



# iSun ESG Update 2021

iSun's Approach to Environmental, Social, and Governance (ESG)

# iSun ESG Update 2021

- 1 **ESG @ iSun**
- 2 **Why ESG**
- 3 **Materiality Assessment Results**
- 4 **ESG Focus Areas for 2022**
- 5 **iSun ESG Road Map**
- 6 **2022 and Next Steps**
- 7 **Appendix**



# ESG @ iSun

-- Message from CEO Jeff Peck --

The events of the past few years – from COVID-19 to historic wildfires and storms, to a global reckoning on racial inequities – have made our mission of accelerating the world’s transition from dirty to clean energy more important than ever.

Since our founding, iSun has been dedicated to the welfare of people, the planet, and running a profitable business. With climate change impacts, natural resource scarcity, and wealth inequality intensifying globally, it is our responsibility to lead the transition towards a decarbonized and equitable future for all.

As we gear up for 2022, we will be building upon our historic foundation of environmentally sustainable and socially responsible business by formalizing our environmental, social, and governance (ESG) strategy. We will leverage our scale, influence, and greatest assets – our people – to achieve our aspirations for societal impact and commercial success.





# Why ESG?

## The ESG Value Propositions to iSun Moving into 2022 and Beyond

### Operational Value

- Enhanced Risk Management & Business Continuity
- Greater Resource Efficiencies & Process Optimization

### Strategic Value

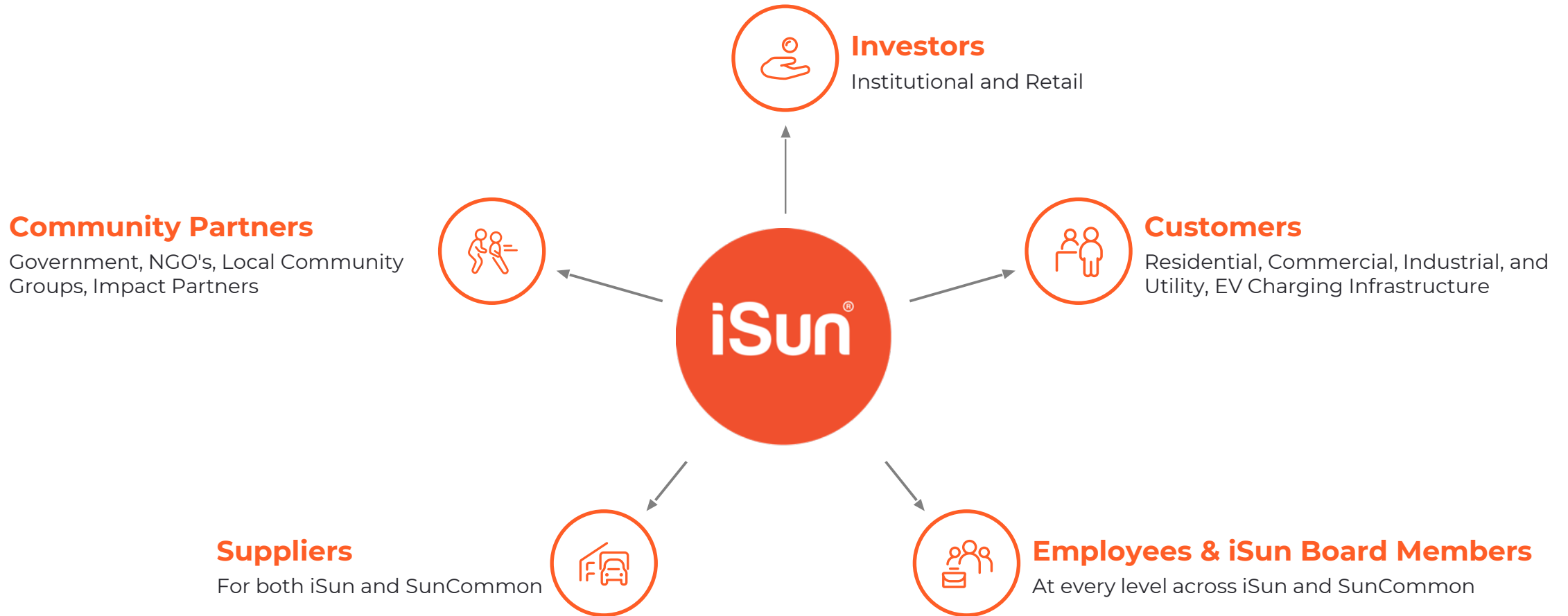
- Strengthened Brand Differentiation & Stakeholder Support
- Increased Customer Acquisition & Commercial Opportunities

### Financial Value

- Improved Investor Attraction, Cost of Capital, & Insurance Terms
- Increase Probability of Inclusion on leading ESG ETF's & Indexes

# Materiality Assessment - Stakeholder Engagement

Over 4,000 stakeholders were engaged through surveys and interviews to understand the ESG issues of greatest importance to each group and the areas of consensus across groups



# Stakeholder Engagement Results

These issues represent the most important ESG issues according to stakeholder survey responses

Stakeholder Group	Climate Change & Carbon Emissions	Corporate Transparency	Human Rights & Labor Management	Energy Efficiency	Diversity, Equity, Inclusion (DEI)	Product Transparency & Safety	Deforestation & Land Management	Water Stewardship	Customer Satisfaction & Welfare
Investors	4.22	3.78	3.94	3.89	3.11	3.67	3.67	3.78	3.44
Customers	4.63	4.28	4.26	4.14	4.08	4.15	4.01	4.05	3.85
Employees	4.65	4.43	4.31	4.19	4.07	4.11	4.02	3.89	4.31
Suppliers	4.86	4.36	4.43	4.43	4.71	4.71	4.43	4.29	4.29
Partners & NGO's	4.94	4.35	4.47	4.35	4.62	3.65	4.18	4.18	3.91
TOTAL	4.64	4.31	4.30	4.17	4.11	4.04	4.04	4.02	4.00



# Stakeholder Sentiments

These insights were provided by stakeholders in the materiality assessment survey process

"DEI and Human/Employee Rights are essential parts of our mission, and putting earnest and effective efforts towards these goals will improve the long-term health of the business"

"Energy efficiency cuts into our profits, but I think we should focus on it more."

"I am glad to see that you care about stakeholders in the community. I hope that continues."

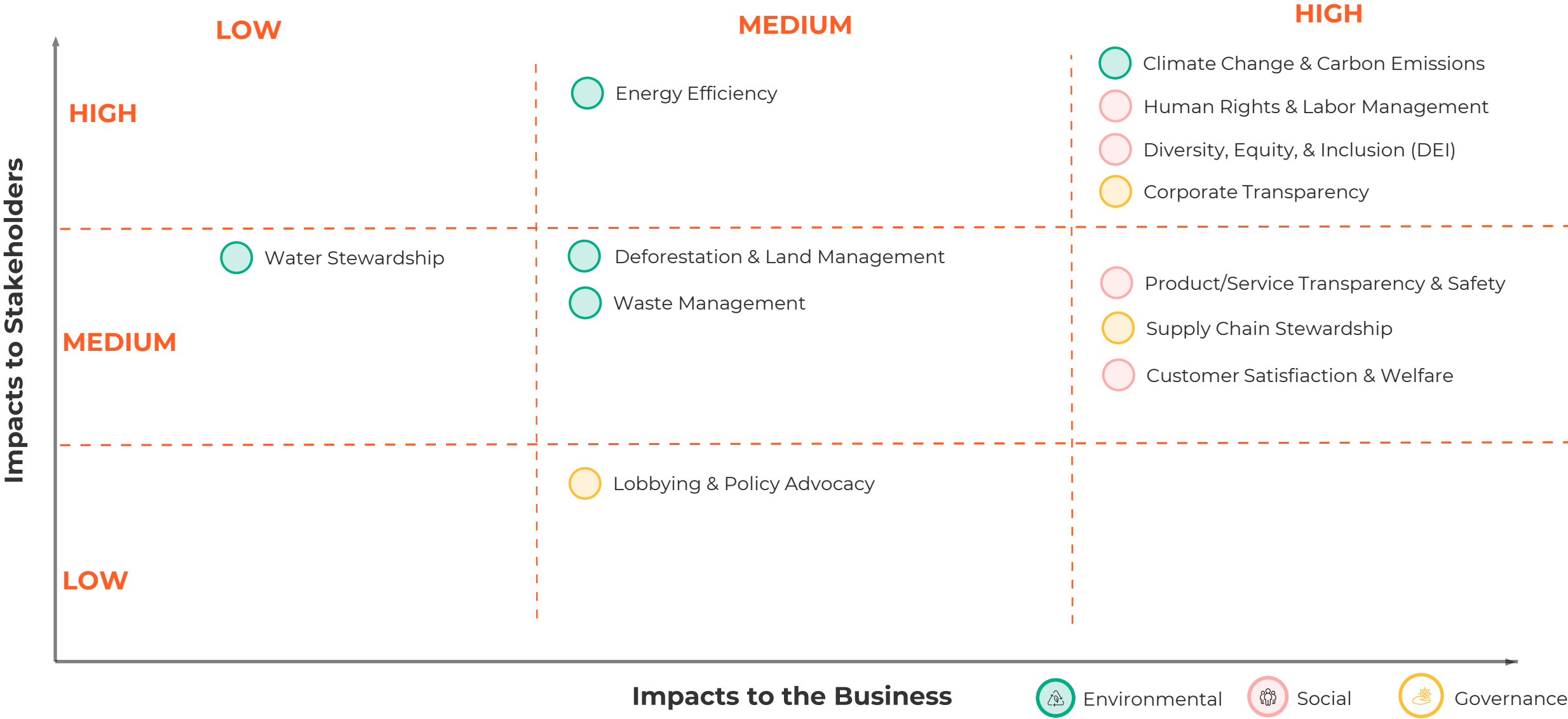
"Independence from fossil fuels and environmental justice for all people."

"If Customer satisfaction and welfare, and Employee engagement, human capital management are both valued equally, the other issues should fall into line as well."

"All the important issues above -- and many more, including economic and racial justice issues -- are interconnected to the greatest challenge for humanity. Climate change. Rapid, real mitigation is imperative one."

"Lead from the top. Diverse board, transparent mission, goals, and operations set the bar for the organization."

# Materiality Assessment





# 2022 Focus Areas

We will be focusing on the following ESG issues moving into 2022 and beyond



**Climate Change & Carbon Emissions**



**Product / Service Transparency & Safety**



**Human Capital Management**



**Energy Efficiency**



**Human Rights & Labor Management**



**Corporate Transparency & Oversight of ESG**



**Waste & Natural Resource Management**



**Customer Satisfaction & Welfare**



**Supply Chain Stewardship**



**Deforestation & Land Management**



**Diversity, Equity, & Inclusion (DEI)**



**Stakeholder Engagement**

# The 2021-2022 iSun ESG Road Map



**2021 Progress and the Road Ahead**



# Next Steps - Q 1 of 2022

## **ESG Strategic Planning**

This will include establishing data baselines for all material issues and building a long-term plan for integrating ESG into our daily operations.

## **ESG Internal Governance**

This will include developing our core ESG policies and establishing subcommittee working groups to oversee implementation.

## **10-K ESG Update**

We will be discussing our recent progress and outlining our plans for the rest of 2022 and beyond.



# Next Steps - Q 2 & Q3 of 2022

## ESG Strategy Implementation

We will be executing on our ESG strategic plan throughout the year. The focus will be on standardizing and scaling what's working well and iterating on what needs further development.

## ESG Performance Update

This update will include KPI's achieved and actions taken since the 2021 ESG Update, including all activities undertaken in Q2 and Q3.





# Next Steps - Q 4 of 2022

## 2022 ESG Report Data Collection and Prep

This will include collecting performance data on all material issues to demonstrate progress achieved and outlined next steps.

## SASB & TCFD Disclosure Development

The Sustainable Accounting Standards Boards (SASB) and the Task Force for Climate-Related Financial Disclosures (TCFD) will be used for communicating performance.

## 2022 ESG Report Publication

The 2022 report will include all actions and outcomes from 2021-2022, performance updates using SASB and TCFD, and next steps moving into 2023 and included in the 2022 10K.



# Help Us Accelerate the World's Transition from Dirty to Clean Energy

---

FOLLOW OUR ESG JOURNEY AT [WWW.ISUNENERGY.COM](http://WWW.ISUNENERGY.COM)

**iSun<sup>®</sup>**

# APPENDIX



# iSun ESG Terms Glossary

This glossary has definitions for the issues mentioned throughout this report

# Overview of Key ESG Terms

**ESG is a framework for managing the risks and opportunities of changing environmental, social, and economic systems**



## Environmental

The environmental impacts of a company's operations, products, and general business activity



## Stakeholders

Any individual or entity who is affected by or can affect the business - Investors, customers, employees, suppliers, communities



## ESG Disclosures

How a corporation responds to regulations regarding greater information transparency and detail on ESG issues



## Social

The ways in which a company creates value for its stakeholders



## Shared Value Creation

The process of engaging, collaborating with, and creating mutually beneficial outcomes with your stakeholders



## ESG Integration

A term referring to how a company integrates their ESG strategy into their daily operations



## Governance

The approach to leading and managing a company



## ESG Report

A document describing your ESG positions, efforts, and outcomes



## Greenwashing

Misleading information about how a company's products and operations are more environmentally sound



## Materiality Assessment

The process for determining the issues most important to the company and its key stakeholders



## Wokewashing

Misleading information about how a company's products and operations are more socially impactful

# Overview of Key Environmental Terms & Issues



## Scope 1 Emissions

Direct emissions from company-owned and controlled resources



## Scope 2 Emissions

Indirect emissions from the generation of purchased energy from a utility provider



## Scope 3 Emissions

All indirect emissions – not included in scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions



## Greenhouse Gases (GHG)

Gases that trap heat in the atmosphere-Carbon dioxide, methane, nitrous oxide, fluorinate gasses



## Environmental Management System

A framework that helps an organization achieve its environmental goals through consistent review, evaluation, and improvement of its environmental performance



## Climate Change

The result of the buildup of greenhouse gases in the atmosphere from the burning of fossil fuels for energy and other human activities.



## Biodiversity

Refers to all of the species in one region or ecosystem



## Deforestation

The purposeful clearing of forested land for agricultural and industrial purposes



## Resource Stewardship

The efficient use of finite natural resources



## Closed Loop System

An industrial system that is restorative and regenerative by intention or design

# Overview of Key Social Terms & Issues



## Employee Engagement

The extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work



## Diversity, Equity, & Inclusion (DEI)

How diverse the workforce is, how equitable its policies are, and how inclusive the corporate culture is



## Human Capital Management

The approach to enhancing the capabilities, knowledge, and effectiveness of your workforce



## Community Impact

The approach to supporting the welfare of your and your supply chain's local communities



## Human Rights

Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and more



## Stakeholder Engagement

The approach to engaging your stakeholders to identify, prioritize, and support their objectives



## Labor Management

The policies, systems, and protocols for ensuring productive unions and collective bargaining between the labor force and the corporation.



## Social Impact

Refers to the broader societal impacts of a company's products, services, and operations.



## Product & Service Safety

The quality and safety of the product and/or service



## Responsible Sourcing

The traceability, sustainability, and transparency of supply chain management

# Overview of Key Governance Terms & Issues



## Board Composition & Corporate Governance

Refers to the board structure, diversity, effectiveness, executive compensation, and shareholder rights



## ESG Policies & Protocols

The policies and oversight measures surrounding environmental, social, and governance-centric policies



## Corporate Conduct & Transparency

The transparency and intention behind corporate decision-making and external information sharing



## Lobbying & Political Contributions

Refers to the actions a company takes to influence policy decisions



## Climate Management

The enterprise approach for reducing contributions to and reducing risk exposure from climate change



## Vendor Code of Conduct

The behavioral expectations for vendors



## Enterprise Risk & Crisis Management

The organization and practices used to identify and mitigate emerging risks and crises situations



## ESG Supply Chain Stewardship

The integration of ESG due diligence criteria into supplier selection and supplier capacity building



## Corruption & Bribery

The company's code of conduct and compliance practices designed to prevent bribery and corruption in the organization