

The Power of Service

2022 SUSTAINABILITY REPORT





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Welcome to our interactive PDF sustainability report. You can easily navigate through the report by clicking on any of the navigation nodes, including the table of contents whether you are viewing it online in a browser or from a locally saved PDF on your desktop. You will also find that all links, whether inline or in footnotes, are clickable for your convenience. If you have any questions or feedback, please feel free to reach out to us at esg@sunnova.com.



Introduction

A Letter From Our CEO

A Letter From Our EVP of Sustainability and Corporate Communications

About Sunnova

Our Sustainability Strategy

Our Sustainability Goals

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2022 Financial and Operational Performance

2022 Sustainability Highlights





INTRODUCTION / A LETTER FROM OUR CEO

A Letter From Our CEO

WILLIAM J. (JOHN) BERGER

As we mark a decade of Powering Energy Independence™, Sunnova is proud to reflect on our transformation over the past ten years to meet the challenges of the global energy transition, and to also address the opportunities it presents for innovation and growth. Our commitment to sustainability has never been stronger as we work to address the energy crisis trifecta of affordability, security, and climate change. Through our Energy as a Service (EaaS) model and innovative Sunnova Adaptive Solutions™, we are enabling homeowners and businesses to achieve true energy independence while promoting economic control and energy resiliency. Our software platforms and comprehensive service delivery allow our customers to make a positive impact on the environment while improving their bottom line. Looking towards the next ten years, our unwavering focus remains on providing unparalleled service as we strive to meet the evolving needs of our customers while making a meaningful impact on the world.

Our goal is to be the source of clean, affordable, and reliable energy with a simple mission: to Power Energy Independence™ so home and business owners have the Freedom To Live Life Uninterrupted®. Our founding principles of delivering a better energy service at a better price continue to drive us forward, as we disrupt the traditional energy landscape and transform the way the 21st century customer generates and consumes electricity. As we look to the future, we believe that the renewable energy

market in which we operate, and investment in climate solutions more broadly, will continue to grow in importance as the impact of climate change becomes increasingly urgent. We are committed to advancing the adoption of renewable energy and helping to drive the transition to a low-carbon economy.

Sustainability is fundamental to our corporate strategy at Sunnova, and we continue to prioritize key topics to accelerate the impact of our business growth while managing risks. Our efforts in policy engagement, supplier due diligence, climate risk management, and talent development are all synergistically aligned to unlock new opportunities, enhance efficiency, and future-proof our business model. As we continue our growth trajectory, we remain unwavering in our commitment to our core values of Service, Sustainability, and Synergy. These values have served as a true north for our business, guiding us towards making positive impacts on our customers, community, and the planet. We are excited about the opportunities that the next decade holds for us at Sunnova as we continue to help lead the charge towards a better future for all.

William J. (John) Berger
Founder, Chairman, President and CEO, Sunnova





INTRODUCTION / A LETTER FROM OUR EVP OF SUSTAINABILITY AND CORPORATE COMMUNICATIONS



A Letter From Our EVP of Sustainability and Corporate Communications

KELSEY HULTBERG

In our third year of formal reporting, our sustainability strategy feels anchored and more connected to our corporate mission than ever before. Through collaboration across our company and further defined priorities, we are starting to see what is possible through a coordinated, cross-functional approach to sustainability management. Last year, we published our first set of goals tied to our most material topics determined by our stakeholders. Aligned with a vision for 2025, we spent 2022 putting our goals into action and we are excited to share our progress towards these goals, our lessons learned, and the ways in which we will continue to make progress year after year.

In 2022, we continued our work on climate strategy to ensure that we are growing our business aligned with a climate safe future. We assessed our business for climate risks and opportunities aligned with leading climate science to plan for business continuity and long-term financial sustainability in a changing climate. We also improved our greenhouse gas emissions accounting to understand the climate impact of our supply chain

and to be able to set decarbonization goals that are credible, science-based, and use appropriate accounting for emissions.

In this report, you will also see that we take time to reflect on the ways in which we create positive impact for society through small features that align with relevant UN Sustainable Development Goals. We hope that this can provide greater insight about the incredible work of our team and the role Sunnova plays in Powering Energy Independence™.

The feedback and engagement of our stakeholders is what drives this work forward. We welcome your engagement so that we can continue to make progress in the areas that matter most.

Kelsey Hultberg
EVP of Sustainability and Corporate Communications



INTRODUCTION / ABOUT SUNNOVA

About Sunnova

The energy landscape is accelerating faster than ever before, and Sunnova is pioneering this evolution with a business strategy centered around helping customers electrify all aspects of their lives.





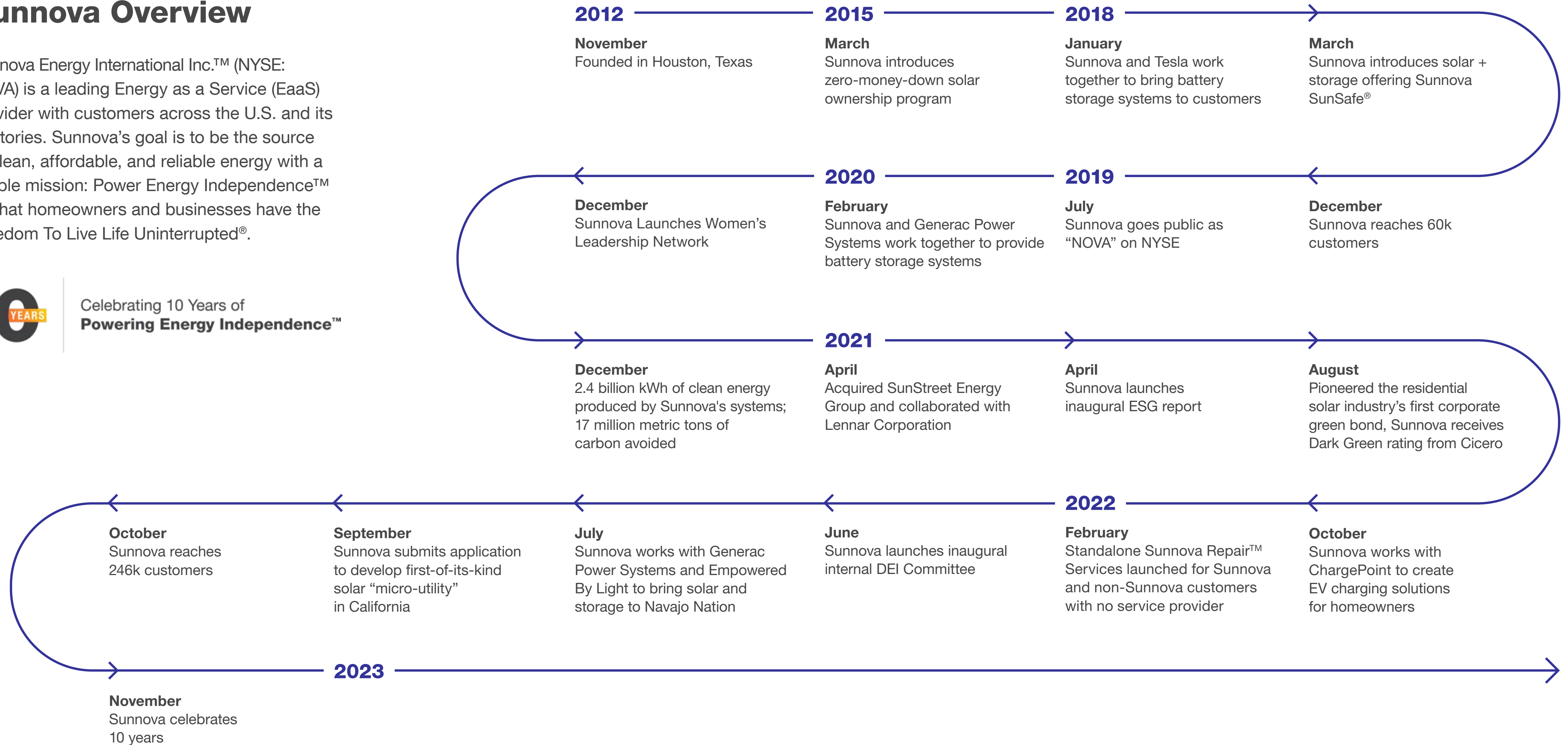
INTRODUCTION / ABOUT SUNNOVA

Sunnova Overview

Sunnova Energy International Inc.™ (NYSE: NOVA) is a leading Energy as a Service (EaaS) provider with customers across the U.S. and its territories. Sunnova’s goal is to be the source of clean, affordable, and reliable energy with a simple mission: Power Energy Independence™ so that homeowners and businesses have the Freedom To Live Life Uninterrupted®.



Celebrating 10 Years of Powering Energy Independence™





INTRODUCTION / ABOUT SUNNOVA

By the Numbers

As we continue to pioneer the energy transition, energy reliability and affordability remain our priority. We will continue to use our business as a powerful force for sustainable, environmental, and social good, to change the way people energize their lives and help transform the world for the better.



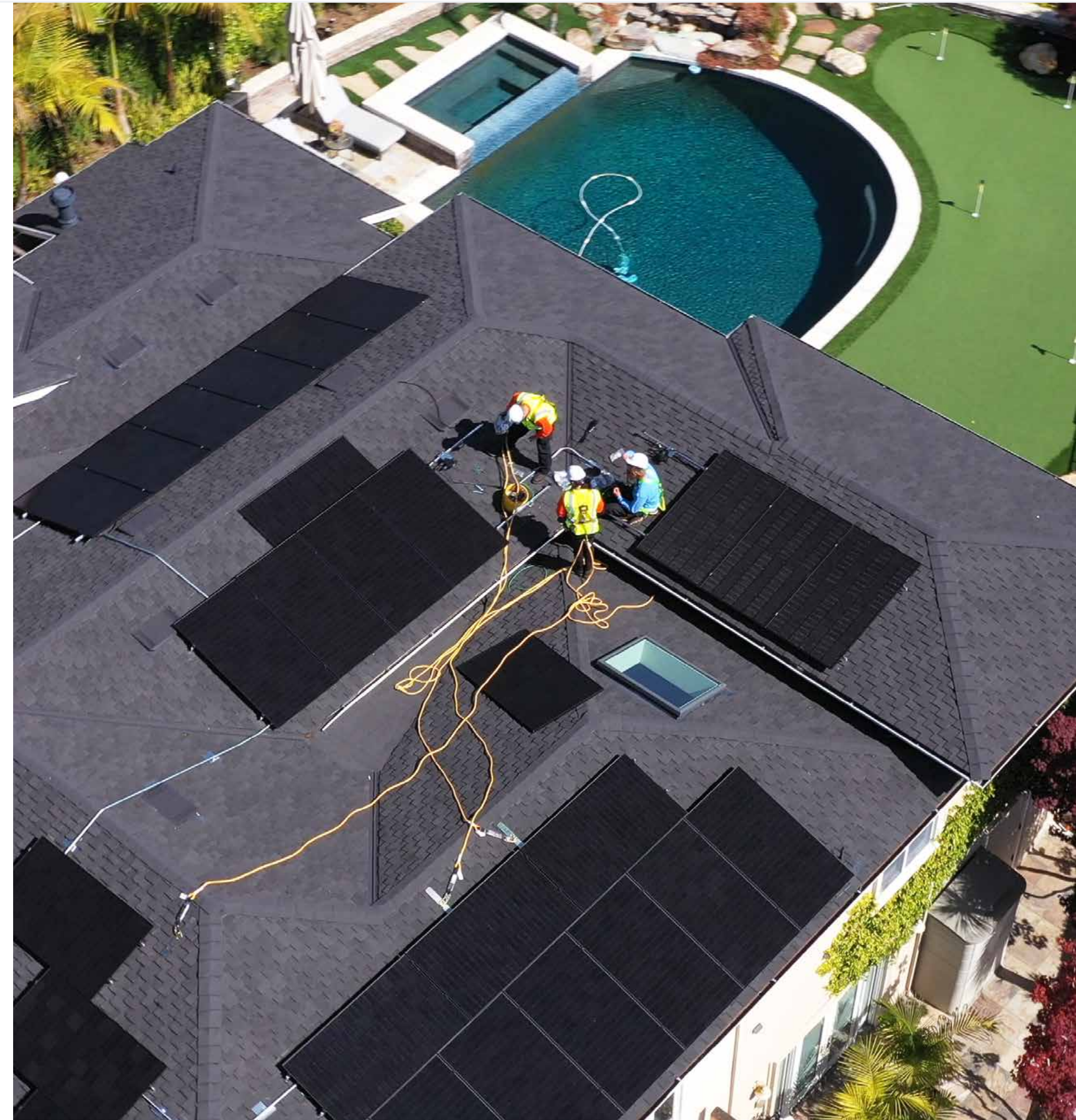
All numbers as of 12/31/2022.



INTRODUCTION / OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy

In keeping with our values of Service, Synergy, and Sustainability, we are committed to continually improving our management of sustainability matters and their impact on our business. Our sustainability strategy serves to complement our corporate objectives, mitigate risks to the business and maximize our impact for our customers, employees, investors, communities, and other stakeholders. We frequently evaluate sustainability risks and opportunities through processes that include materiality assessments, annual risk management evaluations, and regular engagement with stakeholders to ensure we meet their needs.





INTRODUCTION / OUR SUSTAINABILITY STRATEGY

MATERIALITY ASSESSMENT

We define material sustainability issues¹ as those that impact our business and our stakeholders. In our most recent materiality assessment conducted in 2021, we engaged key stakeholders and identified “Tier One Priority Topics” that have the greatest impact on both our business and society. These topics informed our goals and our 2022 ESG strategy, and they continue to inform key business decisions.

[Read more on Materiality](#) →

CLIMATE RISKS AND OPPORTUNITIES

In 2022, we focused our efforts to deepen our understanding of a material topic that consistently ranks highly across our stakeholders—climate risks and opportunities. In our effort to drive alignment with the TCFD recommendations, we engaged a climate specialist to assess Sunnova’s material climate-related risks and opportunities and their associated financial impacts through a climate scenario analysis. From this analysis, we are developing strategies to mitigate relevant risks and pursue further opportunities for our business.

[Read our Climate Scenario Analysis](#) →

¹ The term “material” in this context does not adhere to the SEC definition for financial materiality. Instead this considers a broad range of stakeholder and their determination of a set of ESG or Sustainability topics that they believe to be impactful for each stakeholder group as well as the business. Topics were deemed to be “priority” or “material” along these two dimensions based on the results of a third-party questionnaire and internal validation process.

LEADING FRAMEWORKS

We align our strategy and reporting with leading frameworks and standards to drive alignment in sustainability communications. Our sustainability strategy is informed by the Sustainability Accounting Standards Board (**SASB**), Task Force on Climate-Related Financial Disclosures (**TCFD**), Global Reporting Initiative (**GRI**), and the United Nations Sustainable Development Goals (**UN SDGs**).

SUSTAINABLE DEVELOPMENT GOALS



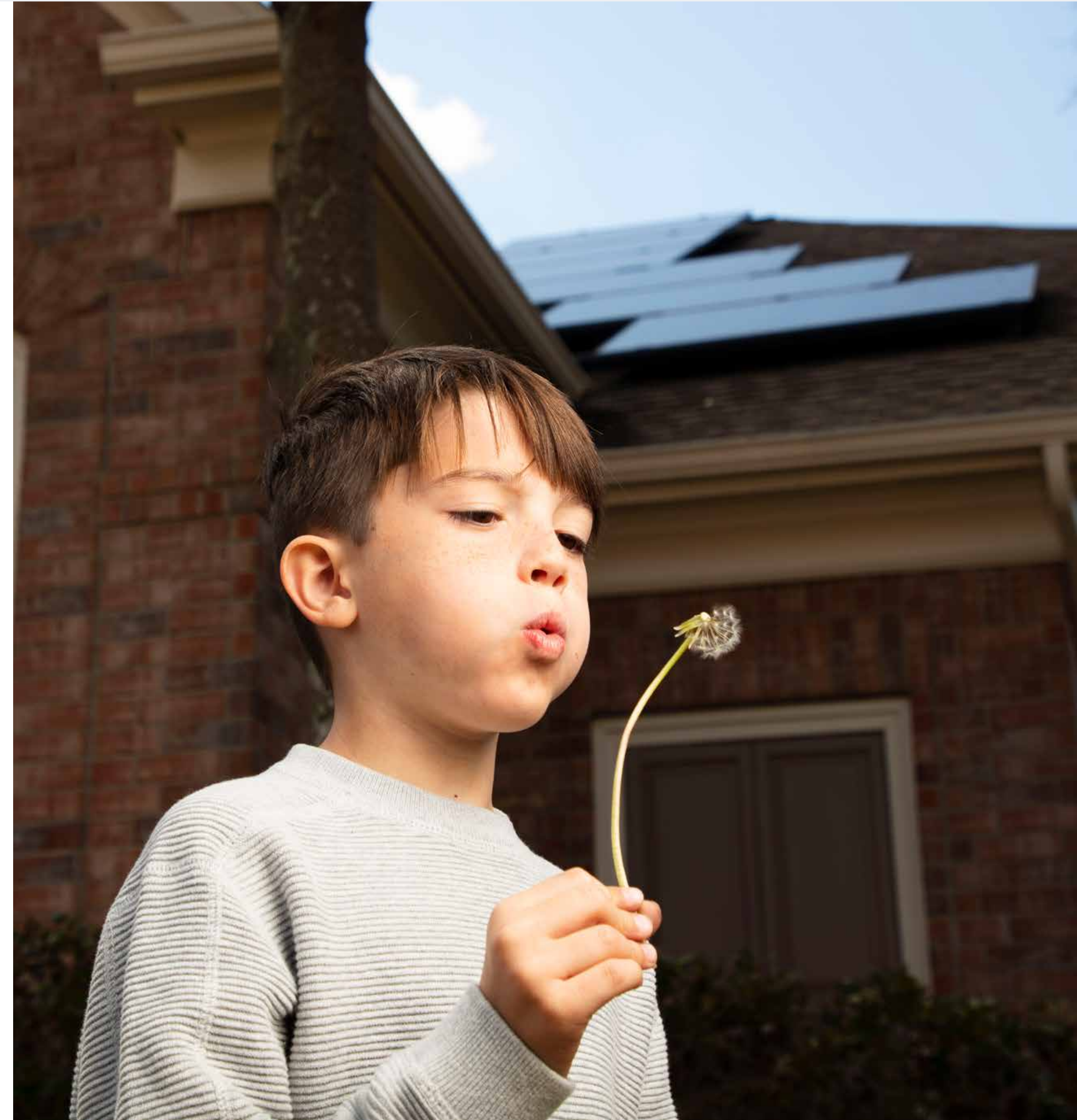
Sunnova’s United Nations Sustainable Development Goals Alignment



INTRODUCTION / OUR SUSTAINABILITY GOALS

Our Sustainability Goals

Our 2023—2025 Sustainability Goals are informed by the results of our materiality assessment and align with the UN Sustainable Development Goals. These goals are designed to make progress on the issues most important to our business and stakeholders and demonstrate our current commitment to sustainability. In 2022, we made significant steps towards achieving these goals.





Goals and Status

	GOAL	STATUS
ENVIRONMENTAL	1. Build a customer base by year-end 2023 whose systems will offset 52 million MTCO ₂ e over their useful life.	1. As of 12/31/2022 we have built a customer base whose systems will offset 38,773,613 metric tons of CO ₂ e over their useful life. In Progress →
	2. Quantify and disclose a complete Scope 3 inventory for all material categories and set a climate target that includes all scope emissions by year-end 2023.	2. In 2022, we conducted a comprehensive assessment of our Scope 3 inventory and are currently developing climate targets aligned with achieving net zero. In Progress →
SOCIAL	1. Reduce year-over-year voluntary turnover to 15% by 2025.	1. In 2022, we had a slightly higher voluntary turnover rate than in previous years. We are conducting a thorough analysis of both voluntary and involuntary turnover rates, exit interview feedback, and demographic data to identify areas for improvement and ensure that our organization fosters a positive and inclusive workplace culture. In Progress →
	2. Improve estimated year-end 2021 racial/ethnic minority representation for mid-level leadership (General Manager, Director, VP and SVP titles) by 20% by 2025.	2. We're dedicated to advancing DEI in our workplace, and although we have more work to do to reach our 2025 goal, we are determined to keep making progress. We are currently considering several initiatives, including internal hiring, outreach to underrepresented communities, and renewed commitment to our diversity, equity, and inclusion committee. In Progress →
	3. Contribute 2,500 total employee volunteer hours to organizations whose causes align with our mission and ESG goals by year-end 2025.	3. We established an employee volunteer program, incorporating a Volunteer Paid Time-Off Policy, and coordinated various corporate community engagement initiatives in accordance with our recently adopted Corporate Social Responsibility strategy. In Progress →
GOVERNANCE	1. Institute a supplier engagement system to quantify ESG impacts for all Tier 1 suppliers by 2023.	1. We distributed our Supplier Code of Conduct and sustainability due diligence questionnaire to all Tier 1 suppliers and are actively pursuing new objectives to enhance our supplier engagement practices. Complete ✓



INTRODUCTION / OUR GROWTH STRATEGY

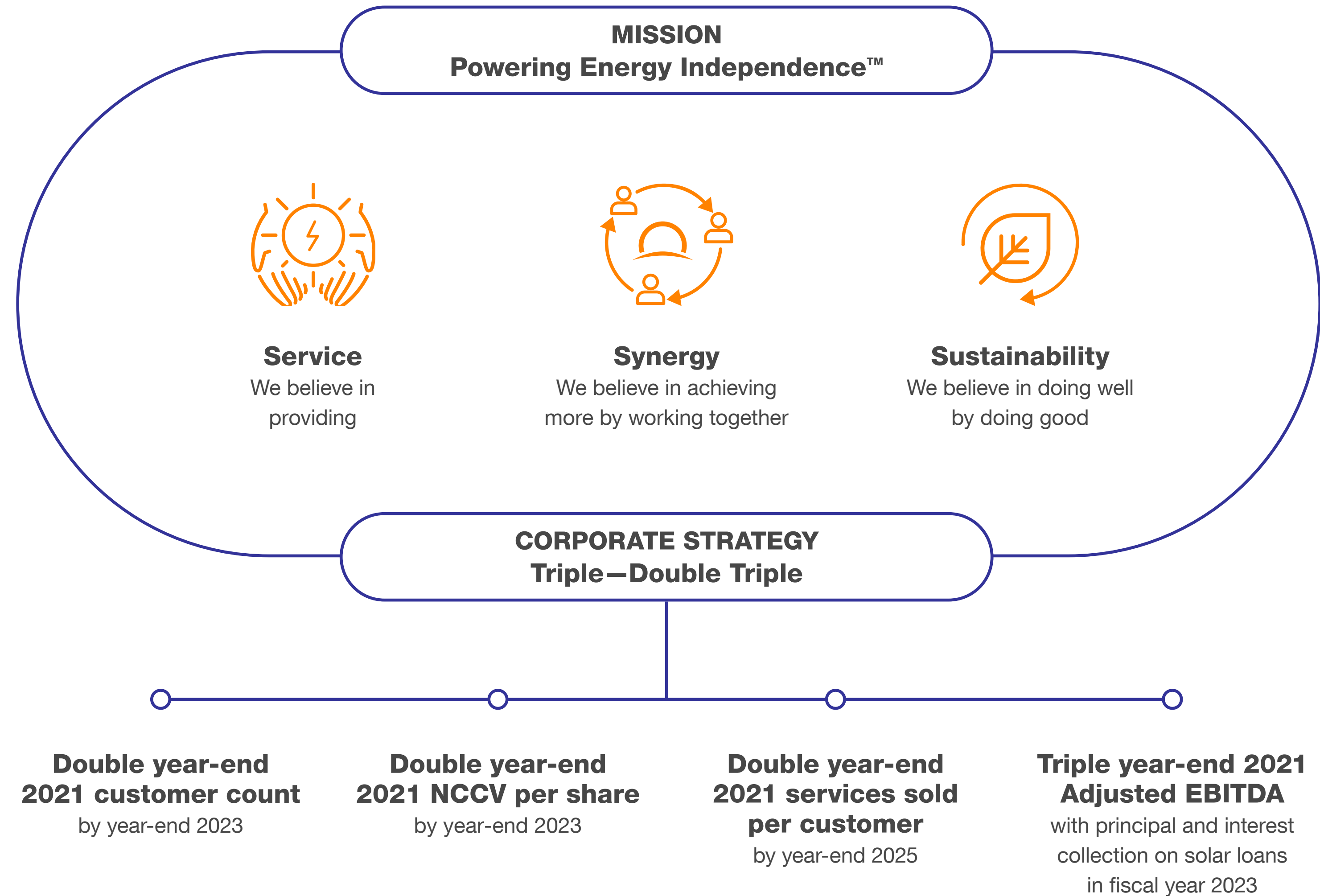
Our Growth Strategy





Corporate Strategy

In 2021, we established the “Triple—Double Triple” roadmap to reflect our growth strategy. This strategy reflects our plans to double or triple specific customer and earnings metrics. Setting these goals helps us plan across the company to meet the future projected high demand in the areas while still operating as leaders in creating scalable opportunities for renewable energy.





2022 Financial and Operational Performance

In 2022, we continued our track record of achieving exceptional financial results by delivering value to all stakeholders.

¹ See accompanying reconciliation.

² Adjusted EBITDA, Adjusted Operating Cash Flow and Recurring Operating Cash Flow are non-GAAP financial measures.

³ Net of amounts recorded in revenue.

⁴ See Cumulative Number of Customers in **Financial and Operational Definitions**.

⁵ Based on the lifetime accumulative production (kWh) for all systems to date as of year-end 12/31/22.

⁶ The kWh estimated corresponds to lifetime accumulative billed production for all systems in service on or before 12/31/2022.

⁷ For definition, see **Financial and Operational Definitions**.

FINANCIAL (\$ millions)¹	2022	2021	2020
Adjusted EBITDA ²	\$119	\$86	\$60
Principal ³ and Interest Payments received on solar loans	\$147	\$93	\$56
Adjusted Operating Cash Flow ²	\$92	\$58	\$11
Recurring Operating Cash Flow ²	\$18	\$2	(\$10)
Estimated Gross Contracted Customer Value (GCCV) at year end discounted at 6%	\$5,875	\$3,853	\$2,607
Estimated Net Contracted Customer Value (NCCV) at year end discounted at 6%	\$2,300	\$1,621	\$1,317

OPERATIONAL	2022	2021	2020
Cumulative Number of Customers, net ⁴	279,400	192,600	105,400
Cumulative Megawatts (MW) Deployed ⁵	1,627 MW	1,128 MW	782 MW
Megawatts (MW) Deployed calendar year	499 MW	347 MW	218 MW
Metric Tons of CO2e Avoided ⁵	3.9 million	2.6 million	1.7 million
kWh of Clean Energy ⁶	5.5 billion	3.6 billion	2.4 billion
States and Territories Where We Operate	45+	25+	22
Dealers, Sub-Dealers and New Home Installers	1,116	814	435
Battery Penetration Rate ⁷	15%	11%	9%



INTRODUCTION / 2022 SUSTAINABILITY HIGHLIGHTS

2022 Sustainability Highlights





2022 Sustainability Highlights

THEMATIC UPDATES

Renewable Energy

- 499 MW of renewable energy¹
- 1.3 million metric tons of CO2 avoided
- 1.9 billion kWh of clean energy

Sunnova Adaptive Solutions

- Established Sunnova Adaptive Solutions as key strategic driver
- **EaaS (Energy as a Service) portfolios:** Sunnova Adaptive Home[®], Sunnova Adaptive Business[™], and Sunnova Adaptive Community[™]

Workforce & Dealer Growth

- **Workforce Growth:** 1,170 employees, a 59% growth year-over-year²
- **Dealer Growth:** 1,116 dealers, sub-dealers, and new homes installers

Awards

- Ally Energy GRIT Award & Best Energy Workplace
- Solar Builder Residential Project of the Year
- Comparably Best Company Leadership, Best CEOs for Diversity, and Best Team Operations Awards

Supplier Standards & Engagement

Advanced goal to develop a supplier engagement system to quantify ESG impacts for Tier 1 suppliers by 2023.

ESG RATINGS

Sunnova is leading among publicly available peer ESG ratings.

Sustainalytics Risk Rating

18.6 from Morningstar Sustainalytics³

MSCI ESG Rating

Maintained MSCI AA rating in 2022

ISS ESG Corporate Rating

Secured ISS ESG Prime Status

FRAMEWORK ALIGNMENT

TCFD Alignment

- Developed detailed quantitative analysis of climate-related risks and opportunities and strategies to manage them.
- Quantified scope 3 emissions, enabling us to assess feasibility of setting a credible science-based climate target.

GRI Alignment

Incorporated GRI core standard

¹ CO2 avoidance and kWh of clean energy based on the 499 MW of installed capacity for 1/1/2022–12/31/2022 only. This number is not cumulative.

² As of December 31, 2022, we had 1,170 full-time employees and 1,173 total employees. We also engage independent contractors and consultants. We are not party to any collective bargaining agreements and have not experienced any strikes or work stoppages. Per [HiBob.com](https://www.hibob.com), growth year-over-year is the difference between the current period employee number (1,170) and the previous period employee number (738) divided by the previous period employee number, multiplied by 100.

³ Assessed to be at low risk of experiencing material financial impacts from ESG factors.





Environmental

Opportunities in Clean Energy

TCFD Alignment

Greenhouse Gas Emissions (Scope 1, 2 and 3)

Green Financing Framework and Green Bond Reporting

Product Circularity and End of Life Management

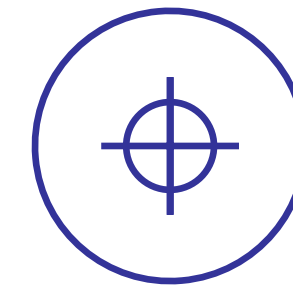




ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

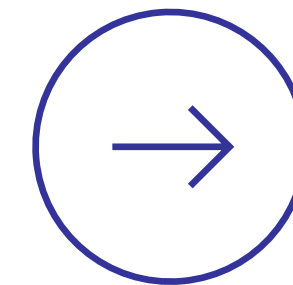
Opportunities in Clean Energy

Sunnova is not only dedicated to Powering Energy Independence™ but also to promoting environmental sustainability and social responsibility by expanding clean energy access. We recognize the potential for growth, innovation, and development in the shift towards a low-carbon economy, and our position allows us to leverage these opportunities for the benefit of our customers and the planet.



GOAL 1

Build a customer base by year-end 2023 whose systems will offset 52 million MTCO₂e over their useful life.



STATUS

In Progress

As of 12/31/2022, we have built a customer base whose systems will offset ~38 million MTCO₂e over their useful life.



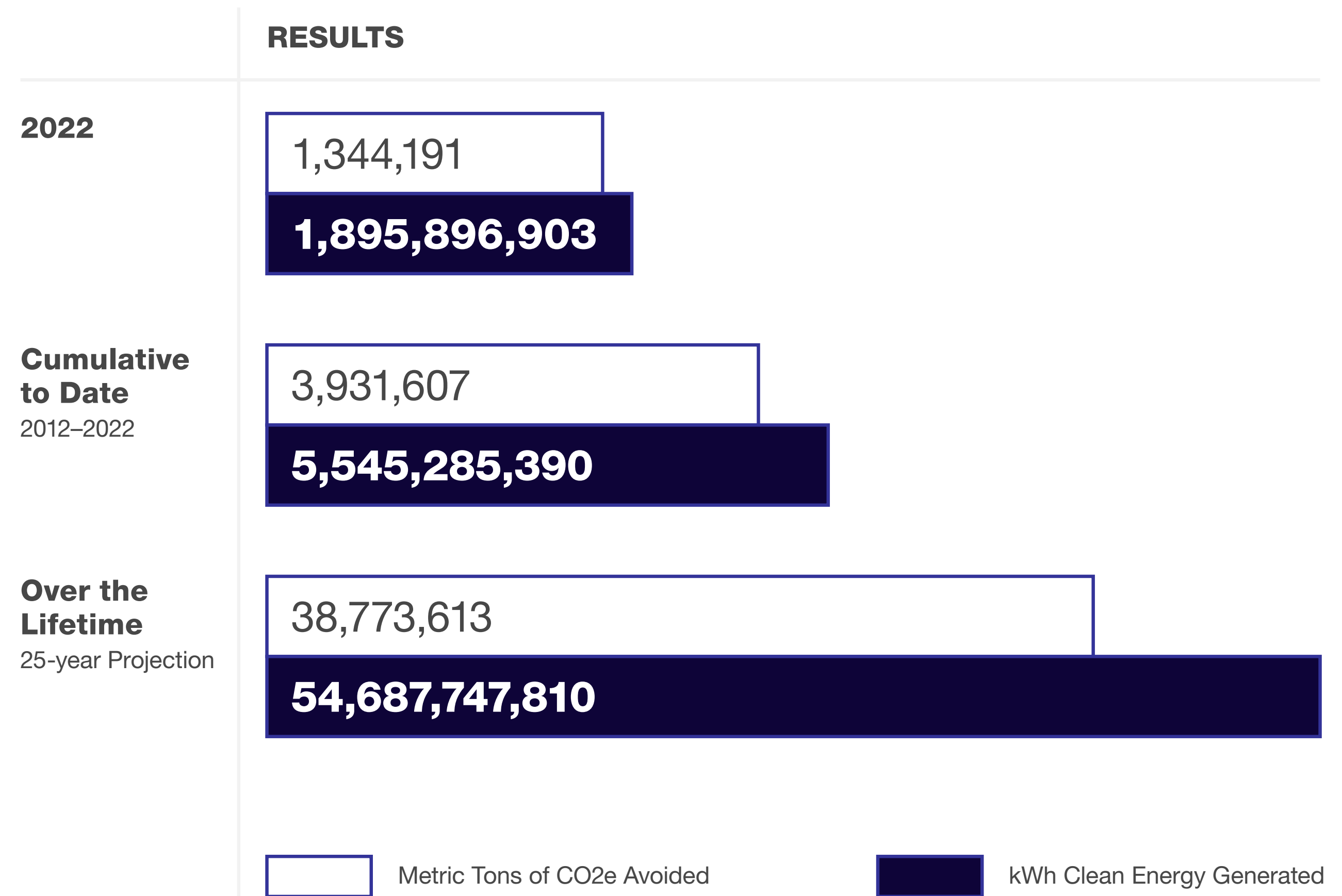
ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Growth of Clean Energy

Throughout 2022, we actively pursued partnerships to increase access to clean energy, leveraging new technologies and developing innovative solutions to make clean energy affordable, reliable, and accessible. We launched Sunnova Adaptive Solutions, which empowers our customers to optimize their energy usage and resiliency while also helping them reduce their carbon footprint.

At Sunnova, we believe that the growth of clean energy offers more than just environmental benefits, but also presents opportunities for economic development and job creation. As such, we are committed to supporting local communities and contributing to sustainable economic growth through our efforts to expand clean energy access.

kWh Clean Energy Generated and CO₂ Avoided of Sunnova Systems¹



¹ Based on number of systems in service as of 12/31/2022. 279,400 total customers using one or more of our services as of 12/31/2022.



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Emissions Avoided

Over their lifetime, our current solar systems will help avoid 38.7 million metric tons of CO₂e, or the equivalent to carbon sequestered by¹:



¹ Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>, based on 38,773,613 million metric tons of CO₂e.



Energy as a Service

As an Energy as a Service (EaaS) company, Sunnova is dedicated to supporting consumers with integrated energy solutions, like Sunnova Adaptive Solutions, that provide greater consumer control, are more resilient in the face of storms and natural disasters and serve as an environmentally conscious energy choice.

Our Sunnova Adaptive Solutions provide consumers with greater control over their energy needs.

EaaS

Sunnova Adaptive Home®

Sunnova Adaptive Business™

Sunnova Adaptive Community™

When coupled with other significant advances in energy management systems and adaptive demand response technologies, our Sunnova Adaptive Solutions provide consumers with greater control over their energy needs.

Sunnova Adaptive Solutions reflects our commitment to developing and advancing energy solutions that are tailored to the needs of our customers' energy ecosystem.

We designed our three service portfolios —Sunnova Adaptive Home®, Sunnova Adaptive Business™, and Sunnova Adaptive Community™ to provide a new level of energy security for our customers.



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Sunnova Adaptive Solutions: Home

Through Sunnova Sentient™, our intelligent energy management system, Sunnova Adaptive Home® optimizes and automates the home energy ecosystem to provide homeowners with economic control, and a reliable and resilient energy system.

To ensure energy reliability, the Sunnova Adaptive Home® anticipates and prepares for outage events by managing energy demand around price signals and supplying energy where it's needed during grid service events or unexpected outages. For homes and communities in areas that are impacted by extreme weather events, Sunnova Adaptive Home® is especially beneficial.

Sunnova Adaptive Home®
optimizes and automates
the home energy ecosystem.

EaaS

Sunnova Adaptive Home®

Sunnova Adaptive Business™

Sunnova Adaptive Community™



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / SUNNOVA ADAPTIVE SOLUTIONS: HOME

The Sunnova Adaptive Home® Integrated EaaS Platform

Delivering Economic Control and Power Resiliency

Integrated

Sunnova unifies multiple curated hardware technologies, integrated through Sunnova software with real-time data-tracking equipment health, energy generation, energy usage, grid status, utility rates, and time.

Resilient

The Sunnova Adaptive Home® provides unparalleled reliability by anticipating and preparing for outage events—managing energy demand around price signals and supplying energy where needed during outages or grid services events.

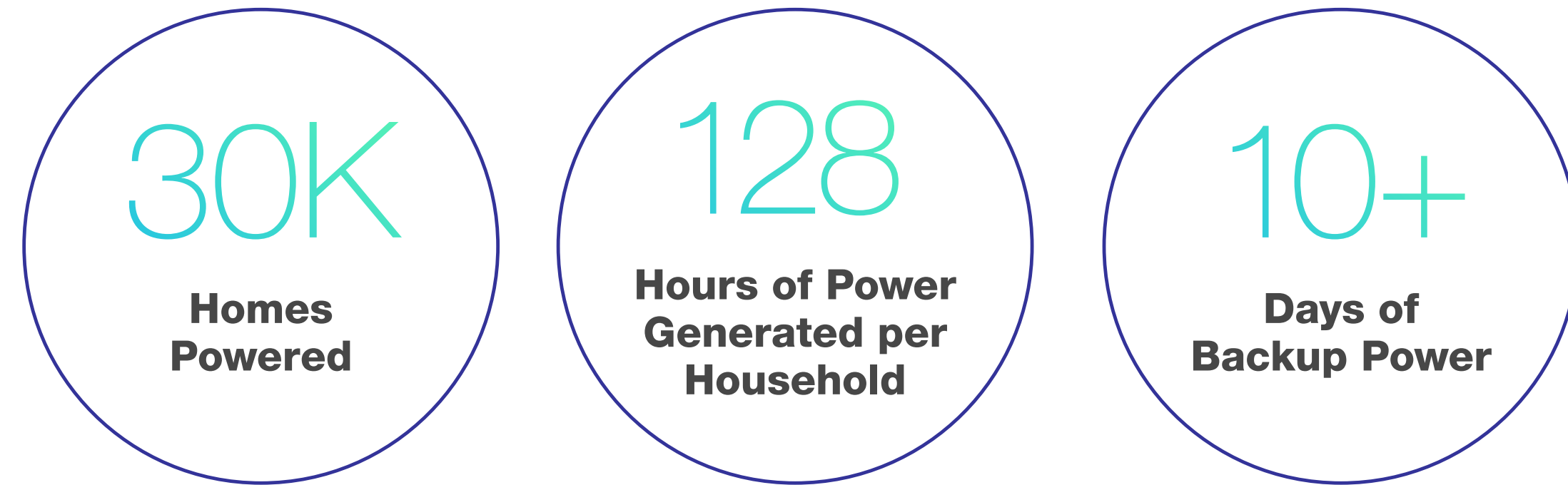
Insightful

The Sunnova Adaptive Home® is powered by our intelligent energy management platform, Sunnova Sentient™, which combines data insights, AI and machine learning to optimize and automate the home energy ecosystem.





ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / SUNNOVA ADAPTIVE SOLUTIONS: HOME



PUERTO RICO SOLAR RESILIENCY

In 2022, Hurricane Fiona caused a widespread power outage in Puerto Rico. In the aftermath of the hurricane, we were able to power the homes of over 30,000 customers with solar and battery storage when the centralized monopoly power system was damaged and unable to deliver power to the people of Puerto Rico.

Over the approximately two weeks that followed, our Sunnova SunSafe® solar + storage systems generated almost 2 GWh of energy and provided 3.4 million hours of aggregate backup power for our solar + storage customers, averaging 128 hours of power generated per household. Many of our customers remained dependent on their Sunnova system for more than 10 days, with customers averaging 5.3 days of solar + storage battery backup power. We have been active in Puerto Rico since 2013 and have deployed nearly 40,000 batteries on the island, with a 100% battery attachment rate since 2018. Sunnova is committed to providing Puerto Ricans with clean, resilient, and affordable energy services backed by the best service in the industry.

“We believe this demonstrates that in times of emergency, a solar + storage system provides homeowners the peace of mind that comes with producing and storing their own power.”

—John Berger, Sunnova CEO

UN SDG Alignment



We believe this demonstrates that in times of emergency, a solar + storage system provides homeowners the peace of mind that comes with producing and storing their own power.

— **John Berger**, Sunnova CEO



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Sunnova Adaptive Solutions: Business

Sunnova Adaptive Business™ provides businesses with the technology they need to sustain economic control and energy resiliency. By applying our technology to businesses, we are delivering high value energy and economic solutions to businesses of all sizes. Our commitment to servicing businesses in the public and private sector across the country aligns with a strong business market opportunity.

Sunnova Adaptive Business provides businesses with the **technology they need to sustain **economic control** and energy resiliency.**

EaaS

Sunnova Adaptive Home®

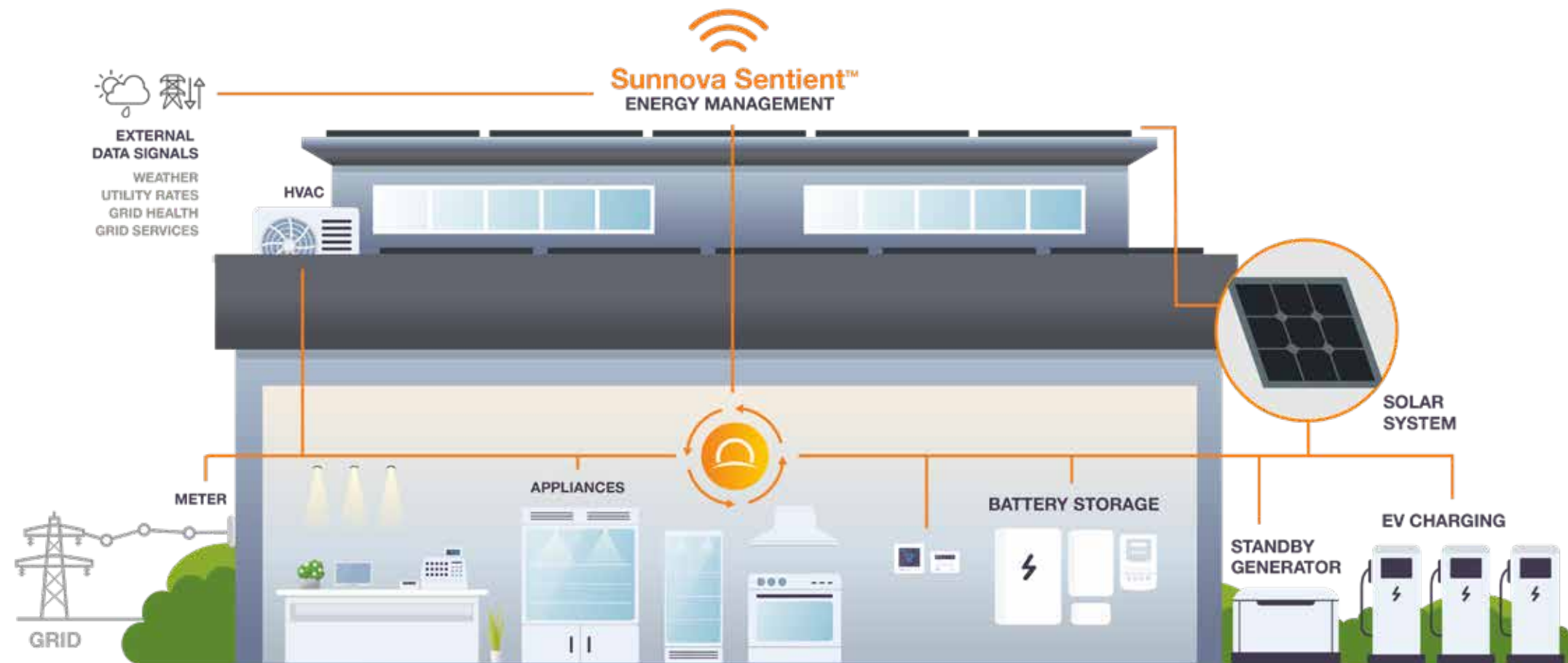
Sunnova Adaptive Business™

Sunnova Adaptive Community™

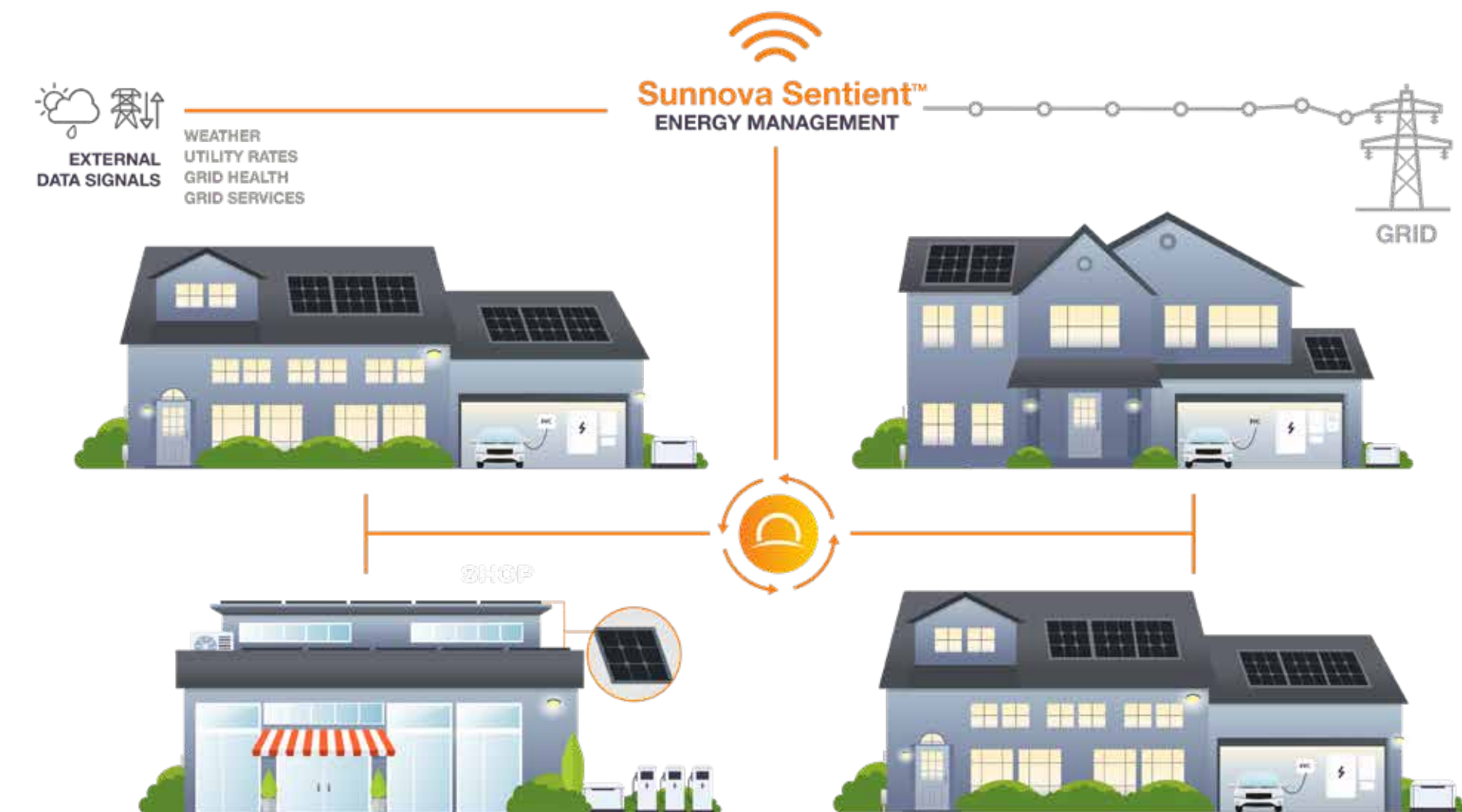


ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / SUNNOVA ADAPTIVE SOLUTIONS: BUSINESS

Powering and Protecting Businesses



Bringing Together Sunnova Adaptive Homes and Businesses





ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Sunnova Adaptive Solutions: Community

Sunnova Adaptive Community™ creates a holistic solution for the broader community by leveraging the unique capabilities of our Adaptive Home and Business technologies. Through the development of microgrids, the Sunnova Adaptive Community™ approach unites the infrastructure that supplies energy and power for homeowners, allowing us to effectively serve the broader community.

In addition to providing a resilient source of energy, this approach provides communities with better prices while supporting state and regional carbon reduction goals.

The Sunnova Adaptive Community™ approach will become increasingly beneficial in states and territories that are exposed to extreme weather events.

The Sunnova Adaptive Community™ approach unites the infrastructure that supplies energy and power for homeowners.

EaaS

Sunnova Adaptive Home®

Sunnova Adaptive Business™

Sunnova Adaptive Community™



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / **SUNNOVA ADAPTIVE SOLUTIONS: COMMUNITY**

SUNNOVA'S CALIFORNIA MICRO-UTILITY APPLICATION

In August, we submitted the first-of-its-kind solar micro-utility application to the California Public Utilities Commission (CPUC) to extend our Sunnova Adaptive Homes and Businesses into whole communities through our Sunnova Adaptive Community platform. By becoming a micro-utility, for the first time, residents and services critical to the community could share excess power and island from the legacy distribution system during outages affecting the larger grid, helping to increase resiliency and reliability for the entire community. Through our application, we see a future where communities, neighborhoods, and businesses could operate independently from the legacy grid with sustainable energy sources providing uninterrupted power.

In February of 2023, however, we learned that an Administrative Law Judge (ALJ) issued a Proposed Decision granting the motion of the Public Advocates Office (PAO) of the California Public Utilities Commission to dismiss our microgrid application. This decision was disappointing and concerning because the PAO is meant to represent the public interest. Our application touted the benefits of market-based rates, no diminishment in safety, consumer choice about how consumers obtain and use energy, greater reliability, and meaningful advancement toward California's environmental goals.

In April of 2023, the CPUC dismissed our application; however, we remain undeterred in our commitment to advancing California's clean energy goals. We believe microgrids are crucial in achieving California's cleaner, more sustainable energy future. While this setback is unfortunate, we will continue pursuing this vision.

We remain resolute in our commitment to developing innovative energy services and solutions that enhance grid stability and provide affordable and reliable energy for customers in California. As utility rates continue to soar and grid instability worsens, the end user bears the brunt of the consequences, and the urgency of this reality is not lost on us. As we move forward from here, we will continue to work tirelessly to advocate for consumer choice and to push for a more competitive energy market that prioritizes the needs of the people over the interests of monopolistic utilities.

UN SDG Alignment



We will continue to advocate for consumer choice around energy.



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY

Our Synergy with Partners



As a leading U.S. Energy as a Service (EaaS) provider, we frequently leverage the power of partnerships to further accelerate our sustainability impact and create shared value not only for our investors but also for our customers, employees, communities, and partners as well. In 2022, we strengthened our existing partnerships and identified new opportunities to work with industry leaders. Our partnerships are instrumental in expanding the reach of clean energy as they allow us to make it more accessible.

SPOTLIGHT: THE HOME DEPOT

In 2021, Sunnova launched its solar + storage services in 100 stores across Virginia, Maryland, Florida, and Nevada. In 2022, we launched our partnership with The Home Depot in Puerto Rico, expanding our presence to nearly 200 stores across 5 markets —all in geographies with significant weather-related impacts on their respective power grids. Sunnova’s trained professionals staff these Home Depot stores.

“With increased power outages and rising electricity rates, homeowners need a better energy service at a better price. We

understand that rethinking how you power your home can take time and research, and now Sunnova can help shoppers find the clean, affordable, and resilient solution their home deserves.”
—Michael Grasso, Chief Revenue Officer

In Puerto Rico, Sunnova representatives are spending 40+ hours per week actively engaging with homeowners in all 10 Home Depot stores. As a result, over 1,000 homeowners are connecting with Sunnova representatives each month to schedule consultations. Every day, our partnership with The Home Depot is supporting Puerto Rico in its transition towards sourcing 40% of its energy from renewable sources by 2024 and 60% by 2040.

“This expansion of our energy services to The Home Depot stores makes it even easier for Puerto Ricans to control their energy costs and keep their homes powered during grid outages,” said Vera Gavrilovich, VP of Marketing at Sunnova.



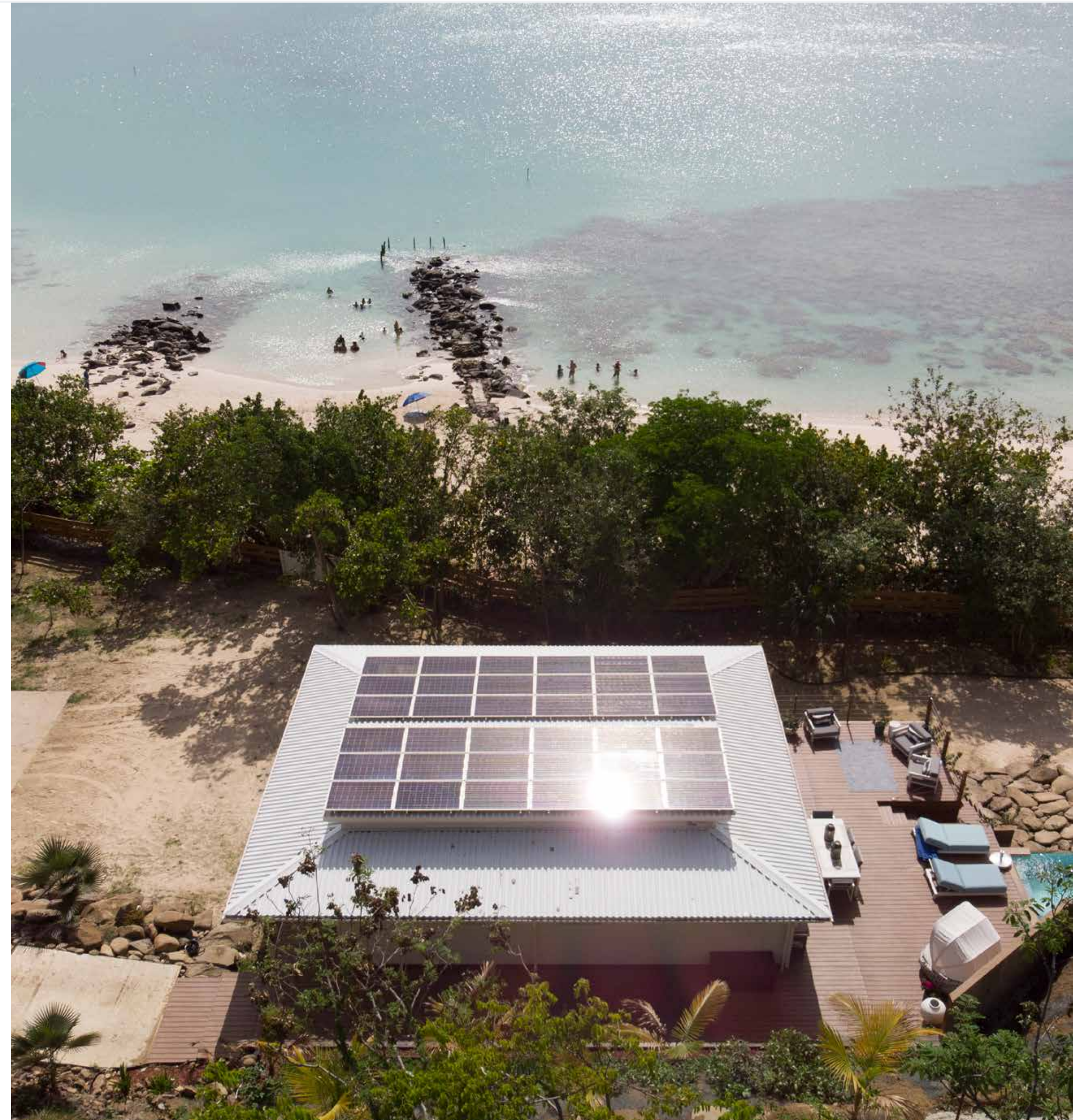
This expansion of our energy services to The Home Depot stores makes it even easier for Puerto Ricans to control their energy costs and keep their homes powered during grid outages.

— **Vera Gavrilovich,**
VP of Marketing at Sunnova



ENVIRONMENTAL / TCFD ALIGNMENT

TCFD Alignment





ENVIRONMENTAL / TCFD ALIGNMENT / STRATEGY: PLANNING FOR A RESILIENT FUTURE

Strategy: Planning for a Resilient Future

As a renewable energy company with a mission to power energy independence, the future of our business is inextricably linked with fighting climate change and accelerating the energy transition. At Sunnova, we have always been mindful of the risks and opportunities of a changing world and the role we play in preserving the climate for future generations. Climate risk is enterprise risk, and we seek to build a resilient business that adapts and thrives in a changing climate future. As such, we are working to understand the climate risks and opportunities to our business and to optimize business success.

As part of this commitment, we aim for the highest standards for carbon accounting, climate modeling and corporate commitments. We have formalized our approach to assessing these risks and opportunities by aligning with the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD).

GOVERNANCE

Since 2021, we have been working diligently to align our strategy and reporting with the four main TCFD recommendations of climate governance, strategy, risk management, targets and metrics. In our first year, we established strong climate governance by formalizing board oversight of climate strategy and tasking members of our

management team with assessing climate risks, opportunities, targets, and metrics. Our Nominating, Corporate Governance and Sustainability Committee receives quarterly updates on our progress across all material ESG topics, including climate risks and opportunities. On an annual cadence, the Committee receives a detailed output of our current alignment with TCFD, our relevant risks and opportunities, and our approach to measure and track performance over time. As we continue to drive alignment, we are continuing to engage the board regularly to set credible, science-based goals and ensure the resilience of our business.

Our strategy for climate resilience and adaptation is two-fold:

1. Continue to drive innovation in our products and services to meet the energy needs of our customers today and in a changing future;
2. Ensure the longevity of our business by mitigating physical and transitional climate risks that have a material impact to our operations and customers.

To date, this strategy has been evident in our development of strategic service offerings, like Sunnova Adaptive Home® and our work quantifying and managing our corporate greenhouse gas emissions. However, to fully execute this strategy, we felt that we needed to better understand the intersection of climate science and our business strategy.

In 2022, we catalyzed our climate governance systems and continued to drive alignment by conducting our first formal climate scenario analysis. We engaged a third-party climate specialist to lead us through a risk identification process that resulted in three priority areas of climate risk and opportunity. We assessed likely

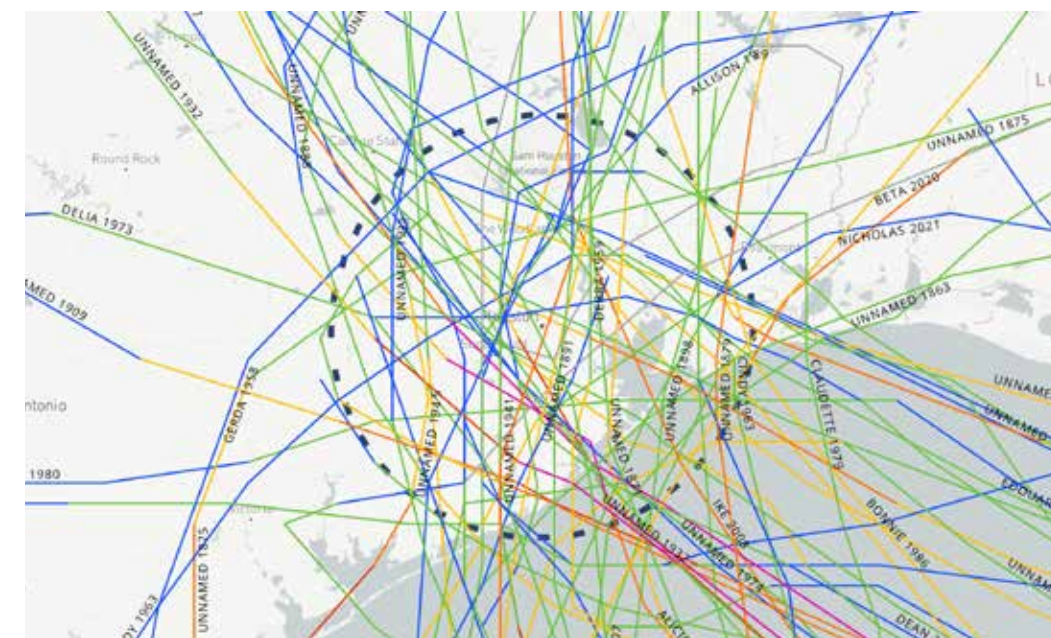


ENVIRONMENTAL / TCFD ALIGNMENT / STRATEGY: PLANNING FOR A RESILIENT FUTURE

We needed to **better understand** the intersection of climate science and our business strategy.

climate scenarios and determined relevant impacts to our business to understand how our current strategy would endure or require further adaptation. Our next steps will be to continue to quantify the financial impacts of these risks, to develop prudent strategies to realize upside opportunities or manage risks, and finally to embed these into our existing enterprise risk management (ERM) procedures.

We also worked to enhance our targets and metrics alignment by expanding our value chain (Scope 3) emissions for a complete inventory. Our next step in being able to set credible, science-based climate targets in the near future.



Houston Hurricane tracks found on NOAA's website: <https://coast.noaa.gov/hurricanes/>

RISK MANAGEMENT

Risks, Opportunities, and Climate Scenario Analysis

We began our climate scenario analysis by evaluating the risks and opportunities associated with 42 TCFD drivers to determine the topics that would have a material impact on our business. This included broad areas of physical and transitional climate risks/opportunities, many of which we found to have limited impact on our business. This phase identified and detailed the impacts of 29 climate risks and 13 climate opportunities of varying magnitude and likelihood.

Then, we conducted a series of workshops with internal stakeholders, including our enterprise risk management (ERM) team, to understand the relevance of these risks and opportunities to Sunnova. To assess their relevance, workshop participants evaluated how quantifiable the risks and opportunities are, and how likely they are to occur. Based on the mapping of these risks and opportunities, we identified three that we felt were most material to our business: Heatwaves, Hurricanes, and EV adoption.



ENGAGEMENT STAGE	KEY OUTCOMES
Stakeholder Education	Climate Specialist and Sunnova reviewed the broad universe of physical and transition risks and opportunities that apply to organizations.
Facilitated Workshops	Key team members across 14 departments identified 42 potential risks and opportunities.
Project Team Prioritization	Climate Specialist and Sunnova project teams selected the 9 most likely and impactful risks and opportunities.
ESG Committee Prioritization	The ESG steering committee selected 3 priority risks and opportunities for further analysis including hurricanes, heatwaves, and EV adoption.



2022 Climate Scenario Analysis Summary

	HEATWAVES	HURRICANES	EV ADOPTION
Climate Scenario(s) Analyzed	2 Degrees Celsius Warming	2 Degrees Celsius Warming	2 Degrees Celsius Warming
Classification	Opportunity	Risk, Opportunity	Opportunity
Severity	High	High	High
Likelihood	High	High	High
TCFD Category	Physical, Chronic	Physical, Acute	Transitional
Time-Horizon (short, medium, long)	Through 2050 (Long)	Through 2050 (Long)	Through 2050 (Long)
Business Areas and Stakeholders Impacted	Service Operations, Customer, Business Development	Facilities, Supply Chain, Revenue Management, Service Operations	Compliance and Disclosure, Business Development
Likely Outcomes	<ol style="list-style-type: none"> Higher frequency of extreme heat (days above 104° F) across key markets Greater peak energy demand and need for energy resilience 	<ol style="list-style-type: none"> Greater storm intensity, including wind damage across key markets Greater demand for energy backup, microgrids, and storage during storm events 	<ol style="list-style-type: none"> Increased subsidies and fundings to spur EV adoption Growing demand for EVs among consumers and businesses Public investment in charging infrastructure



ENVIRONMENTAL / TCFD ALIGNMENT / STRATEGY: PLANNING FOR A RESILIENT FUTURE

2022 Climate Scenario Analysis Summary (continued)

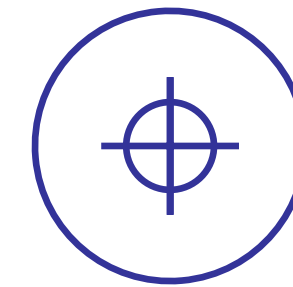
	HEATWAVES	HURRICANES	EV ADOPTION
Financial Impacts	<ol style="list-style-type: none"> 1. Increased revenue from capacity and demand response programs in key markets 2. Increased demand for Sunnova Adaptive Solutions 3. Additional revenue from up-powering existing customers 	<ol style="list-style-type: none"> 1. Increased revenue from communities and customers in hurricane-prone area requiring greater energy dependability 2. Increased operating costs in response to hurricane events 3. Loss of revenue due to grid disruptions 4. Increase in insurance premiums and/or decreased asset value 	<ol style="list-style-type: none"> 1. Increased revenue from EV charging products and larger PV systems 2. New market opportunities with cross-selling of other energy services for new EV customers 3. New market opportunities for broader EV charging applications (ex. Commercial and public EV charging infrastructure)
Alignment Next Steps	<ol style="list-style-type: none"> 1. Quantifying financial opportunities associated with heatwaves 2. Continuing use of climate data to address new markets where customers have greater exposure to heatwaves 	<ol style="list-style-type: none"> 1. Quantifying the financial opportunities associated with hurricane events 2. Quantifying the financial risks to our assets from hurricane events 3. Continuing use of climate data to address new markets where customers have greater exposure to hurricanes 	<ol style="list-style-type: none"> 1. Quantify the financial opportunity of EV adoption 2. Consider new business opportunities for EV-related services across private, corporate, and public use cases 3. Continuing policy engagement to facilitate EV adoption in key markets



For further details about our TCFD alignment, please see [our appendix](#).

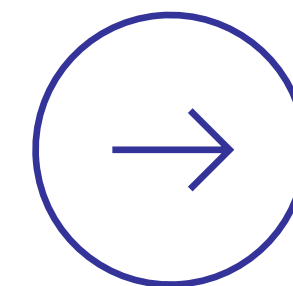


Metrics and Targets: Greenhouse Gas Emissions (Scope 1, 2, and 3)



GOAL 2

Quantify and disclose a complete Scope 3 inventory for all material categories and set a climate target that includes all scope emissions by year-end 2023.



STATUS

In Progress

In 2022, we conducted a comprehensive assessment of our Scope 3 inventory and are currently developing climate targets aligned with achieving net zero.



ENVIRONMENTAL / GREENHOUSE GAS EMISSIONS: SCOPE 1, 2 AND 3

Our Greenhouse Gas (GHG) Accounting Journey

Throughout our ESG reporting journey, we have been committed to reporting data that aligns with leading frameworks and is decision useful to our stakeholders. This includes a commitment to report climate data that meets the highest standards of carbon accounting, like the GHG Protocol. In 2021, we were limited in our Scope 3 accounting due to the challenges of collecting data across our supply chain and were only able to report the categories for business travel, waste generated in operations and employee commute. We made it a goal to prioritize a complete, robust scope 3 inventory and, in 2022, we quantified a complete footprint for the first time. The results of this analysis are reported below, including categories, like purchased goods and services, which comprise a significant portion of our total footprint. While we have not yet set a formal baseline, having this full footprint is a key step in further analysis for setting credible, science-based targets through the Science Based Targets Initiative (SBTi).

By the end of 2023, we intend to engage our key stakeholders on the [SBTi](#) target setting process and assess the feasibility of Sunnova setting and achieving a science-based target. In addition, we intend to develop a reduction roadmap for target success and begin the submission process to SBTi before the close of 2023.

GHG INVENTORY PARAMETERS

The footprint covers all Scope 1 and 2 emissions and relevant Scope 3 emissions sources. The GHG inventory is consolidated using the operational control approach. The carbon footprint is calculated in accordance with the [Greenhouse Gas \(GHG\) Protocol Corporate Standard](#). The 2022 numbers below detail Sunnova’s carbon footprint for the period January 2022 through December 2022 (fiscal year 2022).

FISCAL YEAR 2022 EMISSIONS BREAKDOWN SCOPES 1 AND 2

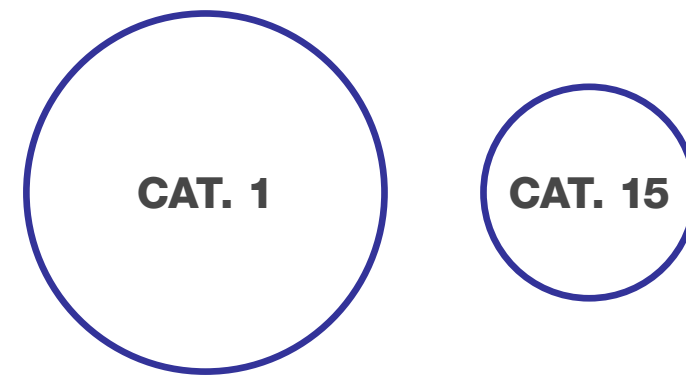
Sunnova’s fleet of vehicles is responsible for roughly 60% of total scope 1 and 2 emissions. Electricity consumption represents the second greatest source of emissions (37%) under scope 1 and 2. Fuel and refrigerants consumed at sites represent a much smaller portion of scope 1 emissions (~1% each). This is in line with expectations given our smaller office locations with few on-site employees outside of Houston.



FISCAL YEAR 2022 EMISSIONS BREAKDOWN SCOPE 3

Most of the emissions come from the purchase of inventory and EPC payments to dealers in Category 1. The next largest source of emissions is the use-phase emissions of product loans. This is in line with our model of working proactively with dealers and outsourcing purchases of equipment. A spend-based methodology was used for ease of calculation.

Highest Emissions



CONSIDERATIONS FOR FUTURE GHG INVENTORIES

Throughout the process of our expanded Scope 3, we have identified several areas of improvement including data collection for high impact areas such as Category 1 (Purchased Goods and Services), data organization and treatment through our various reporting systems, and engagement with suppliers and dealers to better understand their emission sources and identify ways to improve existing processes.

2020–2022 GHG Inventory

GREENHOUSE GAS EMISSIONS	2022	2021	2020
Scope 1 (metric tons CO2e)	1,535.00	1,517.00	1,035.20
Scope 2 (metric tons CO2e, location-based)	805.00	--	--
Scope 2 (metric tons CO2e, market-based)	890.00	751.70	726.40
Scope 3 Expanded (metric tons CO2e)	630,545.00	1,254.19	661.74
Category 1: Purchased Goods and Services	605,844.00	--	--
Category 2: Capital Goods	818.00	--	--
Category 3: Fuel and Energy related activities	902.00	--	--
Category 4: Upstream T&D	3,487.00	--	--
Category 5: Waste in Operations	1,177.00	9.29	9.34
Category 6: Business Travel	2,132.00	587.30	280.70
Category 7: Employee Commuting	602.00	657.60	371.70
Category 12: End-of-Life Treatment	804.00	--	--
Category 15: Investments	14,779.00	--	--
TOTAL EMISSIONS (Scope 1, 2, and 3) (location-based)	632,885.00	--	--
TOTAL EMISSIONS (Scope 1, 2, and 3) (market-based)	632,970.00	2,423.34	2,423.34



Green Financing Framework and Green Bond Reporting



°CICERO
Shades of
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A PLATFORM FOR TRANSPARENT AND SUSTAINABLE FINANCE

Consistent with our commitment to sustainable business practices and advancing corporate social responsibility within the solar industry, Sunnova developed a Green Financing Framework in 2021 that details which type of projects are eligible for financing/refinancing with the net proceeds of various types of financings Sunnova elects to use. The framework addresses the four major components of the International Capital Markets Association (ICMA) Green Bond Principles (2021), which outlines eligible use of proceeds, the process for project evaluation and selection, the management of proceeds and reporting. The framework earned the highest possible rating, Dark Green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions.

[View Cicero's Second Party Opinion](#) →

OVERVIEW OF GREEN BOND FRAMEWORK AND ISSUANCE

For 2022, we issued four new Green Financings which were all ABS transactions and re-allocated proceeds to new projects from two previously issued Green Financings. In total, these six transactions were the Green High Yield Bond, 2021-C, 2022-A, 2022-1, 2022-B, 2022-C. We published or revisited existing reporting on the use of net proceeds per the metrics below:

- Number of customers with installed systems
- Amount of solar capacity installed
- Top locations with allocated funds
- Total amount of expected annual solar production
- Resulting amount of expected CO2e avoided

For further details and calculation methodology, please see the corresponding Attestation Report of Independent Accountants documents, located on our [Green Finance webpage](#).

Net Proceeds

\$976 Million

2022 Green Financings transactions:

\$280 Million
2022-A

\$325 Million
2022-1

\$213 Million
2022-B

\$158 Million
2022-C



Product Circularity and End-of-Life Management

Our commitment to circular waste management practices of reusing and repurposing solar waste is reflected in our increased network of recycling and refurbishing companies.

To improve our end-of-life management process, we strengthened our relationship with Electronic Recyclers International (ERI) in 2022¹. Through ERI, devices are either recycled or resold, which significantly reduces our contribution to landfill waste.

In addition to working directly with our recycling and refurbishing partners, we connect them with our growing network of dealers. We proactively identify opportunities to connect dealers who have a surplus of solar modules to our product circularity partners who will extend their lifecycle. As existing equipment is replaced by technological advancements in the industry, we are committed to ensuring that fully functioning equipment is not directed into landfills.

¹ We also worked with Echo Environmental and Signature Solar to extend the lifecycle of solar modules and look forward to providing related data in the future. Per ERI, the environmental impact calculations set forth are estimates and may vary based on a number of factors.

2022 ERI Components Totals

COMPONENT	2022 TOTAL	% OF TOTAL
Solar Panels	93,165 lbs.	79.8%
E-waste (Electronic Device)	21,000 lbs.	18.0%
Cardboard	1,504 lbs.	1.3%
Electric Meters	679 lbs.	0.6%
Aluminum	348 lbs.	0.3%
GRAND TOTAL	116,696 lbs.	100%

ERI Highlights

Between January 1 and December 31, 2022, ERI processed 116,696 pounds of electronics from Sunnova. This means 17,046 pounds were diverted for reuse and 99,650 pounds were responsibly recycled.

By properly reusing and recycling these electronics, 439,928 pounds of CO2 equivalent emissions were

prevented. This is equivalent to 47 passenger cars' annual greenhouse gas emissions.

This CO2 savings includes 1,454,890 kilowatt hours of electricity that would have been used in producing new electronics. This is equivalent to 137 U.S. households' annual electricity usage.





Social

Customers

Solar Equity and Justice

Human Capital Management

Diversity Equity and Inclusion

Safety

Community Engagement





SOCIAL / CUSTOMERS

Customers

At Sunnova, we are committed to delivering highly robust and industry-leading energy solutions to meet the growing demand for energy efficiency and independence.

As a leading Energy as a Service (EaaS) provider, we are providing a less expensive, more reliable, and cleaner energy service experience to our customers, ultimately, transforming the way people power their homes and businesses. With our energy services, our customers are achieving greater energy independence, resilience, and cost savings while reducing their environmental footprint.



It is our unwavering commitment to providing exceptional customer service that helps sets us apart in our industry. In fact, in 2022, we further demonstrated our dedication to our customers by establishing the first-of-its-kind National Operating Command Center (NOCC) in Houston, TX. This state-of-the-art NOCC serves as the physical manifestation and central hub for Sunnova’s operations and maintenance activities and provides national updates on customer outages, production, and other critical data, with on-site support available to dispatch repair technicians to homes when they are needed most. With our 25-year protection guarantee, we are committed to maintaining our customers’ solar energy systems, ensuring that homeowners have access to reliable, resilient, and competitive energy solutions.

In addition to our NOCC, we also offer Sunnova Repair™ Services to provide troubleshooting, service, and repair support to all homeowners, even if their solar and battery storage systems were not installed by Sunnova or are no longer under a service warranty. These initiatives are just a few examples of our ongoing efforts to provide our customers with the Freedom to Live Life Uninterrupted® through exceptional customer service and reliable, accessible energy services.

“We proudly back all our Sunnova systems with full service warranties so our customers have peace of mind, but we know that not everyone with a solar system has that same level of service,” said Michell Graham, Senior Vice President, Europe at Sunnova. “Sadly, there are many homeowners with solar systems who are frustrated because either their provider doesn’t offer service and support, or their electrician isn’t able to service their issues. We have an in-house team of dedicated service technicians who are the best in the industry, specially trained to service most major equipment providers for residential solar and storage. We set out a goal to bring the high standard of service that we provide our Sunnova customers to all solar customers, and that’s what we’re going to do.”

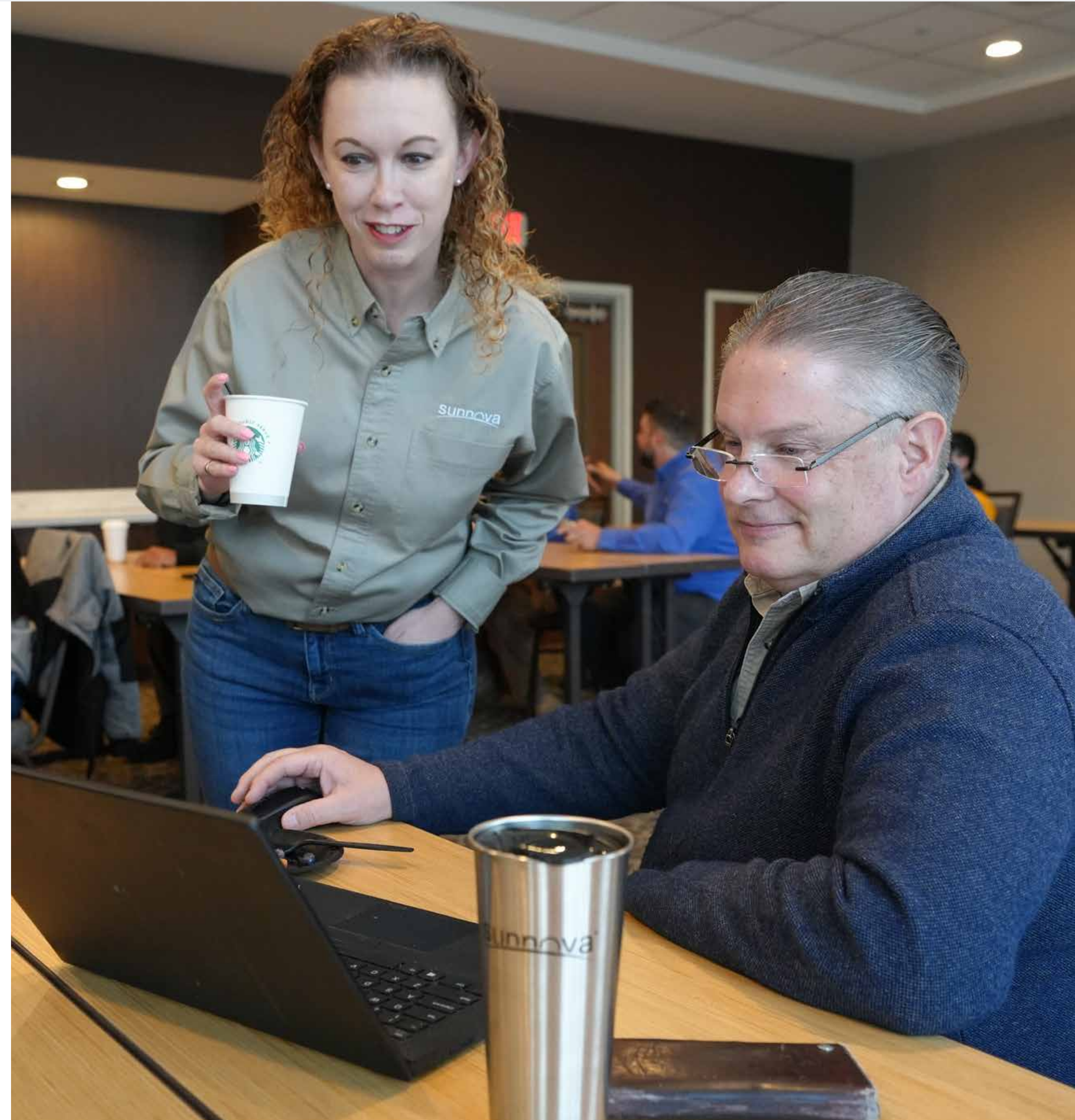
We are committed to maintaining our customers’ solar energy systems, ensuring that homeowners have access to reliable, resilient, and competitive energy solutions.



ENVIRONMENTAL / SOLAR EQUITY AND JUSTICE

Solar Equity and Justice

At Sunnova, we believe that prioritizing solar justice will allow for an inclusive and equitable energy transition. Through our partnerships and initiatives, we are expanding the reach of clean and sustainable energy by breaking down the key barriers faced by those who need it most.





SOCIAL / SOLAR EQUITY AND JUSTICE

Navajo Nation Community Gains Energy Independence

Sunnova, **Generac**, and **Empowered by Light** joined forces to bring resilient and clean energy to the Hard Rock Chapter House in the Navajo Nation in Arizona. The partnership resulted in the installation of a free solar and battery storage system.

For years, the Hard Rock Chapter House has been opposed to coal mining on their lands, and they still feel the effects of the mining today. This solar and battery storage system has enabled them to shift to renewables and demonstrate the benefits and resilience of nature by harnessing clean energy from the sun to power their daily activities at the Chapter House while also combating climate change.

The Hard Rock Chapter House was selected for this project because it serves as a central meeting place for the Navajo community. The initiative was a chance for Sunnova, Generac, and Empowered by Light to make an impact by providing clean, reliable power while also reducing the community’s electricity bills and enabling the community to reinvest in strengthening their community. The project represents a significant step in creating a sustainable energy infrastructure and promoting the growth of the solar industry in the Navajo Nation, ultimately contributing to the long-term sustainability and resilience of the community.

Navajo Nation Initial Figures

11/30/22

System Activated Date (In-Service Date)

1.389

Lifetime Production Date (MWh) through December 2022

0.984671253

CO2 avoided from In-Service Date to December 2022 [metric tons]

UN SDG Alignment

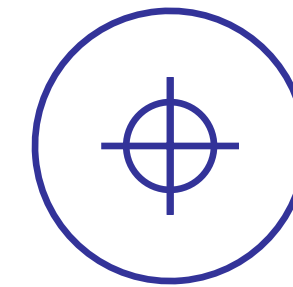




ENVIRONMENTAL / HUMAN CAPITAL MANAGEMENT

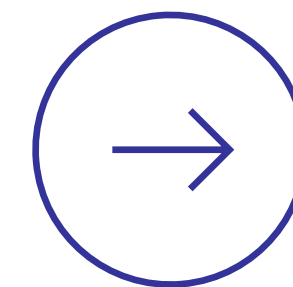
Human Capital Management

At Sunnova, we're constructing the framework for the next generation of energy leaders. Our pride stems from being a sought-after destination for top talent in the energy industry—a place where individuals not only desire to work, but also recognize the potential for establishing a gratifying and long-lasting career. We are dedicated to fostering an environment that empowers our employees to succeed and flourish, providing them with abundant growth opportunities and professional advancement at every stage of their journey with us.



GOAL 1

Reduce year-over-year voluntary turnover to 15% by 2025.



STATUS

In Progress

In 2022, we had an 18.2% voluntary turnover —higher than previous years—driven largely by turnover in our technician population.

In 2022, we updated our methodology for calculating voluntary turnover to align with industry best practices and recalculated our historic metrics for consistent year-over-year reporting. We are enhancing strategies to continue driving progress towards our 2025 goal, detailed further in the report.

We are conducting a thorough analysis of both voluntary and involuntary turnover rates, exit interview feedback, and demographic data to identify areas for improvement and ensure that our organization fosters a positive and inclusive workplace culture.



SOCIAL / HUMAN CAPITAL MANAGEMENT

THE CLEAN ENERGY TALENT TIDE

In 2021, we identified human capital management as a priority area of ESG strategy after a detailed stakeholder engagement process in our inaugural materiality assessment. Our findings validated that while the opportunities that exist at our company and in our industry are very compelling, this growth also brings challenges for retaining talent. The shift to the green economy is accelerating at a breakneck pace and we observe that one of the best ways we can be prepared for long-term workforce success is building a company where people want to expand their careers. This serves to keep our top talent and drive key outcomes, maintain intellectual property, and lower the cost of talent acquisition.

In just one year since we set this goal, we have seen landmark shifts in the job market and broader economy, most notably with the Inflation Reduction Act, which is creating an unprecedented demand for workers with skills in solar and electrical engineering among other service-sector jobs. To be clear, this is a fantastic problem to have for our industry in the long-term, but this creates a short-term challenge to meet market demand for the level of service we expect to provide for our customers. In 2022, we experienced an increase in our overall voluntary turnover with the vast majority stemming from service technician attrition. As firms compete for the presently scarce and high-demand talent for our business model, this goal has never been more important for our strategy, and we remain committed to achieving it through an enhanced approach.

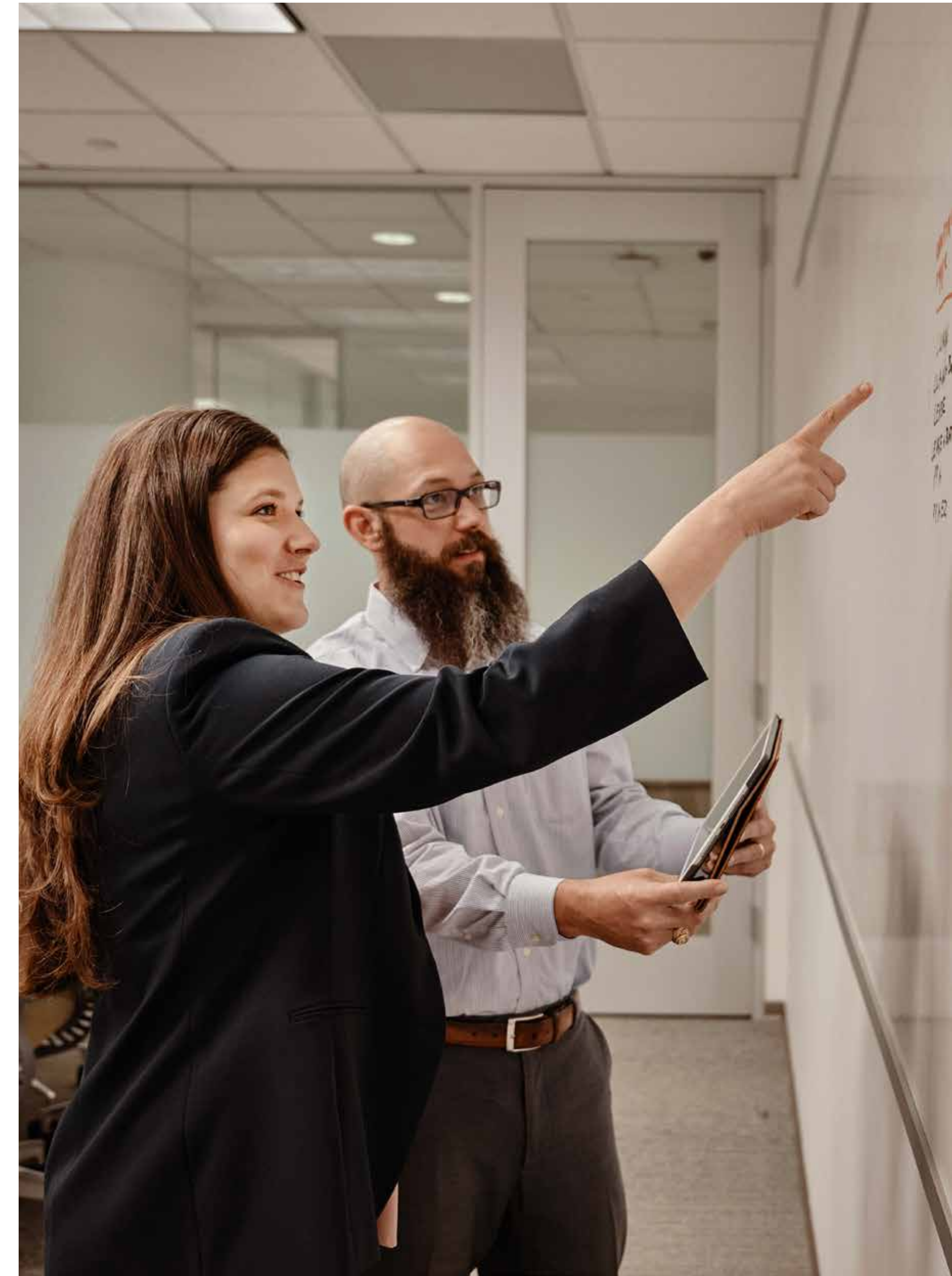
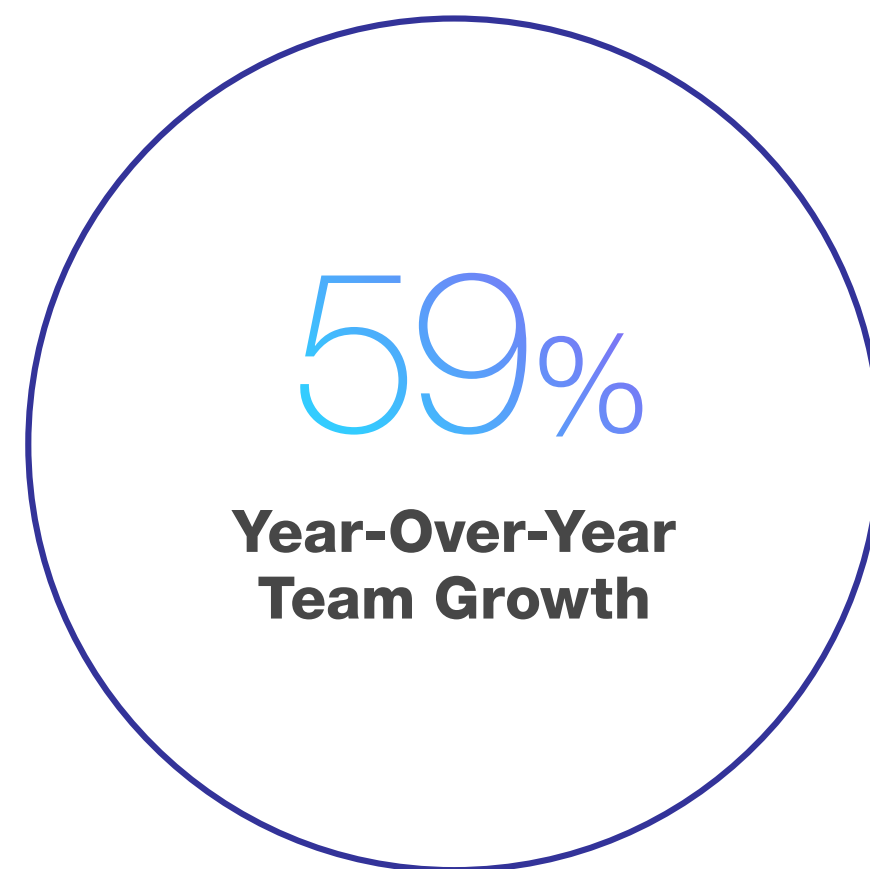
This goal has never been more important for our strategy, and we remain committed to achieving it through an enhanced approach.



SOCIAL / HUMAN CAPITAL MANAGEMENT

ATTRACTING THE BEST TALENT

We are dedicated to building a dynamic and inclusive workforce that is reflective of the diverse communities we serve. We are continuously striving to attract a wide array of skilled and talented individuals through both traditional and non-traditional recruitment methods, and we remain steadfast in our efforts to engage with communities and groups that have been historically underrepresented in the energy sector. Our unwavering commitment to this vision is reflected in our impressive growth trajectory—in 2022 alone, our team grew by an astounding 59% year-over-year. As the renewable energy industry takes center stage in the modern American economy, we aspire to take the lead in ensuring equal access to these job opportunities for all individuals, and to enable them to establish fulfilling careers in this field.





SOCIAL / HUMAN CAPITAL MANAGEMENT

HELPING OUR TALENT DEVELOP

At Sunnova, we believe that by working together, we can power the success of our company and achieve our shared mission of powering energy independence. That is why we introduced the “ONE CONVERSATION” approach. This approach was designed to provide employees with a single, streamlined conversation about their annual performance review results and compensation considerations. By combining these discussions, we hope to give greater clarity and insight into the employee’s performance while also enabling goal-setting opportunities for future growth and development within the company.

We also understand the importance of increasing engagement and retention. In addition to our regular performance reviews, we plan to strengthen employee engagement through professional development opportunities. We will elevate the onboarding experience of new hires and continue training, development, and leadership programs (such as Franklin Covey) for current employees.



We plan to strengthen employee engagement through professional development opportunities.





Training and Development

As the company grows, we are also evolving the ways in which we develop talent. Our senior leadership takes great pride in fostering the growth and development of younger and newer employees, offering guidance and support as they progress to their next roles. Additionally, we are actively investing in initiatives aimed at creating clear career pathways for entry-level employees, empowering them to transition into roles with greater responsibility and impact. As a growing company, we recognize the significance of cultivating a vibrant and dynamic workforce that is equipped to tackle the challenges and opportunities of the future, and we remain committed to enabling our employees to reach their full potential.

FRANKLIN COVEY

This year, we partnered with the renowned leadership training provider, **Franklin Covey**, to offer our employees the tools and resources they need to develop their leadership skills and business acumen. This training program was designed to cater to employees at all levels of the organization, from aspiring leaders to early career managers and seasoned senior leaders. Our first Franklin Covey cohort launched in November 2022 and attracted over 20 eager participants. The positive response we received from the participants further underscored our unwavering

commitment to fostering employee development. By the end of 2022, 73 employees had completed the Franklin Covey training and we've set an ambitious goal of providing 250 employees with this invaluable training opportunity over the next two years. As we continue to prioritize the professional development of our employees, we remain confident in our ability to empower them with the skills and knowledge they need to thrive in their roles.

GREEN BELT TRAINING AND CERTIFICATION

Sunnova is also committed to promoting employee development through our Green Belt Training and Certification program. This intensive training is specifically designed to improve our internal processes while empowering our employees to enhance their analytical capabilities using Minitab statistical analysis software. The two-week, 80-hour training is offered to cohorts of 5 to 10 individuals and includes a process improvement project, allowing employees to apply the skills they've acquired during the training to streamline operations within their respective departments. As a result of this program, our employees are equipped with highly transferable skills that can be leveraged in various roles and teams. Moreover, employees who successfully complete the Green Belt Training receive a certification that validates their newfound expertise, which can further augment their career prospects.

SKILLSOFT PERCIPIO TRAINING

Sunnova also proudly offers our team members access to **Skillsoft Percipio** online courses, which can be accessed anytime, anywhere, on any device. This continual learning portal boasts one of the most extensive and diverse course libraries available, allowing our employees to expand their skillset and stay up to date with the latest industry trends. From cutting-edge technology courses to leadership development and everything in between, our employees can tailor their learning experience to suit their unique interests and career goals. Through this innovative resource, our employees can follow interactive educational tracks and earn professional certifications to further enhance their skillset and marketability. By empowering our team members, we foster a culture of collaboration and excellence that drives our company's continued success.

We recognize the significance of cultivating a vibrant and dynamic workforce that is equipped to tackle the challenges and opportunities of the future.



Engagement

At Sunnova, we believe that engaged employees are critical to our long-term success. In 2022, we launched several initiatives to expand our engagement efforts. We conducted employee outreach programs and launched surveys on SurveyMonkey, Comparably, and our Intranet to gather feedback and better understand our employees' needs, comments, and questions. Additionally, we provided our employees with stock purchasing options, further demonstrating our commitment to their well-being and financial prosperity. These engagement efforts are essential to our ongoing commitment to creating a positive and fulfilling work environment for all Sunnova employees.

EMPLOYEE PROFILE

	2022	2021	2020
Number of Full-Time Employees ¹	1,170	738	398
Voluntary Turnover ³	18.2%	16.6%	16.6%
Male	66%	63.2%	62%
Female	34%	36.8%	38%

AGE DEMOGRAPHICS

	2022	2021	2020
Below age 30	28%	24%	20%
Age 30 to age 50	59%	61%	67%
Above age 50	13%	14%	13%

¹ As of December 31, 2022, we had 1,170 full-time employees and 1,173 total employees. We also engage independent contractors and consultants. We are not party to any collective bargaining agreements and have not experienced any strikes or work stoppages.

² Per [HiBob.com](https://www.hibob.com), growth year-over-year is the difference between the current period employee number (1,170) and the previous period employee number (738) divided by the previous period employee number, multiplied by 100.

³ Turnover rate is calculated by taking the number of separations during a period of time divided by the average number of employees, multiplied by 100: Turnover Rate = # of Separations/Avg. # of Employees x 100

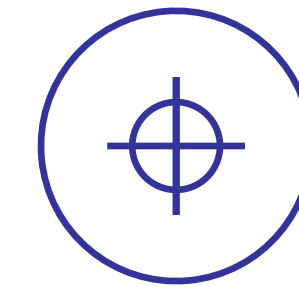
Celebrating Our Success

We are proud of the fulfilling and exciting work environment that we have created at Sunnova, and we are humbled by the recognition we have received. Our employees have consistently nominated us for awards and, as a result, we have received:

- Grit Awards: Best Energy Workplace (3-time winner)
- 2022 Solar Builder Residential Project of the Year
- 2022 Best Company Leadership (Comparably)
- 2022 Best CEOs for Diversity (Comparably)
- 2022 Best Teams Operations (Comparably)

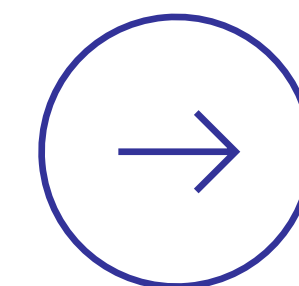


Diversity, Equity and Inclusion



GOAL 2

Improve estimated year-end 2021 racial/ethnic minority representation for mid-level leadership (senior positions with General Manager, Director, Senior Director, VP and SVP titles) by 20% by 2025.



STATUS

In Progress

We're dedicated to advancing diversity and inclusion in our workplace, and although we have more work to do to reach our 2025 goal, we're determined to keep making progress.

We're currently considering several initiatives, including internal hiring, outreach to underrepresented communities, and renewed commitment to our diversity, equity, and inclusion committee.



SOCIAL / DIVERSITY, EQUITY AND INCLUSION

Diversity and Inclusion Metrics Mid-Level Leadership

DESCRIPTION	2022	2021
Asian	10.71%	6.35%
Black or African American	2.38%	4.76%
Hawaiian/Pacific Islander	0.00%	0.00%
Hispanic or Latino	13.10%	15.87%
Two or More Races	3.57%	4.76%
Unknown or not reported	1.19%	0.00%
White	69.05%	68.25%

Diversity and Inclusion Metrics Across the Organization

DESCRIPTION	2022	2021	2020
Asian	11.5%	11.0%	15.0%
Black or African American	10.8%	10.5%	9.3%
Hawaiian/Pacific Islander	0.8%	0.5%	0.2%
Hispanic or Latino	34.9%	37.8%	34.4%
Two or More Races	2.2%	2.4%	2.3%
Unknown or not reported	2.8%	--%	--%
White	36.6%	37.8%	38.2%



SOCIAL / DIVERSITY, EQUITY AND INCLUSION

WORKPLACE DIVERSITY

Last year, we embarked on a strategic process to formalize and improve our enterprise-wide diversity and inclusion approach, aiming to continuously enhance our strategy with confidence. In 2021, over 62% of our employees self identified as minority, and in 2022 over 60% self identified as minority. We are proud of our high level of diversity and recognize it as a key driver of our success. As a result, in 2021, we set a goal to manage our mid-level leadership diversity to ensure those numbers reflect the diversity of our entire workforce.

However, we observed a 33% growth in our mid-level leadership group from 2021 to 2022, which led to a 1% decrease in mid-level leadership diversity. As we look forward to 2023, we acknowledge that there is still work to be done to achieve our target by 2025. We remain steadfast in our commitment to creating a more diverse and inclusive workplace and progressing towards our goal.

To further this goal, we are considering initiatives such as hiring from within, targeted outreach to underrepresented communities, and a renewed focus on our DEI committee.

We are deeply committed to fostering a culture of diversity and inclusion throughout our global

workforce. We believe that a diverse team is critical for building a strong and innovative company and creating a more equitable society. We understand that this is an ongoing journey and remain dedicated to promoting diversity, equity, and inclusion at all levels of our organization. By doing so, we are confident that we will create a more successful and impactful company.

Recruiting and Outreach

As part of our ongoing commitment to promoting diversity and inclusion, we are proud to have expanded our efforts to engage with students and foster a more diverse talent pipeline in 2022. We recognize the importance of building a talent pipeline that includes individuals from various educational backgrounds. Therefore, recruitment efforts included visiting universities such as The University of Texas, Texas A&M, Rice University, University of Houston, and Duke University. We also actively recruited talent from trade schools, such as Pennco Tech in Pennsylvania and the Percy H Sears Applied Technologies Center in North Carolina. At each visit, we had the privilege of meeting with students to share information about the exciting career opportunities available at Sunnova. As we build relationships with various educational institutions and prioritize student engagement, we aim to create a more diverse and inclusive workforce

that reflects the communities we serve.

Looking Ahead

In 2023, we are launching specific initiatives to ensure that we are recruiting from diverse talent to enhance our talent pipeline development strategy. In 2023, we plan to visit historically black colleges and universities (HBCUs) and minority serving institutions (MSIs), as well as technical schools across the nation, where we will host coffee chats and information sessions to connect with students and share information about exciting career opportunities at Sunnova. We are particularly excited to provide students with the opportunity to engage with our Senior Leadership team, who will be on hand to answer questions and provide guidance. We recognize the critical role that HBCUs and MSIs play in promoting diversity and equity in higher education, and we are committed to doing our part to support these institutions and their students.

Additionally, we will elevate our summer internship program, and ultimately develop a spring, fall, co-op, and rotational program with MBA students.

Finance team helps recruit at UT Austin





SOCIAL / DIVERSITY, EQUITY AND INCLUSION / **EMPLOYEE RESOURCE GROUPS**

Employee Resource Groups

At Sunnova, we continue to support our two internal communities, the DEI Committee (DEI) and the Women’s Leadership Network (WLN). These two voluntary groups help foster a diverse, inclusive workplace. DEI and WLN seek synergy across our company by facilitating cultural events, recognizing and spotlighting employees on the intranet or in newsletters, hosting guest speakers, and inviting employees to “watercooler chat” team events on topics that matter to our employees.

UNDERSTANDING ENERGY JUSTICE WITH OUR DEI COMMITTEE

In August 2022, members of the DEI Committee attended Ally Energy’s “Just Transition” luncheon with EVP of Sustainability Kelsey Hultberg. The event honored Houston’s Mayor Turner for his service in building a more resilient city since Hurricane Harvey. In addition, leaders from the Office of Economic Impact and Diversity at the U.S. Department of Energy and our CEO, John Berger, took the stage to discuss the work Sunnova is doing to help bring energy independence to all Americans and ensure that energy justice endures through the clean energy transition.

Just Transition luncheon with Department of Energy and Mayor Sylvester Turner, August 2022.

Independent Ethics Hotline 24/7

We take seriously our commitment to workplace wellness and being able to bring one’s full self to work at Sunnova without fear. We have several workplace policies in place and formal grievance escalation and confidential reporting for all employees.



SOCIAL / DIVERSITY, EQUITY AND INCLUSION / EMPLOYEE RESOURCE GROUPS

MENTORING THROUGH THE WOMEN'S LEADERSHIP NETWORK

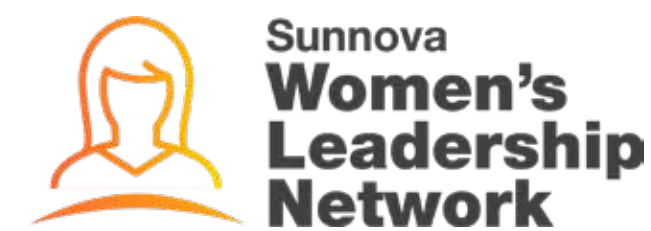
Sunnova's Women Leadership Network (WLN) fosters career development and facilitates communication between women within and beyond Sunnova. Open to all genders, the WLN supported and advocated broader inclusion initiatives across the company through various guest speakers and discussions.

Guest Speakers and Topics included:

Nora Brownell,
Sunnova Board Member
A Life of Service in Energy

Courtney Knapp,
Speakers Trainer and Coach
Elevate Your Public Speaking and Presentation Skills

Nicole Louvar,
AIF COO and Wealth Management Advisor
Women, Wellness and Wealth

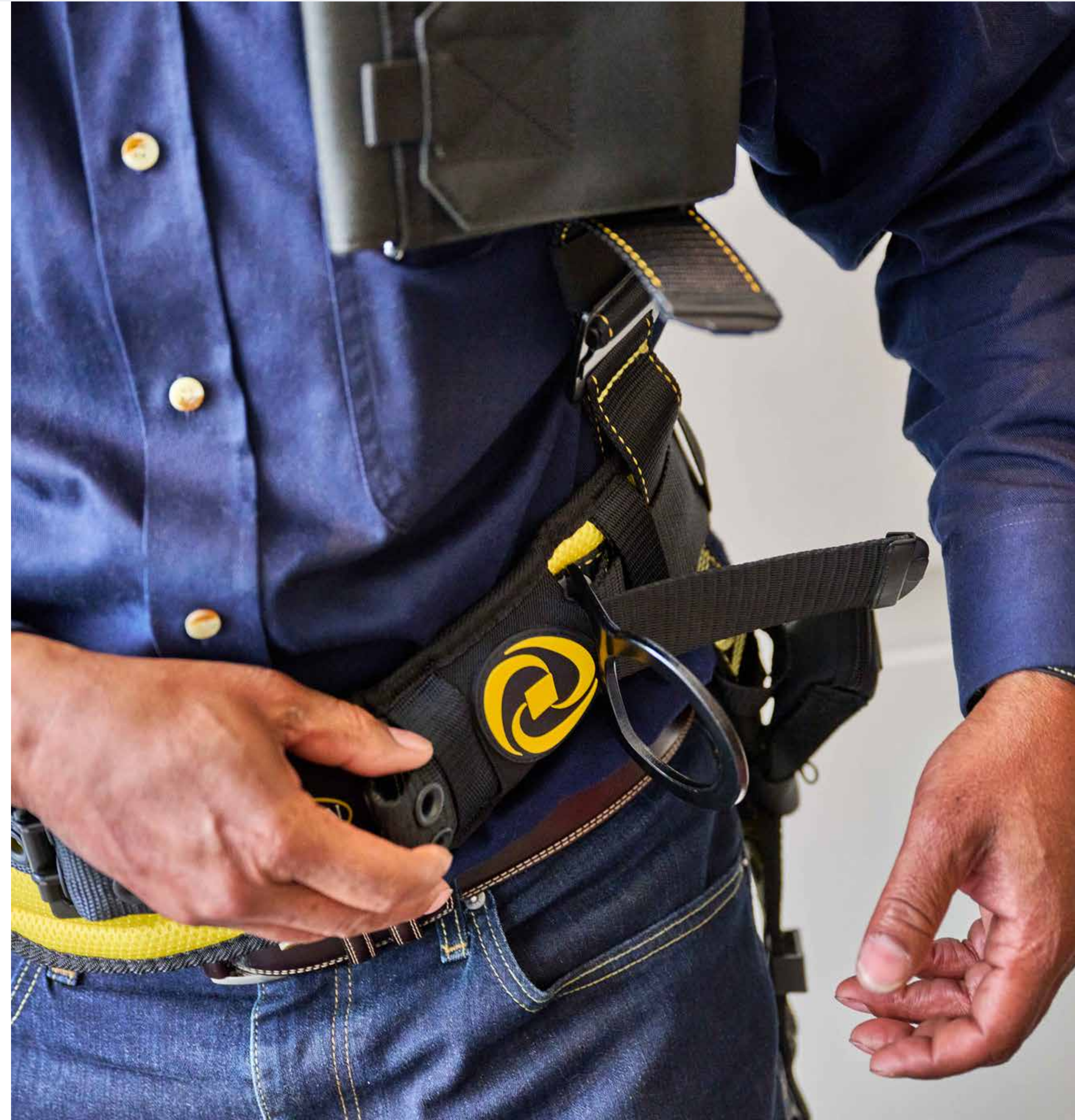




SOCIAL / SAFETY

Safety

In 2022, our employees completed 17,457 total safety training hours. This includes new hire safety training, new hire safety training certification in OSHA 10, OSHA 30, the American Ladder Institute, OSHA Fall Protection Training Certification with Tripod Suspension training, and a specialized safe driver training course, along with Defensive Driving. We also conducted 48 weekly safety meetings, issued 674 safety training accredited certifications and conducted worker safety trainings on 105 occupational health and safety modules over the course of 2022.





SOCIAL / SAFETY

TECHNICIAN HIGHLIGHT

In addition to the safety training, our technicians receive daily hands-on experience, allowing them to start a career trajectory that paves the way to higher level positions and career pathing at Sunnova.

David Schupsky joined Sunnova in 2020 and is now a Solar Technician I. With a background as an electrician, David serves as a mentor for our incoming and current techs in The Garden State, helping them understand best practices, take necessary precautions, and gain more experience.

“Being in this line of work, you run into new kinds of issues every day; it’s just the nature of the field. So, the longer you’ve been in it, the easier it becomes. We use our experiences to teach our newer team members and we encourage them not to overthink things and use basic troubleshooting skills.”—David Schupsky

SAFETY AT A GLANCE

Our technicians are on the front lines of helping our customers achieve energy independence. While these employees are distributed in communities across the country, we bring every new technician to our headquarters in Houston to complete specialized safety training.

WORKER PRO SAFETY APP

In February 2023, we launched the Worker Pro Safety App for Field Services through a mobile app. Through innovative technology and automation, this mobile app identifies fall detection or a down worker, which enables faster emergency response. It also helps protect our lone workers through detection of missed check-ins, worker heart rates and heat stress awareness. Additionally, it includes a panic button to allow lone workers to manually request help if needed. This solution helps us to further enhance the safety of our growing workforce by improving emergency detection and response times.

	2022	2021	2020
Safety Policy (Y/N)	Y	Y	--
Total Recordable Incident Rate (TRIR)—Employees	0.8	1.5	1.4
Fatalities—Employees	0	0	0
Incidents	8	10	6



Being in this line of work, you run into new kinds of issues every day; it’s just the nature of the field. So, the longer you’ve been in it, the easier it becomes. We use our experiences to teach our newer team members and we encourage them not to overthink things and use basic troubleshooting skills.

— **David Schupsky**

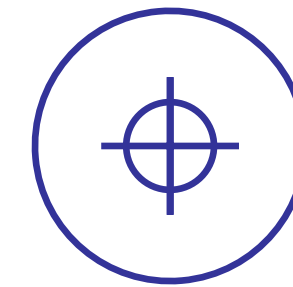
In July 2022, Sunnova was officially honored and recognized by the American Ladder Institute as a Safety Ambassador with ALI. “This program was created to recognize companies for their continued commitment to ladder safety and reducing accidents and fatalities, in the workplace and at home.”





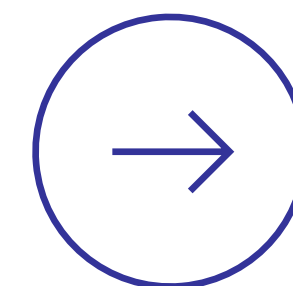
SOCIAL / COMMUNITY ENGAGEMENT

Community Engagement



GOAL 3

Contribute 2,500 total employee volunteer hours to organizations whose causes align with our mission and ESG goals by year-end 2025.



STATUS

In Progress

We established an employee volunteer program, incorporating a Volunteer Paid Time-Off Policy, and coordinated various corporate community engagement initiatives in accordance with our recently adopted Corporate Social Responsibility strategy.



SOCIAL / COMMUNITY ENGAGEMENT / OUR STRATEGY

Our Strategy

In 2022, we developed a robust Corporate Social Responsibility (CSR) Strategy to strengthen our community engagement efforts. This strategy was informed by an employee survey that we launched to understand how our team would like to see Sunnova engage with the communities in which we live and work. The responses allowed us to develop a strategy that focuses on Corporate Community Engagement through non-profit partnerships and Volunteer Opportunities that are both Sunnova-sponsored as well as employee-sponsored.

VOLUNTEER PAID TIME-OFF POLICY

We formalized our commitment to fostering community engagement by developing and implementing our **Volunteer Paid Time-Off Policy**. This policy encourages employees to take up to 8 hours per year of paid time off to direct their skills and expertise into supporting three key areas that reflect our corporate values of Service, Synergy and Sustainability:

Service

Human Services and Community Empowerment

Employees can support programs for children and family services, food banks, food pantries and distribution, homeless services, and social services.

Synergy

Education and Training Advancement

Employees can use their volunteering time to support science, technology, engineering, and math (STEM) or promote equal access to education, upskilling and training.

Sustainability

Environmental and Sustainable Stewardship

Employees can support programs for recycling, greening-up outdoor spaces, planting trees in their communities, supporting green builds, or supporting environmental education programs.



SOCIAL / COMMUNITY ENGAGEMENT / OUR STRATEGY

GOVERNANCE

Our Executive Vice President of Corporate Communications and Sustainability oversees our social investment and community engagement efforts with our executive leadership team. We govern these efforts at the board level through our Nominating, Governing and Sustainability Committee. The committee reviews our annual social investment budget and provides feedback on our social investment and engagement strategies.

COMMUNITY ENGAGEMENT

Houston Food Bank

In 2022, we volunteered with the Houston Food Bank’s Backpack Buddy program to ensure that children who rely on school meals for breakfast and lunch during the week have nutritious food to take home over the weekend.

Sunnova Run Team

In 2022, we started a Sunnova Run Team to participate in the Houston Marathon in February of 2023 in support of Dress For Success Houston, which provides women with a network of support and resources to succeed.

Child Advocates

Sunnova has supported Child Advocates since 2018 through their Childspree initiative and

Santa’s Wish List program.

Santa’s Wish List

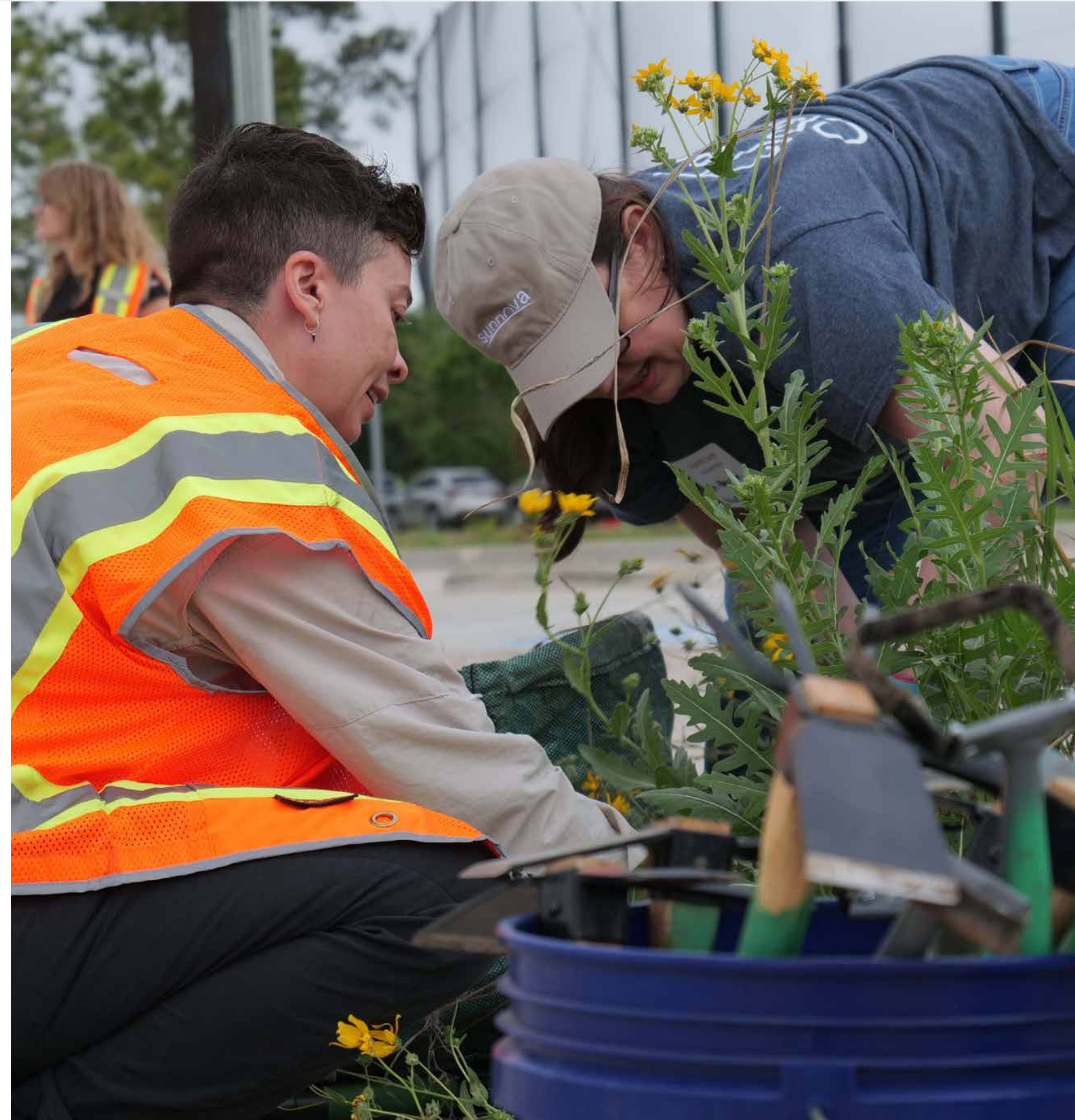
Over the past five years, Sunnova has provided Christmas gifts to 296 children who have been placed in the protective custody of Child Protective Services.

Childspree

Sunnova sponsored the Child Advocates Childspree in 2019, 2021 and 2022. Each year, 50 Sunnova volunteers are paired with 50 children served by Child Advocates for a morning of back-to-school shopping in local Target stores. Each year that we participated, we donated \$7,500 to the Childspree.

Charitable Donations

Sunnova has made charitable donations to VoteSolar, Women of Renewable Industries and Sustainable Energy (WRISE), and Interstate Renewable Energy Council (IREC). We have been active with a number of community efforts, including contributing to the Dress for Success Houston clothing drive, Gift of Adoption Fund trivia event fundraiser and other community-focused groups. We support employee volunteer activities, and our new Volunteer Paid Time-Off Policy further encourages employees to participate in charitable work.





Governance

Sustainability Governance and Oversight

Risk Management Approach

Data Security and Privacy

Board Diversity and Independence

Lobbying and Advocacy

Supply Chain and Procurement Management

Dealer Sustainability



GOVERNANCE / SUSTAINABILITY GOVERNANCE AND OVERSIGHT

Sustainability Governance and Oversight

At Sunnova, we are committed to leading with integrity, fostering a culture of honesty, maximizing performance, and embracing ethical business practices.

As a responsible and sustainable business, we believe that good governance is essential to achieving our long-term goals and creating value for our stakeholders. We are committed to maintaining a high standard of corporate governance, which includes oversight of sustainability issues. Our approach to governance involves a commitment to transparency, accountability, and continuous improvement. We understand that good governance is not just a matter of compliance, but it is also a way of building trust and maintaining strong relationships with our stakeholders.





Sustainability Governance and Oversight

Our formal oversight of sustainability matters begins with our Board of Directors and our Nominating, Corporate Governance and Sustainability Committee, which includes oversight of our sustainability strategy and disclosures and climate related risks and opportunities.

The Nominating, Corporate Governance and Sustainability Committee meets at least quarterly to discuss sustainability strategy, reporting, and performance. Implementation and coordination of our sustainability strategy and reporting is done through our formal Sustainability Steering Committee.

The Sustainability Steering Committee is chaired by our EVP of Corporate Communications and Sustainability and includes members of the legal, commercial, accounting, communications, finance, supply chain, and operations teams. The Sustainability Steering Committee meets monthly to discuss sustainability strategy and implementation.

Governance Structure

Nominating, Corporate Governance and Sustainability Committee

- Oversees the development of Sunnova’s sustainability strategy
- Reviews and provides oversight of sustainability disclosures and engagement
- Consists of two or more directors
- Includes members that are appointed by the Board
- Meets quarterly



Executive Vice President, Corporate Communications and Sustainability

- Head of Sustainability reporting to the CEO
- Approves and directs sustainability protocol across the organization
- Acts as a liaison between all executive leadership
- Serves as ESG Steering Committee Chair



Sustainability Steering Committee

- Includes leaders from across the business and subject matter experts in key functions
- Active advocates of sustainability, ensuring our corporate value of “Sustainability” is integrated throughout the Company
- Meets once every quarter



Director of Sustainability

- Dedicated role for coordinating and aligning sustainability communications and projects within the organization
- Member of the ESG Steering Committee
- Reports directly to the EVP, Corporate Communications and Sustainability



Sustainability Governance

Our materiality assessment identified ESG Governance as a Tier 1 priority topic for our company, which reinforced our commitment to continuously strengthening our governance structures.

By closely tracking our goals and regularly reporting on our progress, we can identify areas where we need to improve and take timely action to address any gaps while upholding high standards of transparency and accountability.

ENTERPRISE LEVEL

Sustainability Steering Committee

Our Sustainability Steering Committee was tasked with developing a robust system to monitor our progress towards achieving our sustainability goals and to provide a formal mechanism for accountability. By closely tracking our goals and regularly reporting on our progress, we can identify areas where we need to improve and take timely action to address any gaps while upholding high standards of transparency and accountability. In fact, in 2022, the Sustainability Committee created or modified the following policies and codes of conduct to ensure that our organization remains aligned with our sustainability goals and values.

Created

Waste and Recycling Policy, Health and Safety Policy, Human Rights Policy, Environmental Policy

Updated

Vendor Code of Conduct, Code of Conduct, Environmental Policy

BOARD LEVEL

Nominating, Corporate Governance and Sustainability Committee

The Nominating, Corporate Governance and Sustainability Committee plays a crucial role in assessing, monitoring, and managing the Company's sustainability risks and opportunities. To this end, the committee oversaw our TCFD Climate Scenario Analysis, which evaluated the risks and opportunities associated with 42 TCFD drivers. Through a series of workshops with internal stakeholders, we identified the most pressing climate-related risks and opportunities facing Sunnova. We then presented three key topics, including Heatwaves, Hurricanes, and EV adoption, to the Nominating, Corporate Governance and Sustainability Committee for approval, which allowed us to move forward with the next phase of the analysis.





Risk Management Approach

The Board provides oversight of the major risks facing the Company and has delegated risk oversight responsibility as follows:

The Audit Committee oversees risks relating to financial matters, financial reporting, auditing and cybersecurity.

The Compensation and Human Capital Committee reviews human capital management matters annually. These include matters relevant to Sunnova’s employees and, where applicable, independent contractors. These matters are discussed with management and include topics such as recruitment and retention, workplace health and safety, diversity and inclusion, culture and employee engagement, pay equity, and general approach to broad-based compensation, benefits, and employee growth and development practices.

The Nominating, Corporate Governance and Sustainability Committee evaluates potential conflicts of interest and independence of directors, develops corporate governance principles and has oversight of the Company’s sustainability program.

Ethics and Governance Documents

[Audit Committee Charter](#) →

[Code of Conduct](#) →

[Code of Ethics for the CEO and Senior Financial Officers](#) →

[Compensation and Human Capital Committee Charter](#) →

[Corporate Governance Guidelines](#) →

[Corporate Social Responsibility \(CSR\) and Volunteer Time Off Policy](#) →

[Diversity, Equity, and Inclusion \(DEI\) Committee Charter](#) →

[Environmental Policy](#) →

[Health and Safety Policy](#) →

[Human Rights Policy](#) →

[Clawback Policy](#) →

[Nominating, Governance and Sustainability Committee Charter](#) →

[Vendor Code of Conduct Policy](#) →

[Waste and Recycling Policy](#) →

[Stock Ownership Policy](#) →



GOVERNANCE / DATA SECURITY AND PRIVACY

Data Security and Privacy

The Board is responsible for overseeing the Company's Enterprise Risk Management process and has delegated cybersecurity oversight to the Audit Committee. The Audit Committee meets with management twice a year to review the effectiveness of the Company's cybersecurity frameworks, policies, programs, opportunities, and risk profile.

Additionally, our Privacy Policy reflects our cybersecurity oversight and explains how we collect, use, disclose, protect, or otherwise handle Personal Information collected from Sunnova websites, interactive services, email programs, mobile device applications, and other means of providing services or performing business activities. It also provides information on how to opt-out of certain uses and disclosures of Personal Information. Please note that this Privacy Policy does not apply to Personal Information collected from or about job applicants, employees, or contractors, which is covered by the Sunnova Employee and Contractor Privacy Notice.





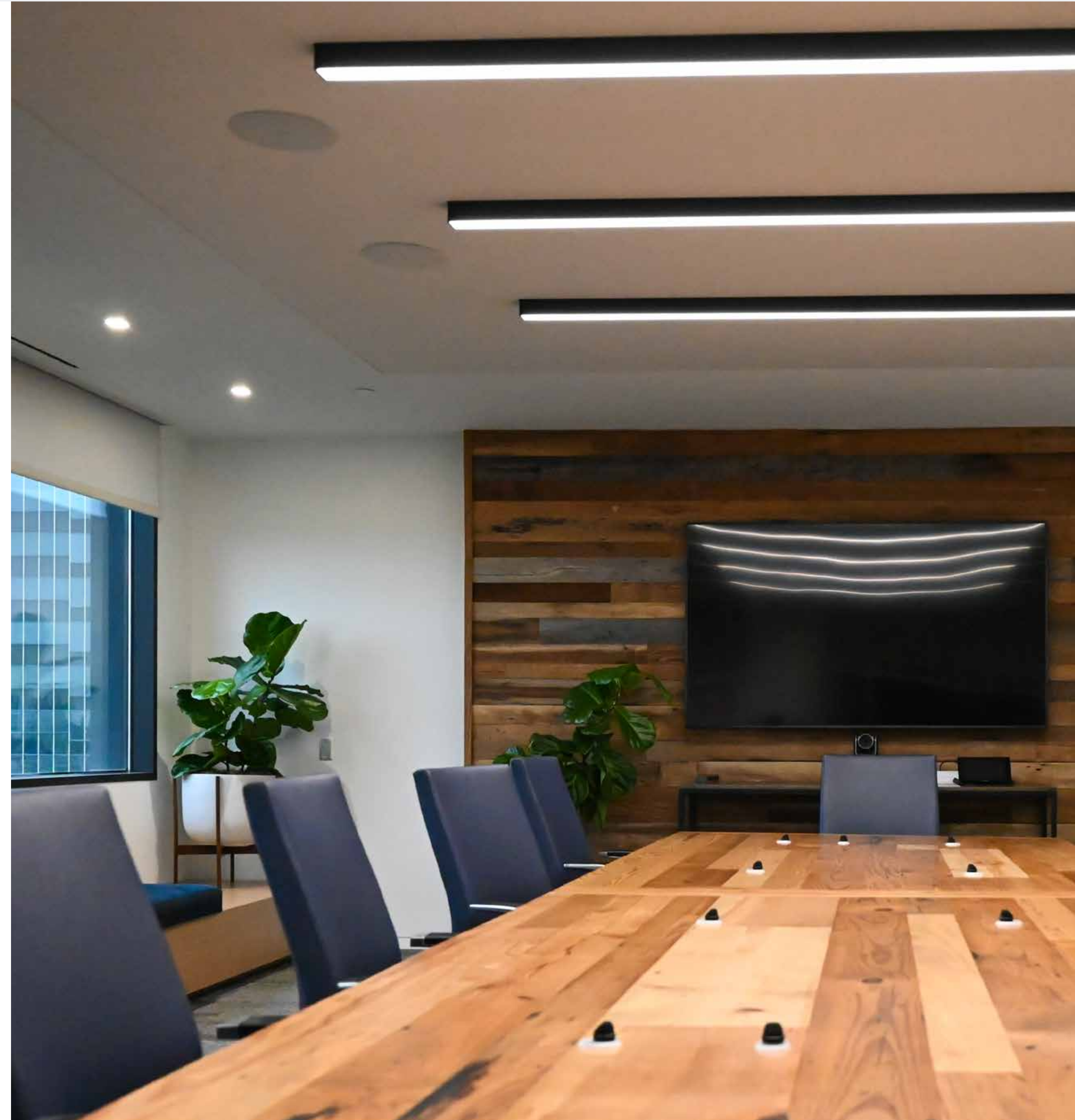
GOVERNANCE / BOARD DIVERSITY AND INDEPENDENCE

Board Diversity and Independence

Recognizing the importance of an independent board of directors and the value of diversity, we have taken steps to ensure that our board represents a broad range of perspectives, backgrounds, ethnicities, and expertise.

BOARD DIVERSITY AND INDEPENDENCE	2022	2021	2020
Number of Board members	9	9	9
Independent Board members (%)	89%	89%	89%
Directors average age	54	53	--
Directors average tenure	3	2	--
Directors who are women (%)	33%	33%	22%

Initially, our board consisted of private equity-backed directors. However, as those investors began to divest, we actively worked to welcome new board members with diverse experiences and insights, and successfully built a public company board.





GOVERNANCE / LOBBYING AND ADVOCACY

Lobbying and Advocacy





GOVERNANCE / LOBBYING AND ADVOCACY / **ALIGNING WITH OUR MISSION**

Aligning with Our Mission

In 2022, we proactively identified numerous opportunities to engage policymakers at the federal, state, and local levels to advocate for policies that align with our mission of Powering Energy Independence™. Our efforts involved both direct lobbying and support for trade associations that share our values.

THE INFLATION REDUCTION ACT

Sunnova leveraged its position as a leading Energy as a Service provider to advocate for the passage of the Inflation Reduction Act (IRA) of 2022. The IRA, which was signed into law in August of 2022, will (i) make clean energy more accessible and affordable to households and communities throughout the country by reducing costs to service providers and consumers and (ii) stimulate domestic energy production and manufacturing.

Specifically, Sunnova advocated for:

1. The direct payment option, which incentivizes tax-exempt organizations to pursue clean energy by providing direct payments instead of tax credits.

2. The advanced manufacturing production tax credit, first introduced in The Solar Energy Manufacturing for America Act (SEMA), which will help mitigate supply chain challenges by stimulating domestic manufacturing.

After the Inflation Reduction Act was passed, Sunnova continued to support the rapid deployment of affordable clean energy throughout the country. This involved:

1. Submitting comments directly to Treasury and working with industry trade groups on their comments to Treasury, to ensure that Treasury guidance on the IRA's tax credits maximizes (i) the deployment of clean energy in low-income communities and energy communities and (ii) the purchase of domestically manufactured clean energy products.
2. Ensuring that independent system operators (ISO) are complying with FERC Order No. 2222 to allow distributed energy resources, like rooftop solar power facilities, to compete with traditional power generation facilities on wholesale energy markets.



GOVERNANCE / LOBBYING AND ADVOCACY / ALIGNING WITH OUR MISSION

CalAPP provided \$20 million to help communities secure an online permitting process.

ADVOCACY

Our advocacy efforts also focused on:

Clean Energy in Puerto Rico

We have remained active on policy issues in Puerto Rico, ensuring that incentives are used fairly and proposing a large Virtual Power Plan (VPP) to expand the reach of clean energy.

Net Metering Protection

Net metering, which is the process of compensating consumers for the energy created by their solar systems, is foundational to the affordability of residential solar particularly for those in low-to-moderate income levels. In 2022, Sunnova either participated in, or led, efforts to preserve net metering in Florida and Michigan, and we are planning to expand our protection efforts to Georgia, Arkansas, Missouri, North Carolina, Maryland, and Austin, Texas.

Job Creation

In 2022, we worked with legislative advocates and state trade associations on apprenticeship programs—specifically in Florida, Maryland, and

New York—to advance workforce development initiatives for solar installer positions, providing an economic development opportunity for low-to-moderate income communities.

Interconnection and Permitting in New Jersey

Sunnova also focused on interconnection initiatives, proposing a streamlined automated portal with error checking and online payments to reduce the interconnection timeline. The Board of Public Utilities in New Jersey adopted our recommendations, and, as a result, the utilities are now mandated to have streamlined portals.

Interconnection and Permitting in California

We advocated for the adoption of SB 379, which requires all communities with over 5,000 people to implement an automated permitting process. A separate grant in California, **CalAPP**, provided \$20 million to help communities secure an online permitting process. As of March 15th, 2023 131 communities have been awarded grants, and a recent pilot conducted in Arizona and California found that the automated permitting process allowed for same day results instead of 12 days. Reports also show that an automated permitting process has potential to provide an average of \$1,228 in savings per project in typical municipalities.



Click image to watch video

[The Inflation Reduction Act] is putting the United States on the forefront of driving home new, clean energy that lowers power bills. In addition, they've put some provisions in there about bringing the manufacturing of those solar modules and batteries home to the United States.

— John Berger on CNN



GOVERNANCE / LOBBYING AND ADVOCACY / **ALIGNING WITH OUR MISSION**

We believe that **civic engagement** is critical to building a sustainable future and recognize our role in facilitating **voter turnout.**

VOTER REGISTRATION

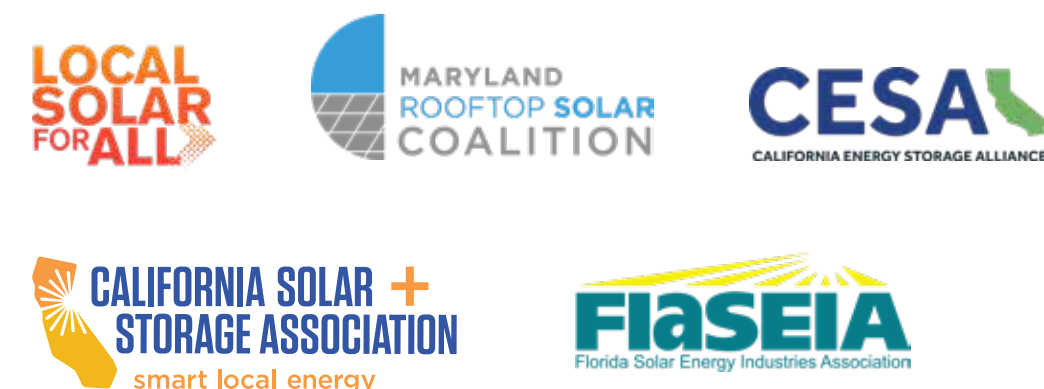
Our commitment to advancing clean energy extends beyond legislative advocacy to include increasing voter turnout. In anticipation of the 2022 midterm elections, members of our team undertook voter registrar trainings and obtained the necessary certification to register Sunnova employees to vote. They also organized registration and awareness events at two of our Texas offices. As a result of these efforts, approximately 100 employees registered to vote or updated their registration information, and approximately 80 more attended the events to check their registration status or learn more about the upcoming election.

We believe that civic engagement is critical to building a sustainable future and recognize our role in facilitating voter turnout. To this end, we provide our full-time employees with two hours of paid time off to vote. Through these actions, we are proud to support our employees' right to vote and to help shape the future of clean energy through civic engagement.

TRADE ASSOCIATIONS

Trade associations are instrumental to our lobbying and advocacy efforts. In 2022, we expanded our network of trade associations and currently oversee relationships with 25 different trade associations. Specifically, we work with:

- Local Solar for All
- Maryland Residential
- California Energy Storage Alliance
- California Solar & Storage Association (CALSSA)
- Florida Solar Energy Industry Association
- National Solar Trade Association
- Think MicroGrid



Sunnova's Impact in 2022

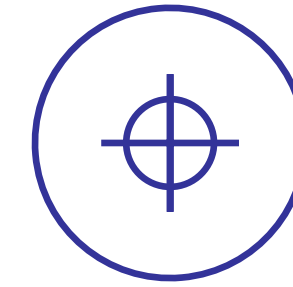
Worked with 39 state and local policymakers

Testified 12 times

Spoke at 24 conferences

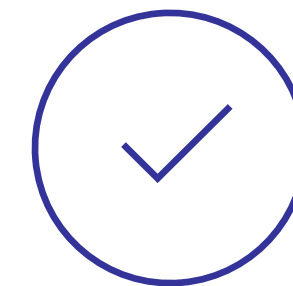


Supply Chain and Procurement Management



GOAL 3

Institute a supplier engagement system to quantify ESG impacts for all Tier 1 suppliers by 2023.



STATUS

Complete 

We distributed our supplier code of conduct and sustainability due diligence questionnaire to all Tier 1 suppliers and are actively pursuing new objectives to enhance our supplier engagement practices.



2022 Supplier Engagement

Our supplier engagement process is an essential component of our overall risk mitigation strategy.

Our success as a business is inextricably linked to the success of our suppliers, and as a result, our supplier engagement process is an essential component of our overall risk mitigation strategy.

In 2022, we strengthened our supplier engagement process to ensure that we are working with manufacturers who share our commitment to environmental sustainability and prioritize strong sustainability practices as part of their risk mitigation strategy. This process required our suppliers to complete a questionnaire about their sustainability practices on a quarterly basis. They provided us with documentation to support their responses, which we used to evaluate their practices and generate a supplier scorecard. Each quarter, we reviewed the scorecards and identified opportunities for improvement.

By asking our manufacturers key questions related to sourcing standards, governance, and oversight in the sustainability questionnaire, we had an opportunity to review their responses, identify potential supply chain issues, and proactively address them. This allows us to consistently serve our stakeholders and provide our customers with reliable access to clean energy.

LOOKING AHEAD

As a leading U.S. Energy as a Service provider, we believe it is our responsibility to support our suppliers in their sustainability journey. In 2023, we will be strengthening our relationship with our suppliers to create more transparency around their sustainability practices and risk mitigation strategy. Our 2023 process includes thoroughly vetting our suppliers every two years by requiring them to complete a standalone sustainability packet. We will review their responses, identify the gaps in their performance, and work with them to address existing gaps and enhance their strategy.

In addition, we are committed to promoting diversity and inclusion among our suppliers and vendors. We plan to track our spend on suppliers that are minority-owned, woman-owned, and veteran-owned, and will disclose this information in future reports. By taking these steps, we are not only helping our suppliers improve their sustainability practices but also contributing to a more diverse and inclusive business ecosystem.



Supplier and Contractor Expectations (Supply Chain Policies)

Our Vendor Code of Conduct outlines our expectations for our suppliers and contractors to operate in an ethical and safe manner. We expect our suppliers and contractors to mitigate their climate impacts, reduce waste in their operations, and to adhere to our standards of quality requirements. We expect all our suppliers and contractors to comply with the requirements outlined in our Vendor Code of Conduct, including stringent requirements for respecting human rights and acknowledging that their operations do not violate human rights protections, as outlined in the Code. Sunnova’s supplier due diligence process includes provisions specific to the polysilicon supply chain.

01
Request for information
(bill of materials, third party testing)

05
Reapproved or Added to Approved Vendor List



02
ESG Questionnaire
Includes questions about:
E Waste; GHG Emissions; Net Zero Carbon Emissions goals; Diversity, Equity, and Inclusion; Ethical sourcing; Actions addressing any adverse environmental or social impacts

03
Compliance Packet
(Vendor Code of Conduct and Classification, Conflict Minerals Environmental Policy)

04
Bi-Annual Business Review



GOVERNANCE / DEALER SUSTAINABILITY

Dealer Sustainability

Through our differentiated dealer model, we work alongside established, local dealers who originate, design and install our customers' solar energy and energy storage systems on our behalf.

The model enables us to leverage our dealers' specialized knowledge, connections and experience in local markets and allows us to amplify our positive impact at the local level in communities across the country. Our dealers are an extension of our team, and we actively support their entrepreneurial spirit, which advances our collective growth and overall success.





Dealer Code of Conduct

We expect our dealers to share our commitment to ethics and compliance. Our Dealer Code of Conduct outlines our expectations for how Sunnova conducts business and serves as a resource to help ensure that dealers' actions are representative of our shared values. The dealer code of conduct includes topics such as:

- Complying with all applicable benefits, leave, wage and hourly and other employment laws
- Ensuring a work environment free from discrimination, abuse and harassment, force or coercion, illegal employment or inhumane treatment
- Preventing pollution and waste, conserving natural resources, reducing environmental footprint and identifying methods to minimize packaging and shipping materials

CONSUMER PROTECTION

Accountability, trust and service are the bedrock of our business. We have advocated for consumer protection legislation to prevent predatory sales practices in the solar business. Our Dealer Code of Conduct establishes clear policies and expectations of our dealers with respect to marketing and sales practices and compliance designed to safeguard customer rights.

SELLING PRACTICES, TRAINING AND EXPECTATIONS

We expect dealers to understand the potential customer's suitability for solar, including the condition, age, and physical integrity of the roof where a solar system is to be installed. No one in the dealer's organization will harass, threaten or badger customers, or use high pressure, abusive, deceptive or unfair sales practices. Our dealers will not sell to customers who are not suitable under Sunnova's guidelines, or to any customer who due to language barriers, health or other evident conditions, is unable to fully understand the terms of the contract.

DEALER DIVERSITY

While we view our dealers as an extension of Sunnova, they remain independent entrepreneurs. Our dealer model provides opportunities in diverse communities to pursue the dream of starting a small business. With Sunnova's brand and backing, these individuals are well equipped to take on the challenges of entrepreneurship with confidence.



Our Dealer Network

In 2022, our dealer network significantly increased from 814 dealers, sub-dealers and new homes installers at the end of 2021 to 1,116 by the end of 2022.

We understand the importance of preparing our growing network of dealers to succeed. In 2022, we enhanced our dealer network and strengthened our dealer relationships through:

Dedicated Account Management

We created a dedicated account management structure to provide our network of dealers with ongoing trainings, tools, and resources to support their efforts. In 2022, we prepared our account managers to foster the growth of our dealers by launching a video learning series. This series focused on preparing our account managers to facilitate the dealer onboarding process and conduct effective sales and operations trainings.

Pricing

In 2022, we launched Sunnova Catalyst™ to make it easier for dealers to work with customers. We are committed to ensuring that dealers have the tools they need to stimulate growth.

Lead Generation

We continued to bring high quality leads to our dealers. In 2022, 37,308 leads were created from Catalyst™, and 2,365 leads were sold on Catalyst™.

Market Development Fund (MDF) Program

We continued to invest in our dealers, ensuring that they have the capability to expand their brand, while simultaneously supporting Sunnova's growth.

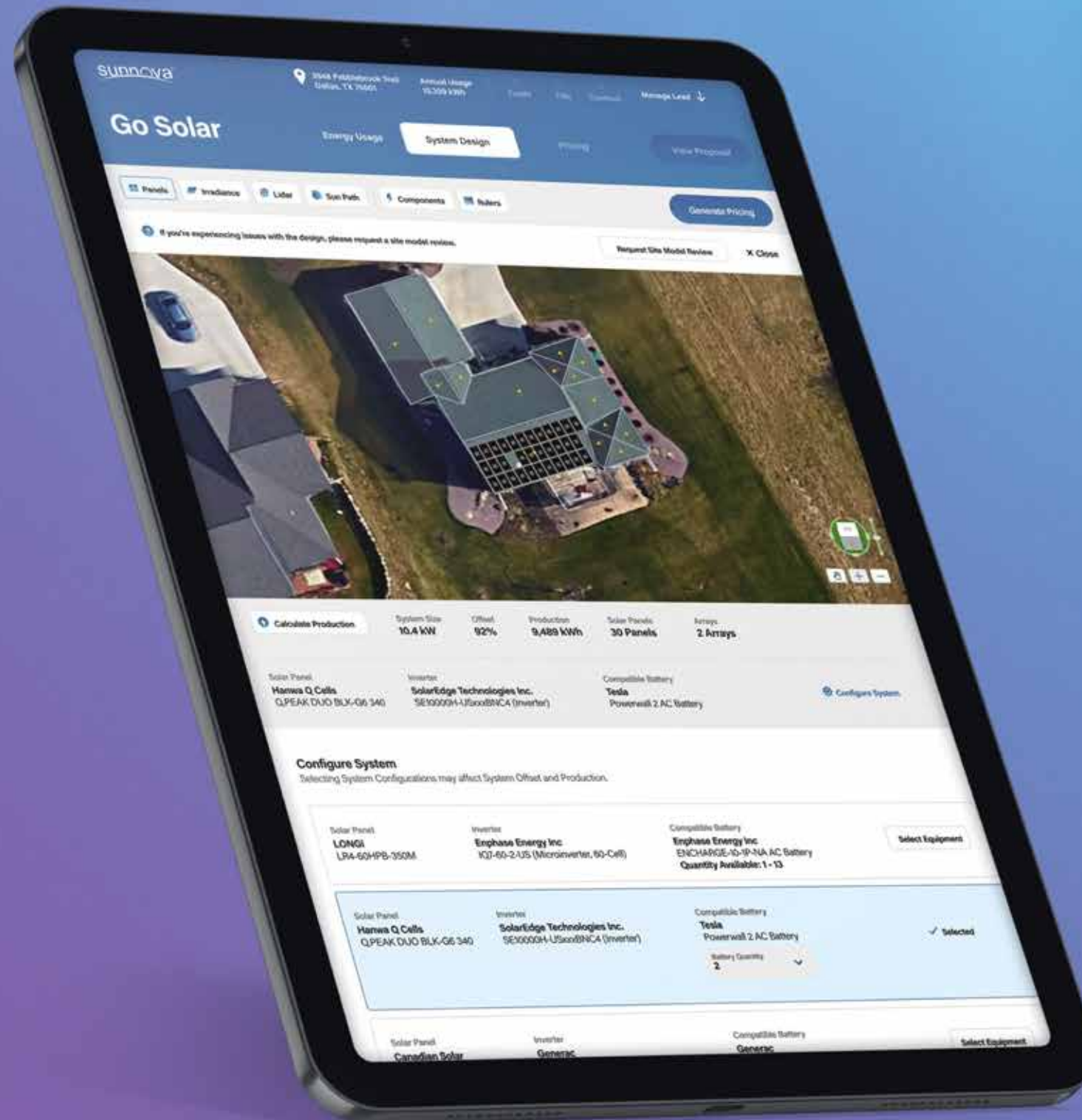
We are committed to ensuring that dealers have the tools they need to stimulate growth.





GOVERNANCE / DEALER SUSTAINABILITY / SUNNOVA CATALYST

Sunnova Catalyst™

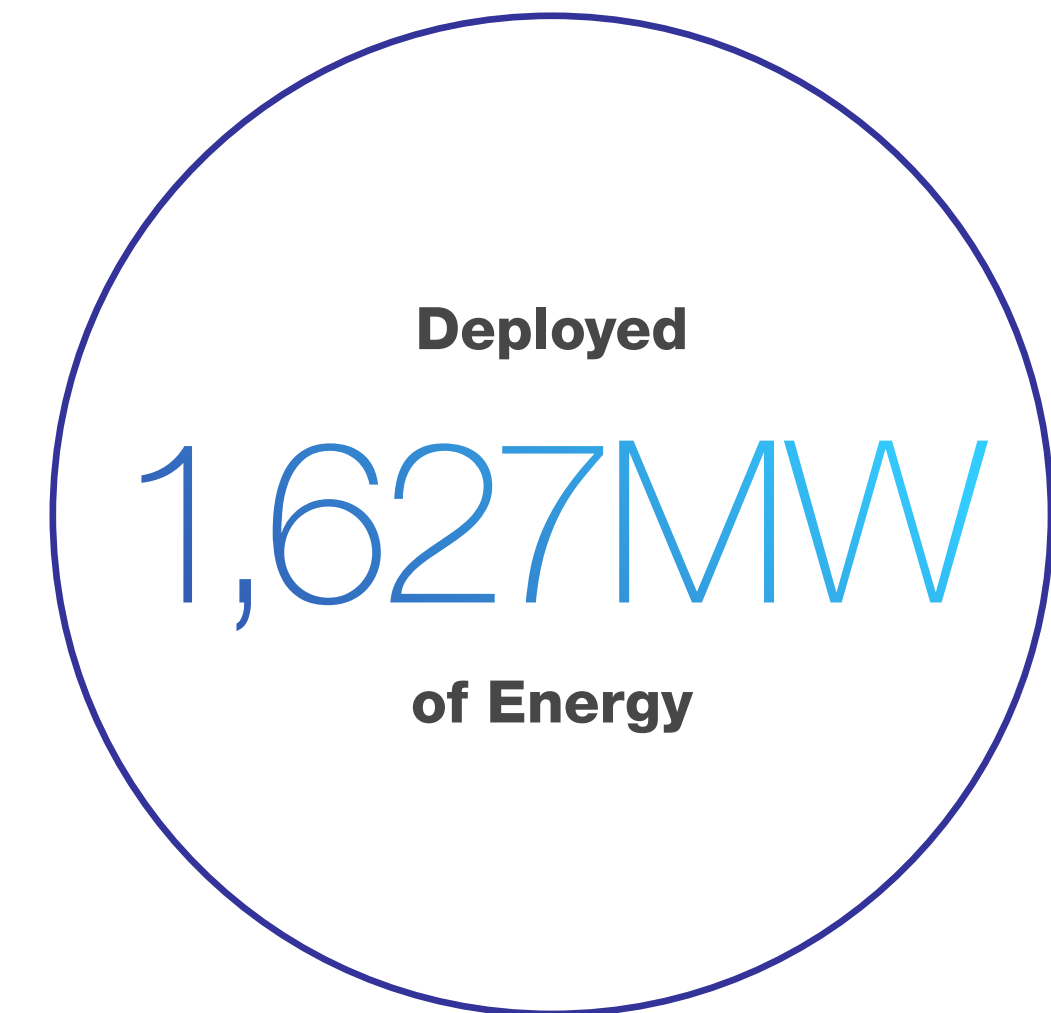


At Sunnova, we are committed to developing products that improve the dealer experience. We work closely with our dealers to understand the challenges they are facing, hear their suggestions, and identify opportunities to support them.

In 2022, we launched Sunnova Catalyst™. This sales platform was developed to support our dealers by streamlining every step of the sales process. Our account managers work directly with our dealers and their sales representatives to ensure that they seamlessly adopt Sunnova Catalyst™ and regularly leverage its unique capabilities. To date, Sunnova Catalyst™ has assisted us in serving 279,400 customers and deploying 1,627.4 MW of energy.

As our dealer network continues to expand, we are looking forward to supporting their growth and strengthening Sunnova Catalyst™ as new opportunities to streamline the sales process emerge.

This sales platform was developed to support our dealers by streamlining every step of the sales process.





Appendix

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Forward Looking Statement



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

2022 Sunnova Energy Performance Data and Frameworks

FINANCIAL (\$ millions)¹	2022	2021	2020
Adjusted EBITDA ²	\$119	\$86	\$60
Principal ³ and Interest Payments received on solar loans	\$147	\$93	\$56
Adjusted Operating Cash Flow ²	\$92	\$58	\$11
Recurring Operating Cash Flow ²	\$18	\$2	(\$10)
Estimated Gross Contracted Customer Value (GCCV) at year end discounted at 6%	\$5,875	\$3,853	\$2,607
Estimated Net Contracted Customer Value (NCCV) at year end discounted at 6%	\$2,300	\$1,621	\$1,317

¹ See accompanying reconciliation.

² Adjusted EBITDA, Adjusted Operating Cash Flow and Recurring Operating Cash Flow are non-GAAP financial measures.

³ Net of amounts recorded in revenue.



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

OPERATIONAL	2022	2021	2020	SASB or GRI
Cumulative Number of Customers, Net ⁴	279,400	192,600	105,400	
Cumulative Megawatts (MW) Deployed ⁵	1,627 MW	1,128 MW	782 MW	
Megawatts (MW) Deployed Calendar Year	499 MW	347 MW	218 MW	
Cumulative Metric Tons of CO2e Avoided ⁵	3.9 million	2.6 million	1.7 million	
Cumulative kWh of Clean Energy ⁶	5.5 billion	3.6 billion	2.4 billion	
States and Territories Where We Operate	45+	25+	22	
Dealers, Sub-Dealers and New Home Installers	1116	814	435	
Battery Penetration Rate ⁷	15%	11%	9%	
Number of Inverters	3,168,606	--	--	RR-ST-000.C
Number of Modules	5,034,014	--	--	RR-ST-000.C
Total Capacity of PV solar modules (MW) ⁸	499	--	--	RR-ST-000.A

⁴ See Cumulative Number of Customers in Financial and Operational Definitions.

⁵ Based on the lifetime cumulative production (kWh) for all systems to date as of year-end (12/31/22).

⁶ The kWh estimated corresponds to lifetime accumulative billed production for all systems in service on or before 12/31/2022.

⁷ For definition, see Financial and Operational Definitions.

⁸ Numbers for systems installed in 2022 only.



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

ENVIRONMENTAL		2022	2021	2020	SASB or GRI
Environmental Management	Environmental Policy (Y/N)	Y	Y	Y	
Greenhouse Gas Emissions	Scope 1 (metric tons CO2e)	1,535.00	1,517.0	1,035.2	
	Scope 2 (metric tons CO2e) (location-based)	805.00	--	--	
	Scope 2 (metric tons CO2e) (market-based)	890.00	751.70	726.40	
	Scope 3 Expanded (metric tons CO2e)	630,545.00	1,254.19	661.74	
	Category 1: Purchased Goods and Services	605,844.00	--	--	
	Category 2: Capital Goods	818.00	--	--	
	Category 3: Fuel and Energy Related Activities	902.00	--	--	
	Category 4: Upstream T&D	3,487.00	--	--	
	Category 5: Waste in Operations	1,177.00	9.29	9.34	
	Category 6: Business Travel	2,132.00	587.30	280.70	
	Category 7: Employee Commuting	602.00	657.60	371.70	
	Category 12: End-of-Life Treatment	804.00	--	--	
	Category 15: Investments	14,779.00	--	--	
	Total Emissions (Scope 1, 2, and 3) (location-based)	632,885.00	--	--	
	Total Emissions (Scope 1, 2, and 3) (market-based)	632,970.00	3,522.89	2,423.34	
Energy	Total Energy Consumed (Gigajoules)	30,585	26,319.37	--	RR-ST-130a.1, RR-FC130a.1
	Percentage Grid Electricity (%)	100%	25%	--	RR-ST-130a.1, RR-FC130a.1
	Percentage Renewable Energy (%)	0%	0%	--	RR-ST-130a.1, RR-FC130a.1
Circularity and End-of-Life Management⁹	Weight of End-of-Life Materials Recovered [Solar Panels] (metric tons)	42.3	--	--	RR-ST-410b.2
	Percent of End-of-Life Materials Recycled [Solar Panels] (%)	100%	--	--	RR-ST-410b.2
	Total Waste Diverted (metric tons)	52.9	--	--	GRI 306-4

⁹ In 2022 we diverted nearly 52.9 metric tonnes of waste from landfill, comprised of solar panels, electronic waste, cardboard, electric meters, and aluminum recycling streams. We partner with a third-party waste management and recycling group to prepare waste data. For the data reported on solar panels at their end of life, 100% of that volume was recycled. Our current system does not indicate any solar panels going to landfill, but we are working to enhance our systems to have greater confidence in our waste streams in the future.



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

SOCIAL		2022	2021	2020	SASB or GRI
Safety	Total Recordable Incident Rate (TRIR)—Employees	0.8	1.5	1.4	RR-FC-320a.1
	Fatalities—Employees	0	0	0	RR-FC-320a.1
	Incidents	8	10	6	
	Workers Covered by Occupational Health & Safety Management System	1,307	--	--	GRI 403-8
	Worker Trainings on Occupational Health and Safety	105	--	--	GRI 403-5
	Total Safety Training Hours of All Employees	17,457	--	--	
	Number of Weekly Safety Meetings Conducted	48	--	--	
	Number of Safety Training Certifications Issued	674	--	--	
Human Capital	Number of Total Full-Time Employees	1,170	738	398	
	Total New Hires	613	-	-	GRI 401-1
	Total Turnover Rate (%)	26.4%	Data not available	Data not available	GRI 401-1
	Voluntary Turnover Rate (%) ¹⁰	18.2%	16.7%	16.3%	
	Percentage of Employees Receiving Regular Performance and Career Development Reviews	99.0%	-	-	GRI 404-3
Gender	Male (%)	66%	63%	62%	
	Female (%)	34%	37%	38%	
Employee Age	Below Age 30 (%)	28%	24%	20%	
	Age 30 to Age 50 (%)	59%	61%	67%	
	Above Age 50 (%)	13%	14%	13%	

¹⁰ Turnover rate is calculated by taking the number of separations during a period of time divided by the average number of employees, multiplied by 100: Turnover Rate = # of Separations/Avg. # of Employees x 100



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

SOCIAL (continued)		2022	2021	2020	SASB or GRI
Diversity and Inclusion Metrics Company Wide	American Indian/Alaska Native (%)	0.3%	0.0%	0.5%	
	Asian (%)	11.5%	11.00%	15.00%	
	Black or African American (%)	10.8%	10.50%	9.30%	
	Hispanic or Latino (%)	34.9%	38%	34%	
	Native Hawaiian/Pacific Island (%)	0.8%	0.50%	0.20%	
	Two or More Races (%)	2.2%	2.40%	2.30%	
	Unknown or Not Reported	2.8%	--%	--%	
	White (%)	36.6%	37.80%	38.2%	
Diversity and Inclusion Metrics at Mid-level Leadership¹¹	Asian (%)	10.71%	6.35%	--	
	Black or African American (%)	2.38%	4.76%	--	
	Hawaiian/Pacific Island (%)	0.00%	0.00%	--	
	Hispanic or Latino (%)	13.10%	15.87%	--	
	Two or More Races (%)	3.57%	4.76%	--	
	Unknown or Not Reported	1.19%	0.00%	--	
	White (%)	69.05%	68.25%	--	

¹¹ Within Sunnova, we define mid-level leadership as senior positions with General Manager, Director, Senior Director, VP and SVP titles



APPENDIX / 2022 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

GOVERNANCE		2022	2021	2020	SASB or GRI
Governance	Number of Board members	9	9	9	
	Independent Board members (%)	89% or 8	89% or 8	89% or 8	
	Directors who are women (%)	33.00%	33.00%	22.00%	
	Directors average age	54	53	--	
	Directors average tenure	3	2	--	
Lobbying and Advocacy	Political Contributions	\$96,400	--	--	GRI 415-1
	Number of times Sunnova has testified	12	--	--	
	Number of conferences Sunnova spoke at	24	--	--	
	Number of state and local policymakers Sunnova worked with	39	--	--	
	Number of trade associations Sunnova works with	25	--	--	



TCFD Index

GOVERNANCE

Describe the board’s oversight of climate related risks and opportunities: The Board has responsibility for ESG strategy including climate related risks and opportunities. The board reviews relevant risks, opportunities, and TCFD alignment progress at least annually.

Status: Aligned ✓

Describe the management’s role in assessing and managing climate-related risks and opportunities: Sunnova’s EVP, Communications and Sustainability has responsibility for leading climate strategy and works across the ESG Steering Committee to execute climate risk analysis,

management, and reporting.

Status: Aligned ✓

STRATEGY

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term: We have identified several opportunities and risks and have detailed the three most material, all of which occur in the medium-term (5–10 years).

Status: Aligned ✓

Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning: We have conducted a climate-scenario analysis and are working to quantify the business impacts

associated with our identified risks and opportunities. This includes associated financial impacts.

Status: Aligned ✓

Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2-degree celsius or lower scenario: We have conducted a climate scenario analysis that includes a 2-degree celsius scenario and are now working to quantify the business impacts associated with our identified risks and opportunities. This includes associated financial impacts.

Status: Aligned ✓

RISK MANAGEMENT

Describe the organization’s processes for identifying and assessing climate-related risks: We identify climate-related risks through our enterprise risk management (ERM) practice and have conducted a formal climate scenario analysis to determine.

Status: Aligned ✓

Describe the organization’s process for managing climate-related risks: We have identified our priority areas of risk and opportunity and are working with our ESG steering committee to set appropriate strategies to manage these areas with strong programs and controls.

Status: In Progress →

Describe how processes for identifying, assessing, and managing climate-related risks are integrated in the organization’s overall risk management: Our ERM lead is a key member of our ESG steering committee and has integrated climate risks and opportunities into the list of indicators assessed annually.

Status: Aligned ✓

METRICS AND TARGETS

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process: We use several metrics in assessing climate risk detailed in our climate risk report section.

Status: Aligned ✓

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks: We report a complete GHG inventory and have measures in place to mitigate regulatory risks for future climate reporting requirements.

Status: Aligned ✓

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets: Working to set formal targets in the near-future.

Status: In Progress →



APPENDIX / UNSDG INDEX

UNSDG Index



GOAL #7 AFFORDABLE AND CLEAN ENERGY

Sunnova's Alignment with UNSDG

At Sunnova, we believe that prioritizing solar justice will allow for an inclusive and equitable energy transition. Through our partnerships and initiatives, we are expanding the reach of clean and sustainable energy by breaking down the key barriers faced by those who need it most.

Sunnova's Actions to Showcase Alignment

Navajo Nation Example: To provide the Chapter House in Navajo Nation with an affordable alternative to coal powered energy and secure access to clean and reliable back-up power, we partnered with Generac Power Systems and Empowered by Light to implement a solar + battery storage system. Read more about how we advanced energy independence in Navajo Nation in



GOAL #8 DECENT WORK AND ECONOMIC GROWTH

Sunnova's Alignment with UNSDG

Sunnova is creating a path towards decarbonization and a clean energy future through its products and services. The foundation of our business reflects our commitment to addressing the climate crisis, and we carefully monitor the emissions reduced through the deployment of our service offerings and the footprint of our own operations. We will work to continuously improve both.

Sunnova's Actions to Showcase Alignment

Sunnova's 2023–2025 ESG Goal: Our commitment to reducing our environmental impact is reflected by our ESG goals. Specifically, we disclosed a complete Scope 3 inventory for all material categories and are working to set a climate target that includes all scope emissions by year-end 2023.



GOAL #9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sunnova's Alignment with UNSDG

Sunnova's success is powered through partnerships, and we will continue to expand our network to increase our impact.

Sunnova's Actions to Showcase Alignment

Through our collaboration with The Home Depot, we are actively supporting Puerto Rico's full transition to renewable energy. Sunnova representatives currently staff all 10 stores in Puerto Rico, making it easier for homeowners to learn about solar power and transition to renewable energy sources.



APPENDIX / UNSDG INDEX

UNSDG Index



GOAL #11 SUSTAINABLE CITIES AND COMMUNITIES

Sunnova's Alignment with UNSDG

At Sunnova, we believe that prioritizing solar justice will allow for an inclusive and equitable energy transition. Through our partnerships and initiatives, we are expanding the reach of clean and sustainable energy by breaking down the key barriers faced by those who need it most.

Sunnova's Actions to Showcase Alignment

Navajo Nation Example: To provide the Chapter House in Navajo Nation with an affordable alternative to coal powered energy and secure access to clean and reliable back-up power, we partnered with Generac Power Systems and Empowered by Light to implement a solar + battery storage system. Read more about how we advanced energy independence in Navajo Nation in Solar Equity and Justice.



GOAL #13 CLIMATE ACTION

Sunnova's Alignment with UNSDG

Sunnova is creating a path towards decarbonization and a clean energy future through its products and services. The foundation of our business reflects our commitment to addressing the climate crisis, and we carefully monitor the emissions reduced through the deployment of our service offerings and the footprint of our own operations. We will work to continuously improve both.

Sunnova's Actions to Showcase Alignment

Sunnova's 2023–2025 ESG Goal: Our commitment to reducing our environmental impact is reflected by our ESG goals. Specifically, we disclosed a complete Scope 3 inventory for all material categories and are working to set a climate target that includes all scope emissions by year-end 2023.



GOAL #17 PARTNERSHIPS FOR THE GOALS

Sunnova's Alignment with UNSDG

Sunnova's success is powered through partnerships, and we will continue to expand our network to increase our impact.

Sunnova's Actions to Showcase Alignment

Through our collaboration with The Home Depot, we are actively supporting Puerto Rico's full transition to renewable energy. Sunnova representatives currently staff all 10 stores in Puerto Rico, making it easier for homeowners to learn about solar power and transition to renewable energy sources.



APPENDIX / NON-GAAP RECONCILIATION

Non-GAAP Reconciliation

	2022	2021
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA		
(in thousands)		
Net loss	\$ (130,276)	(147,510)
Interest expense, net	107,775	116,248
Interest income	(59,799)	(34,228)
Income tax expense	3,886	260
Depreciation expense	108,167	85,600
Amortization expense	29,224	21,771
EBITDA	58,977	42,141
Non-cash compensation expense	24,218	17,236
ARO accretion expense	3,701	2,897
Financing deal costs	930	1,411
Natural disaster losses and related charges, net	1,164	—
Acquisition costs	7,801	6,709
Loss on extinguishment of long-term debt, net	—	9,824
Unrealized gain on fair value instruments	(29,279)	(21,988)
Amortization of payments to dealers for exclusivity and other bonus arrangements	4,327	2,968
Legal settlements	(1,001)	—
Provision for current expected credit losses	40,160	23,679
Non-cash inventory impairments	5,375	982
Indemnification payments to tax equity investors	2,737	—
Adjusted EBITDA	\$ 119,110	\$85,859



APPENDIX / NON-GAAP RECONCILIATION

	2022	2021
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO RECURRING OPERATING CASH FLOW:	(in thousands)	
Net cash used in operating activities	\$ (333,426)	(209,230)
Principal proceeds from customer notes receivable	109,760	66,879
Financed insurance payments	—	(2,254)
Derivative origination and breakage fees from financing structure changes	33,520	8,936
Distributions to redeemable noncontrolling interests and noncontrolling interests	(29,771)	(15,854)
Payments to dealers for exclusivity and other bonus arrangements	50,078	28,850
Net inventory and prepaid inventory purchases for asset-development activities	189,321	143,959
Payments of non-capitalized costs related to acquisitions	6,681	6,776
Payments of non-capitalized costs related to equity offerings	—	609
Payments of direct sales costs, excluding inventory	3,103	286
Payments to installers and builders for homebuilder asset-development activities	45,217	24,967
Payments of customer rewards	5,032	1,240
Proceeds from investments in solar receivables	12,394	3,231
Adjusted Operating Cash Flow	91,909	58,395
Cash paid for interest related to growth	32,661	28,730
Allocated sales and marketing expense	100,889	51,162
Cash expenditures related to growth	15,912	3,323
Principal debt repayments not related to growth or corporate debt	(161,355)	(114,934)
Corporate capital expenditures	(15,491)	(10,294)
Net proceeds from cash sales	(46,454)	(14,373)
Recurring Operating Cash Flow	\$ 18,071	2,009



Material Topics Definitions

CLIMATE CHANGE RISKS AND OPPORTUNITIES

The physical and financial risks and opportunities of climate change for Sunnova (e.g. extreme weather events, natural disasters; and increased energy costs), and Sunnova’s ability to recover from and manage climate risks across its operations and supply chain.

Category: Environmental | **Priority:** Prioritize

BOARD DIVERSITY AND INDEPENDENCE

Independence and diversity of Sunnova Board of Directors

Category: Governance | **Priority:** Prioritize

ESG GOVERNANCE

Oversight of ESG issues at the highest level of the organization.

Category: Governance | **Priority:** Prioritize

DIVERSITY AND INCLUSION OF EMPLOYEES

Oversight of ESG issues at the highest level of the organization.

Category: Social | **Priority:** Prioritize

HUMAN CAPITAL MANAGEMENT

Ability to attract and retain global skilled talent.

This includes acquisition of talent, retention, training and development, succession planning, responsible approaches to downsizing and redeployment of workforces. Active participation of employees in company activities, employees’ full involvement in and enthusiasm for their work and overall satisfaction and motivation of employees.

Category: Social | **Priority:** Prioritize

OPPORTUNITIES IN CLEAN ENERGY

Efforts to develop renewable power generation capacity and/or enable renewable power development through network expansion and “green power” offerings, including microgrids and virtual power plants.

Category: Environmental | **Priority:** Prioritize

SUPPLY CHAIN SUSTAINABILITY

Environmental topics in the supply chain due to activities from Sunnova suppliers, such as ecological degradation, significant consumption of water, energy, and other natural resources, significant greenhouse gas emissions, and

waste outputs. Due diligence, transparency, reporting, and certification to provide assurance of environmental responsibility in the supply chain. Use and transparency of raw materials in Sunnova’s service offerings and supply chain.

Category: Environmental | **Priority:** Prioritize

LOBBYING AND ADVOCACY

Alignment between Sunnova’s ESG commitments and lobbying practices including efforts to influence public policy development through direct engagement or through multi-stakeholder associations or initiatives.

Category: Governance | **Priority:** Prioritize

SUPPLY CHAIN LABOR STANDARDS

Labor issues and risks in the supply chain, such as forced labor, sexual harassment, human trafficking, modern slavery, working hours, health and safety, age of workers, remuneration, freedom of association, and collective bargaining. This includes both materials suppliers and services suppliers (e.g. digital services, construction, janitorial, catering). Use of materials classified as conflict minerals or critical materials, as defined by the US National

Research Council, in Sunnova supply chain. This includes rare earth elements, platinum group metals, and other elements such as cobalt, gallium, tantalum, and tungsten.

Category: Social | **Priority:** Prioritize

ENERGY MANAGEMENT

Sunnova’s total energy use and use of renewable energy in operations.

Category: Environmental | **Priority:** Manage

GREENHOUSE GAS EMISSIONS

Greenhouse gas (GHG) emissions from Sunnova’s operations, including direct activities (Scope 1), purchased energy (Scope 2), and supply chain emissions (Scope 3). Also referred to as carbon emissions.

Category: Environmental | **Priority:** Manage

DATA SECURITY AND PRIVACY

Protecting information managed by Sunnova from unwanted parties and unauthorized access, such as security threats and cyber attacks. Ensuring customer, employee, and corporate data are being collected, analyzed, stored, shared and transferred in a secure



APPENDIX / MATERIAL TOPICS DEFINITIONS

manner that upholds privacy and protects personal data from unwanted parties.

Category: Governance | **Priority:** Manage

ETHICAL BUSINESS PRACTICES

Conducting Sunnova’s business in an ethical way that not only complies with all regulations, but also protects and builds the company’s reputation as a responsible business. This includes promoting competitive behavior; working against corruption, extortion, and bribery; paying taxes, encouraging the use of ethics hotlines and grievance mechanisms, etc. Quality, accuracy, and clarity of financial reporting in alignment with GAAP and other standards for financial disclosure. Independence of financial auditors. Accounting measures to ensure efficient operations while maintaining strong controls for business transactions. Policies, approval flows, and backstops to ensure appropriate oversight of accounting systems. The timely, accessible and accurate disclosure of performance, goals and policies related to the company’s ESG activities and impacts, and the use of such disclosures to drive change at a company or wider systems level.

Category: Governance | **Priority:** Manage

COMMUNITY ENGAGEMENT

Building long-term value in communities where Sunnova employees live and work. Investing in local communities via job creation,

workforce development, volunteering, and charitable contributions.

Category: Social | **Priority:** Manage

CONSUMER PROTECTION

Safeguards for customers against unfair practices in the marketplace, including financial protections, transparent transactions, and shared risk.

Category: Social | **Priority:** Manage

HEALTH AND SAFETY

Safety of Sunnova employees and dealers against hazardous substances, workplace accidents, and chronic or acute health impacts.

Category: Social | **Priority:** Manage

PAY EQUITY

Equal compensation across comparable positions. Diligence to the compensation of historically underpaid groups, including pay discrimination based on gender, sexuality, disability, race, or ethnicity.

Category: Social | **Priority:** Manage

PRODUCT CIRCULARITY AND END-OF-LIFE MANAGEMENT

Circularity of Sunnova’s service offerings and all product components, as well as responsible care, disposal, recycling, and reuse at the end of their useful life. Solid waste generation and disposal in Sunnova’s operations, including

appropriate disposal of e-waste and measures to reuse and recycle products and parts. Hazardous waste handling from electronic products and safe disposal in Sunnova’s operations.

Category: Environmental | **Priority:** Manage

EXECUTIVE COMPENSATION

Oversight of executive compensation with appropriate incentives for business success, including executive compensation tied to ESG strategy, pay for performance, and alignment with peer practices.

Category: Governance | **Priority:** Manage

TECHNOLOGICAL INNOVATION

Development of new technologies and service offerings to enhance customer experiences, business growth, and environmental and social impact.

Category: Governance | **Priority:** Manage

SOLAR EQUITY AND JUSTICE

Just and equitable access to solar energy and storage solutions, clean energy, economic development, financing, and other opportunities.

Category: Social | **Priority:** Manage

SUPPLIER AND DEALER DIVERSITY

Diverse representation across Sunnova’s suppliers. Diverse representation across

Sunnova’s dealer network. Dealers are defined as those independent entrepreneurs who are contracted through Sunnova to sell and/or install solar services on behalf of the company. .

Category: Social | **Priority:** Manage



Financial and Operational Definitions

For more information about metrics and important notes regarding our financial statements please refer to our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at investors.sunnova.com.

Adjusted EBITDA is calculated as net income (loss) plus net interest expense, depreciation and amortization expense, income tax expense, financing deal costs, natural disaster losses and related charges, net, losses on extinguishment of long-term debt, realized and unrealized gains and losses on fair value instruments, amortization of payments to dealers for exclusivity and other bonus arrangements, legal settlements and excluding the effect of certain non-recurring items we do not consider to be indicative of our ongoing operating performance such as, but not limited to, costs of our initial public offering (“IPO”), acquisition costs, losses on unenforceable contracts and other non-cash items such as non-cash compensation expense, asset retirement obligation (“ARO”) accretion

expense, provision for current expected credit losses and non-cash inventory impairments.

Interest Income and Principal Proceeds from Customer Notes Receivable, Net of Related Revenue are considered key performance metrics because under our loan agreements, the customer obtains financing for the purchase of a solar energy system from us, and we agree to operate and maintain the solar energy system throughout the duration of the agreement. Pursuant to the terms of the loan agreement, the customer makes scheduled principal and interest payments to us and has the option to prepay principal at any time in part or in full. Whereas we typically recognize payments from customers under our leases and PPAs as revenue, we recognize payments received from customers under our loan agreements (a) as interest income, to the extent attributable to earned interest on the contract that financed the customer’s purchase of the solar energy system; (b) as a reduction of a note receivable on the balance sheet, to the extent attributable to a

return of principal (whether scheduled or prepaid) on the contract that financed the customer’s purchase of the solar energy system; and (c) as revenue, to the extent attributable to payments for operations and maintenance services provided by us.

Adjusted Operating Expense is calculated as total operating expense less depreciation and amortization expense, financing deal costs, natural disaster losses and related charges, net, amortization of payments to dealers for exclusivity and other bonus arrangements, legal settlements direct sales costs, cost of revenue related to cash sales, unrealized losses on fair value instruments and excluding the effect of certain non-recurring items we do not consider to be indicative of our ongoing operating performance such as, but not limited to, costs of our IPO, acquisition costs, losses on unenforceable contracts and other non-cash items such as non-cash compensation expense, ARO accretion expense, provision for current expected credit losses and non-cash inventory impairments.

Adjusted Operating Cash Flow is calculated as net cash provided by (used in) operating activities plus principal proceeds from customer notes receivable, financed insurance payments and distributions to redeemable noncontrolling interests and noncontrolling interests less derivative origination and breakage fees from financing structure changes, payments to dealers for exclusivity and other bonus arrangements, net inventory and prepaid inventory (sales) purchases for asset-development activities, payments of non-capitalized costs related to our IPO, acquisitions and equity offerings, payments of direct sales costs, excluding inventory, to the extent the related solar energy system is financed through a loan, payments to installers and builders for homebuilder asset-development activities and payments of customer rewards.

Cumulative Number of Customers We define number of customers to include every unique premises on which a Sunnova product is installed or on which Sunnova is obligated to perform services for a counterparty.



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Service represents a transaction that Sunnova, or Sunnova’s designee, performs in exchange for a fee from the customer and is counted for the duration of the customer relationship so long as that service is still in effect. A customer relationship is defined by the presence of at least one active agreement such as a service plan or similar offering.

Weighted Average Number of Systems is calculated based on the number of months a customer and any additional service obligation related to a solar energy system is in-service during a given measurement period. The weighted average number of systems reflects the number of systems at the beginning of a period, plus the total number of new systems added in the period adjusted by a factor that accounts for the partial period nature of those new systems. For purposes of this calculation, we assume all new systems added during a month were added in the middle of that month. The number of systems for any end of period will exceed the number of customers, as defined above, for that same end of period as we are also including any additional services and/or contracts a customer or third party executed for the additional work for the same residence. We track the weighted average system count in order to accurately reflect the contribution of the appropriate number of systems to key financial metrics over the measurement period.

Number of Customers Deployed includes the change in the cumulative number of customers during a given measurement period.

Cash Asset Coverage Ratio is the the ratio of (a) estimated net contracted customer value at a 6% discount rate to (b) the aggregate principal amount of the 5.875% senior notes due 2026. This ratio must be greater than 2.0 to 1.0 as of the last day of each fiscal quarter beginning with the third quarter of 2021.

CFADS is calculated as net cash provided by (used in) operating activities plus principal proceeds from customer notes receivable, financed insurance payments and distributions to redeemable noncontrolling interests and noncontrolling interests less derivative origination and breakage fees from financing structure changes, payments to dealers for exclusivity and other bonus arrangements, net inventory and prepaid inventory (sales) purchases for asset-development activities, payments of non-capitalized costs related to acquisitions and equity offerings, payments of direct sales costs, excluding inventory, to the extent the related solar energy system is financed through a loan, payments to installers and builders for homebuilder asset-development activities and payments of customer rewards, plus (a) for any period ending on or prior to

December 31, 2023, (1) general and administrative expense adjusted for the following non-cash items to the extent included in general and administrative expense: bad debt expense, depreciation and amortization expense, impairment and gain (loss) on disposals, net, non-cash compensation expense, ARO accretion expense, losses on unenforceable contracts and amortization of payments to dealers for exclusivity and other bonus arrangements and (2) net principal debt repayments related to securitizations minus (b) cash paid for interest not related to securitizations.

Pro Forma CFADS is calculated as CFADS plus adjustments that include cash flows due to GAAP rules that are not classified as operating activities but would otherwise be considered operating activities.

Corporate Capital Reconciliation represents a breakout and reclassification of all cash flows not included in Recurring Operating Cash Flow into net investments we make into new assets, net proceeds from asset level non-recourse financing, net proceeds from corporate level and other recourse financing, and other cash movements, each of which is further defined below.

Investments in New Systems is a component of Corporate Cash Reconciliation that represents all capitalized and expensed cash

outflows, net of certain cash inflows, that are invested in projects and assets we are originating, building, and placing into service during the period. These include purchases of property and equipment (net of corporate capital expenditures included in Recurring Operating Cash Flow), state utility rebates and tax credits, payments for investments and customer notes receivable, payments for investments in solar receivables, payments to dealers for exclusivity and other bonus arrangements, payments of customer rewards, net inventory and prepaid inventory purchases, payments of direct sales costs, excluding inventory, payments to installers and builders for homebuilder asset-development activities, cash paid for interest related to growth, allocated sales and marketing expense, cash expenditures related to growth, gross margin on systems sold for cash and other cash flows from investing, net.

Net Proceeds from Tax Equity is a component of Corporate Cash Reconciliation that includes contributions from redeemable noncontrolling interests and noncontrolling interests, net of the payment of costs associated therewith.

Net Borrowings from Non-Recourse Debt (net of amortization in Recurring Operating Cash Flow) is a component of Corporate Cash Reconciliation that includes all asset level and



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non-recourse debt net proceeds and payments not already included in Recurring Operating Cash Flow. These include proceeds from long-term debt, net of deferred financing costs and debt discounts, less net proceeds from corporate debt included in Net Proceeds from Corporate Capital/Asset Sales; payments of long-term debt, excluding payments already included in Recurring Operating Cash Flow; payments on notes payable, net of financed insurance payments already included in Recurring Operating Cash Flow, derivative origination and breakage fees from financing structure changes excluded from Recurring Operating Cash Flow and other cash flows from financing, net.

Net Proceeds from Corporate Capital is a component of Corporate Cash Reconciliation that includes financing at the holding company and parent, including proceeds and payments of long-term debt from affiliates (inclusive of any equity component); proceeds from long-term debt (inclusive of any equity component), net of deferred financing costs and debt discounts, not included in Net Borrowings from Non-Recourse Debt; proceeds from issuance of common stock, net of issuance costs, expenses, and non-capitalized costs; and proceeds from the issuance of convertible preferred stock, net.

Other is a component of Corporate Cash Reconciliation that is not included in the above

components, including payments of non-capitalized costs related to acquisitions.

Estimated Gross Contracted Customer Value represents the sum of the present value of the remaining estimated future net cash flows we expect to receive from existing customers during the initial contract term of our leases and PPAs, which are typically 25 years in length, plus the present value of future net cash flows we expect to receive from the sale of related solar renewable energy certificates (“SREC”), either under existing contracts or in future sales, plus the cash flows we expect to receive from energy services programs such as grid services, plus the carrying value of outstanding customer loans on our balance sheet. From these aggregate estimated initial cash flows, we subtract the present value of estimated net cash distributions to redeemable noncontrolling interests and noncontrolling interests and estimated operating, maintenance and administrative expenses associated with the solar service agreements. These estimated future cash flows reflect the projected monthly customer payments over the life of our solar service agreements and depend on various factors including but not limited to solar service agreement type, contracted rates, expected sun hours and the projected production capacity of the solar equipment installed. For the purpose of calculating this metric, we discount all future

cash flows at 4% “unless otherwise specified”. The anticipated operating, maintenance and administrative expenses included in the calculation of estimated gross contracted customer value include, among other things, expenses related to accounting, reporting, audit, insurance, maintenance and repairs. In the aggregate, we estimate these expenses are \$20 per kilowatt per year initially, with 2% annual increases for inflation, and an additional \$81 per year non-escalating expense included for energy storage systems. We do not include maintenance and repair costs for inverters and similar equipment as those are largely covered by the applicable product and dealer warranties for the life of the product, but we do include additional cost for energy storage systems, which are only covered by a 10-year warranty.

Estimated Gross Renewal Customer Value represents the sum of the present value of future net cash flows we would receive from customers during two five-year renewal terms of our leases and PPAs, plus the present value of future net cash flows we expect to receive from the sale of related SRECs, either under existing contracts or in future sales. From these aggregate estimated renewal cash flows we subtract the present value of estimated net cash distributions to redeemable noncontrolling interests and noncontrolling interests and the estimated operating, maintenance and

administrative expenses associated with the solar service agreements. For the purpose of calculating this metric, we discount all future cash flows at 4% “unless otherwise specified”. To calculate estimated renewal gross customer value, we use the established industry convention, which assumes 100% of solar leases and PPAs are renewed, due to the expected useful life of the system and costs to the customer associated with an election to purchase or remove the equipment. We further assume that these contracts are renewed at 90% of the contractual price in effect at expiration of the term of the solar service agreement. Because the customer has two renewal options of five years each, for the second renewal period we assume a contractual price of 90% of the price in the first renewal period. Our loan agreements do not contain a renewal feature, and therefore are not included in estimated renewal gross customer value.

Estimated Net Contracted Customer Value represents estimated gross contracted customer value, less debt, plus cash and restricted cash, construction in progress, inventory, prepaid inventory and inventory receivable.

Cumulative Capital Deployed represents the property and equipment attributable to solar energy systems plus net customer notes receivable, less deferred revenue in other



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current liabilities and other long-term liabilities, plus payments to dealers for exclusivity and other bonus arrangements.

Creation Costs represents the property and equipment attributable to solar energy systems over the period plus all cash paid for customer notes receivable during the period plus the average amount recognized in each quarter for the trailing twelve months of payments to dealers for exclusivity and other bonus arrangements.

Creation Costs, Leases and PPAs represents Creation Costs attributable to our lease and PPA contracts and excludes amounts attributable to our loan contracts.

Battery Penetration Rate represents the percentage of customers' solar energy systems on our full customer base which are equipped with an energy storage system at a select point in time.

Battery Attachment Rate on Origination represents the percentage of originated solar energy systems over a period of time which were equipped with an energy storage system.

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or Sunnova's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Sunnova's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this document include, but are not limited to, our ESG goals and our ability to achieve such goals and the related timing thereof, statements regarding our level of growth, future contracted customer value, technological developments, service levels, future financial and operating performance, including its outlook and guidance, demand for Sunnova's products and services, future financing and ability to raise capital therefrom, maintenance and growth of our dealer and sub-dealer network, the future of solar energy and energy storage services and the benefits thereof. Sunnova's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks regarding our ability to forecast our business due to our limited operating history, the effects of the coronavirus pandemic on our business and operations, supply chain uncertainties, results of operations and financial position, our competition, changes in regulations applicable to our business, fluctuations in the solar and home-building markets, availability of capital, our ability to attract and retain dealers and customers and manage our dealer and strategic partner relationships. The forward-looking statements contained in this document are also subject to other risks and uncertainties, including those more fully described in Sunnova's filings with the Securities and Exchange Commission, including Sunnova's annual report on Form 10-K for the year ended December 31, 2022. The forward-looking statements in this document are based on information available to Sunnova as of the date hereof, and Sunnova disclaims any obligation to update any forward-looking statements, except as required by law.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this document includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Operating Cash Flow, Recurring Operating Cash Flow and Adjusted Operating Expense. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. Adjusted EBITDA and Adjusted Operating Expense are non-GAAP financial measures that help management, investors and securities analysts in evaluating Sunnova's performance. These measurements are not recognized in accordance with GAAP and should not be viewed as alternatives to GAAP measures of performance. The GAAP measures most directly comparable to Adjusted EBITDA and Adjusted Operating Expense are net income/loss and total operating expenses, respectively. Adjusted Operating Cash Flows and Recurring Operating Cash Flow are non-GAAP measures that help management, investors and analysts in evaluating Sunnova's liquidity and ability to service its contractual obligations. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of liquidity. The GAAP measure most directly comparable to Adjusted Operating Cash Flow and Recurring Operating Cash Flow is net cash used in operating activities. Adjusted EBITDA, Adjusted Operating Cash Flows, Recurring Operating Cash Flow, and Adjusted Operating Expense have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of Sunnova's results as reported under GAAP. In addition, Adjusted EBITDA, Adjusted Operating Cash Flow, Recurring Operating Cash Flows and Adjusted Operating Expense are not necessarily comparable to Adjusted EBITDA, Adjusted Operating Cash Flow, Recurring Operating Cash Flows or Adjusted Operating Expense as calculated by other companies. Reconciliations of each of these measures to their most directly comparable GAAP measure are included in the appendix to this document for historical periods. Sunnova is unable to reconcile projected Adjusted EBITDA, Adjusted Operating Expense, Recurring Operating Cash Flow and Adjusted Operating Cash Flow to the most comparable financial measures calculated in accordance with GAAP because of fluctuations in interest rates and their impact on our unrealized and realized interest rate hedge gains or losses. Sunnova provides a range for the forecasts of Adjusted EBITDA, Recurring Operating Cash Flows and Adjusted Operating Cash Flow to allow for the variability in the timing of cash receipts and disbursements, customer utilization of our assets, and the impact on the related reconciling items, many of which interplay with each other. Therefore, the reconciliation of projected Adjusted EBITDA, Recurring Operating Cash Flow and Adjusted Operating Cash Flow to projected net income (loss), total operating expense, or net cash provided by (used in) operating activities, as the case may be, is not available without unreasonable effort.

This document includes operational metrics such as number of customers, weighted average number of systems and estimated net and gross contracted customer value. These operational metrics are not necessarily comparable to the same or similar metrics as calculated by other companies.



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