



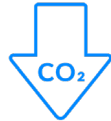
11.4 billion

Cumulative kilowatt hours of clean energy produced since 2007



3,885 megawatts

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



8.1 million

Cumulative metric tons of carbon offset by Sunrun since 2007

That is the equivalent to negating:

20 billion

miles driven by an average passenger vehicle

908 million

gallons of gasoline

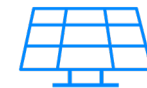
1.3 million

homes' electricity use for a year



1.5 minutes

How often a new Sunrun system is installed



4 billion

Kilowatt hours of clean energy produced in 2020

Our Impact in Numbers

Sunrun's impact on

Energy Customers



550 thousand

Number of total customers
across the U.S.



16 thousand

Number of solar-powered
rechargeable battery customers
across the U.S.



\$600 million

The amount of savings we have
provided to our customers



5-45%

Typical bill savings for
a Sunrun customer

Our Impact in Numbers

Sunrun's impact, through its low-and-median income multifamily work, on the

Community



425

Number of projects supported by Sunrun



100 thousand

Low-and-median income residents impacted across more than **35,000 units**



99 thousand

MWh of clean solar energy produced per year through these installations



\$11 million

Estimated total value of solar provided directly to tenants



3,500

Solar job training hours for residents of these communities

Financial Sustainability

Sunrun has delivered robust growth over its 14 year history and aims to generate strong returns to our financial partners while building a solid financial foundation that allows the company to make a meaningful impact for decades to come. Financial sustainability is core to the company’s philosophy.

Our operating and financial performance highlights our discipline and commitment to sustainability. We ended 2020 with more than 550,000 customers, an 18% year over year improvement, pro-forma to include Vivint Solar. We adapted swiftly to the dynamic environment during the year, improving our cost structure, increasing our market position, and strengthening our competitive advantages.

We have \$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 2020 with \$7.8 billion in Gross Earning Assets and \$4.2 billion in Net Earning Assets. The company has \$5 billion in non-recourse debt, which is solely secured by the solar energy systems.

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

TABLE 1
Growing Customer Base

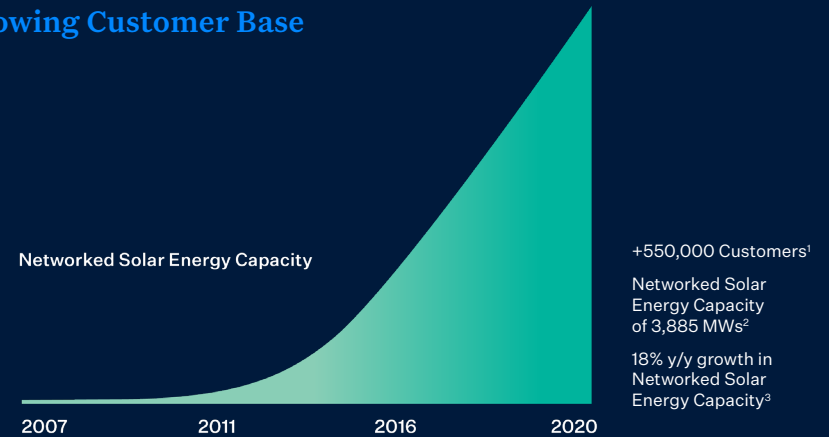
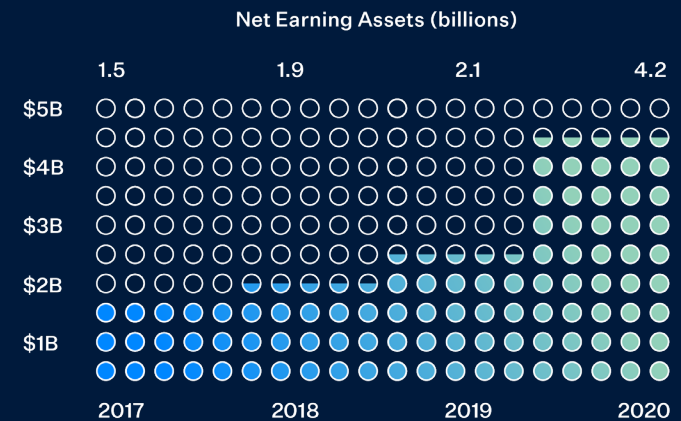


TABLE 2
Net Earning Assets Now at \$4.2 Billion



2020 FINANCIAL & OPERATION HIGHLIGHTS

- Total Revenue of \$922 million, an increase of 7% compared to 2019
- Customer Agreements revenue of \$484 million, an increase of 25% compared to 2019
- 550,000 customers at year-end, 18% year-over-year growth pro-forma to include Vivint Solar
- Net Earning Assets of \$4.2 billion



Environmental Impact

Sunrun recognizes that inaction on climate change threatens global security and stability, and responding with solutions has always been the driving force behind our mission to build a planet run by the sun. Building a more local, community-based energy system through home solar and batteries is the foundation of our work. However, Sunrun is also committed to comprehensive environmental stewardship as demonstrated through the following avenues:

Supplier Responsibility

Sunrun vendors are subject to screening and audit based on environmental and social criteria. Please refer to our [Vendor Code of Conduct](#) for more information on the policy and our “Vendor Sustainability” section below for 2020 updates.

Resource Efficiency and Pollution Prevention

Sunrun has made efforts to reduce or eliminate waste generation, hazardous waste release, greenhouse gas emissions, and to engage in product end-of-life stewardship.

Performance Evaluation and Reporting

We monitor performance and report in accordance with prevailing sustainability reporting frameworks, with special focus on the Task Force on Climate Related Disclosures (TCFD). Our annual reporting informs interested stakeholders on environmental performance, and helps us identify priority areas for focus and improvement.

Employee Awareness

Employees are provided with opportunities to develop environmental knowledge and skills, empowering them to lessen personal adverse environmental impacts.



Sunrun vendors are subject to screening and audit based on environmental and social criteria.

Sunrun's Climate Change Strategy

In 2020 Sunrun solidified its position as a global leader in solar deployment and environmental stewardship after successfully acquiring our nearest competitor, Vivint Solar. This transaction enables us to support an accelerated shift to a more low-carbon, climate-resilient economy. However, persistent climate risks and industry inertia could disrupt or compromise operations like they did during the recent fires in California, East Coast hurricanes, and snow storm-caused blackouts in Texas. We continue to develop strategies for assessing and responding to current and future climate risks. Only through our continued efforts to deploy our products and services to our growing customer base and to adhere to our evolving environmental and social policies can we better insulate ourselves, our partners, and our communities from the consequences of unchecked climate change.

Sunrun is developing strategies for assessing and responding to current and future climate risks.



Sunrun has offset nearly 8.1 million metric tons of carbon by deploying 3,885 megawatts of solar power.



The Customer Community

Since 2007, Sunrun has offset nearly 8.1 million metric tons of carbon by deploying 3,885 megawatts of solar power. With more than 550,000 customers, we see a new system installed every one-and-a-half minutes on average per work week. This has created nearly \$600 million in savings for our customers, who see an average bill savings of 5-45% over the lifetime of their system.

But our business has evolved beyond rooftop solar. We are now a full-service home solar and battery company, with our rechargeable solar-powered battery solution, Brightbox, now available in all Sunrun markets. The devastating wildfires and days-long power outages of 2020 underscored the need for a cleaner, more reliable and more resilient energy system. That's why we have seen a steady growth in the percentage of all Sunrun customers who opt to include a rechargeable Brightbox battery as part of their energy system. The resiliency and protection during outages, coupled with a way for households to better manage their energy bills, are clear values to customers across the country.



Reducing GHG Emissions

Sunrun’s systems continuously offset GHG emissions as they deliver clean energy to customers. During 2020, we deployed 603.4 megawatts of solar to 84,559 customers. These systems could generate over 20 billion kilowatt-hours of clean energy during the next 30 years, enough to prevent the emission of over 14 million metric tons of CO₂e. This quantity is more than 30 times greater than the quantity of CO₂e emitted to deploy these systems, which means that Sunrun negates significantly more emissions than we produce.

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

Emission Types

- Scope 1:** Vehicle fleet and on-site natural gas consumption for Sunrun and our partners
- Scope 2:** Leased offices and warehouses of Sunrun and our partners
- Scope 3:** Module manufacturing, balance-of-system (BOS) components, and material transportation

Sunrun negates more emissions than we produce.



TABLE 3
Greenhouse Gas Emissions and Carbon Intensity

Type of Emissions (Thousand MT CO ₂ e)	2016	2017	2018	2019	2020
Direct Emissions + Electricity Indirect Emissions (Scope 1 + Scope 2)	37	57	35	39	52
Other Indirect Emissions (Scope 3)	198	227	257	290	423
Total Emissions from Operations	235	284	291	329	475
Emissions Intensity (Thousand MT CO ₂ e per MW deployed)	0.83	0.88	0.78	0.80	0.79
Emissions Intensity (Thousand MT CO ₂ e per \$M revenue)	0.51	0.54	0.38	0.38	0.35

*Emission intensity for revenue uses GAAP reported revenue for FY2020 which excludes revenues from Vivint Solar prior to the acquisition closing on 10/8/2020

TABLE 4
Emissions Intensity

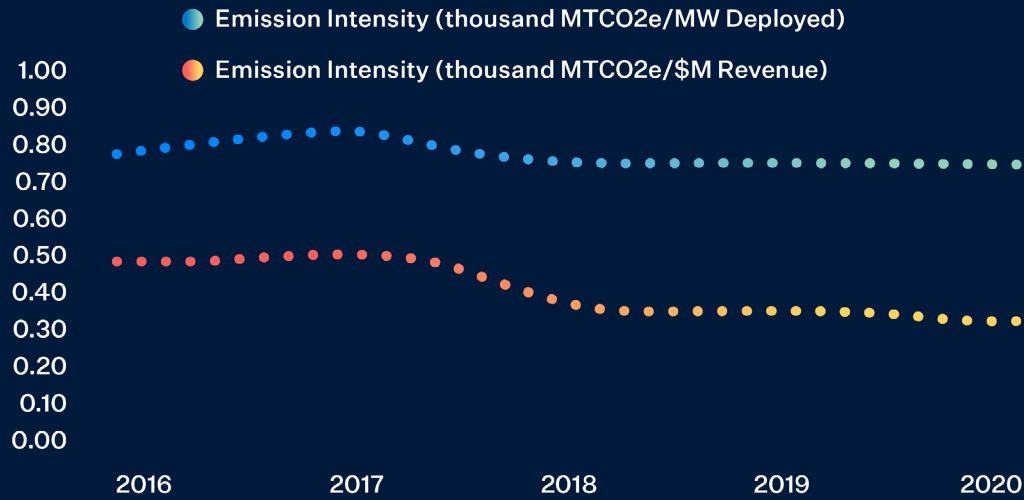
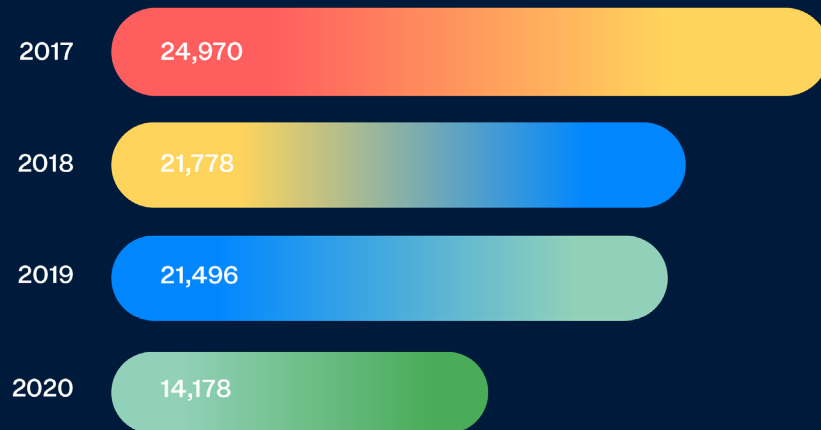


TABLE 5
Energy Intensity* (kWh/\$M Revenue)



*For Sunrun operated facilities

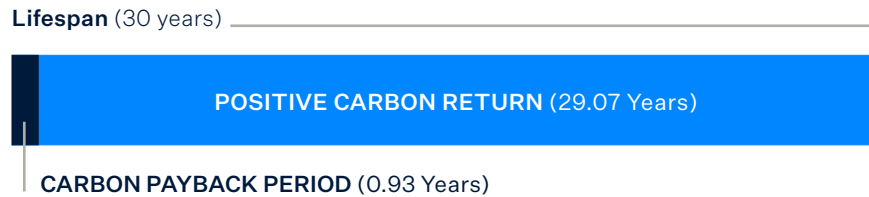


Sunrun's systems are expected to produce clean energy for 30 years or longer. Our systems prevent the release of harmful GHGs for 97% of their lifetime.

Positive Carbon Returns

Once Sunrun’s solar energy systems begin operating, positive carbon returns accrue rapidly. Our deployed solar energy systems prevent more GHG emissions than they emit over their product life cycle, resulting in a net-positive carbon balance. After operating for just 11 months, a Sunrun solar energy system will prevent the emission of as much GHGs as were emitted to build and install the system. Because Sunrun’s systems are expected to produce clean energy for 30 years or longer, our systems prevent the release of harmful GHGs for 97% of their lifetime.

FIGURE 6
Carbon Payback Period



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



Sunrun’s cumulative deployed systems of **3,885 megawatts** are estimated to offset more than **92 million metric tons of CO₂e emissions** over 30 years.



For each metric ton of CO₂e that Sunrun emitted in 2020, the solar energy systems that Sunrun deployed in 2020 are expected to prevent more than **30 metric tons of CO₂e emissions** over 30 years.



For each metric ton of CO₂e emitted by Sunrun in 2020, our entire fleet of solar energy systems has already prevented more than **17 metric tons of CO₂e** from entering the atmosphere.

Preserving Clean Air and Water

Solar energy prevents emissions of nitrogen oxides, sulfur oxides, methane, and ozone that result from the combustion of fossil fuels. The electricity produced by systems that Sunrun deployed in 2020 provides a meaningful reduction of these harmful pollutants by lowering households' consumption of fossil-fuel electricity. In addition, solar and other renewable sources of electricity emit fewer GHG emissions per kilowatt-hour during their lifecycles than fossil fuels.^{3,4}

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



TABLE 7
Air Pollution Prevented and Freshwater Conserved

	Nitrogen Oxide (Metric Tons Prevented)	Ozone (Metric Tons Prevented)	Sulfur Dioxide (Metric Tons Prevented)	Water Consumption (Avoided)
2016	569,000	620	1,390	17
2017	793,000	860	1,940	24
2018	1,041,000	1,130	2,540	31
2019	1,315,000	1,430	3,210	40
2020	2,557,000	2,770	6,250	77
Since 2007	7,211,000	7,800	17,600	217

Environmental Management System

As the largest solar provider in the United States, Sunrun holds ourselves accountable for managing all our environmental impacts in a way that improves the well-being of the planet. This commitment to develop and implement an environmental policy and an environmental management system (EMS) prioritizes continual improvement. We also study our environmental impacts across our value chain so that we can define environmental performance metrics and improvement targets. In 2020, Sunrun started working with vendors to make utility reporting more robust, which has resulted in significantly improved data for the company's EMS program. As we continue to improve and create efficiencies as part of the Vivint Solar integration, we expect 2021 to be a breakout year for our efforts to create a more sustainable operating environment.



GHG Emissions Comparison



Sunrun System

23.25

CO₂e (g/kWh)



Coal

979

CO₂e (g/kWh)



Natural Gas

470

CO₂e (g/kWh)

Vehicle Fleet

We continually strive for environmental responsibility at Sunrun, including how we manage our vehicle fleet. As we entered 2020, our plans were focused solidly on driving efficiencies through route optimization and moving toward expanding our hybrid vehicle fleet. Unfortunately, we were forced to put many of these efforts on hold in March when COVID-19 required us to adjust our approach to better follow the Center for Disease Control best practice guidelines. In order to maintain proper distancing, we required employees to take separate vehicles. Additionally, our fleet footprint was broadly expanded, along with almost every other aspect of our business, following the acquisition of Vivint Solar. In 2021, our focus will be improving the sustainability and efficiency of our combined company's vehicle fleet. Sunrun is looking into solutions to incorporate electric vehicles into various parts of our fleet as they become available. This includes setting a goal to have one third of our vehicle fleet be electric or hybrid within five years. In the meantime, we will be adding new, more efficient and eco-friendly vehicles to replace a large portion of our existing fleet. We will also continue to pursue all avenues that would allow us to further expand our hybrid fleet and continue driving optimization through standardization and expansion of our advanced software systems. We plan to expand real-time monitoring telematics solutions to our entire fleet, providing opportunities to track drivers, optimize route patterns that result in enhanced safety, and reduced emissions and operating costs.

In 2021, our focus will be improving the sustainability and efficiency of our company's vehicle fleet.



Facilities

Increasing Facility LED Lighting

In 2020, Sunrun continued to move more toward light-emitting diode (LED) warehouse lighting when feasible, adding to our already large portfolio of this more energy efficient technology. Additionally, we added two new properties already fitted with complete LED lighting. LED lights are about 25% more efficient than standard compact fluorescent lamp (CFL) bulbs and about 80% more efficient than halogen bulbs.

Move to Electrification

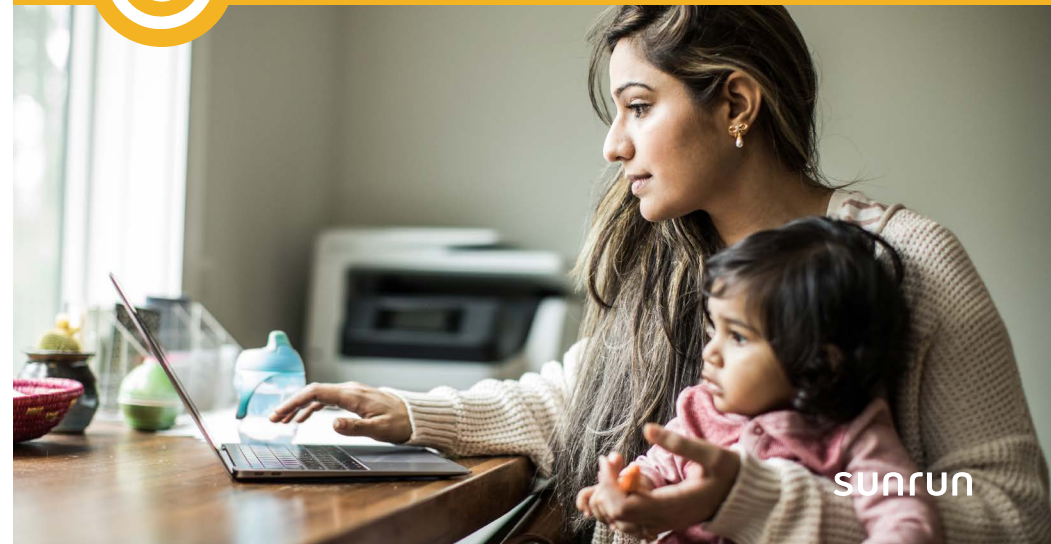
In 2020, Sunrun has continued its efforts to utilize electric forklifts in the majority of its warehouses. Electric forklifts have many benefits, including the elimination of tailpipe emissions (reducing GHG emissions), less components and maintenance, and a lower cost of ownership over the life of the equipment.

Vendor Sustainability

Sunrun works with vendors that share our commitment to creating a better, greener, and kinder planet. That's why we included policies on environmental protection and sustainability as well as responsible mineral sourcing in our Vendor Code of Conduct, adopted in January 2019. We expect all of our vendors to adhere to the policies set forth in Sunrun's Vendor Code of Conduct.

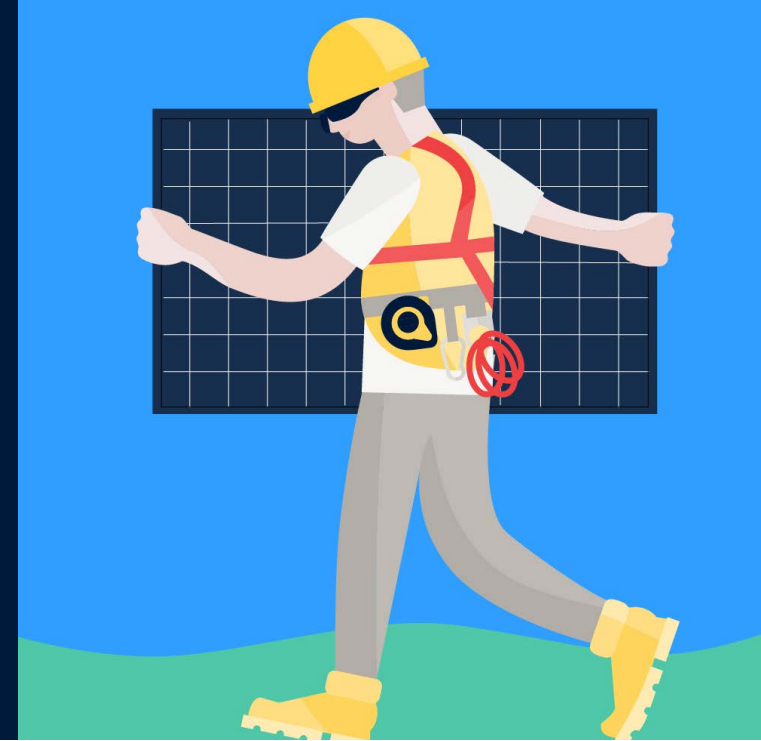
Responding to COVID-19

Sunrun followed the Center for Disease Control recommendations and state/local mandates to reduce communal transmission. We went to 100% work-from-home in all but one corporate office. In that one office supporting business-critical work, we required that building capacity not exceed 15%, set desks six feet apart, created traffic flow lanes, mandated mask wearing, and created a unidirectional stair system. In addition, we instituted regular deep-sanitary cleaning to create the most healthy work environment possible, as recommended by top epidemiologists.



In 2020 alone, Sunrun redeployed or recycled more than **one megawatt of solar panels.**

That's roughly 6,000 panels or 250,000 lbs.



Equipment Recycling

As we continue to grow and deploy systems, we bear significant responsibility for managing the end of life for our hardware. That's why Sunrun integrates product end-of-life considerations into our EMS and plans to decommission, redeploy, resell, or recycle our energy systems. In 2020 alone, Sunrun redeployed or recycled more than one megawatt of solar panels. Sunrun uses monocrystalline and multicrystalline photovoltaic modules, thereby avoiding the mounting concerns about hazardous materials present in alternative chemistries such as thin-film modules. We are prepared to sustainably dispose of modules, batteries, inverters, and other electronic equipment used in installations through partnerships with third-party recycling and refurbishment vendors, such as 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 the [SEIA](#).

Responsible Mineral Sourcing

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

Sunrun recognizes that cobalt, a mineral used in some types of batteries, presents an increased risk of being sourced from areas associated with unfair labor practices. Because of this, we choose to work with battery manufacturers that share our commitment to responsible mineral sourcing. Some of our main suppliers are members of the [Responsible Cobalt Initiative](#), which aims to create a shared set of policies and increase transparency around the cobalt supply chain. Additionally, Sunrun will continue to evaluate battery innovations that may further reduce the mineral content of batteries.

SUNRUN

your neighborhood solar service



Societal Impact

The Workplace

At Sunrun, we strive to foster a culture of inclusive, connected and innovative teams. 2020 was a challenging year on a very human level, and we recognize the responsibility placed on our employees' shoulders. As we navigated this challenge, our core values were our guiding principles in leading the way.

Our workforce consists of both corporate employees who were forced to work from home for the majority of the year and essential frontline workers who continued to show up at job sites, providing essential energy services to Americans in need. Both of these groups embodied integrity and compassion, rising to the challenge during a pivotal moment in our company and societal history. Sunrun's executive team will be forever grateful for their work.

Sunrun's employees are our core differentiators. They embody Sunrun values and a culture of conscious leadership, coming together to do their best work everyday. We believe that human capital is one of our greatest assets, and will continue to make cultural improvements that reflect this belief.



Workplace Safety

Access to a healthy and safe workplace must be a fundamental human right, and ensuring the safety of Sunrunners, our customers, and local communities remains Sunrun's top priority.

In 2020, creating a culture of safety took on a different meaning. In addition to ensuring jobsite safety, we were tasked with helping a workforce of thousands navigate a raging pandemic.

COVID-19 Response

When Sunrun made the decision to close our corporate offices in March 2020, days before states enacted shelter-in-place orders, we assembled a COVID-19 Task Force to help guide us through the process. This group was composed of leaders from teams across the company, including Legal, Safety, Talent, Communications, Policy, Sales, Operations, and more. The aim of the task force was to ensure the safety and health of our employees and customers, the health of the company, and our ability to continue deploying critical solar energy to Americans at a time when more of us were at home using more power. Through weekly meetings and ongoing communications, the group helped implement and execute policies that supported the company through this unprecedented time. The work is ongoing; over time, the Task Force has been charged with establishing protocol for workers on and off job sites, outlining plans for return-to-work, communicating updates to the general workforce, and all other COVID-19 related tasks.



Employee Safety

In 2020, Sunrun acquired one of the largest solar energy companies in the United States, Vivint Solar. The two companies are deeply committed to employee safety and have created industry-leading programs to help drive positive results. The combined company is in the process of combining these best practices to create a new standard for the industry going forward.

Sunrun strives to be a leader for the industry in all aspects of workplace safety. Our growing safety team takes pride in training, reporting, and enforcing workplace safety for all employees. The backbone of a strong safety culture is trust; employees trusting their employer and the employer trusting their employees. We are creating an environment where employees feel empowered to help us create a safe place to work and we believe the success of these efforts will be seen in the continual improvement of our tracked safety metrics year-over-year.



TABLE 8
2020 Occupational Health and Safety Metrics

	2014	2015	2016	2017	2018	2019	2020
Total Recordable Injury Rate (TRIR)	2.02	4.07	4.74	3.92	3.21	2.27	1.66
Lost-time Incident Rate (LTIR)	0.22	1.2	1.54	0.76	0.37	0.41	0.17
Work-related	0	0	0	1	0	0	1
Fatalities (WRF)	0	0	0	0	0	0	0
Days Away, Restricted, or Transferred Rate (DART)	1.3	3.13	3.94	2.96	2.41	1.87	1.3
Near Miss Frequency Rate (NMFR)	0.86	0.85	1.54	2.86	2.78	3.34	2.39

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

Once again, compared to similar industries, like roofing, electrical and construction, Sunrun’s incident rates continue to be lower than all averages.

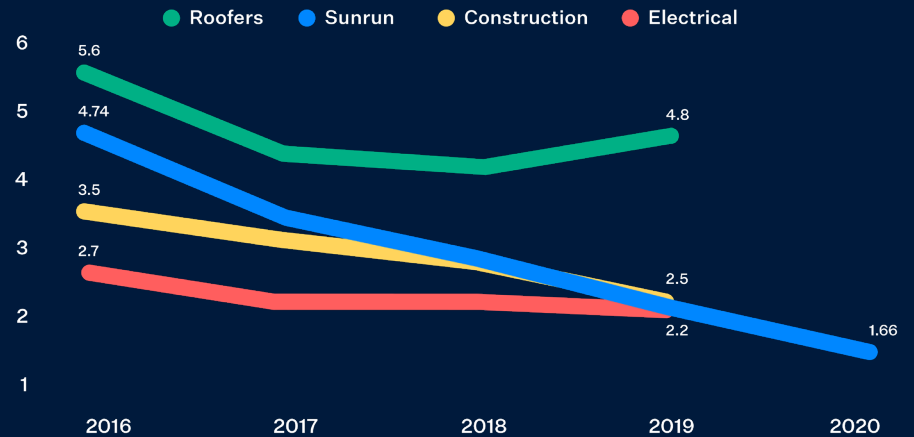
Our internal training programs are further strengthened by external certification and licensing agencies including journeyman and master electrician license holders, Certified Safety Professionals (CSP) through the Board of Certified Safety Professionals (BCSP), PV installation certifications from the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

In 2020, Sunrun also added the use of drones to do site inspections and audits, which has reduced the need for employees to climb on ladders and scale roofs to take necessary planning measurements.

TABLE 9

Recordable Incident Rates

Recordable Incident Rates are annual statistics based on the number of injuries expected per every 100 full-time employees



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



Sunrun added the use of drones to do site inspections and audits, which has reduced the need for employees to climb on ladders and scale roofs to take necessary planning measurements.

Verification and Compliance

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

Product Safety

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

Vendor Health and Safety

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

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



Only products that can be safely handled with basic personal protective equipment are accepted for use by Sunrun employees.

People and Communities

At Sunrun, the core of our talent programs and initiatives is to foster a culture of inclusive, connected, and innovative teams. In 2020, we focused on building a shared identity and strengthening our Sunrun culture of belonging, particularly as we managed the integration of Vivint Solar and our community navigated the challenges of COVID-19.

We ended 2020
with approximately
8,500 employees

The foundation of all our talent programs and initiatives is to foster a culture of inclusive, connected, and innovative teams.



Our Workforce

We ended 2020 with approximately 8,500 employees as a combined entity between Sunrun and Vivint Solar. At the company level, 86% of our employees are in frontline functions engaging with our customers. Our frontline consists of 49% of employees involved in installations, 37% in sales. Management and corporate functions comprise 14% of our total employee population.

Talent Integration

The integration of Sunrun and Vivint Solar created an opportunity to design a more efficient, best in class company that has the decision-making agility and nimbleness to ensure excellent customer service, care and efficiency.

At Sunrun, our goal is to listen to our employee feedback regularly and to that effect, besides off-cycle pulse, we run company wide engagement surveys. During this year, with the coming together of two companies, we ran a 'one-time' specific Culture survey (Organisational Health Index) to drive the integration of Sunrun-Vivint Solar. Integration survey in partnership with McKinsey. The objective was to identify our shared strengths, similar practices and areas of opportunity. We had participation from more than 60% of our employee base.

As a combined organization, we were in the top quartile relative to the global dataset. The two organizations were found to share leaders who set high expectations, high levels of motivation, and an open and trusting work environment. We identified coordination and control and external orientation as our priority areas. Action planning from the survey has been initiated with cadence on progress tracking.

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Diversity, Inclusion and Belonging

We believe that having a diverse workforce and an inclusive workplace better positions us to respond to our diverse customers. Diversity of thought and experience is critical to the innovation and development of new ideas. In 2020, Sunrun reinforced our efforts by hiring a new Head of Diversity, a new Head of Talent Management, and introducing a series of employee and manager programming to support the belief that everyone has a responsibility to make Sunrun and our communities more inclusive.

Employee Programming

New employee programming in 2020 included a monthly “Candid Conversation” series, podcasts, and wellness events including mental health, fitness challenges, self care and financial education events.

CANDID CONVERSATIONS are a monthly livestream for all employees to encourage and guide discussions about difficult topics in a psychologically safe environment. Some of the topics in 2020 included ‘Microaggressions;’ ‘Being Black in Corporate America;’ ‘Environmental Justice;’ and ‘Disability at Work.’

PODCASTS were started to help bring content to our frontline employees in a format that is easier for them to engage. Some of the topics in 2020 included ‘Pronouns, Gender Identity & Gender Expression’ and ‘Code Switching.’ In addition, all of the monthly livestream Candid Conversations are converted to podcast format for employees who couldn’t attend.

MONTHLY MENTAL HEALTH REMINDERS AND WELLNESS EVENTS are shared with employees to reiterate the importance of leaders to check in with their teams and ensure self care for all of our Sunrun employees.



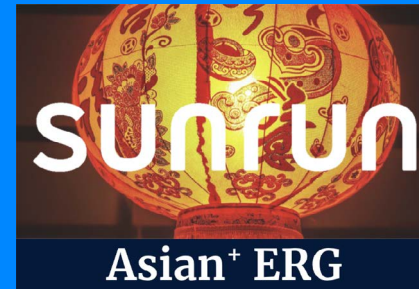
Candid Conversations are a monthly livestream for all employees to encourage and guide discussions about difficult topics in a psychologically safe environment.

Employee Resource Groups

This year Sunrun formed six Employee Resource Groups (ERGs) that have grown to a membership of approximately 850 employees as of December 31, 2020. The groups include Sunrun's Asian+, Black+, Latinx+, Pride, Veterans and Women's ERGs. These ERGs promote connection among our employees and assist in the development and facilitation of programming that supports personal and professional development while also supporting the company's objectives. Some examples included an internal career showcase to encourage career growth, organizing Candid Conversations, and supporting religious and cultural holidays.

Sunrun also formed a Diversity, Inclusion and Belonging (DI&B) Senior Leadership Council to enhance our efforts toward creating a space that nurtures and develops people from all backgrounds. The Council consists of Directors, Senior Directors and Vice Presidents from across various business unit functions who meet monthly, who advise the ERG leadership teams and act as a steering committee for our company DI&B initiatives.

Sunrun formed six **Employee Resource Groups (ERGs)** that have grown to a membership of approximately 850 employees.



Talent Acquisition and Talent Management

We are proud to be an equal opportunity employer and a welcoming place for everyone without consideration of race, color, religion, ethnicity, citizenship, political activity or affiliation, marital status, age, national origin, ancestry, disability, veteran status, sexual orientation, gender identity, gender expression, sex or gender, or any other basis protected by law.

We leverage tools that improve the inclusivity of our job postings, and in 2020, we formed a Talent Communities team to increase our efforts to identify a more diverse pool of candidates. We have also committed to ensure all slates of diverse candidates for all Director and above open roles.

We believe that investing in the career growth of our employees is paramount to developing and maintaining our competitive advantage. Another example of this is in 2020, we identified multiple opportunities to support that objective including sponsoring ten employees who identify as Black+ to attend the Executives Leadership Councils Mid-Level Managers Symposium and sponsored six employees who identify as LGBTQ+ to attend the Out & Equal Workplace Summit.

Sunrun believes in respecting and appreciating the unique cultures and celebrations of our employees. In 2020, we added seven culturally significant and religious observance holidays to our flexible holiday options including Juneteenth, Lunar New Year, Diwali, Eid al-Fitr, Indigenous People's Day, Yom Kippur and Hanukkah.



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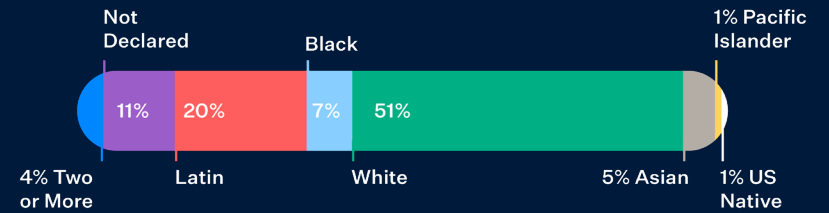
Demographics

Achieving a more diverse workplace begins with understanding our current demographics. In the fourth quarter of 2020, Sunrun launched a Personal Information Self-ID campaign to encourage employees to voluntarily share their unique identities by updating their gender and race/ethnicity. We also added new fields for gender identity, sexual orientation and pronouns. This effort helped us better understand our employee population.

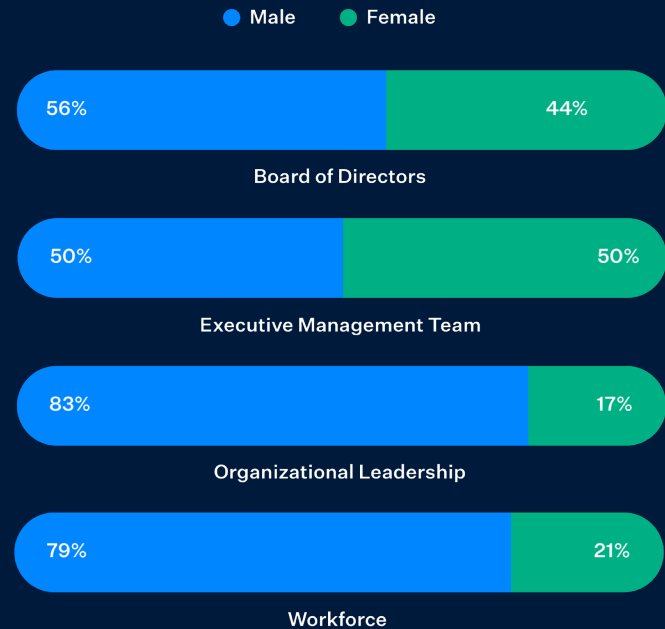
As of December 31, 2020, women comprised 44% of Sunrun’s Board of Directors and 50% of our executive management team. Our organizational leadership included approximately 21% women, and approximately 23% of all Sunrun employees are women.

In 2020, women made up 44% of our Board of Directors, and 50% of our senior executives.

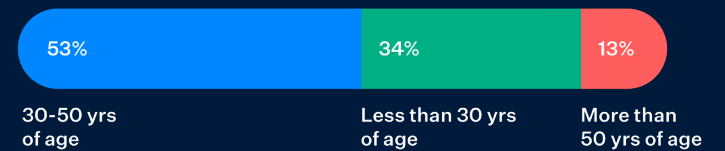
Ethnic Diversity



Gender Diversity



Age Diversity



Conscious Leadership and Talent Development



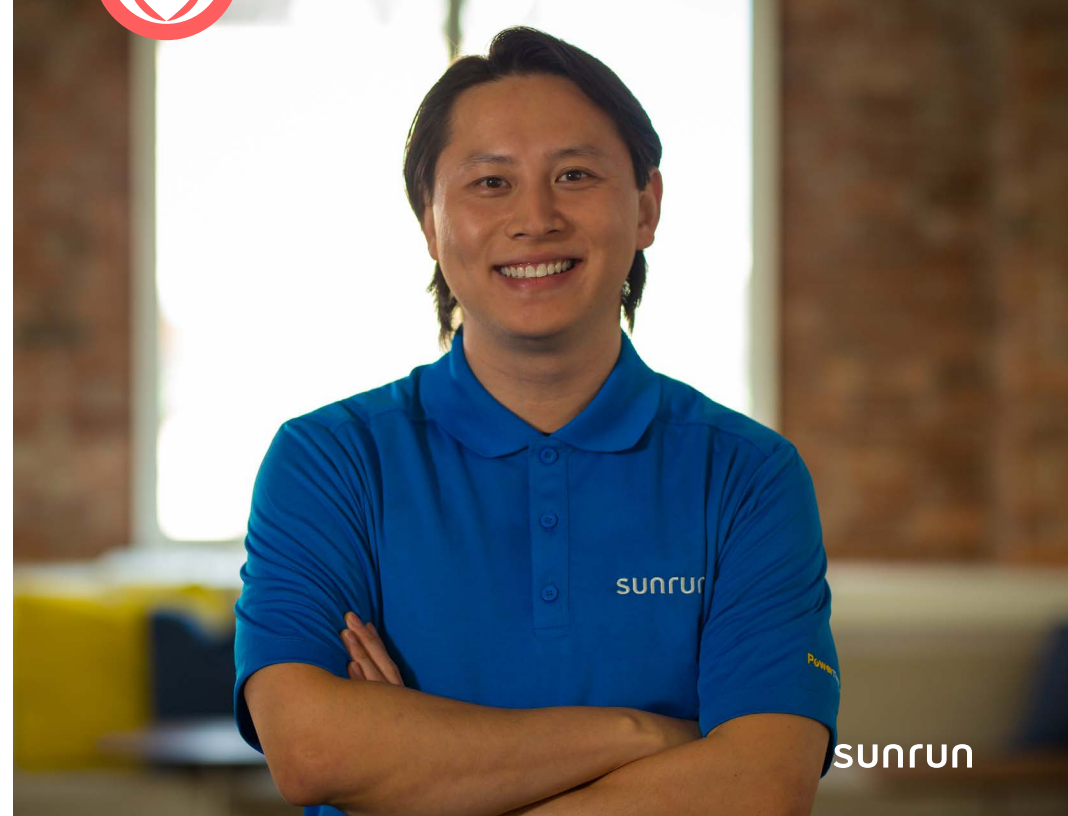
We believe that people do their best work when they are supported by human-centered, engaged leadership. In 2020, Sunrun launched a “Conscious

Leadership” program and plans to cover all of the first four management layers through an intensive leadership development program. Our multi-pronged approach includes training, one-on-one coaching, embedding Conscious Leadership principles in our talent programs and supporting these efforts through robust communication. Led directly by Sunrun CEO Lynn Jurich, the Conscious Leadership initiative drives how we operate and engage as a leadership team and contribute to Sunrun culture and leadership.

In 2020, we also developed and rolled out a succession of management strategies, which covered all of our executives roles and critical Vice President / Senior Vice President roles. We have a strong bench of successors in all the key company roles, with more than 80% supported by a succession-ready candidate in one to three years. Not only is the succession bench strong, but because we integrate our diversity principles directly into our succession management strategy, the diversity of candidates is also strong. Our next step is to develop and execute a developmental strategy for successor readiness and offer our leaders growth opportunities across the company.

To support holistic career development, we have a “check-ins” system for all employees. This is an ongoing process with three formalized touch points during the year. This approach helps managers and employees align on expectations, discuss progress, provide feedback, and engage in an ongoing dialogue about career aspirations. We will continue to build the connection between company goals and check-in conversations to manage outcomes and make work meaningful for employees.

Because we integrate our diversity principles directly into our succession management strategy, the diversity of candidates is strong.



Talent and Pipeline Development

Despite the pandemic-related barriers, Sunrun added approximately 6,200 new hires to its workforce in 2020. The majority of these roles (93% of all of hires) joined our frontline sales and operations team.

To accelerate hiring for our critical sales and electrician roles, we are taking multi-pronged approach to ramp up the talent pool through the following efforts:

- Building partnerships with community colleges, workforce development programs, and organizations that specialize in sales and electrical skill sets.
- Hire talent from diverse backgrounds by building talent communities through our ERGs and focusing on veteran hiring. We made progress in 2020 by increasing ethnic diversity of the workforce by 3%.

In 2020, Sunrun created internal opportunities for 13% of our employees into new roles across the organization. The pace of our growth requires a deep focus on developing and retaining talent. Sunrun launched multiple talent development initiatives to support these efforts, including:

- The Talent team programmed internal mobility across key sales roles.
- Developed learning pathways and career progression models for talent to get certified in the electrician skill set.



Sunrun was honored with four awards from Comparably in 2020 for having a **top performing company culture** based on feedback from our employees.

Compensation, Wellness and Benefits

Sunrun is committed to providing a living wage of at least \$15 per hour to all employees. We are working to revise wages and salaries of employees in order to address this commitment.

Sunrun is actively working to differentiate ourselves in terms of total rewards and benefits to help us to attract and retain our talent.



2020 Highlights

We developed a robust COVID-19 leave policy to support employees:



We implemented a remote worker policy for non-field employees.



For field employees, the COVID-19 Safety Taskforce has continued to establish protocols in accordance with the latest guidance from government agencies to keep our employees safe.



We conducted approximately 15 sessions across wide ranging topics to support mental health, financial literacy and well being, with participation from about 75 employees per session. We are committed to enabling a work-life balance and improving the personal lives of our employees.

Paid Time Off

- We believe it is important for our employees to spend time with their families and focus on personal well being. We offer 11 paid holidays and paid time off for non-exempt employees, and freedom time off for all exempt employees.
- Additionally, Sunrun offers two paid volunteer days per year to allow our employees to help build stronger communities, one annual flexible holiday, and 10 days of paid leave for active military service.
- Sunrun also provides ten weeks of paid parental leave for all employees who have been at the company for more than a year.

Pay Parity at Sunrun

Sunrun also continues our commitment to the following pay parity pledges:

- White House Equal Pay Pledge of 2016 under the Obama Administration
- The California Equal Pay Pledge developed as part of the partnership between the California Commission on the Status of Women and Girls and the Office of California First Partner Jennifer Siebel Newsom (April 01, 2019)

List of Benefits

Full-time employees are eligible for the Sunrun benefits package, which includes medical, dental, vision, life, and disability insurance. Employee benefits also include:

Employee stock-purchase plan (ESPP) and a 401(k) retirement plan.

A company match feature to the 401(k) plan, under which Sunrun matches each employee's contributions up to a specific percentage. Part time employees are also eligible for ESPP and 401(k)

Maven maternity and paternity program for new parents with 24/7 concierge services, on-demand digital clinics, and online community forums

Tobacco Cessation Programs

Weight Watchers memberships

Stress relief services

Telemedicine services for fast assistance with general health and behavioral health needs

An employee discount program, which includes fitness center discounts

Employee assistance program

Tuition reimbursement

Workforce Development

Product training and the customer journey are essential focuses at Sunrun. We offer learning resources to help our employees provide positive experiences to our customers, in addition to development training for all employees and leadership training for managers. In 2020, we built the new hire orientation program to support remote onboarding and launched programs on code of conduct for sales to strengthen our governance practices. We required training to prevent harassment and discrimination and to reinforce Sunrun's commitment to an inclusive workplace. We have a robust library of online materials including electronic learning modules from third parties, as well as over 380 custom, in-house-developed online modules. The modules range from two-minute "how to" videos to complex, multi-hour training programs. Employees spent over 40,000 hours completing online learning in 2020. Our skill-based employees take advantage of classroom training, hands-on training, and distance learning in the form of webinars. We delivered 272 days of instructor-led training in 2020. Online Resources LinkedIn Learning is an on-demand learning solution designed to provide our employees with the tools to take charge of their development, gain new skills and advance their current role and overall careers. In 2020 Sunrun had 969 active users on LinkedIn Learning who have logged more than 1,746 total hours developing their skills. The portal averaged 1 hours and 20 minutes per viewer.



We offer learning resources to help our employees provide positive experiences to our customers.

Meeting Global Challenges With Local Solutions

Energy is [responsible for 80%](#) of carbon emissions. The extreme weather events and the pandemic in 2020 showed us our system has to change now. The energy sector drives the global economy, changes lives, and impacts our planet.

These points were driven home in 2020 as customers were forced to shelter-in-place not only during a global pandemic, but through unprecedented wildfires and electricity shutoffs, increased extreme weather, and political upheaval. Now, more than ever, people strongly desire to control their own energy in a clean, reliable and resilient way. This will be even more important as consumers shift toward electrifying their homes and vehicles, increasing the value proposition for homegrown solar energy paired with battery storage.

In 2020, Sunrun swiftly responded to this seismic shift in customer need by changing the way we sell and deliver our products to customers. We developed tools and strategies to make the process of going solar more digital and contact-free. Despite the pandemic's economic fallout, we still saw record-breaking sales figures at certain moments and a general increase in interest from around the country. As we scale, we are continuing to embrace the innovative spirit that brought us to this point. Throughout 2020, we focused on networking our customer homes into what's known as "virtual power plants," emerging stronger as a business when faced with barriers, expanding access to solar and batteries for all Americans, and advancing policy that supports clean energy.



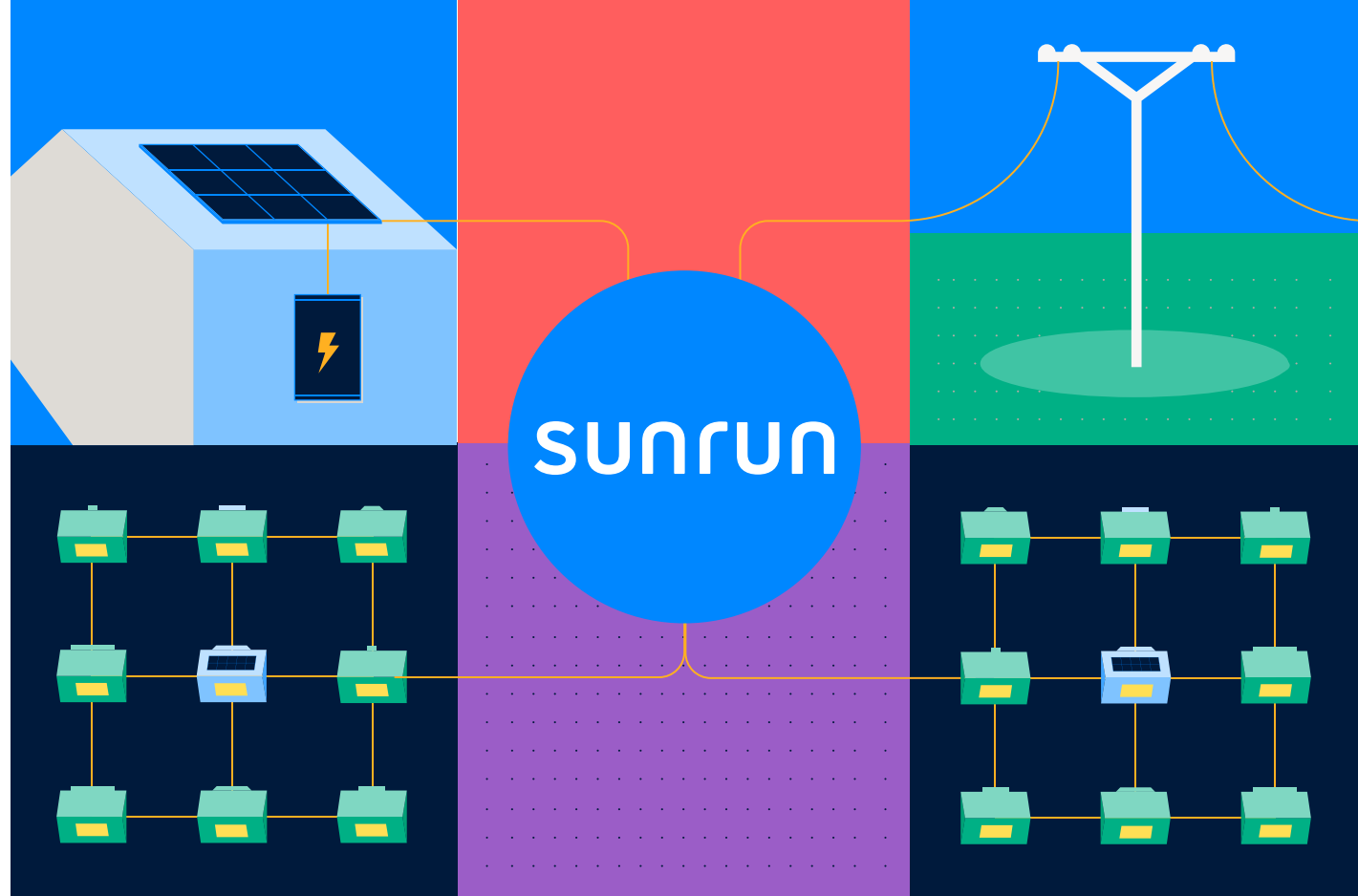
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Valuing Home Batteries Through Energy Services

Backup power is a primary driver for most customers who choose to add a Brightbox battery to their home solar energy system. When not providing backup power, home batteries can also unlock additional value streams for our customers and completely transform our energy system into a more efficient, sustainable and affordable model.

Networking home solar and batteries together into a virtual power plant will play a critical role in creating a 100% clean energy future. They maximize the value of individual batteries without sacrificing benefit to the customer, while also creating a more efficient, resilient, and affordable grid for all energy consumers.

That's why Sunrun is committed to building out distributed energy systems across the country. We currently have 12 virtual power plants in contract across the country, requiring thousands of solar and battery-powered homes to participate. These virtual power plants will help us shutdown polluting, expensive fossil fuel plants.



Sunrun currently has **12 virtual power plants** across the country. These will help us shutdown polluting, expensive fossil fuel plants.

Partnering with Community Choice Aggregators (CCA)

In 2020, Sunrun won a contract with East Bay Community Energy (EBCE) CCA to help replace a retiring jet-fuel power plant in one of the most polluted communities in the Bay Area with home solar and battery systems. These batteries are being installed on low income housing in Oakland and Alameda, CA, providing a strong example for how Americans of all income levels can benefit from and engage in our energy future. Through this project, Sunrun will bundle solar energy stored in home battery systems and send it back to the electricity grid as a virtual power plant, helping to provide power to the whole community.

In addition, Sunrun signed an agreement to install up to 20 megawatts of solar-battery systems for about 6,000 homes served by CCAs East Bay Community Energy, Peninsula Clean Energy and Silicon Valley Clean Energy. The systems will provide backup electricity in case of a power shutoff at each home and can be networked together to build virtual power plants. These networked systems can help reduce peak power demand and use local resources to stabilize the operation of California's electrical grid in real-time.

Providing Capacity at Times of High Demand

In 2020, Sunrun contracted with Southern California Edison (SCE) - one of the largest utilities in the United States - to increase grid resilience and lower power costs for all energy consumers. SCE will send signals to Sunrun during high-demand events such as extreme heat waves when the energy grid is strained. In response, Sunrun will dispatch energy from thousands of its Brightbox batteries installed in the SCE territory, providing five megawatts of energy capacity to help support the overall energy system.

The systems will be part of the California Independent System Operator's Resource Adequacy program, setting the stage for distributed assets to compete with other demand response solutions that are more expensive, polluting, and inefficient. By bundling the power from these batteries together to create a virtual power plant, Sunrun will release stored solar energy to the grid when it's needed most, lowering the overall cost of power and reducing critical strain on the energy system. At least 10% of the capacity will be provided from Brightbox systems installed on low-to-moderate income households.

Bring-Your-Own-Device

Sunrun continued its co-development and participation in bring-your-own-device (BYOD) programs in 2020, signing a deal to bundle more than 300 Brightbox battery systems and deliver clean solar power to the electricity grid when called upon by New York state-based utility Orange & Rockland (O&R). Customers can enroll in the O&R-sponsored program using their Sunrun Brightbox rechargeable battery system. Sunrun helps bundle and coordinate the energy stored in the systems, forming a virtual power plant to partially offset demand on O&R's electricity grid in key areas, while providing clean, reliable, locally-generated solar power to residents in Orange and Rockland service territory.

The program is a win across the board. Sunrun earns compensation from O&R for managing and dispatching the networked home solar and battery-stored energy. O&R will in turn benefit by leveraging these local resources to reduce electricity load on O&R's heavily used distribution system in these areas. By participating in this program, O&R customers will gain access to clean, reliable energy provided by Sunrun's home rooftop solar and Brightbox battery storage systems at a discounted rate.

Emerging Stronger

Vivint Solar Acquisition

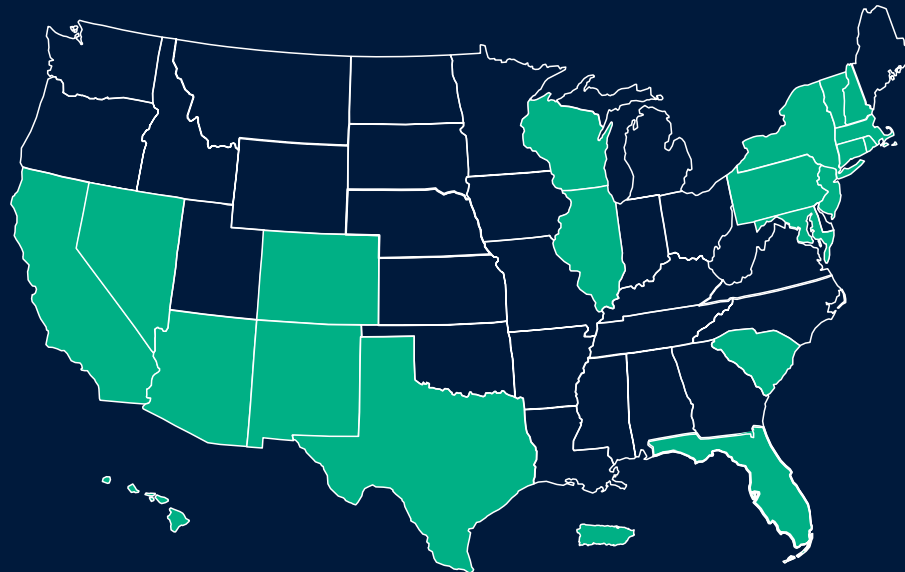
Despite the global challenges of 2020, Sunrun embraced opportunities to emerge stronger. Sunrun accelerated scale with the acquisition of Vivint Solar, ending the year with 550,000 customers and solidifying our position as a top owner of solar assets globally with nearly four gigawatts of Networked Solar Energy Capacity. Together, with a shared vision to create a planet run by the sun, Sunrun and Vivint Solar empowered more families to take control of their energy future by increasing customer choice in how they create and consume power.

Market Expansion



Record storms, heat waves, and wildfires in 2020 once again exposed vulnerabilities within the electric grid's aging infrastructure, leaving millions of people without power. These outages came as millions of Americans worked and schooled from home due to the COVID-19 pandemic. Sunrun's Brightbox provides households the ability to power through such power outages with clean, reliable and immediate home energy.

Sunrun announced in November 2020 that it would bring its rechargeable solar battery system, Brightbox, to all of the company's active markets to help address this growing need. With this announcement - along with our expansion into Florida Power and Light territory - Sunrun expanded access to millions of new potential customers. **We currently have 16,000 Brightbox customers across the country.**



Sunrun's rechargeable solar battery system, Brightbox, is now available in all our active markets.

New Technology

When the world was in lock-down, Sunrun quickly pivoted to a more virtual sales process as it continued to operate as an essential service. We launched drone-based site-inspections at 80% of branches, allowing Sunrun to better serve customers through digital technology. The shift to a more digital process overall enabled us to keep our customers and employees safe, while continuing to deliver this critical technology.

Reducing Soft Costs

In October, the National Renewable Energy Laboratory (NREL) launched a no-cost, no-touch software system to streamline rooftop solar permits called Solar Automated Permit Processing (SolarAPP). This free, online permitting platform will enable automated compliance reviews and instant permit approval. Faster permits lead to faster installs and improves overall customer experience. As society races the clock against the climate crisis, accelerated and safe installations of solar and storage allow homeowners to take action, while also helping cities and counties hit environmental goals on time. Additionally, clustered deployment of solar and storage within a city or county border creates a more resilient constituency. Concentrated growth sets the stage for micro-grids and virtual power plants, which can keep the lights on when wildfires and other disasters increase the likelihood of power outages. Since installers pay a fee for every system they install within a city or county, local governments also benefit from the increased revenues and economic development SolarAPP supports in their territory.

On the industry side, SolarAPP eliminates a resource-intensive and time-consuming review process by instantly calculating whether a proposed residential solar system is compliant with safety and code standards. Since external softs costs and delays can result in an additional \$7,000 per project for customers, employing SolarAPP shows great promise and is steadily gaining traction. Sunrun plans to support the growth of SolarAPP in order to reach many local building and permitting authorities in the coming year. Additionally, \$35 million passed by Congress in December 2020 to reduce solar soft costs is expected to accelerate SolarAPP adoption among local governments.



We launched drone-based site-inspections at 80% of branches, allowing Sunrun to better serve customers through digital technology.

Expanding Access to Solar Energy

In 2020, the world reckoned with deeply entrenched injustices embedded throughout the economy and society. While Sunrun has always partnered with key allies to help expand solar energy in underrepresented communities across the country, we took stock of our impact on the energy industry and how we could best mitigate disadvantages for our most vulnerable populations. Everyone has a right to clean energy, regardless of race, background, or ethnicity. Sunrun is committed to enabling more access to clean energy like solar and batteries in the communities that need it the most and ensuring a diverse, welcoming workforce.



BLACKS IN GREEN, CHICAGO

In 2020, Sunrun continued its partnership with [Blacks in Green \(BIG\)](#), an environmental economic development organization designed to tackle pollution and poverty in Chicago's underserved communities.

The goals of the partnership are to increase opportunities for South Side Chicago homeowners to access clean, affordable home solar energy, as well as increase clean energy career opportunities for residents in traditionally underserved and underrepresented communities. Sunrun and BIG work together to expand access to no-cost solar programs for income-eligible families through the [Illinois Solar for All Program](#).



GRID ALTERNATIVES

For nearly a decade, Sunrun has partnered with [GRID Alternatives](#), a national non-profit leader in making renewable energy technology and job training accessible to underserved communities. In 2020, Sunrun and GRID teamed up to offer 100% free battery systems to low-income customers in wildfire-prone regions of California to provide much-needed backup power when the grid is down. The batteries are funded through [California's Self-Generation Incentive Program \(SGIP\)](#) Equity Resiliency Budget.



RISING SUN CENTER FOR OPPORTUNITY

Sunrun partnered with the [Rising Sun Center for Opportunity](#), an Oakland-based non-profit building career pathways for economic equity and climate resilience. From Oakland to Stockton and the Central Valley, the organization serves as a green training, employment, and residential energy efficiency organization grounded in equity. Sunrun is also exploring opportunities to hire from Rising Sun's Opportunity Build program, which provides free construction job training and placement to adults facing barriers to employment.



WE ACT

Sunrun launched a partnership with [WE ACT for Environmental Justice](#), a nationally-recognized, New York based organization that advocates for fair environmental health policies for people of color and low-income families. The purpose of the partnership is to advocate for state, local, and federal policies that expand access to solar, grid resiliency, and economic empowerment for people of color and low-income families.

Expanding Access to Solar Energy



HONNOLD FOUNDATION

Sunrun joined forces with the Honnold Foundation, a nonprofit founded in 2012 by prominent rock climber, Alex Honnold, to launch a new grant fund in 2020. The fund, called the Community Fund, will offer non-restricted grants to community-based nonprofits led by Black, Indigenous, and People of Color (BIPOC) in the most polluted places in America to install solar. Sunrun donated solar equipment and a monetary contribution for use in Community Fund solar power installations.

In addition to the Community Fund, Sunrun will be partnering with the Honnold Foundation on solar panel donations to the Solar Holler project in West Virginia. Together with Solar Holler, the groups will be funding a 122.2kW solar system for Coalfield Development's West Edge community facility and supporting a comprehensive solar job training program for former coal miners.



CHANEL

Environmental advocacy has expanded beyond the energy world into industries like fashion. The international fashion brand Chanel committed \$35 million toward a partnership with Sunrun to build solar energy projects for low-income multifamily households. This is expected to provide clean solar power to nearly 30,000 low-income residents across California, offering families on average up to \$40 to \$50 a month in energy cost savings. The investment also supports more than 20,000 hours of job training in the first year, offering valuable vocational skills and certifications to hundreds of people in disadvantaged communities. Approximately 30 megawatts of solar energy systems on affordable multifamily properties throughout California are expected to be financed through this partnership.

The Chanel/Sunrun partnership sets a bold example and model of leadership for other businesses. With Chanel's investment, more people gain access to clean, reliable solar energy. This innovative approach to corporate social responsibility can become a blueprint for companies across the globe looking to invest in our planet's future.

Advancements in Policy

In 2020, Sunrun worked with clean energy advocacy groups, policymakers, and individual advocates to create and protect policies that expand access to clean energy technology like home solar and batteries.

Policymakers from both sides of the aisle offered a clear message to the American people that we need to reimagine our energy system and deliver more local, reliable, and clean energy for all. In an October 2020 debate, President Biden spoke about advancements in solar-powered home battery technology and committed to installing millions of panels over the next several years. In December, Republican former President Trump signed legislation passed by a Republican-controlled Congress that extended solar tax credits at the current rates.

Sunrun also achieved groundbreaking state and local energy policy progress. All of these decisions are critical to laying the foundation for a better future energy system and putting people at the center of the solution. We have the technology today to fight climate change and put people back to work. Our teams are working tirelessly to pursue an aggressive electrification agenda and help more people gain access to rooftop solar and batteries.



President Biden spoke about advancements in **solar-powered home battery technology** and committed to installing millions of panels over the next several years.

Valuing Distributed Energy

Sunrun worked with a group of solar companies, advocacy groups, and energy experts to create the “Local Solar for All” coalition, which aims to highlight the untapped value of local clean energy assets. The group released a [2020 report](#) finding that significant investments in local solar and batteries could create nearly **\$500 billion in savings for all energy consumers** compared to sinking investment into the same outdated energy system. This future would create more than two million jobs to build one of the cleanest, lowest-cost energy grids imaginable.

The Federal Energy Regulatory Commission (FERC) reinforced the value of local solar and batteries through Order Number 2222, which announced that distributed energy assets can participate in the bulk wholesale markets where traditionally only centralized power plants operated, with few notable exceptions such as Sunrun’s 2018 capacity contract in ISO-NE. In developing 2222, Sunrun worked with other key industry stakeholders to file comments and participate in key technical conferences in support of the order. We are now working with stakeholders nationwide to ensure the markets comply with the order. A positive outcome will eliminate barriers for distributed energy resources like home solar and batteries to participate in wholesale energy markets, paving the way to unlock the maximum value of this technology.

“Order 2222 is a landmark, foundational rule that paves the way for the grid of tomorrow.”

NEIL CHATTERJEE

Republican FERC Chairman

Significant investments in local solar and batteries could create more than two million jobs to build one of the cleanest, lowest-cost energy grids imaginable.



Securing the Future

The future for solar energy is very bright as technology and installation costs continue to decline. In 2020, to support the industry's continued growth and solar deployment, Congress passed bipartisan legislation to extend the solar investment tax credit (ITC) at 26% for two more years. The legislation delayed the scheduled ITC step-down to 22% until 2023.

Additionally, in 2020 the U.S. House of Representatives passed a five-year ITC extension at 30% as part of the GREEN Act. Sunrun and the broader industry are working with a variety of stakeholders to advance that legislation in the new Congress and White House, making solar and batteries even more accessible to Americans at a time when they are needed most.

Local Solutions

Energy policy is still 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 2020. The company worked with key local and national stakeholders to ensure fair compensation for home solar and batteries, cut red tape to increase access to this critical technology, expand regional utility partnerships, and generally improve customer satisfaction.



Solar on Multifamily Affordable Housing

Sunrun collaborated with the Solar on Multifamily Affordable Housing (SOMAH) program administrators, nonprofit affordable housing developers, and workforce development groups to enable faster deployment of rooftop solar projects for low-income renters in California. This successful group effort created an alternative two-payment structure, called the Progress Payment Pathway, to speed payments to eligible projects while safeguarding public funds. The pathway pays 60% of the total approved state-funded SOMAH incentive upon proof that the solar installation is complete, and holds the remaining payment until the applicant has received sign-off from local building officials and full permission to operate from the utility. By smoothing cash flow and significantly lowering the total working capital required for each solar project, the Progress Payment Pathway will reduce barriers to participation, particularly for smaller solar contractors and host customers with limited capital, and ultimately increase the number of low-income families in California who benefit from solar savings and cleaner air.

Outages From Coast to Coast

During the summer of 2020, widespread outages swept across the United States. On the West Coast, California's worst-ever fire season burned more than four million acres, killed dozens, and left millions more without power. This was all after a massive heat wave forced rolling blackouts for the first time in 20 years. On the East Coast, Hurricane Isaias caused 1.4 million people in New Jersey to lose power, similar to the much more powerful Hurricane Sandy nearly a decade earlier. Extreme weather is not abating, and our current electric grid is not meeting our needs. However, we now have the ability to respond to and prevent these tragedies while fighting against climate change.

In California, a few thousand forward-thinking residents with solar-powered rechargeable batteries provided critical support by feeding power into the grid when it was most strained, helping reduce the magnitude of the blackouts. These homeowners were also able to power through the outages with the remaining electricity stored in their batteries. By advancing local clean energy technology, people can keep their lights on and reduce the demand for electricity on our overall grid when it is most fragile.

Today, there are more than one million solar roofs in California and more than 120,000 in New Jersey. A growing subset of these also have batteries, which keep the lights on during grid failures, something that decades of utility spending billions of dollars can't seem to fix.

At this pivotal moment in our nation's energy transition, we can turn this crisis into an opportunity to build a stronger, cleaner and more resilient energy system. Generating and storing clean power lowers electricity costs and emissions, offers individual backup power during outages, and reduces the frequency of blackouts for the greater community.



Battery Backup

ALL TIME:	Events: 42,325	Duration: 282,155 Hours (~11,800 Days)
2020:	Events: 25,167	Duration: 129,312 Hours (~5,400 Days)

*Sunrun monitoring statistics only date back to Q1 of 2019



Sunrun's Governance

At Sunrun, operating our business with integrity, responsibility, and accountability is a priority. We believe having a culture of compliance with strong governance practices promote 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.

The foundation of operating responsibly is our relationship with our employees and business partners. 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, our Human Rights Policy, our Vendor Code of Conduct, and other related governance policies, which are reviewed annually by the Nominating and Governance 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.

Sunrun maintains a strong open-door policy, a confidential employee hotline administered by an independent company, and an employee-relations team in our human-resources function dedicated to thoroughly and fairly investigating all employee complaints.

We work to continually enhance the structures, policies, and internal controls that support and promote accountability, transparency, and ethical behavior.



Board of Directors

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

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

Human Rights Policy

Our board of directors adopted a Human Rights Policy to codify our commitment to human rights, including the following key impact area: (i) protecting of 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 rests with our ESG Executive Management Committee and with the Nominating and Corporate Governance Committee at the board level.

Vendor Integrity and Ethics

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



Sunrun's Board of Directors has **four female members**, including our CEO Lynn Jurich.

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 or against any person who assists in any investigation. Sunrun also requires that vendors strive to allow their workforces to raise similar concerns without fear of retaliation.

2021 Compensation Governance & Philosophy

For 2021, 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 the introduction of performance-based equity awards. The performance-based equity awards will be multi-year awards tied to our achievement of certain synergies related to our acquisition of Vivint Solar and performance targets measured by Total Value Generated. 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 "clawback policy" that would allow us to recover certain cash or equity-based incentive compensation payments or awards made or granted to certain 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.

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.

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




Sustainable Development Goals (SDG)⁵

We are proud that our business aligns with The United Nations' Sustainable Development Goals (UN SDGs). This set of 17 goals is designed to eradicate poverty, eliminate inequalities, and spur the creation of a sustainable and resilient global society. Sunrun is pleased to support the goals through the following contributions:


SUSTAINABLE DEVELOPMENT GOALS

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. We have already saved over 100,000 low-and-moderate income household residents more than \$10 million dollars in energy cost. We have also supported more than 3,500 hours of job training for residents of these communities.

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 hundreds of millions of dollars in energy costs.

3 GOOD HEALTH & WELL-BEING



Sunrun has generated more than eleven billion kilowatt hours of clean energy since 2007 and prevented 8.1 million tons of CO₂ equivalent 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.

4 QUALITY EDUCATION



Sunrun promotes and supports solar job training programs in disadvantaged communities throughout all across the country. We have supported tens of thousands of hours of job training over the past decade, working with partners like GRID Alternatives, Blacks in Green, Chicago Urban League, Rising Sun, National Latino Education Institute, NAACP Solar Equity Initiative, and several others.

5 GENDER EQUALITY



In 2018, Sunrun became the first national solar company to achieve 100% gender pay parity. We also committed to the White House Equal Pay Pledge in 2016 and the California Equal Pay Pledge and offer equal parental leave for men and women. As of December 31, 2020, women made up 50% of our executive team, and 43% of our Board of Directors.

6 CLEAN WATER & SANITATION



We are integrating product end-of-life considerations into our environmental management system (EMS) and are preparing to decommission, redeploy, resell, or recycle, our energy systems. Responsible cradle-to-grave management of product life cycles is a key factor in maintaining our clean water reserves.

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

AFFORDABLE & CLEAN ENERGY

This goal is the underlying mission for our entire 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.

8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK & ECONOMIC GROWTH

Financial sustainability and ethical business practices are core to the company’s philosophy. We ended 2020 with more than 550,000 customers, an 18% year over year increase, pro-forma to include the acquisition of Vivint Solar. We are now one of the largest solar asset owners in the world.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INDUSTRY, INNOVATION & INFRASTRUCTURE

Sunrun is constantly innovating to build the energy system of the future. We are creating a vast network of connected homes with solar-powered battery systems to create what’s known as “virtual power plants.” Sunrun has 12 virtual power plants in contract with many more planned for the future. These will help displace fossil fuel plants one by one.

10 REDUCED INEQUALITIES

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.

11 SUSTAINABLE CITIES AND COMMUNITIES

SUSTAINABLE CITIES & COMMUNITIES

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

RESPONSIBLE CONSUMPTION & 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 are integrating product end-of-life considerations into our EMS and plans to decommission, redeploy, resell, or recycle our energy systems.

13 CLIMATE ACTION

CLIMATE ACTION

Creating a clean, reliable and renewable distributed grid system is a direct adaptation to climate change. We are working every day to expand clean energy across the globe, and have already offset 8.1 million cumulative metric tons of carbon since 2007.

14 LIFE BELOW WATER

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 and has offset 8.1 million cumulative metric tons of carbon since 2007, helping to preserve our precious water-based environments.

15 LIFE ON LAND

LIFE ON LAND

Sunrun is committed to ensuring a more sustainable world and has offset 8.1 million cumulative metric tons of carbon since 2007, helping to preserve our precious land-based environments. We are putting solar on built environments like single-family and multi-family homes, which preserves our ever-decreasing open spaces across the country.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PEACE, JUSTICE AND 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 2020, we recommitted to and expanded our six Employee Resource Groups (ERGs) to create and sustain a workplace where everyone belongs.

17 PARTNERSHIPS FOR THE GOALS

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.



| Appendix

Glossary

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, 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.

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

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

Customer Additions represent the number of Deployments in the period.

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

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.

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.

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.

Net Subscriber Value represents Subscriber Value less Creation Cost.

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

Customers represent the cumulative number of Deployments, from the company's inception through the measurement date.

Subscribers represent the cumulative number of Customer Agreements for systems that have been recognized as Deployments through the measurement date.

Glossary

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.

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.

Gross Earning Assets is calculated as Gross Earning Assets Contracted Period plus Gross Earning Assets Renewal Period.

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.

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.

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.

Annual Recurring Revenue represents revenue from Customer Agreements over the following twelve months for Subscribers that have met initial revenue recognition criteria as of the measurement date.

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.

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.

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.

GHG Accounting Data Sources and Methodology

GHG Emissions

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

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

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

Extended Carbon Calculations

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

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

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

Calculations for prevented air pollution and water consumption are derived from expected average system production derated at 0.06% per year over 30 years for systems deployed in 2016 through 2019. Energy production was equated to prevented air pollutants and water consumption using information provided by the U.S. Geological Survey⁶ and eGRID's Year 2010 Summary Tables.

Reference Table to Global Reporting Initiative Standards

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

DISCLOSURE	DISCLOSURE LOCATION
GRI 102: General Disclosures	
Organizational Profile	
102-1 Name of the organization	Sunrun Inc.
102-2 Activities, brands, products, and services	Form 10-K, pp. 5-11
102-3 Location of headquarters	Form 10-K, pg. 26
102-4 Number of countries where the organization operates	United States
102-5 Nature of ownership and legal form	Form 10-K
102-6 Markets served including geographic locations where products and services are offered, sectors served, types of customers and beneficiaries	Investor Relations Website > Events and Presentations > Sunrun Investor Presentation
102-7 Scale of the organization	Form 10-K
102-8 Information on employees and other workers	Form 10-K
Strategy	
102-14 Statement from senior decision-maker	Impact Report, pg. 4
Ethics and integrity	
102-16 Values, principles, standards and norms of behavior	Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics
102-17 Mechanisms for advice and concerns about ethics	Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics, Whistleblower Policy
Governance	
102-18 Governance structure	Proxy Statement pg. 10, Investor Relations Website > Corporate Governance > Governance Highlights
102-22 Composition of the highest governance body and its committees	Proxy Statement pp. 10-12, Investor Relations Website > Corporate Governance > Governance Highlights > Committee Composition
102-23 Chair of the highest governance body	Proxy Statement pg. 10, Corporate Governance Guidelines pg. 1
102-24 Nominating and selecting the highest governance body	Proxy Statement pp. 11-12, Corporate Governance Guidelines pg. 2
102-25 Conflicts of interest	Corporate Governance Guidelines pp. 3-4
102-28 Evaluating the highest governance body's performance	Corporate Governance Guidelines pg. 4
102-35 Remuneration policies	Proxy Statement pp. 28-39
102-36 Process for determining remuneration	Proxy Statement pp. 28-39
102-37 Stakeholders' involvement in remuneration	Proxy Statement pp. 28-39

Reference Table to Global Reporting Initiative Standards

DISCLOSURE	DISCLOSURE LOCATION
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Form 10-K
102-49 Changes in reporting	Form 10-K, "Recently Issued and Adopted Accounting Standards"
102-50 Reporting period	Investor Relations Website > Events and Presentations
102-51 Date of most recent report	Investor Relations Website > Events and Presentations
102-52 Reporting cycle	Form 10-K
102-53 Contact point for questions regarding the report	Investor Relations Website > IR Contacts
102-55 GRI content index	Impact Report, pg. 66
GRI 201: Economic Performance	
GRI 302: Energy	
302-1 Energy consumption within the organization	Impact Report, pg. 20
302-3 Energy intensity	Impact Report, pg. 20
302-5 Reductions in energy requirements of products and services	Impact Report, pg. 23
GRI 305: Emissions	
305-1 Direct (scope 1) emissions	Impact Report, pg. 20
305-2 Energy indirect (scope 2) GHG emissions	Impact Report, pg. 20
305-3 Other indirect (scope 3) GHG emissions	Impact Report, pg. 20
305-4 GHG emissions intensity	Impact Report, pg. 20
305-5 Reduction of GHG emissions	Impact Report, pg. 20
305-6 Emissions of ozone-depleting substances (ODS)	Impact Report, pg. 23
305-7 NO _x , SO _x , and other air emissions	Impact Report, pg. 23
GRI 401: Employment	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Impact Report, pp. 42-43
401-3 Parental Leave	Impact Report, pg. 43
GRI 403: Occupational Health and Safety	
403-1 Workers representation in formal joint management-worker health and safety committees	Impact Report, pp. 29-32
403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, number of work-related fatalities	Impact Report, pg. 31

Reference Table to Global Reporting Initiative Standards

DISCLOSURE	DISCLOSURE LOCATION
GRI 404: Training and Education	
404-1 Average hours of training per year per employee	2017 Impact Report, pg. 23
404-2 Programs for upgrading employee skills and transition assistance programs	Impact Report, pp. 40-41
404-3 Percentage of employees receiving regular performance and career development reviews	Impact Report, pp. 40-41
GRI 405: Diversity and Equal Opportunity	
405-1 Diversity of governance bodies and employees	Impact Report, pp. 36-39
405-2 Ratio of basic salary and remuneration of women to men	Impact Report, pp. 36-39
GRI 406: Non-Discrimination	Available on Sunrun's Investor Relations Website > Corporate Governance > Code of Business Conduct and Ethics

Reference Table to Sustainability Accounting Standards Board Standards

TOPIC	DISCLOSURE LOCATION
Materials Sourcing (RR0102-15, RR0102-16)	Impact Report, pp. 26-27, Vendor Code of Conduct (available on Sunrun's Investor Relations Website > Corporate Governance)
Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks (RR0102-09)	Impact Report, pp. 45-55
Discussion of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure (RR0102-10)	Impact Report, pp. 45-55
Discussion of the management of environmental risks associated with the polysilicon supply chain (RR0102-16)	Impact Report, pp. 26-27 Vendor Code of Conduct (available on Sunrun's Investor Relations Website > Corporate Governance)

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 impact of COVID-19 on the Company and its business and operations; the Company’s financial and operating expectations; the Company’s business plan, 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 the Company’s business strategies, expectations regarding market share, customer value proposition, market penetration, financing activities, financing capacity, product mix, and ability to manage cash flow and liquidity; the growth of the solar industry; the Company’s ability to manage supply chains and workforce; factors outside of the Company’s control such as macroeconomic trends, public health emergencies, natural disasters, and the impacts of climate change; the legislative and regulatory environment of the solar industry; and expectations regarding the Company’s storage and energy services businesses, the Company’s acquisition of Vivint Solar, and anticipated emissions reductions due to utilization of the Company’s solar systems. 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 impact of COVID-19 on the Company and its business and operations; the successful integration of Vivint Solar; the availability of additional financing on acceptable terms; changes in the retail prices of traditional utility generated electricity; worldwide economic conditions, including slow or negative growth rates in global and domestic economies and weakened consumer confidence and spending; changes in policies and regulations including net metering and interconnection limits or caps; the availability of rebates, tax credits and other incentives; the availability of solar panels, batteries, and other components and raw materials; the Company’s ability to attract and retain the Company’s relationships with third parties, including the Company’s solar partners; the Company’s continued ability to manage costs associated with solar service offerings; 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 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.

References

1. As of December 31, 2020
2. 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>.
3. National Renewable Energy Laboratory, “Life Cycle Greenhouse Gas Emissions from Electricity Generation,” January 2013, <https://www.nrel.gov/docs/fy13osti/57187.pdf>.
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6. “Thermoelectric Power Water Use,” U.S. Geological Survey, last modified June 26, 2018, <https://water.usgs.gov/watuse/wupt.html>.