



Empower. Adapt. Evolve.

2023 SUSTAINABILITY REPORT





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Introduction

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- › A Letter From Our EVP of Sustainability and Corporate Communications
- › About Sunnova
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A Letter From Our CEO

We are proud of the company that we’ve become over the last 11 years. We’ve grown exponentially, innovated continuously, and led courageously to better meet the challenges of the global energy transition and the looming specter of a changing climate. As demand for clean, reliable energy grows, we are poised to meet the needs of customers and communities everywhere through innovative and adaptive energy services. With our expanded services in areas like Virtual Power Plants (VPPs) and grid services, our solutions have matured to help meet today’s energy demands.

In 2023, we hit sizeable milestones by surpassing 400,000 customers, 2,000 employees, 1,090 megawatt hours and 2.5 gigawatts under management. At the same time, this year presented challenges, with decades-high interest rates and strong macroeconomic headwinds. We recognize that adaptability is crucial to success during such times, and to that end, we’ve evolved our company’s focus from an “energy as a service” company to an “adaptive energy services” company. This shift reinforces our role in the industry as a company that anticipates changes, adapts and evolves in the face of these opportunities. Our organization’s updated service capabilities are broken down into three distinct categories—financing, service and management—highlighting our dedication to providing tailored solutions, ongoing system services, and energy management support. With our innovative technology platform, customized offerings, and customer-first approach, we are the trusted provider for customers’ energy goals.

In a world where perceptions are manipulated, we stand firm in our commitment to transparency and integrity, choosing to focus on the facts. We are an adaptive

energy services company that has an unwavering focus on innovative technologies, integrated energy solutions, and quality control as evidenced by our investments in our Global Command Center and our Adaptive Technology Center – both designed to optimize our operations and provide our customers with a strong customer experience. Our investments in our customer service infrastructure serve to enhance and strengthen our customer service levels and capabilities, ultimately providing more resilience, reliability, and value for our customers.

At Sunnova, we have worked diligently to embed responsibility, sustainability and risk management into everything that we do to support the needs of our customers, communities, and employees. The transition to a net-zero economy is one that we are determined to realize. It requires innovation, bold action, thoughtfulness, and alignment with leading climate science, all without sacrificing affordability, resilience, and energy equity.

As we look ahead, our focus remains on positively impacting customers and their communities by sustainably powering the home of the future through innovative solutions and unparalleled customer service.

We are excited to continue our sustainability journey alongside you as we continue to empower, adapt and evolve.

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





A Letter From Our EVP of Sustainability and Corporate Communications

This year marks our fourth year of formal sustainability reporting and the third year in which we have publicly reported our progress on sustainability goals. In just four short years, we have experienced significant growth that has seen us adapt and evolve the way in which we serve our stakeholders through our ever-evolving energy services. In this report, we transparently communicate our current progress on our strategy and our continuing plans to meet the needs of our valued customers, investors, regulators, communities, and employees.

Our company has experienced tremendous growth since we began our sustainability reporting. With the announcements of new programs, headcount growth, expanded service offerings, and more, we have matured in step with our industry, realizing new opportunities and risks as our industry and operating model continue to scale. We are keen to evolve our vision and goals aligned with our growth, and we return to the central question that informs our strategy: what topics are most important to our business with regard to long-term value creation, risk mitigation and addressing stakeholder needs?

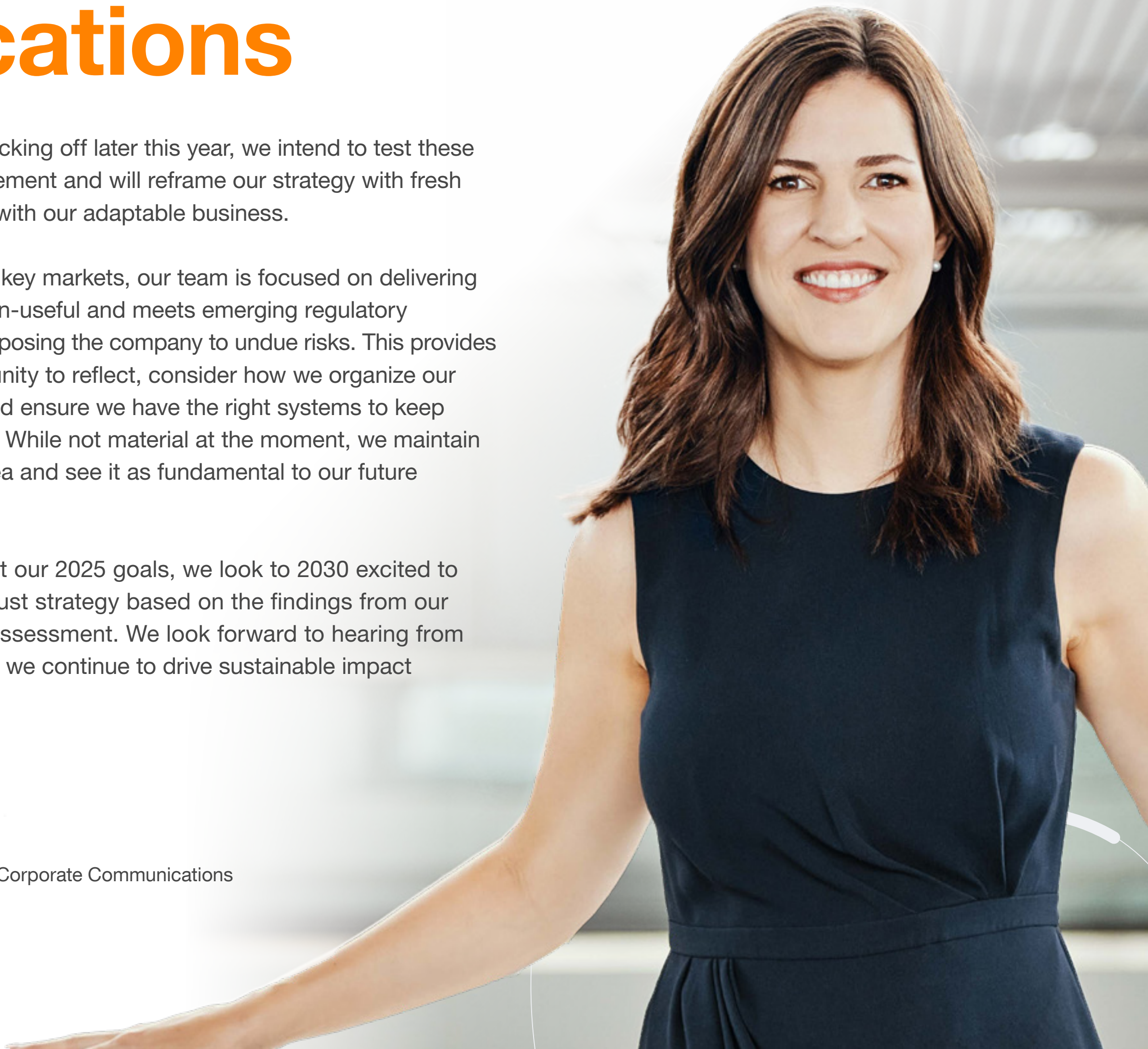
As we make progress on our sustainability goals, many are still relevant, while some lack the nuanced context of the company we are today. This indicates the need to reassess our materiality aligned with leading practices, including engagement across our many stakeholder groups. We’ve had productive conversations and have welcomed new perspectives to discover what is meaningful, measurable, and actionable toward our sustainability ambitions. Through our next materiality

assessment process, kicking off later this year, we intend to test these findings through engagement and will reframe our strategy with fresh perspectives that align with our adaptable business.

With new regulations in key markets, our team is focused on delivering reporting that is decision-useful and meets emerging regulatory requirements without exposing the company to undue risks. This provides us with another opportunity to reflect, consider how we organize our sustainability efforts, and ensure we have the right systems to keep up with evolving trends. While not material at the moment, we maintain a keen focus on this area and see it as fundamental to our future sustainability efforts.

As we work to close out our 2025 goals, we look to 2030 excited to continue building a robust strategy based on the findings from our impending materiality assessment. We look forward to hearing from our key stakeholders as we continue to drive sustainable impact to our business.

Kelsey Hultberg
EVP of Sustainability and Corporate Communications





INTRODUCTION / ABOUT SUNNOVA

About Sunnova





INTRODUCTION / ABOUT SUNNOVA

By the Numbers

Sunnova Energy International Inc. (NYSE: NOVA) is an industry-leading **adaptive energy services company** focused on making clean energy more accessible, reliable, and affordable for homeowners and businesses. Through its adaptive energy platform, Sunnova provides a better energy service at a better price to deliver its mission of **Powering Energy Independence™**. For more information, visit www.sunnova.com.

2012

Founded in Houston, Texas

2K+

Full Time Employees

419K+

Customers

2K+

Dealers, Sub-Dealers and
New Home Installers

45+

States and Territories

1,090

Megawatt-Hours of Energy
Storage Under Management

2.5

Gigawatts of Solar Power Generation
Under Management

All numbers as of 12/31/2023.



Our Sustainability Strategy

Sunnova 2023 sustainability report reflects our commitment to transparency and accountability for the environmental, social and governance (ESG) aspects of our business.

This publication marks Sunnova's fourth consecutive annual sustainability report released to the public. Our strategy and reporting are informed through the lens of materiality, as defined in a sustainability context. Note that these disclosures and any reference in this report to materiality does not align with the SEC definition of financial materiality or similar definitions. We consider a topic to be material based on thorough stakeholder engagement to determine whether a corporate sustainability topic is of reasonably high importance to our stakeholders and high importance to our business. As part of our proactive sustainability strategy, our second formal materiality assessment will be conducted in the fall of 2024. For more on our current materiality, see our [**Material Topics Definitions**](#).





INTRODUCTION / OUR SUSTAINABILITY STRATEGY

STRATEGY

Sustainability is a cornerstone value of our business and integral to our success. Our sustainability strategy is two-fold. First, we seek to scale energy services to help our customers power their independence in ways that are environmentally responsible, socially equitable, economically affordable, and resilient. Simultaneously, we embed responsible business practices and risk mitigation into our operations to ensure the long-term sustainability of our business. This includes sustainability risk management overseen by our senior leadership and Board of Directors, and monitored and enhanced by our Sustainability Steering Committee.

REPORTING PERIOD

January 1, 2023 – December 31, 2023

BOUNDARIES

This 2023 sustainability report covers all activities under operational control of Sunnova Energy International Inc. (“Sunnova”). All financial data is in U.S. dollars.

SUSTAINABLE DEVELOPMENT GOALS



Sunnova’s United Nations Sustainable Development Goals Alignment

TAXONOMIES

Sunnova’s 2023 sustainability report was prepared in alignment with:

- Global Reporting Initiative (GRI) – core reporting standard.
- International Financial Reporting Standards Foundation’s (IFRS) Sustainability Accounting Standards Board (SASB) Solar Technology & Project Developers and Renewable Resources Fuel Cells and Industrial Batteries framework metrics. While this is the closest industry standard to our business, note that Sunnova manages solar energy systems and offers financing and maintenance services to customers. We do not manufacture solar energy or battery equipment (solar photovoltaic modules, polysilicon feedstock, solar inverters or other related components).
- IFRS’ Task Force on Climate-related Financial Disclosures (TCFD) – we align our climate change reporting with the TCFD framework and we conducted a full TCFD-aligned climate scenario analysis in [our 2022 report](#).
- Our sustainability strategy is also informed by the United Nations’ Sustainable Development Goals (SDGs).

ASSURANCE

We continue to evaluate integration of third-party assurance in our sustainability reporting to demonstrate our commitment to transparency. Unless previously reported in a separate disclosure that has undergone third-party assurance, the disclosures contained in this report have not been third-party verified.

ADDITIONAL INFORMATION

To view our previous reports and examine our progress, please view [our website](#). Questions and feedback on this report can be emailed to esg@sunnova.com.



INTRODUCTION / OUR SUSTAINABILITY GOALS

Our Sustainability Goals



2023-2025 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. At the end of 2023, we built a customer base of over 400K+ customers, whose systems will offset 54 million MTCO ₂ e over their useful life.	Complete 
	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. We calculated Scope 3 emissions for all relevant categories for a second consecutive year, but after thorough review with an expert third party and evaluation of several options, we determined that Sunnova would not be able to submit an SBTi at this time. Read about our key learnings and next steps here .	Partially met 
SOCIAL	1. Reduce year-over-year voluntary turnover to 15% by 2025.	1. As of 12/31/2023, our voluntary turnover stands at 14.16%.	On track 
	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. As of 12/31/2023, we have achieved diversity success broadly year over year, and we are undertaking a thorough evaluation of our diversity objectives to ensure alignment with current federal regulations, as well as exploring alternative strategies for fostering belonging across our organization.	Evaluating 
	3. Contribute 2,500 total employee volunteer hours to organizations whose causes align with our mission and ESG goals by year-end 2025.	3. As of 12/31/2023, we have completed over 1,400 hours since the volunteer program began in 2022.	On track 
GOVERNANCE	1. Institute a supplier engagement system to quantify ESG impacts for all Tier 1 suppliers by 2023.	1. Having achieved this goal in 2022, we continue to examine ESG impacts with all our 46 suppliers. Read more about our mutual collaborations with our suppliers here .	Complete 

2023 Financial and Operational Performance

For 2023, we expanded our customer base to 419,200 and hit our 2023 targets for Adjusted EBITDA, interest income, and principal proceeds from customer notes receivable.

GREEN FINANCING FRAMEWORK

Now in its third year, Sunnova's Green Financing Framework outlines eligible use of proceeds, the process for project evaluation and selection, the management of proceeds, and reporting. CICERO Shades of Green has issued a Second Party Opinion on Sunnova's Green Financing Framework, and its alignment with the Green Bond Principles, as well as Sunnova’s environmental credentials. For information on our Green Financing Framework, please visit our dedicated [web page here](#).



¹ Adjusted EBITDA is a non-GAAP financial measure. Please see the Appendix for a reconciliation to the most directly comparable GAAP measure.

² Net of amounts recorded in revenue.

³ See Cumulative Number of Customers in [Financial and Operational Definitions](#).

⁴ Based on the lifetime accumulative production (kWh) for all systems to date as of year-end 12/31/23.

⁵ The kWh estimated corresponds to lifetime accumulative billed production for all systems in service on or before 12/31/2023.

⁶ For definition, see [Financial and Operational Definitions](#).

FINANCIAL (\$ millions) ¹	2023	2022	2021
Adjusted EBITDA ¹	\$275	\$119	\$86
Interest Income	\$116	\$60	\$34
Principal Proceeds from Customer Notes Receivable ² and Proceeds from Investments in Solar Receivables	\$158	\$147	\$93

OPERATIONAL	2023	2022	2021
Cumulative Number of Customers, net ³	419,000	279,400	192,600
Cumulative Megawatts (MW) Deployed ⁴	2,292 MW	1,627 MW	1128 MW
Megawatts (MW) Deployed calendar year	665.2 MW	499 MW	347 MW
Cumulative Metric Tons of CO ₂ e Avoided ⁵	5.8 million	3.9 million	2.6 million
Cumulative kWh of Clean Energy ⁵	8.1 billion	5.5 billion	3.6 billion
States and Territories Where We Operate	45+	45+	25+
Dealers, Sub-Dealers and New Home Installers	2,041	1,116	814
Battery Penetration Rate ⁶	15%	15%	11%



INTRODUCTION / 2023 SUSTAINABILITY HIGHLIGHTS

2023 Sustainability Highlights



2023 Sustainability Highlights

BUSINESS UPDATES

Renewable Energy

- 1,090 megawatt hours of energy storage under management
- 2.5 gigawatts of solar power generation under management
- 8.1 billion kilowatt hours of projected generation of clean energy over the lifetime of systems (cumulative)

Clean Energy Access and Grid Stability

- Closed \$3B partial loan guarantee with the U.S. Department of Energy (DOE), representing DOE’s first loan guarantee for virtual power plants
- Launched the Sunnova Power Flex Program in collaboration with LUMA's Customer Battery Energy Sharing (CBES) initiative in Puerto Rico
- Selected by the DOE’s Grid Deployment Office to receive part of a \$440 million commitment to install rooftop solar and batteries in vulnerable single-family households across the island through the Puerto Rico Energy Resilience Fund (PR-ERF)

Customer Service

- Established 12 Regional Operating Command Centers (ROCCs) within our expanded Global Command Center (GCC)
- Implemented a dedicated Critical Command ROCC and Technical Support Customer Care Team to optimize response times and achieve swift resolution for critical customer cases
- Expanded our Incident Management and Severe Weather Assessment Teams to handle pre-, during and post- weather events needs for our customers and business operations

Customer, Workforce & Dealer Growth

- **Customer Growth:** 419K+— 115% growth year-over-year
- **Workforce Growth:** 2K employees—75% growth year-over-year
- **Dealer Growth:** 900+ dealers new sub-dealers, and new homes installers in 2023

Supplier Standards & Engagement

Enhanced transparency around business designation, and ESG compliance within our supply chain.

BEYOND THE BUSINESS

- Logged over 1,200 community service hours in 2023 alone, now over 1,400+ in total
- Donated mission-critical materials and solar and storage systems via Empowered by Light to Maui Fire Relief efforts in Hawaii and Portal de Amor orphanage in Puerto Rico
- Collaborated with Seeding Mercy to fund off-grid solar-powered irrigation pumps, combating hunger and empowering communities in east Africa

ESG RATINGS AND AWARDS

Sunnova continues to lead publicly available peer ESG ratings.

- **Sustainalytics** | 16.9 Low Risk rating from Morningstar Sustainalytics
- **MSCI ESG Rating** | Maintained MSCI AA rating in 2023
- **ISS ESG Corporate Rating** | Maintained ISS ESG Prime Status

Awards

- Comparably Best CEO 2023
- IFR International Finance Review Structured Finance Award
- Green Builder Media 2023 Eco-Leader
- Green Home Builder Survey Winner
- Top Solar Companies Platinum Award
- Ally Energy Best Energy Workplace





Environmental

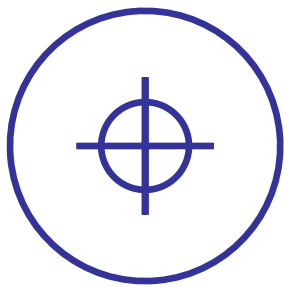
- › Opportunities in Clean Energy
- › TCFD Alignment
- › Product Circularity and End-of-Life Management
- › Environmental Management System





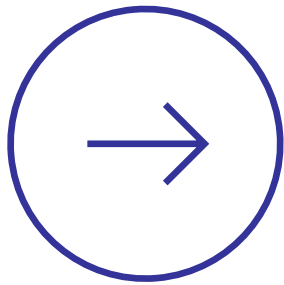
Opportunities in Clean Energy

Sunnova is dedicated to Powering Energy Independence™ while promoting environmental sustainability. 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. To date, our customers’ systems have offset millions of carbon emissions, and continue to contribute to a cleaner future.



GOAL 1

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



STATUS

Complete

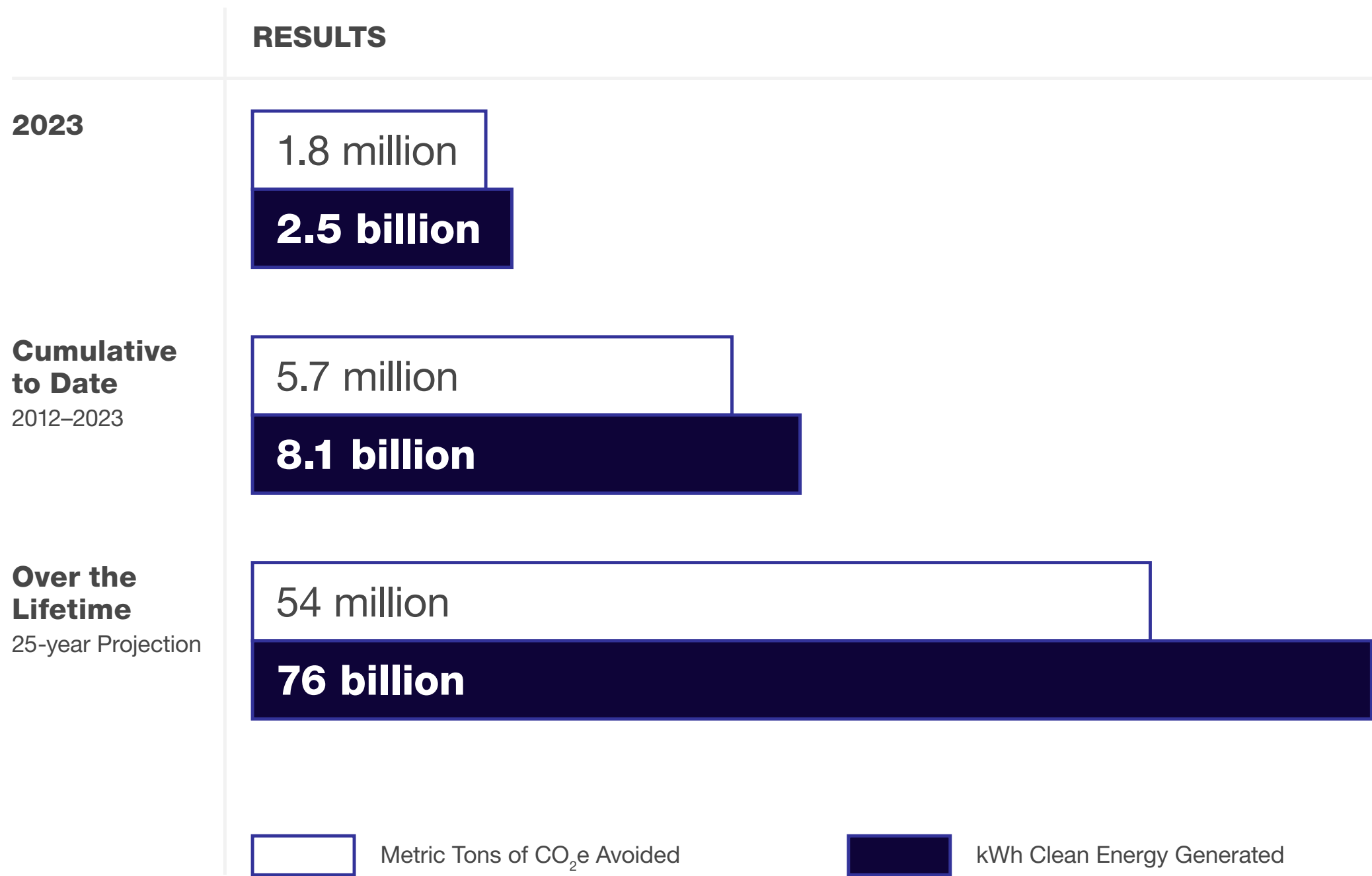
As of 12/31/2023, we have built a customer base whose systems will offset ~54 million MTCO₂e over their useful life.

Growth of Clean Energy

Perhaps the greatest impact inherent to our business is the clean energy our customers’ systems produce. Aligned with the UN Sustainable Development Goals, these services provide powerful environmental, economic, and societal benefits. What is challenging for our industry, however, is quantifying the full extent of our impacts in the current standards and practices used in sustainability reporting. In particular, we have received questions regarding our “avoided emissions” over an annual and lifetime basis. We continue to report our climate impacts with the best available information today as reporting guidance evolves.

At Sunnova, we follow the [GHG Protocol Scope 3 Standard](#) and the [WBSCD Guidance on Avoided Emissions](#). Our avoided emissions do not occur in our value chain (the sale of our products and services) but they do contribute to a low-carbon future, provide opportunities for economic development and job creation. For more information on our value chain, see our [energy services](#). Avoided emissions also offer customers insight into how our systems are performing as well as help quantify the benefits of our services. Our avoided emissions are calculated utilizing the United States Environmental Protection Agency’s avoided emissions and generation tool ([AVERT](#)).

kWh Clean Energy Generated and CO₂ Avoided of Sunnova Systems¹



¹ Based on number of systems in service as of 12/31/2023.



AVOIDED EMISSIONS, NOT SCOPE 4 EMISSIONS

To be clear, Sunnova’s avoided emissions are not included in our induced emissions (i.e. the carbon footprint of our value chain consisting of scope 1, 2 and 3 inventories) and we do not claim these avoided emissions as offsets against our own corporate emissions. This aligns with leading practices for carbon accounting set out by groups like the GHG Protocol and seeks to avoid double counting or greenwashing. While the term Scope 4 is growing in popularity, we are cautious to classify our avoided emissions as such due to the current guidance for calculating an accurate Scope 4 inventory and the burden to provide sufficient evidence of additionality against a base scenario. To the extent we formally pursue carbon offsets in the future as part of our climate strategy, these offsets will be accounted for separately and aligned with best practices for carbon accounting. To view our full GHG inventories, please see the [TCFD section of this report](#).

SOLAR RENEWABLE ENERGY CREDITS (SRECS)

SRECs are a distinct product, separate from the electricity generated by solar energy systems. We and our customers apply for and receive SRECs in certain jurisdictions for power generated by the solar energy systems we own. For more information on our SRECs, please see our [latest 10K, beginning on or about page 17](#).



KEY DEFINITIONS

Avoided Emissions:
Emissions savings that occur outside a company’s value chain demonstrated by a defined solution against a reference scenario [\(source: WBCSD\)](#).

Scope 4 Emissions: A less precise term for avoided emissions that considers “handprint” impacts from use of products as a comparable metric to a company’s own greenhouse gas inventory that could theoretically show a net result of company performance, despite emissions changes occurring elsewhere in the value chain [\(source: WBCSD\)](#).



Emissions Avoided Equivalencies²

Over their lifetime, our current solar systems will help avoid 54+ million metric tons of CO₂e, or the equivalent to carbon sequestered by:

349K+

Acres of U.S. Forests Preserved From Conversion to Cropland in One Year

63M+

Acres of U.S. Forests in One Year

901M+

Tree Seedlings Grown for 10 Years

² Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>, based on 54 million metric tons of CO₂e.



Energy Services

Sunnova’s service offerings are comprised of three interconnected structures in support of our corporate strategy to manage assets and power to optimize the delivery of clean, affordable, and reliable power for our network of customers. This three-part service arrangement better enables us to supply tailored solutions, provide ongoing system services, and guarantee energy management support throughout the customer’s journey with us. We are not simply an energy services company – we are the trusted partner committed to helping our customers achieve their energy goals.

SUNNOVA SERVICES FRAMEWORK

1

Energy and Financing Services

Adaptive Solutions

Sunnova offers a broad suite of energy services and financing solutions to help its customers power their energy independence.



2

System Services

Sunnova Protect®

Sunnova delivers top-tier service to its customers through the Sunnova Protect®, guaranteeing up to 25 years of seamless system performance and power generation to create an unparalleled customer experience. Through our Sunnova Repair™ Services offering, our commitment to excellence also extends to non-Sunnova customers in search of a reliable service provider to maintain their system.



3

Energy Management Services

Sunnova Sentient™

Sunnova systemizes its coordinated customer network to optimize energy management, enhance reliability and resiliency, provide demand response and grid support while providing additional revenue streams and greater energy independence for the customer.





ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / ENERGY SERVICES

Energy & Financing Services

Each home’s energy needs are different and change rapidly. To meet our customers’ needs, we offer a broad suite of adaptive energy solutions to help our customers power their energy independence. And just as each home is different, so is each homeowner – and our energy and financing solutions are well-tailored to each customer’s needs, providing service for up to 25 years. Whether a lease, loan, or power purchase agreement, utilizing our proprietary Sunnova Sentient™ intelligent energy management system, each Sunnova Adaptive Home® is a customizable, automated home energy ecosystem providing homeowners with optimal economic control in addition to a reliable and resilient energy system. Our Sunnova Adaptive Home® technology anticipates and prepares for outages by managing energy demand around price signals and supplying energy where it is needed during grid service events or unexpected outages. Tailored solutions from Sunnova Adaptive Home® integrating solar, battery storage, energy control, and management technologies mean that customers have a higher degree of energy independence – something we are proud to power.



CASE STUDY: OUR ADAPTIVE TECHNOLOGY CENTER

Work on Sunnova’s new Adaptive Technology Center (ATC) began in 2023, and the facility opened in March 2024. In delivering an exceptional customer experience and reinforcing the distinctiveness of the Sunnova Adaptive Home®, Sunnova Adaptive Business™, and Sunnova Adaptive Community™ service offerings, the ATC comprises state-of-the-art energy testing and integration technologies, including a microgrid system powered by a grid simulator and a solar array simulator, with the ability to replicate various grid and solar array conditions. The ATC also features interchangeable inverter and battery test beds, and a fully functioning model home equipped with full-sized appliances, including a washer and dryer, oven, refrigerator, and HVAC system. This comprehensive setup enables our engineering teams to perform system level validation to seamlessly integrate disparate technologies for reliable operation during various grid, solar and home conditions for optimal performance of the system. The ATC also empowers our service technicians to perform troubleshooting of field issues in a controlled environment to quickly resolve customer issues. In addition, the ATC allows the company to continue developing its customer-facing experiences, like the Sunnova App, as well as its proprietary Sunnova Sentient™ technology platform that optimizes energy management, enhances reliability and resiliency, provides demand response and grid support while providing additional revenue streams and greater energy independence for its network of customers.



The ATC is an industry-leading innovation that demonstrates Sunnova is serious about service, quality and innovation. Every aspect of this facility ties back to delivering industry-leading quality and service excellence to our customer base. We’re making new products available, enhancing functionality in technology offerings like our Sunnova Adaptive Home®, and rigorously reinforcing quality control. With the ability to perform end-to-end system validation on hardware and software, our dealers and customers can have peace of mind knowing that our installed systems are battle-tested and of superior quality.

— **William J. (John) Berger**
Chief Executive Officer of Sunnova



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / ENERGY SERVICES

System Services

We pledge up to 25 years of top-tier service coverage for Sunnova customers through Sunnova Protect®, a guarantee of seamless system performance and power generation for the duration of the business relationship. Through our Sunnova Repair Service (SRS) offering, our commitment to service excellence extends to non-Sunnova customers who are in search of a reliable service provider to maintain their system, whether stranded by their previous provider or simply wish to have a higher level of service. From our state-of-the-art Global Command Center in Houston, Texas, we continuously strive to create an unparalleled service experience for our customers across more than 45 US states and territories. Our customer service teams have expanded rapidly in just the last two years in order to match the increasing numbers of customers who rely on us to provide them greater energy independence. For more information on our services, see our [Customer section in the Social chapter of this report](#).

CASE STUDY: OUR GLOBAL COMMAND CENTER

In 2023, we completed the expansion of our Global Command Center (GCC) in pursuit of delivering an unparalleled customer service experience. The GCC – in operation since 2022 – is now more powerful and efficient thanks to several enhancements, including the addition of new technologies, improvements in operational efficiency, and the expansion of its team of experts. In fact, we boosted our GCC and Field Service teams by 219% and increased our Regional Operations Command Center staff by 300% in 2023. Sunnova understands that system services are paramount to ensuring our customers' systems operate and the power flows as promised throughout the entirety of our 25-year relationship. As such, the GCC saw expansion across a wide swath of categories, including enhanced cost efficiency, an expanded regionalized focus, bolstering our SRS team, increased work order efficiency, and enhanced customer communication among many others. From this expanded and enhanced command center, we perform meticulous customer service activities seven days a week, ensuring all of our customers' systems are performing optimally to ensure an outstanding customer experience.



ENVIRONMENTAL / OPPORTUNITIES IN CLEAN ENERGY / ENERGY SERVICES

Energy Management Services

Utilizing our proprietary Sunnova Sentient™ technology, we systematize our customer network of solar and storage customers to optimize energy management, enhance reliability and resiliency, and provide demand response and grid support – all while providing additional revenue streams and greater energy independence for our customers. This arrangement functions as a Virtual Power Plant (VPP), whereby customers can rapidly access stored battery power during periods of peak demand – and in some cases send excess power back to the electrical grid – dramatically reducing strain on the grid and minimizing blackouts. The clean power produced by our rooftop solar customers offsets the need for utilities to use heavily polluting traditional power plants during peak demand periods. In return for their demand battery response and contribution, customers are compensated for the power supplied by their batteries in most programs. We believe this win-win-win scenario is the future of home energy services.

CASE STUDY: OUR VPP EFFORTS WITH LUMA

In 2023, we began participating in the Battery Emergency Demand Response program in Puerto Rico, which revolutionizes the way distributed solar and storage customers contribute to grid stability during periods of high demand. By voluntarily participating in the program through the Sunnova Flex Power Program, Sunnova customers play an active role in bolstering the grid and supporting a reliable power supply for Puerto Ricans. And as the leading residential solar services company in Puerto Rico,

we currently manage more than 700 enrolled customers, where capacity of approximately 10 megawatt hours is provided to supplement LUMA's resilience against outages. When the grid is under stress, and as requested by LUMA, participating systems are instructed to discharge battery storage to the site or to the grid, reducing grid demand, minimizing blackouts, and keeping the power on. In return for their contribution, customers are compensated for the power supplied by their batteries. This approach not only incentivizes customers to embrace renewable energy solutions, but also creates the win-win-win situation mentioned above: the grid is strengthened, customers receive an additional financial benefit from their systems, and heavily polluting traditional power plants are relied upon less. As recently as April 2024, this VPP helped prevent five grid outages that could have potentially impacted several hundred thousand homes on the island.

According to the **Department of Energy (DOE)**, distributed energy resources (DERs) investment is expected to be approximately \$105B in 2030. Furthermore, if VPP enrollment were arranged in a way so that half of DERs purchased 2025-2030 joined a VPP, this may translate to enrolling approximately “85 GW of nameplate generation, 15 GW of flexible demand, 135 GW of nameplate demand from EV chargers, 42 GWh of BTM storage capacity, and 1445 GWh of nameplate storage from EV batteries.”



ENVIRONMENTAL / TCFD ALIGNMENT

TCFD Alignment

Since 2022, we have aligned our reporting with the International Financial Reporting Standards’ (IFRS) Task Force on Climate-related Financial Disclosures (TCFD) framework. We disclosed the results of our first TCFD-aligned climate scenario analysis in our 2022 report and continue to report regularly on how we evolve our climate governance, strategy, risk management, and metrics aligned with the framework’s recommendations.





ENVIRONMENTAL / TCFD ALIGNMENT

GOVERNANCE

Our Board remains engaged with our climate strategy and has oversight of climate-related risks and reporting through our Sustainability Committee. As we monitor mandatory climate reporting and emerging regulations like the California Climate Accountability and SEC rules, we are working to engage other relevant committees, such as our audit committee, to pursue third-party assurance in future reporting years. Our Board has reviewed and approved our climate risk management procedures and remains engaged in our strategy, risk mitigation planning, and metrics performance on a regular cadence at least twice annually.



STRATEGY

Climate action is a cornerstone of our business strategy and our commitment to sustainability. As a leading adaptive energy services company, our primary objective is to drive climate solutions, rapidly scaling to help customers meet their energy needs with unyielding attention to reliability, affordability, and service. As we grow, we are simultaneously working to future-proof our business and improve the environmental performance of our services.

In the last three years we have made significant progress quantifying our corporate emissions aligned with leading standards and assessing climate-related risks and opportunities to ensure we are well positioned far into the future. Our next focus area is aimed at managing sources of emissions, risks, and opportunities through formal goalsetting exercises. We detail our progress in our metrics and targets section below.

Finally, we note that several new regulations have been introduced in the United States and other relevant jurisdictions that create additional requirements for climate disclosures, including the need to pursue assurance of emissions reporting and detailed disclosure of material climate-related risks. We continue to monitor these requirements and mature our reporting to meet these regulations as part of our climate strategy.



RISK MANAGEMENT

In our last report, we detailed our climate risk assessment procedures and the results of our first comprehensive assessment. To review these risks and opportunities, please see [our 2022 report](#). As we integrate these with our enterprise risk management (ERM) process, we believe we have strong procedures to monitor relevant climate risks – and opportunities – that we assess annually through our ERM process. Our next area of TCFD focus is our ability to manage these risks and to realize the abundant climate opportunities afforded to our business model. In 2023, we took several steps to improve our risk management procedures.

Risk Management:

1. Business Continuity Planning: Hurricanes and inclement weather events were the primary physical climate risk identified in our assessment. Damage to our assets and customer reliability poses a significant challenge for our business model and one we are eager to manage aggressively. With the expansion of our Incident Management and Severe Weather Assessment teams, we have a dedicated team to forecast events and support customers and business continuity efforts pre and post weather events. The team works to understand the severity and magnitude of weather events and help customers prepare accordingly with the goal of energy continuity and protection of energy assets against likely damage.

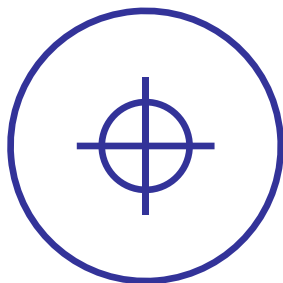
Opportunity Management:

- 1. Resilience Demand:** Our assessment identified heatwaves as an opportunity for our business given the growing demands for communities to have backup energy and greater resilience in a changing climate. Our grid services team can leverage information like this to better understand where communities are likely to experience chronic heat stress and energy dependability challenges to better target these customer segments. An example of supporting and responding to grid stress is the Battery Emergency Demand Response program cited in the [Energy Management Services portion of this report](#).
- 2. Electric Vehicle Demand:** The national surge in electric vehicles is a significant growth driver for our company. We continue to assess regional market growth in EV charging demands as part of our business development strategy and look forward to sharing details about our services in this area in the future.



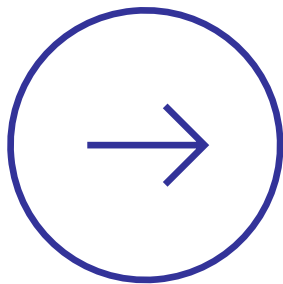


Metrics and Targets:



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

Partially Met

In our ongoing commitment to climate action, we have diligently calculated Scope 3 emissions across all pertinent categories for the second consecutive year. Following a comprehensive review with our third-party climate science specialist and careful evaluation of multiple options, we have concluded Sunnova is currently unable to submit an achievable science-based target to the Science-Based Targets initiative (SBTi). Further details regarding our rationale can be found in the 2023 GHG Emissions Data and Analysis section in the pages that follow.

2023 GHG EMISSIONS DATA AND ANALYSIS

Between 2022 and 2023, Sunnova experienced growth across key activity metrics, including the size of our customer base, service offerings, revenue, and headcount. Commensurate with this growth, we experienced increases in certain greenhouse gas inventory categories driven by increased activity factors like purchased fuel and purchased goods. Between 2022 and 2023 our total absolute emissions increased roughly 35% overall, inclusive of our Scopes 1, 2, and 3 inventories. However, on a revenue intensity basis, we note our total emissions intensity has grown by only 4.5% year over year. We describe a few of these drivers and our strategies to better manage our corporate emissions in the sections below.

GREENHOUSE GAS EMISSIONS INTENSITIES	2023	2022	% CHANGE
Direct GHG Intensity (Scopes 1 and 2, Market Based) [MT CO ₂ e / \$MM Revenue]	8	4	+100%
Value Chain GHG Intensity (Scope 3) [MT CO ₂ e / \$MM Revenue]	1,178	1,131	+4.2%
TOTAL GHG INTENSITY (SCOPES 1-3, MARKET BASED) [MT CO ₂ e / \$MM REVENUE]	1,186	1,135	+4.5%

Fiscal Year 2023 Emissions Breakdown Scopes 1 and 2

Sunnova’s fleet vehicles represent a majority of total direct emissions (Scopes 1 and 2). In 2023 we experienced an increase in our total Scope 1 emissions driven by our customer growth and the need for our fleets to service and repair this growing base. Currently, our fleet is comprised of internal combustion engine vehicles and one of our key strategies is to work to phase in electric vehicles to decouple our customer growth from scope 1 emissions and drive down our use of purchased fuel in fleet operations. We are continuing to evaluate these opportunities and will work to phase in these vehicle options in the next several years. Otherwise, we remain relatively consistent in our year over year emissions for direct emissions, including purchased electricity used in our office locations.

Fiscal Year 2023 Emissions Breakdown Scope 3

Purchased goods, or Scope 3 category 1, comprise the majority of our value chain (Scope 3) emissions. With the growth of our customer base and service offerings, we purchased more equipment to service our customers which in turn increased our emissions from value chain activities. The supporting activities of dealer travel and upstream distribution of these goods are tied to these activities, which explains our absolute growth in Scope 3 emissions. We continue to seek partners who can provide products that are more carbon efficient and work with our dealers and supply chain partners to improve the environmental profile of our value chain activities. We are also working to better manage areas of our Scope 3 inventory where we do have direct control, including employee commuting and business travel.

* Note: Regarding 2022 emissions data, due to slight changes in methodology from previous years we have made immaterial restatements to previous 2022 emissions data to ensure consistency in our reporting. These changes yield less than 0.1% change in the previously stated value.



2023 GHG EMISSIONS DATA AND ANALYSIS

GREENHOUSE GAS EMISSIONS	2023	2022	2021
Scope 1 Direct Operational Emissions (MT CO ₂ e)	5,132	1,535	1,517
Scope 2 Indirect Operational Emissions (Location-Based) (MT CO ₂ e)	872	805	not disclosed
Scope 2 Indirect Operational Emissions (Market-Based) (MT CO ₂ e)	919	890	752
Scope 3 Expanded (MT CO ₂ e)	847,816	630,887	1,254
Category 1: Purchased Goods and Services	746,205	607,630	not disclosed
Category 2: Capital Goods	1,249	818	not disclosed
Category 3: Fuel and Energy related activities	1,535	586	not disclosed
Category 4: Upstream T&D	5,463	3,487	not disclosed
Category 5: Waste in Operations	63	49	9
Category 6: Business Travel	3,245	2,132	587
Category 7: Employee Commuting	1,272	602	658
Category 12: End-of-Life Treatment	988	804	not disclosed
Category 15: Investments	87,797	14,779	not disclosed
TOTAL EMISSIONS (location-based)	853,820	633,227	not disclosed
TOTAL EMISSIONS (market-based)	853,867	633,312	3,523

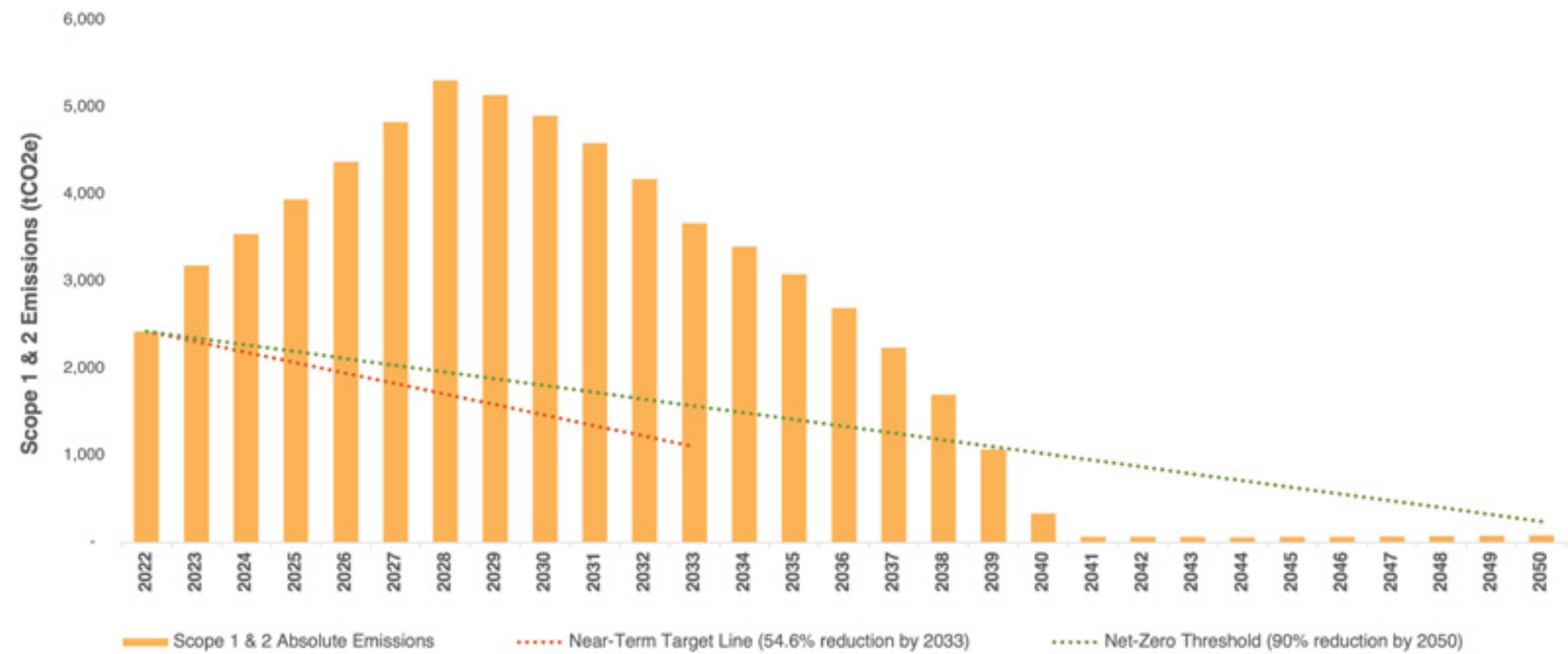
* Note: Regarding 2022 emissions data, due to slight changes in methodology from previous years we have made immaterial restatements to previous 2022 emissions data to ensure consistency in our reporting. These changes yield less than 0.1% change in the previously stated value.





Scope 1 and 2 Absolute Emission Reduction Scenario Analysis

Near-term growth assumptions preclude us from meeting a near-term target under multiple growth and reduction scenarios. But, as the graphic shows, long-term thresholds are still feasible and are an ongoing aspiration.

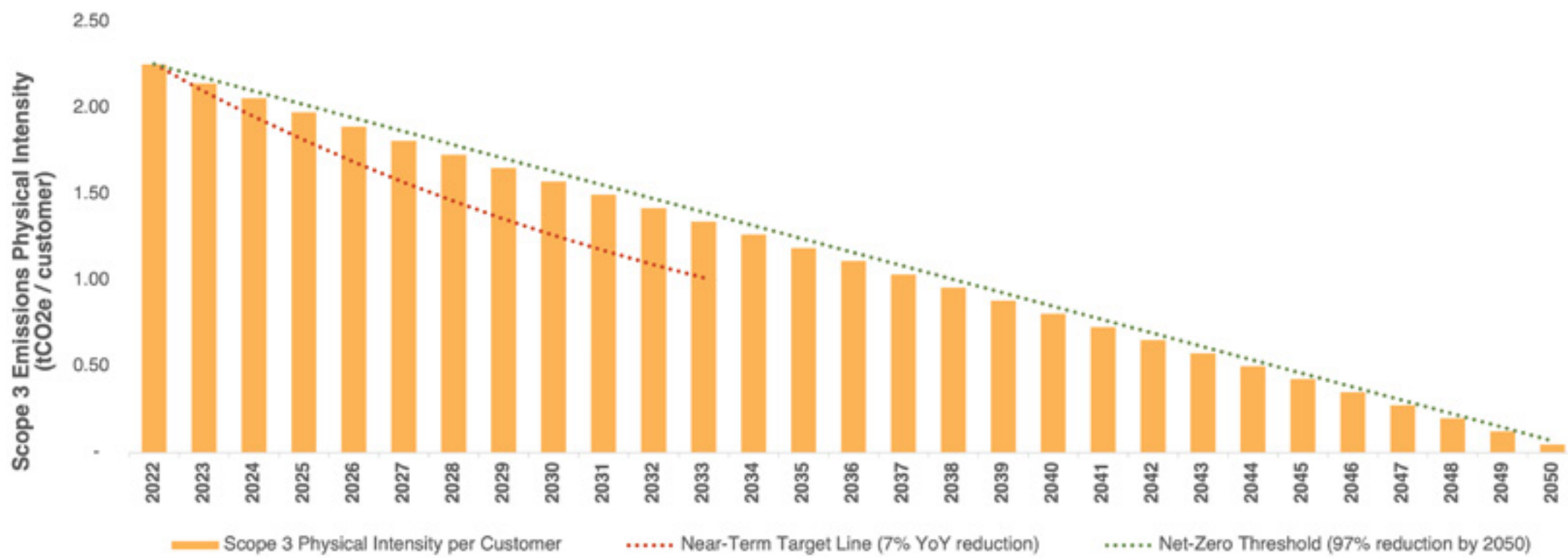


Our key learnings from this exercise include:

1. Our expected growth is a powerful engine for decarbonization within the broader energy landscape. While we will continue to work diligently in the short term to reduce our direct and value chain emissions, our broader business impact continues to help customers and businesses meet their net-zero goals.
2. The vast majority of our direct (Scope 1 and 2) emissions are a result of our energy use in our office spaces, which are all leased spaces where we do not have operational control. Until we can align on a long-term facilities strategy, we do not feel we can meet short-term absolute reduction targets where we do not have operational control of energy sources.
3. Even with an economic intensity target, at our 2023 growth rate, we were not likely to be able to meet the required percentage reductions mandated by the SBTi standards.

Scope 3 Emissions Intensity Reduction Scenario Analysis

Near-term assumptions for customer emissions intensity reductions preclude us from meeting a near-term target under multiple scenarios. Nevertheless, we are committed to working with our value chain to drive down value chain emissions from our sourcing and delivery activities, always aspiring to net zero by mid-century.



4. Because our Scope 3 emissions are proportionally large, we would be required to set a Scope 3 emissions reduction target that includes emissions reductions for purchased goods and services. In meeting with our top suppliers and dealers, we need to better understand their own climate ambitions and need further time to identify their pathways and understand if they too can set credible targets. We note **this is a challenge for many industries**, whose Scope 3 emissions comprise a majority of their emissions.

While our business does not currently fit neatly within some of the limitations of the SBTi requirements, we are committed to continuing our climate goalsetting exercise. We have outlined several next steps and ambitions that factor into our learnings and align with our ultimate long-term ambition to support the Paris Agreement and shift the economy to a net-zero emissions future no later than mid-century.



Next Steps:

- 1. Continue to work closely with our financial planning and analysis teams to model our growth vectors and help enable better climate pathway modeling.
- 2. Re-engaging our stakeholders through a materiality assessment process to realign our strategic priorities for sustainability and understand further opportunities for setting climate targets based on our findings.
- 3. Determine ways to shift operations to clean energy sources through future leasing, fleet vehicle operations, and employee travel policies.
- 4. Continue engagement with our top suppliers and dealers to better understand their own climate strategy, challenges, and opportunities to align our process with theirs.
- 5. Set Scope 1 and 2 targets to reduce our direct emissions through committed strategies for fleet electrification and renewable energy procurement.





Product Circularity and End-of-Life Management

Our dedication to product circularity, particularly in the reuse and repurposing of solar waste, is evidenced by the expansion of our relationship with a variety of recyclers including, but not limited to, ERI (Electronic Recyclers International), whose data we report annually as part of our waste management reporting.

We aspire to have a complete footprint of our waste streams as part of our commitment to environmental management. While the majority of our customers’ systems have not reached the end of their useful life, our procurement team is working to expand our recycling supplier relationships and to build additional capacity with licensed battery recycling companies in order to ensure we are building a strong product circularity and end-of-life management strategy.

2023 ERI Components Totals

MATERIAL	TOTAL WEIGHT (LBS) 2023	TOTAL WEIGHT (LBS) 2022	% CHANGE 2023 VS 2022
Aluminum ³	27	348	-92%
Cardboard ³	272	1,504	-99%
Electric Meters	2,207	679	225%
E-waste (Electronic Device)	127,346	21,000	507%
Non-Electronic Material ⁴	1,428	N/A	N/A
Solar Panels – Recycled	228,279	93,165	241%
Solar Panels – Re-Sold	89,130		
TOTAL US LBS	448,689	116,696	
TOTAL US TONS	224	58	

³ While it appears aluminum and cardboard waste decreased, ERI explained these materials are often mixed with other electronics on pallets and are now tallied as part of e-waste.

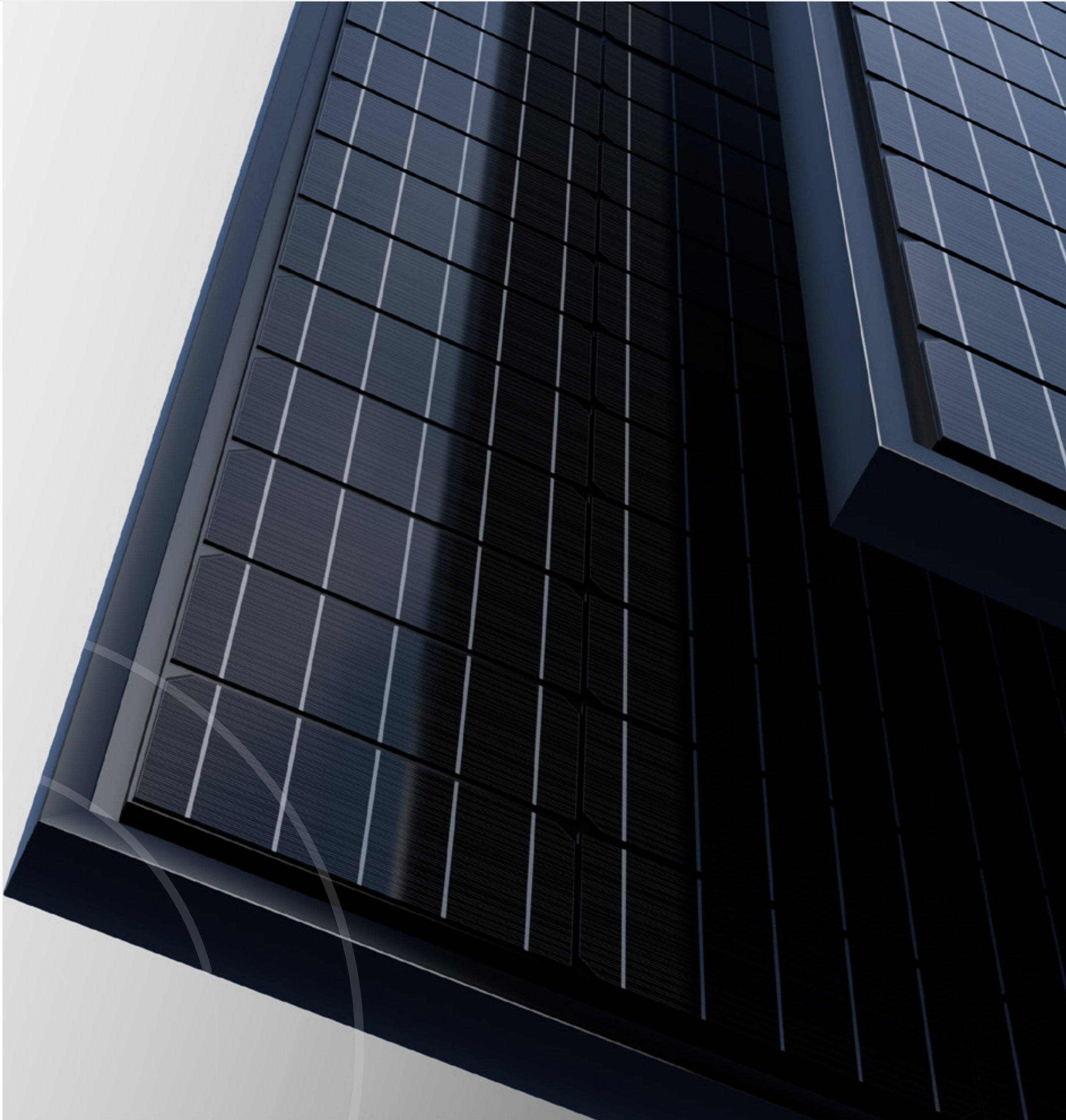
⁴ Non-Electronic material are items that have no electronic components. This could be plastic, misc. solar panel tools or equipment that is not electric, and other basic items.



ENVIRONMENTAL / PRODUCT CIRCULARITY AND END-OF-LIFE MANAGEMENT

In 2023, according to ERI data, Sunnova solar panel repurposing grew by 241%. Over 228,000 lbs. of recovered solar panels have been successfully recycled, reducing environmental impact, and over 89,000 lbs. of panels were resold, contributing to the circular economy. In total, our efforts in 2023 resulted in the recovery of 224 tons of waste, with solar panels accounting for approximately 159 tons.

Over time, we expect that our waste streams will grow as equipment approaches the end of its useful life. To manage these impacts, our team is working to identify partnerships to refurbish, resell, and recycle energy-related equipment in the most responsible manners to avoid cradle-to-grave impacts where possible. This includes the responsible management of hazardous waste, reusing critical material to limit upstream environmental and social impacts, and working with industry partners to continue developing a more localized energy supply chain to maximize circularity. As we continue to report our waste and recycling data, we hope to demonstrate that while this may grow over time, the percentage of recycled material is responsibly managed and hazardous waste is properly handled.





Environmental Management System

At Sunnova, we recognize the critical importance of environmental stewardship in our operations, and we are committed to minimizing our impact on the planet. While we do not currently have a formal “environmental management system” (EMS) in place, we maintain a proactive approach to environmental responsibility. Our Environmental Policy documents the company’s commitments with respect to the environment and sets standards for the company’s environmental practices.

In addition to our policy, our approach to environmental management within our operations includes regular monitoring and reporting of induced (Scope 1, 2 and 3) emissions and product circularity, ensuring transparency and accountability in our environmental practices. Our procurement team diligently oversees all suppliers and manufacturers, tracking their adherence to international environmental management standards such as ISO 9001, among others. For more information, see our **procurement management section of this report**.

Regarding natural resources management, including land use, water usage, and biodiversity preservation, we take a nuanced approach tailored to our business model. Our rooftop solar energy systems are predominantly mounted on existing structures, minimizing land use and environmental disruption. While natural resources management is not currently considered material to our operations, we remain committed to responsible resource management and will adapt our strategies as needed. We do not presently conduct formal environmental impact assessments, though we intend to investigate this topic as part of our materiality assessment scheduled for late 2024.

⁵ <https://www.epa.gov/ems/basics-ems>

Sunnova Environmental Policy

Sunnova’s deep commitment to the environment is evident from the Company’s central goal: to be the source of clean, affordable, and reliable energy, with a simple mission: to Power Energy Independence™ so that homeowners have the freedom to Live Life Uninterrupted®.

Did you know?

Our Environmental Policy, along with other policies, is publicly available online in our governance documents. You can [review them here](#).



Social

- › Our Customers
- › Our People
- › Our Communities
- › Human Rights





Our Customers

Making sure the power flows is critical for families and businesses, and our dedication to taking care of our customers isn't something we take lightly.

As a leading adaptive energy services company, our mission of Powering Energy Independence™ propels us to continuously refine how we manage, maintain, and serve our customers. Beyond simply powering homes and businesses, our primary focus has always been on providing a better energy service at a better price.

Service is the lifeblood of our business, guiding our daily operations. Our cutting-edge Global Command Center and Adaptive Technology Center, both located in Houston, Texas, exemplify our commitment to delivering excellence in customer experience.

Here are just some of the ways we've invested in service experience for our customers over the last two years:



THE SUNNOVA GLOBAL COMMAND CENTER (GCC)

As the only leading energy service provider to implement a cutting-edge GCC, we are raising the bar for excellence in the industry. Our state-of-the-art command center plays a pivotal role in helping us deliver the best service in the energy industry by acting as the central service hub, overseeing our entire operation and maintenance network. 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.

REGIONAL OPERATING CENTERS FOR SERVICE

Last year, we strategically established 12 Regional Operating Command Centers (ROCCs) within the GCC, enhancing our local coverage and presence. We also implemented a dedicated Critical Command ROCC and Technical Support Customer Care Team to optimize response times and achieve swift resolution for critical cases on the first call.

SUNNOVA SERVICE BY THE NUMBERS



Our customer base grew exponentially as homes & business are prioritizing clean, affordable energy.



We added valued team members to our Global Command Center and Field Service Teams to achieve more seamless and efficient service.



Once three pods, our Regional Operations Command Center has expanded to include 12 pods all servicing different regions.



Our Customers

THE SUNNOVA ADAPTIVE TECHNOLOGY CENTER (ATC)

Our newly opened ATC is comprised of revolutionary energy testing and integration technologies, furthering our commitment to deliver an exceptional customer experience and reinforce the distinctiveness of the Sunnova Adaptive Home® service offerings.

SERVICE BY THE NUMBERS

Currently, Sunnova has just a 2% complaint rate across our entire customer base, an improvement from an estimated 3.7% in 2022.

DEDICATED CUSTOMER SERVICE CALL CENTER IN PUERTO RICO

To further enhance our dedicated customer support on the island, our new call center is staffed with local operators ready to assist all customers with their inquiries or concerns.

SERVICE TEAM

Since 2022, our overall service team has experienced remarkable growth of 219%. In Puerto Rico alone, our service team personnel has grown by 375%. This underscores our unwavering commitment to service excellence and elevating the Sunnova service experience for our customers.

STREAMLINED SERVICE FLEET

With a more robust fleet in Puerto Rico, we're delivering faster assistance throughout the Island. Our fleet consists of fully equipped vehicles, complemented by a well-stocked warehouse to help ensure that we have the necessary parts and equipment to handle most issues on-site.

24/72 SERVICE RESPONSE TIME

Puerto Rico is our flagship 24/72 hour market, where we aim to restore power within 24 hours in most cases, in the event of an issue with a solar + battery storage system.

5,400+ Hours

Customer Operations Training in 2023



As a customer-centric company, service is at the heart of all that we do. Increasingly, as our customers rely on us as their main power providers to ensure the power flows, creating a positive experience for them is our top priority. While some companies focus solely on transactions, we're dedicated to fostering lasting relationships with homeowners and their homes. In our relentless pursuit of excellence, service remains the cornerstone guiding every decision we make.

— **Paul Mathews**
Executive Vice President, Chief Operating Officer





SOCIAL / OUR PEOPLE

Our People

Over the last few years, our journey at Sunnova has been marked by significant milestones: becoming a publicly traded company in 2019, expanding our talented team from under 500 to approximately 2,000, and now proudly serving over 419,000 customers.

With this type of growth comes cultural evolution. As we embrace diverse talents, branch out into new regions, and adapt to evolving work paradigms, we're constantly learning. Our company culture, rooted in our core values (Service, Synergy, and Sustainability) remains central to who we are and how we operate. To ensure we are on the right track and that our culture continues to resonate with every team member and delivers value for all stakeholders, we began the year by surveying our employees and examining our people data in greater detail than years past.

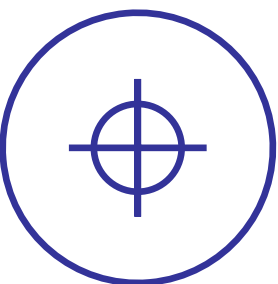
GALLUP In 2023, Sunnova partnered with employee engagement leader, Gallup, to conduct a baseline employee engagement survey. Our first survey with Gallup yielded a world class engagement ratio above a 4.0. Moving forward, each senior leader has developed action plans and goals whose progress will be measured by future surveys occurring twice every year.



At Sunnova, this past year has been marked by strong employee growth. With our team increasing 75%, we've had to adapt and evolve quickly. We've revamped our training and development programs and fine-tuned our appraisal processes to better support our expanding workforce, and we remain committed to creating an environment where everyone feels they belong, where they can bring their true selves to work. It's about ensuring that every member of our team, no matter when they joined, where they're based, what team they are a part of – feels valued and empowered to contribute to our collective success.

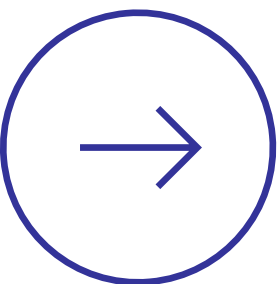
— **Jackson Lynch**
Executive Vice President, Chief Human Resources Officer

Goals Update



GOAL 1

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

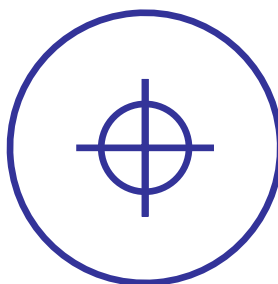


STATUS

On Track

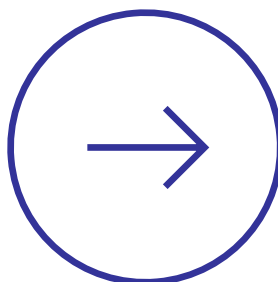
As of 12/31/2023, our voluntary turnover stands at 14%.

In 2023, we had several enhancements that contributed to a reduction in voluntary turnover from our 2022 levels of ~18%. First, and most impactfully, we made significant investments in our service operations and our HR analytics teams that improved employee engagement across the entire organization. Our service operations team had a significant impact in reducing turnover in our service organization, which we noted had previously high turnover in 2022. Through regular monitoring of employee engagement, including our new Gallup employee survey that we detail later in the report, we have become much more dynamic in our assessment of employee engagement and developing tools to manage our retention. We also attribute some of this improvement to macroeconomic conditions that have reduced overall employment elasticity. We note that 4.5 of every 5 employees in our most recent survey plan to be here in one year, suggesting low overall job-switching and relatively high employee satisfaction.



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

Evaluating

For this upcoming 2025 goal, we have not made significant progress to increase minority representation in our mid-level leadership, however our diversity enterprise-wide is ~70%.

As we continue to advance our talent management initiatives, we remain focused on building a workforce that has diverse perspectives, cultural understanding, and a sense of belonging so that all employees can do and feel their best at work. At this time, we will be retiring our original goal in order to refresh our strategy with a renewed focus on belonging that we believe will drive enhanced outcomes for our team culture. We will continue to report our diversity metrics as a way to understand our progress and will look forward to sharing future strategies to foster greater inclusion and belonging in our workforce.

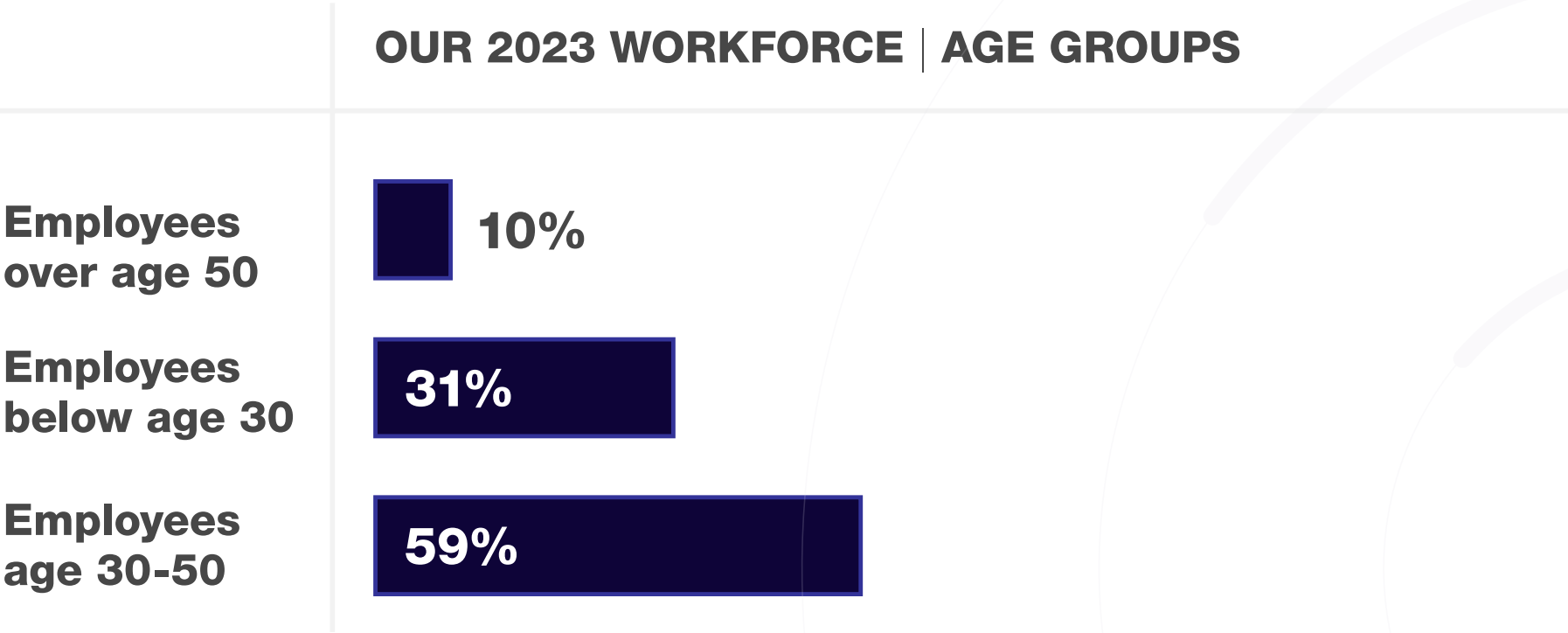
By The Numbers | Our Workforce

Highlights include

- Expanded insights in gender data
- 70% diversity companywide
- Over 90% of our people are under the age of fifty

WORKFORCE GENDER DATA	2023	2022	2021
Total Employees	2041	1173	738
Total Male Employees %	68%	66%	63%
Total Female Employees %	32%	34%	36%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	33%	—	—
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	22%	—	—
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	27%	—	—
Share of women in STEM-related positions (as % of total STEM positions)	29%	—	—

WORKFORCE DIVERSITY BY RACE	2023	2022	2021
Total Workforce (as % of total workforce)	Asian 9.65% Black 11.91% Islander .69% Hispanic 32.39% Two or more 2.84% Unknown 12.54% White 29.59% Nat. Amer 0.39%	Asian 11.5% Black 10.8% Islander .8% Hispanic 34.9% Two or more 2.2% Unknown 2.8% White 36.6%	Asian 11.0% Black 10.5% Islander .5% Hispanic 37.8% Two or more 2.4% Unknown —% White 37.8%
Mid-level leadership (senior positions with General Manager, Director, Senior Director, VP and SVP titles) across Total Management (as % of total management)	Asian 8.72% Black 4.03% Islander 0.00% Hispanic 9.40% Two or more 3.36% Unknown 4.70% White 69.80%	Asian 10.71% Black 2.38% Islander .00% Hispanic 13.10% Two or more 3.57% Unknown 1.19% White 69.05%	Asian 6.35% Black 4.76% Islander .00% Hispanic 15.87% Two or more 4.76% Unknown —% White 68.25%





SOCIAL / OUR PEOPLE / **DEVELOPMENT AND TRAINING**

Development and Training

EMPLOYEE DEVELOPMENT AND TRAINING WITHIN HUMAN RESOURCES

In 2023, Sunnova launched programs to enhance both self and team leadership skills. In July, we introduced a dedicated Organizational Performance team to expand and oversee employee development and performance initiatives. Over the course of 2023, more than 100 employees participated in our first organization-wide leadership development curriculum.

DEVELOPMENT THROUGHOUT OUR ORGANIZATION

Beyond our Human Resources team, Sunnova employees regularly receive training related to safety, compliance, standards of business conduct, and their individual roles in some cases. In 2023, Sunnova invested over \$400,000 in materials and programs to support our team’s training and development. For more information on [compliance](#), [safety](#), [cybersecurity](#), and [dealer](#) training, please see those sections of this report.

10K+ Hours
HR Development Training in 2023

AT A GLANCE | TRAINING AND DEVELOPMENT HIGHLIGHTS

EMPLOYEE DEVELOPMENT PROGRAM	PARTICIPANTS	TOTAL HOURS	WHO PARTICIPATED	BENEFITS
Digital Learning Platform	228	181	Open to all	Provide opportunities to further learning on an individual basis related to job duties or professional growth. Learners explore and self-assign courses in this online portal, available to them 24/7.
Effectiveness Habits	112	764	High-performing personnel, recommended by supervisors	This course empowers employees to answer the question, "How can I be more effective?" through developing productive habits. The in-person course offers opportunities to connect with employees from other departments and rewards high performers of our organization.
Leadership Practices	118	354	People Leaders	Covers the first two foundational practices for leading a team: developing a leader's mindset and connecting with your team through individually in one-on-ones. This course offers opportunities for leaders to network within Sunnova and collaborate outside of their own department.
Compensation Foundations	169	169	People Leaders	In this virtual session, we discuss and review the elements affecting compensation and total rewards terminology. We also walk through a case study on developing an offer.
Day One New Hire Orientation	1,249	9,367	Open to all	All of our new employees attend a "first-day orientation and training" where we walk through Sunnova culture, compliance and business, discuss and review benefits and resources available
		10,835		



Appraisal and Incentives

At Sunnova, we recognize the pivotal role that performance evaluations and incentives play in fostering a culture of excellence, collaboration, and growth. Building upon the successes of the previous year, our 2023 performance evaluations were multi-faceted, encompassing both tangible outcomes and the intangible values of ownership, collaboration, and empowerment.

PERFORMANCE APPRAISALS AND FREQUENCY

In 2023, our performance evaluations were comprehensive, assessing not only the delivery and quality of top deliverables but also the levels of Ownership, Collaboration, and Empowerment demonstrated by employees. This holistic approach provided a well-rounded view of individual contributions and alignment with Sunnova's core values.

Employees and managers engaged in semi-annual structured performance appraisals, comprised of both employee self-reviews and manager evaluations. This structured process ensured clarity, consistency, and thoroughness in assessing performance. Despite our tremendous growth, we are proud to report that over 99% of these appraisals were completed, demonstrating the commitment of our workforce to continuous improvement.

To enhance the quality of assessment completion, we developed structured training and resources which were provided to all employees and managers. These resources equipped our workforce with the necessary tools and guidance to conduct meaningful evaluations, fostering a culture of accountability and development.



BENEFITS AND WELL BEING

At Sunnova, our greatest asset is our people. Sunnova offers a superior benefit package to employees.

- Medical Benefits
- Prescription Drug Benefits
- Wellness Programs
- Health Savings Account
- Flexible Spending Accounts
- Dental Benefits
- Vision Benefits
- Life and AD&D Insurance
- Voluntary Disability Insurance
- Voluntary Worksite Benefits
- Employee Assistance Benefits
- Pet Insurance
- Leaves of Absence
- Profit Sharing and 401(k) Plans
- Employee Stock Purchase Plan
- Short Term Incentive Plans
- Long Term Incentive Plans
- Diversity Day paid time off
- Volunteer Day paid time off
- Covid Testing paid time off
- Floating Holiday paid time off
- Paid Time Off



INCENTIVE STRUCTURE

At Sunnova, we believe in rewarding excellence and aligning incentives with organizational goals. Our total rewards package is designed to be market competitive, ensuring that our employees are fairly compensated for their contributions. In addition to competitive salaries, certain roles may be eligible for various short and long-term incentive compensation options, including:

- **Restricted Stock Units (RSUs):** Providing employees with ownership in the company, RSUs align individual success with company performance, fostering a sense of ownership and commitment.
- **Cash Bonuses:** Recognizing exceptional performance and achievements through monetary rewards, cash bonuses serve as a tangible expression of appreciation for outstanding contributions.
- **Commissions and Sales Incentives:** In roles directly tied to sales performance, commissions and sales incentives provide additional motivation and reward for driving revenue and customer satisfaction.
- **Spot Awards:** Acknowledging exceptional efforts and accomplishments on an ad-hoc basis, spot awards celebrate excellence in real-time, reinforcing desired behaviors and outcomes.
- **Compensation Adjustments:** Anchored to our pay for performance philosophy, compensation adjustments ensure that rewards are commensurate with individual contributions and market trends.

As we embark on the appraisal and incentive process for 2024, Sunnova remains committed to fostering a culture of excellence, collaboration, and empowerment. By building upon the successes of the previous year and continually refining our processes,

we aim to empower our workforce to reach new heights of performance and achievement. Together, we will continue to drive innovation, deliver exceptional results, and create value for our customers, shareholders, and communities.

TALENT RECRUITING AND OUTREACH

In the past year, Sunnova's talent acquisition and recruiting teams have been actively engaged in a comprehensive outreach strategy, participating in 30 recruiting and career events nationwide. These events spanned various institutions, including the Atlanta University Center Consortium (Clark, Spelman and Morehouse), Texas A&M University, Northwestern University, Harvard Business School Climate Symposium, and the University of Houston.

Through these engagements, Sunnova has sought to connect with top-tier talent across diverse academic backgrounds and regions. By participating in events at renowned universities and industry conferences, Sunnova has demonstrated its commitment to fostering relationships with emerging professionals and thought leaders in energy, technology, and related fields.





Occupational Health and Safety

NATIONAL STANDARDS AND POLICY

We recognize that all workers have the right to work in a safe and healthy environment, consistent with the Occupational Safety and Health Act, as administered by the Occupational Safety and Health Administration (OSHA), the National Institute for Occupational Safety and Health (NIOSH), American National Standards Institute (ANSI), along with other federal, state, or local government association adoptions of safety practices that Sunnova recognizes. Our safety policies and procedures also follow OSHA 29CFR Part 1926 Safety and Health Regulations for Construction. For more information, we encourage you to download and review our [Health and Safety Policy](#), updated June 2022.

LEADERSHIP AND INCIDENT RESPONSE

Sunnova’s Director, Safety and Fleet Operations, in conjunction with Executive Management has the responsibility to develop and implement the safety and health program and to ensure that all safety and health policies and procedures are clearly communicated to and understood by all employees. Our Director also oversees our incident response and business continuity teams, known as the Incident Management Team (IMT) and Business Continuity Team (BCT). For more information on this topic, see the [Governance/Business continuity](#) section of this report.

SAFETY DEVELOPMENT AND TRAINING PROGRAM

Sunnova has developed a comprehensive safety development and training program rooted in the theory of Behavior Based Safety (BBS). This program emphasizes behavior-based safety as a "personal core value," aiming to foster and engage Sunnova's safety culture across the organization. The primary objective is to modify employee behaviors to enhance workplace safety and reduce the occurrence of injuries, illnesses, and accidents.

The program begins by identifying behaviors that may pose risks or hazards in the workplace. Once identified, the root causes of these behaviors are determined, and possible corrective actions are devised. These corrective actions are then evaluated for effectiveness, and the necessary processes are developed to implement the BBS program effectively.

CERTIFICATIONS

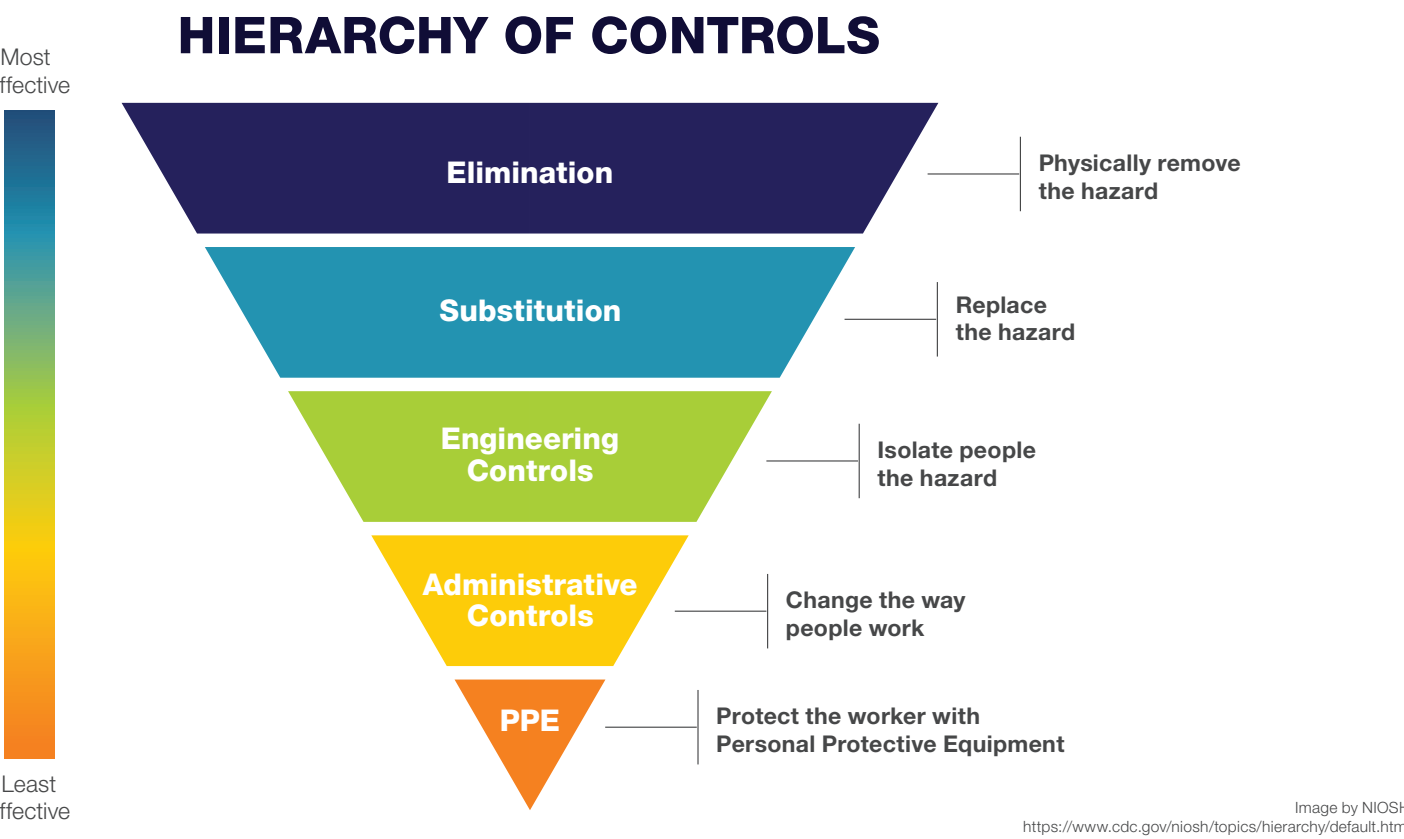
Central to Sunnova's approach is the establishment of a permanent change in the organization's culture. This involves assessing, analyzing, and fostering employee buy-in for the safety culture within Sunnova and its workplaces. Employees are thoroughly trained in behavioral-based safety, with the aim of instilling life-changing behaviors that prioritize safety both at work and in personal contexts.



Types of Certification

This year, our employees attained over 300+ OSHA 30 certifications, 200+ American Ladder institute certifications, 300+ OSHA Fall Protection certifications and 200+ Defensive Driving certifications.

Sunnova's commitment to safety is further underscored by its endorsement and promotion of a "Zero Tolerance" policy towards violations of its Safety Program and OSHA requirements. This policy emphasizes the importance of reporting incidents promptly and underscores the organization's unwavering dedication to maintaining a safe working environment for all employees. We also advocate and follow the safety protocols for Hierarchy of Controls as defined by the **National Institute for Occupational Safety and Health (NIOSH)**.



SAFETY RECORD

In 2023, Sunnova recorded a total of 11 recordable injuries, a commendably low injury rate compared to industry averages. Additionally, the company has experienced significant growth, with service and operations staff increasing 190% year-over-year. Despite our growth, we have demonstrated a positive trend in safety, as indicated by the reduction in the OSHA Total Recordable Incident Rate.

CONTRACT LABOR

Over the past three years of our expansion, we have strategically shifted our approach to service and maintenance, prioritizing internal and in-house employee labor over reliance on contract labor. Currently, our safety operations workforce comprises approximately 95% internal employees, reflecting our commitment to building and leveraging our internal capabilities for service delivery and maintenance operations. We exclude contractors from our Total Recordable Incident Rate (TRIR) calculations as they operate independently, yet we strongly advise them to adhere to the same standards as our personnel.

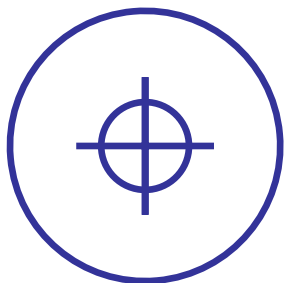
Overall, Sunnova's focus on behavior-based safety as a core value, coupled with its emphasis on permanent cultural change, employee engagement, and continuous support and evaluation, underscores its commitment to fostering a workplace environment where safety is paramount.

SAFETY DATA	2023	2022	2021
Recordable Incidents	11	8	10
Incidents with Days Away, Restricted, Transferred	6	8	10
Total Days Away (All incidents)	692	420	525
Total Recordable Incident Rate (TRIR) NAICS Code 221114	0.6	0.8	1.5
Bureau of Labor Statistics Industry TRIR NAICS Code 2211 Electric Power Generation, Transmission and Distribution	1.7	1.5	1.5
Lost Time Incident Rate (LTIR)	0.6	0.8	1.5
Days Away (DART Rate)	0.3	0.8	1.5
Work Related Fatalities	0	0	0
Total Safety Training Hours of All Employees	37,000	17,457	—
Number of Safety Training Certifications Issued	1,162	674	—
Workers Covered by an Occupational Health and Safety Management System	1,781	933	—



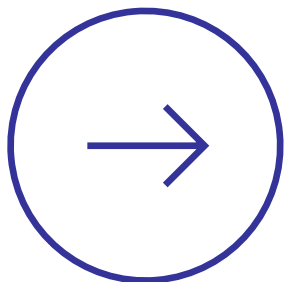
Our Communities

When crafting our Corporate Social Responsibility (CSR) strategy, we embarked on a journey rooted in our corporate values of service, synergy and sustainability. Our aim was to develop a strategy aligned with a "triple bottom line" ethos, emphasizing profit, people, and the planet, all while leveraging our core business competencies and the dedication of our employees. This strategy is structured to incorporate volunteer initiatives for our employees alongside strategic partnerships with global non-profit organizations such as Empowered by Light and Seeding Mercy.



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

On Track

As of 12/31/2023, we have contributed over 1,400 hours to our communities through human services, educational, and environmental programs where we live and operate.



SOCIAL / OUR COMMUNITIES / SOCIAL RESPONSIBILITY

Social Responsibility

We continue to invest our money and our time by collaborating with local, national, and global organizations on issues that speak to the heart of our corporate mission, including economic development, equitable energy access, and community resilience. The three pillars of our strategy are Sustainability (environment, conservation and stewardship), Synergy (education and civic needs), and Service (health and human services).

PILLAR ONE
SUSTAINABILITY: ENVIRONMENT, CONSERVATION AND STEWARDSHIP
We actively embody our corporate value of "Sustainability" by striving to minimize our environmental footprint. This year, we organized an Earth Day photo contest, inviting employees to submit pictures showcasing their Earth Day celebrations nationwide. These photos depicted activities such as recycling efforts, eco-friendly initiatives to enhance outdoor spaces, community gardening projects, and contributions to green building endeavors. In Houston, we invested in and supported the Hermann Park Conservancy and Memorial Park Conservancy — two cherished local outdoor spaces vital to our community.





PILLAR TWO
SYNERGY: EDUCATION AND CIVIC NEEDS

We are committed to promoting equitable access to education and opportunities, especially in the fields of science, technology, engineering, and mathematics (STEM), which are integral to our business. Throughout the educational landscape, we foster “Synergy” by backing STEM-focused student competitions and providing support for first-generation college graduates seeking to enhance their skills and training. Our employees have the opportunity to contribute to programs aimed at skill development, literacy promotion, fundraising for school supplies, and various other educational activities. In 2023, we announced a new virtual volunteering opportunity with CareerSpring – an organization that works to provide first generation college students with career advice and mentorship.



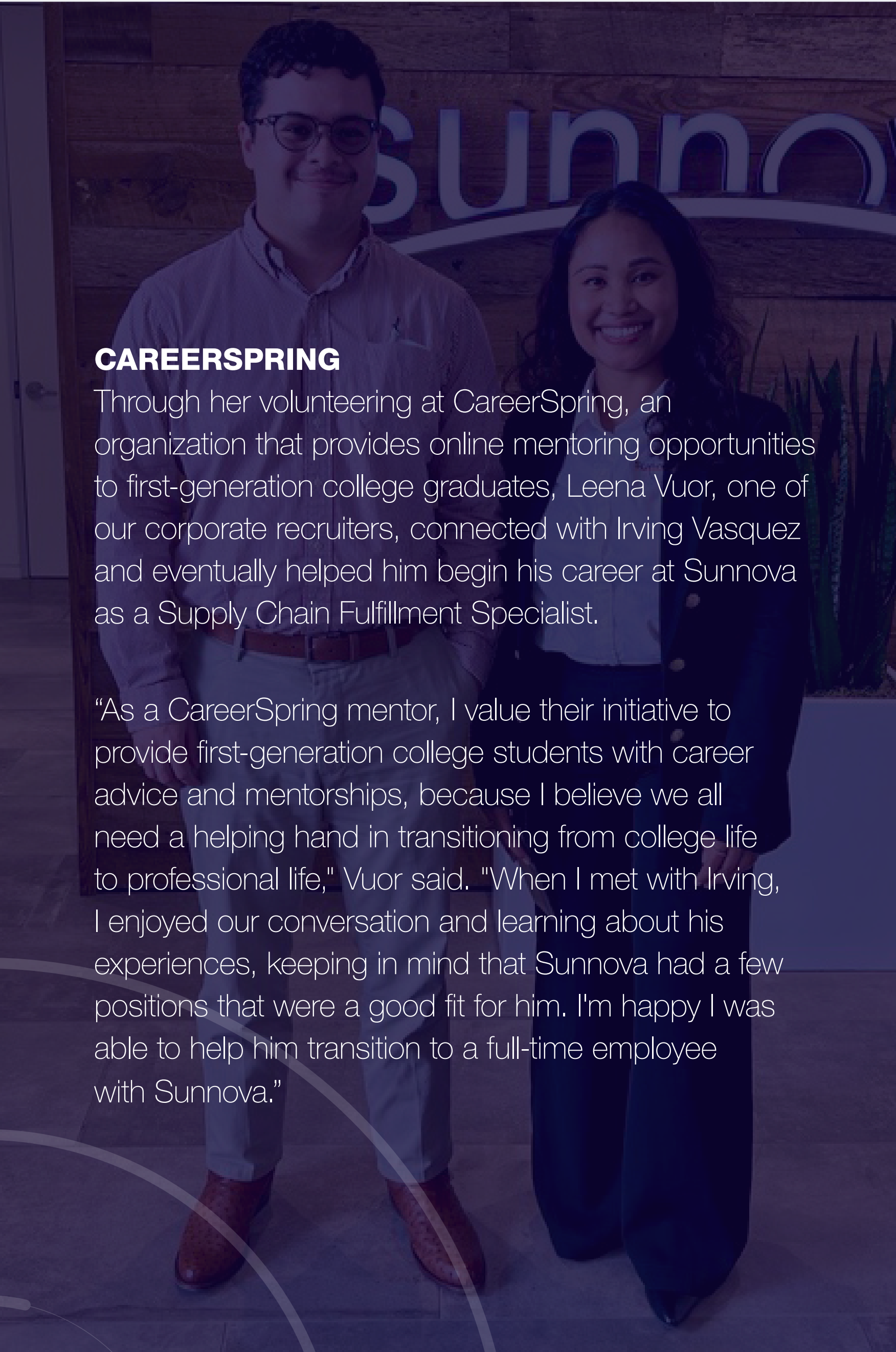
We also invested in Consumer Energy Alliance's (CEA) Energy Day Houston student competition as a VIP Sponsor and Scholarship Sponsor. Energy Day Houston united residents, including Houston Mayor Sylvester Turner, along with thousands of K-12 students and their families for a day brimming with interactive learning experiences. This annual event, presented by Consumer Energy Education Foundation and CEA, showcased the dynamic facets of STEM and emphasized the myriad career paths within the energy industry. Adam Miller, VP of Microgrids, had the honor of representing Sunnova, presenting a check to the Pershing Middle School Team during the event. We take great pride in having supported initiatives like Energy Day, which have played a pivotal role in broadening access to STEM education and cultivating pathways for the future energy workforce.

CEA Energy Day Houston, 2023

CAREERSPRING

Through her volunteering at CareerSpring, an organization that provides online mentoring opportunities to first-generation college graduates, Leena Vuor, one of our corporate recruiters, connected with Irving Vasquez and eventually helped him begin his career at Sunnova as a Supply Chain Fulfillment Specialist.

“As a CareerSpring mentor, I value their initiative to provide first-generation college students with career advice and mentorships, because I believe we all need a helping hand in transitioning from college life to professional life,” Vuor said. “When I met with Irving, I enjoyed our conversation and learning about his experiences, keeping in mind that Sunnova had a few positions that were a good fit for him. I'm happy I was able to help him transition to a full-time employee with Sunnova.”





**PILLAR THREE
SERVICE: HEALTH AND HUMAN SERVICES**

Access to food, clean water, and sustainable energy is pivotal in shaping our understanding of "Service." Through our employees and investments, we actively endorse community-centered projects and endeavors that bolster children and family welfare services, food banks, pantries, and distribution networks, as well as initiatives addressing homelessness and social support.

Volunteer Highlights from this year:

- Our Miami team spent a day volunteering at The Caring Place, extending a helping hand to feed the homeless. Beyond providing meals to men, women, and children, The Caring Place also offers safe shelter, facilitates life-changing residential programs, and aids employment and housing opportunities.
- Our teams volunteered at Kids' Meals, Inc. in Houston to help feed hungry children. Our team helped prepare and pack thousands of meals to help further their mission to ensure no child goes to bed hungry. With unwavering dedication, Kids' Meals provide nutritious meals to young ones in need, nurturing their potential, and brightening their futures.
- At the Houston Food Bank, Team SunNova scanned and sorted over 21 pallets of donations from Kroger, which is equivalent to 12,900 lbs of food and 11,200 meals. While visiting the food bank, we also received The President's Volunteer Service Award, presented to companies by AmeriCorps in recognition and appreciation for their commitment to strengthening our nation and communities through volunteer service.
- Near Thanksgiving, we collaborated with Target Hunger Houston on harvesting, weeding, and pruning their local garden. Target Hunger is one of Houston's largest non-profit organizations, offering direct food assistance to food-insecure children, families, and seniors facing the risk of hunger every day.





SOCIAL / OUR COMMUNITIES / CLEAN ENERGY ACCESS THROUGH COMMUNITY OUTREACH

Clean Energy Access Through Community Outreach

In our ongoing commitment to global community outreach, we have undertaken several impactful initiatives this year, each aimed at addressing critical needs and fostering sustainable development across diverse regions.

Among our notable endeavors, we have extended support to the Maui Fire Relief efforts in Hawaii and the Portal de Amor orphanage in Puerto Rico by donating mission-critical materials and implementing solar and storage systems through our collaboration with Empowered by Light. Additionally, in collaboration with Seeding Mercy, we have spearheaded funding for off-grid solar-powered irrigation pumps in East Africa, effectively combating hunger and empowering communities in the region. These donations illustrate our dedication to making a meaningful difference on a global scale, harnessing renewable energy solutions to drive positive change and uplift vulnerable populations.

MAUI FIRES, HAWAII

Following the devastating Maui fires, we were proud to partner with **Empowered By Light** to donate five Tesla Powerwalls, gateways, and materials to bolster critical relief efforts on the island. Thanks to **Rising Sun Solar**, who facilitated the installation, and **Footprint Project**, who assisted with logistics and site assessments, two of the batteries were deployed as Mobile Powerwall Units (MPUs) powering an important aid site at Honokawai Beach Park on West Maui. This site served as a vital hub, offering daily meals to fire victims and community members housing families who lost their homes in the fires. It also provided essential operations, such as an information tent with computers and personal devices, chest freezers, a kitchen, refrigeration, and Starlink communication.

We completed our second installation of the remaining three Tesla Powerwalls, gateways, and a permanently mounted solar array at the Church of Nazarene in Pukalani, Maui. Rising Sun Solar and Footprint Project again assisted with the installation and logistics. This system displaces a diesel generator and powers a machine donated by **WAIEA Water**, using atmospheric water production technology to convert air into critically needed drinking water.

Amidst water advisories and contamination issues caused by the wildfires, this solar + battery storage solution not only provides clean energy but also ensures a sustainable source of clean drinking water for Maui residents now and in the future.

Maui Recovery Effort, image courtesy of Empowered By Light.



PORTAL DE AMOR, PUERTO RICO

Teaming up with Empowered by Light and **Windmar Home**, Sunnova installed solar and battery storage at Portal de Amor, a non-profit orphanage sheltering abused and neglected children in San Germán, Puerto Rico. Portal de Amor Children's Home has been caring for some of Puerto Rico's most vulnerable children since 1994. Now they can care for them with a solar energy and storage system that will not only provide a reliable power source for lighting and electronic devices, but will also eliminate the challenges posed by the island's frequent power outages. This will ensure that the children live in a well-lit and secure environment and away from the darkness they may have experienced in the past. This important project brought together Empowered by Light, a nonprofit organization who identified the need, Sunnova, who donated the system, and Windmar Foundation, who donated the design and installation. The system is composed of 25 kilowatts of solar and three Tesla Powerwalls, for a total of 40.5 kWh of storage. By providing clean energy solutions to counter the challenges of an unreliable grid riddled with frequent outages and combating the rising costs of electricity, we're empowering this orphanage to transition away from hazardous, costly, and disruptive fossil fuel generators.



SEEDING MERCY, SUDAN

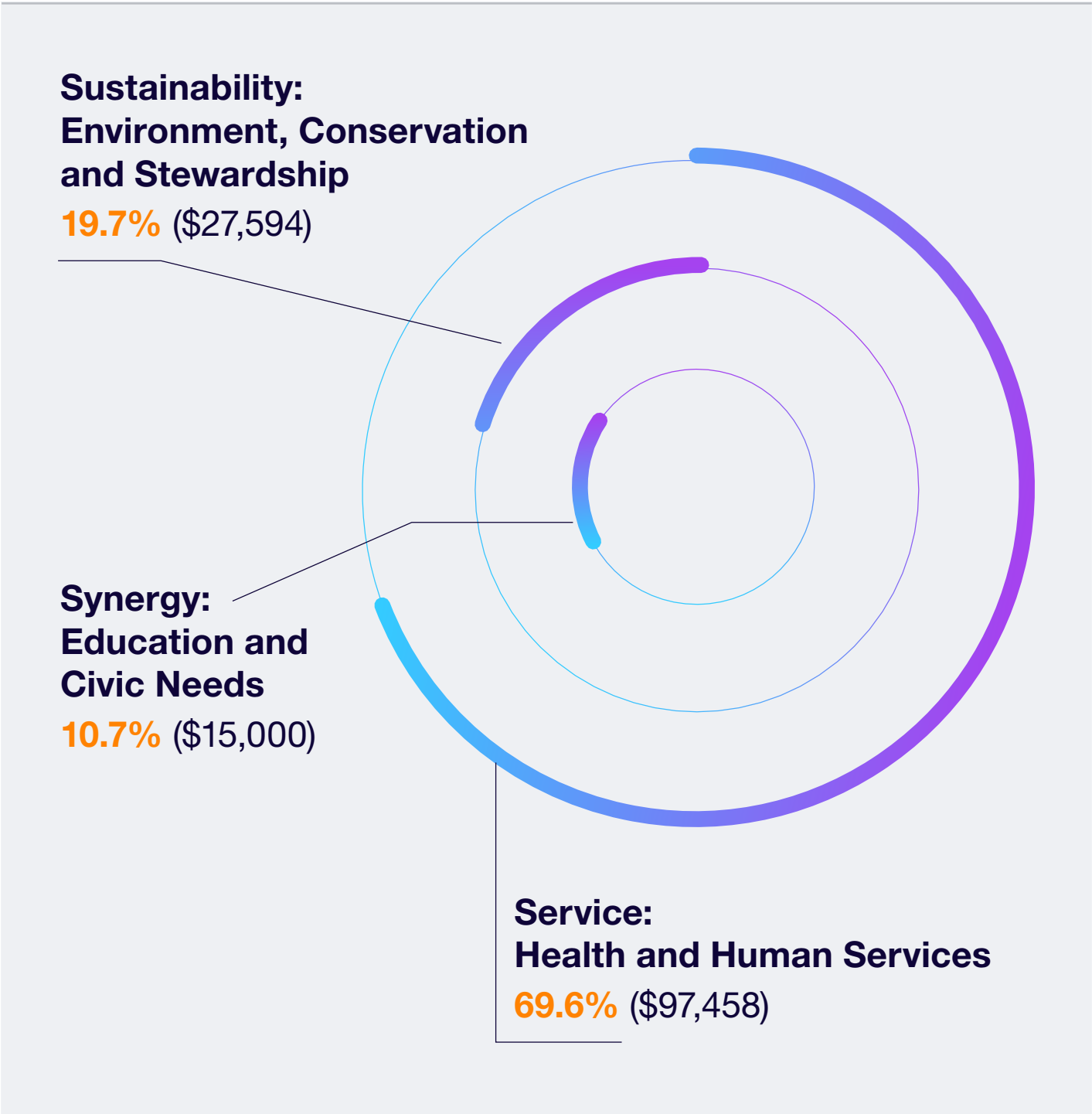
Sunnova collaborated with **Seeding Mercy** (SMI), a non-profit organization dedicated to addressing the hunger crisis in East Africa, to fund the deployment of off-grid solar powered irrigation pumps for farms in South Sudan. This initiative not only aims to combat hunger but also paves the way for sustainable and renewable development in East Africa, creating social value for all communities involved. Since its establishment in 2017, SMI has been committed to enlisting client farmers, providing them with training, resources, and land. With a strong focus on empowering women, SMI has successfully recruited 1,000 clients, 90% of whom are women, responsible for managing 800 acres of farms across five villages in South Sudan. Recognizing the need for sustainable farming practices, SMI and Sunnova joined forces to invest in the deployment of solar power for irrigation purposes in Aweil, South Sudan. Utilizing a “feed-forward” model that contracts with local farmers, SMI provides them land, tools, and training in return for a fair share of the profits to replicate and reinvest the same model in other communities. Through Sunnova's philanthropic contribution, which included portable solar systems, pumps, farming tools and transportation, SMI installed a solar-powered off-grid irrigation system to support three newly established farms. Since December 2022, these farms have planted, harvested, and brought to market 370 baskets of crops that include onions, okra, kale, kusamawiki, and kudhura, which has resulted in \$24,000 USD of income to these farmers. The initial success of this “feed forward” collaboration demonstrates the viability and effectiveness of solar-powered irrigation systems in boosting crop productivity and ensuring sustainable farming practices. Through the project, SMI employed 591 families, including individuals seeking refuge from the war in Sudan.



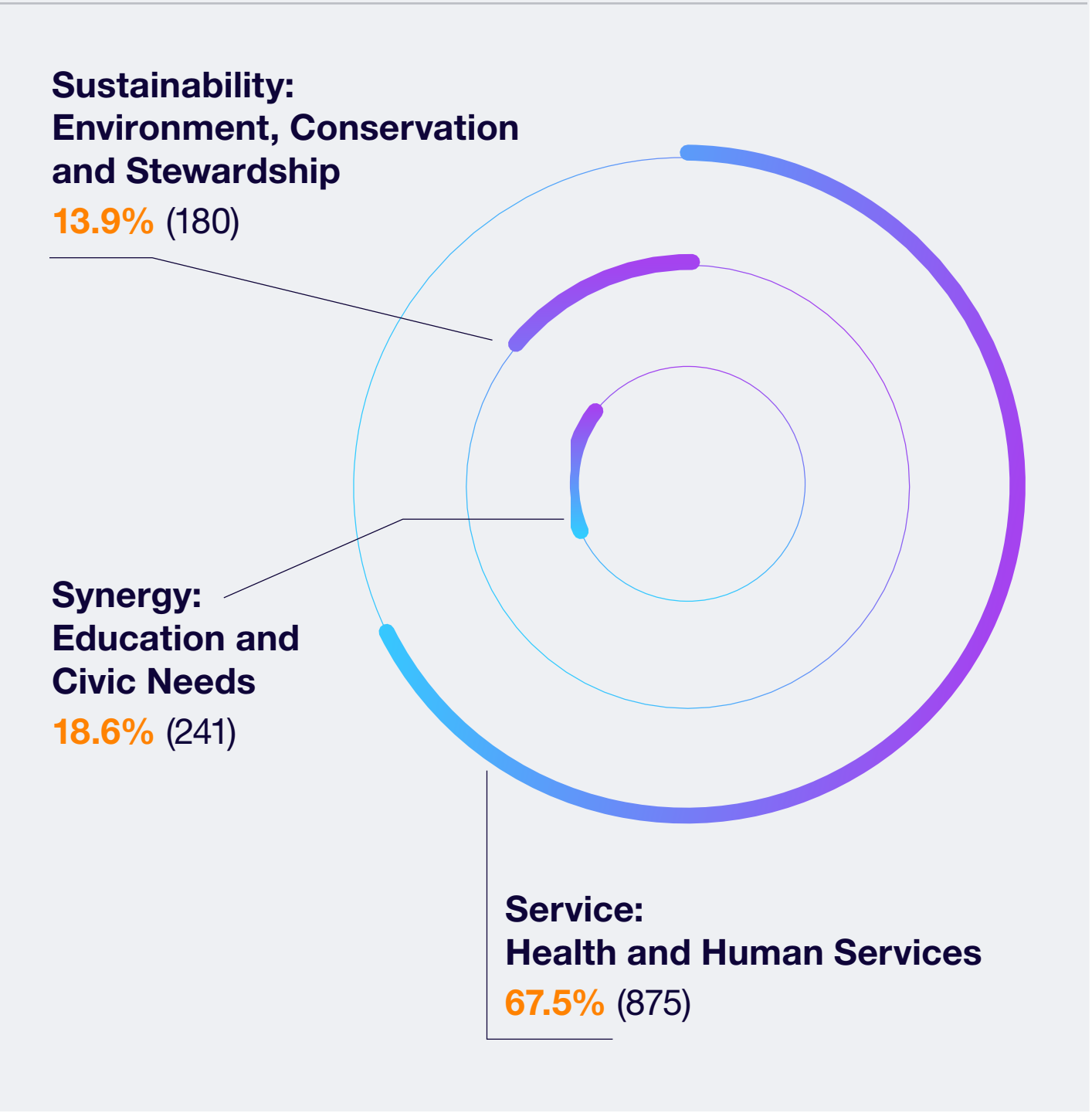
SOCIAL / OUR COMMUNITIES / 2023 SOCIAL INVESTMENTS BY GIVING AREA

2023 Social Investments by Giving Area

COMMUNITY SPONSORSHIPS AND DONATIONS



COMMUNITY VOLUNTEERING HOURS





Human Rights

Sunnova is committed to respecting and defending human rights as set forth in the United Nations’ Universal Declaration of Human Rights.

In carrying out this commitment, the Company is guided by the United Nations’ Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises regarding the protection of human rights, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. These standards serve as our guiding principles in Sunnova’s relationships with its employees, partners, customers, and the communities in which the Company operates. For more information, please see our [Human Rights Policy](#), issued in June 2022.

Sunnova is committed to managing supply chain and procurement sustainability and working with suppliers to address human rights risks, including compliance with the Uyghur Forced Labor Prevention Act (UFLPA). To date, we have conducted thorough supplier audits and have not found any violations of the UFLPA.

We manage our human rights risks through a number of mechanisms, including:

- Sunnova’s publicly available [Ethicspoint](#), which allows for anonymous reporting via online or phone
- Third party audits for ethical sourcing since 2020
- Engagement with suppliers on policy requirements, including our vendor code of conduct, human rights policy, and environmental policy
- Regular reporting via this annual sustainability report

For more information on supplier management and procurement of suppliers, please see the [procurement management section](#) of this report.





Governance

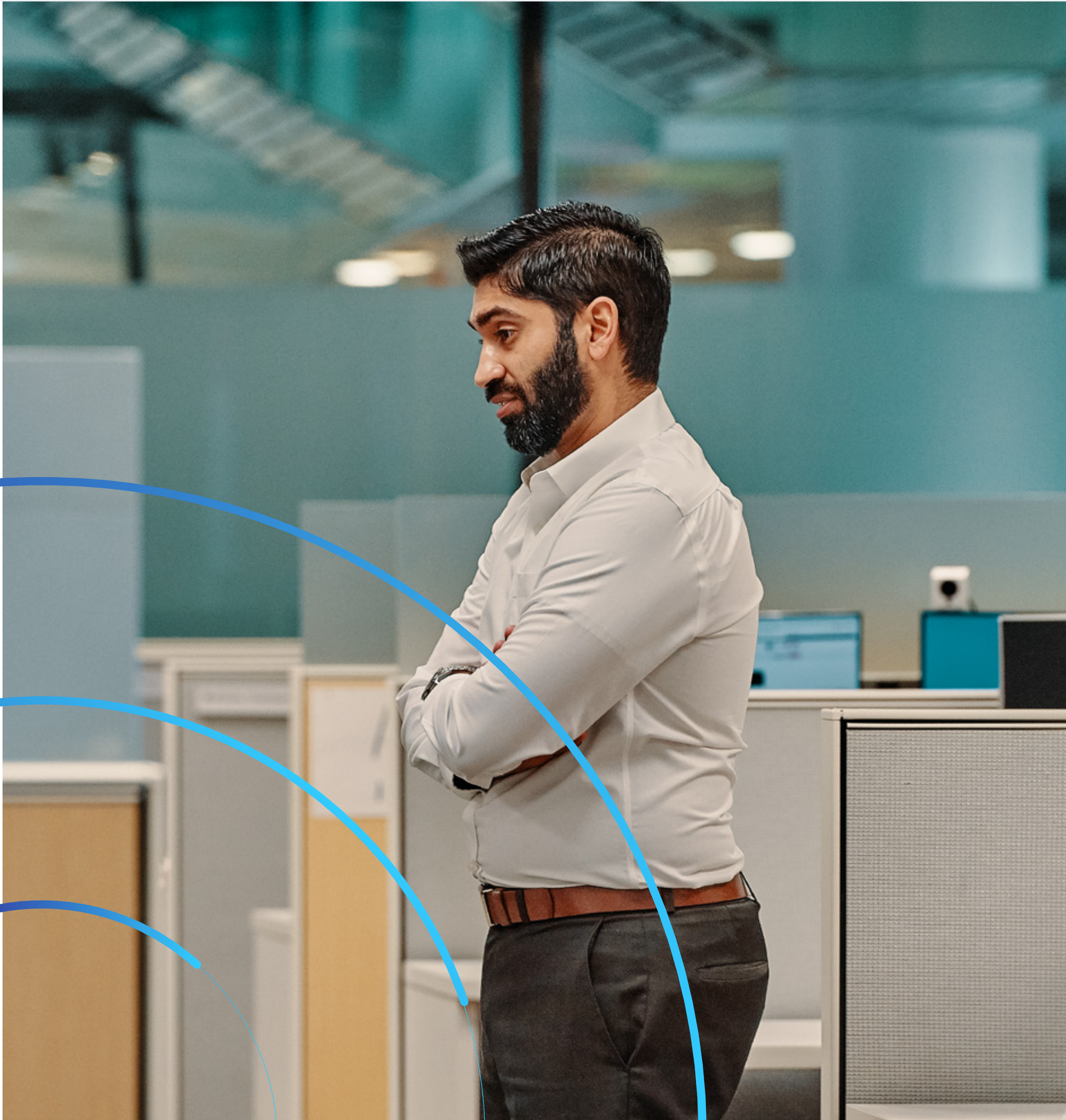
- › Corporate Governance and Board Structure
- › Sustainability Management and Governance
- › Risk Management and Business Ethics
- › Business Continuity and Incident Response
- › Cybersecurity Governance
- › Lobbying and Advocacy
- › Procurement Management
- › Dealer Management





Corporate Governance and Board Structure

At Sunnova, we affirm our commitment to upholding the highest standards of ethical leadership and corporate citizenship every day. Together, we build a foundation of trust and transparency that propels our organization forward, driving sustainable growth and value for all stakeholders.



Board Structure

Leadership

Our Corporate Governance Guidelines provide that, during any period in which the offices of Chairman and Chief Executive Officer are combined, the Board of Directors shall appoint a lead independent director (the “Lead Director”). The Lead Director is chosen on an annual basis by our Board at the recommendation of the Nominating, Corporate Governance and Sustainability Committee. Currently, the Lead Director is Mrs. Anne Slaughter Andrew. Our Corporate Governance Guidelines also provide that non-management directors will meet in executive session at least once a year and that the Lead Director will preside at these meetings. The Lead Director is also responsible for calling meetings of the non-management directors and preparing an agenda for the meetings of the non-management directors in executive session. In practice, the non-management directors of our Board meet regularly in executive session immediately following each regularly scheduled Board meeting without management participation.

BOARD DIVERSITY	2023	2022	2021
Directors’ Average Age	55	54	53
Directors’ Average Tenure	4	3	2
Percentage of Female Directors	33%	33%	33%
Percentage of Who Self-identify as Diverse (non-white, non-Caucasian)	22%	22%	22%
Percentage of Independent Directors on the Board	89%	89%	89%

Independence

Our Board reviewed the relevant provisions of the NYSE Rules with regard to the independence of directors and after full discussion determined that the following directors had no material relationship with the Company that may interfere with the exercise of independence from management and the Company and therefore are independent directors of the Company: Anne Slaughter Andrew, Nora Mead Brownell, Rahman D'Argenio, Mark Longstreth, Akbar Mohamed, Michael C. Morgan, C. Park Shaper, and Mary Yang.

Effectiveness

Our Board met four times in 2023 with no director attending less than 75% of the meetings. Our Board has three principal standing committees: the Compensation and Human Capital Committee, the Nominating, Corporate Governance and Sustainability Committee, and the Audit Committee. See our **Board of Directors’ expertise matrix** and other relevant information on committees, compensation philosophy and the Board election process in **our latest proxy**.



Sustainability Management and Governance

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 Management and Governance

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 bi-annually 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 two to three times a year



Director of Sustainability

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



Risk Management and Business Ethics

Enterprise Risk Management

Our Board has delegated to management the responsibility to manage risk and bring to the attention of our Board the most material risks to our Company. We do not assign the responsibility for all risk management to a single risk management officer within our executive management. Rather, we rely on executive management to administer an enterprise risk management program (the “ERM program”) that is designed to ensure that all significant risks to the Company, on a consolidated basis, are being managed and monitored appropriately.

Annual Enterprise Risk Assessment

Our Internal Audit Department oversees an annual enterprise risk assessment (the “ERA”). The ERA is designed to identify the portfolio of the Company’s business risks, to individually evaluate their likelihood of occurrence, and to identify existing and potential future mitigation strategies. The ERM program assesses the potential magnitude of the most significant risks identified in the ERA, identifies other operational, commercial, macroeconomic and geopolitical risks facing the Company, monitors key indicators to assess the effectiveness of the Company's risk management activities, and manages risks to be within the Company’s desired risk profile. We rank each issue on impact, likelihood, strength of controls and velocity.

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](#) →
- [Incentive Compensation Clawback Policy](#) →
- [Nominating, Governance and Sustainability Committee Charter](#) →
- [Vendor Code of Conduct Policy](#) →
- [Waste and Recycling Policy](#) →
- [Stock Ownership Policy](#) →



Risk Management and Business Ethics

Effectiveness

Meetings are held at least quarterly to discuss risk mitigation efforts to manage identified risks. The management team present in the risk management meetings includes our Executive Leadership Team (ELT), and the other members of our management team charged with evaluating the Company’s disclosure controls. Meetings are facilitated by our Internal Audit Department head. Our Board monitors the ERM program and other risk management information provided to it to assess the Company’s risk management practices and systems in light of the risk philosophy and risk tolerance of our Board. The ERM program results are reported to our Board each quarter to assist in its oversight of risk management. To read more about our ERM, please [see our latest proxy](#).

Business Ethics

Our Board has established corporate governance practices to assist in the exercise of its responsibilities under applicable law and the listing standards of the NYSE and to govern the employees of the Company. These governance practices are contained in our Corporate Governance Guidelines, committee charters and Code of Conduct. We have instituted mandatory sign-off and training

for employees on our Code of Business Conduct and Ethics and other relevant compliance topics, including our Anti-Bribery Compliance Program, our Gifts and Entertainment Policy, and our Discrimination and Harassment Policy.

Culture of Compliance

We take seriously the need for all employees to regularly review, acknowledge, and live up to our corporate policies. Compliance with our code of conduct, safety procedures, equal opportunity and anti-harassment policies, cybersecurity policies, insider trading rules, whistleblower policies, and other relevant policy documents are critical to maintaining our high standards of corporate ethics and compliance.

In January 2024, we completed our annual compliance training for all employees, consultants, contractors, and directors hired or contracted before October of 2023. Of the 2,201 employees that were required to take this training, we are pleased to report that over 97% completed this training, providing a strong first-line defense for our corporate ethics procedures. Each year, we strive to reach a threshold of 100% completion in order to continue to better manage our risks of corporate ethics violations and incidents.





Business Continuity and Incident Response

We prioritize continuity and resilience through the ongoing development and implementation of our business continuity and incident response plans. The plans are designed to effectively navigate various potential disruptions and provide Sunnova employees with the necessary information to respond to such events. Each incident response plan takes into consideration the potential impact on a variety of stakeholders and assets, including Sunnova customers, employees, dealers and investors.





Business Continuity and Incident Response

Leadership

The Executive Leadership Team evaluates events from an issues management standpoint, oversees business recovery projects, and ensures Sunnova's viability, operability, and credibility. Evaluation of business continuity plans, disaster recovery efforts, and cybersecurity governance is performed at the board level by the Audit Committee (for more information on cybersecurity, see the next page).

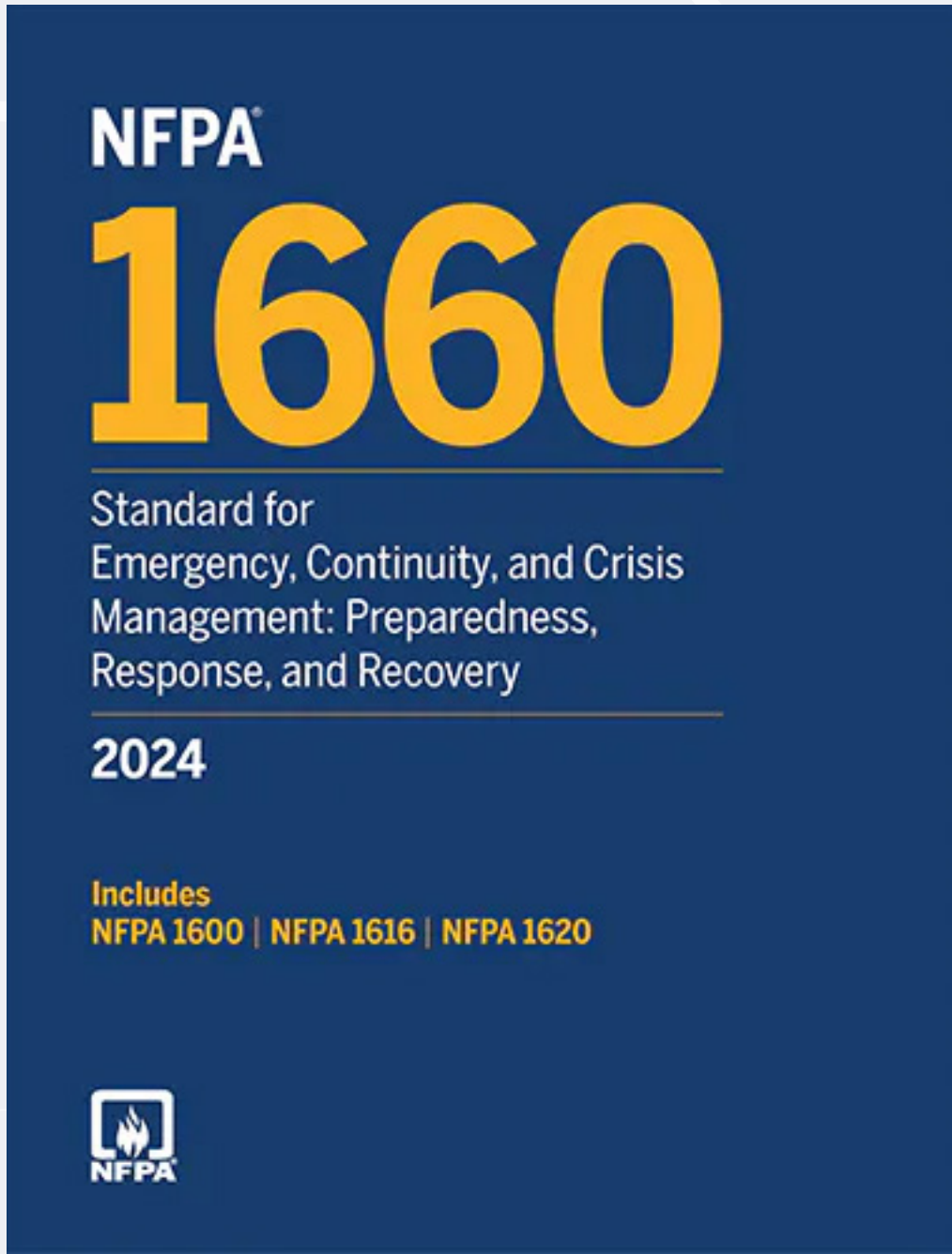
Standards

We align our business continuity management and incident response plans to the **National Fire Protection Association** (NFPA) 1660 standards, providing a robust framework for preparedness and response. For over 125 years, the NFPA has been instrumental in addressing some of the most challenging safety issues worldwide. As a knowledge and information organization, the NFPA continually evolve their scope of expertise—from fire prevention, wildfire preparedness, and electrical safety to hazardous materials, community risk reduction, and public safety.

Weather Events

In the case of weather events, the Severe Weather Assessment Team (SWAT), comprising of the Director of Safety & Fleet Operations, the Disaster Events Manager, and our on-staff Meteorologist, coordinates efforts to ensure each department has well-defined processes for supporting critical services before, during, and after impactful weather. The team establishes geofences with Global Operations Command to delineate initial response areas and mobilizes the Incident Management Team (IMT) to deploy emergency response resources.

The IMT is comprised of several critical teams. For each event, they follow the five core areas of emergency management: prevention, protection, mitigation, response, and recovery. Depending on the type of event, actions may vary, but the IMT consistently prioritizes the needs of our customers. This can involve proactive engagement with vendors, strategic staging of warehouses based on geographic considerations, bolstering our field workforce in the affected area, and enhancing communication efforts to educate or alert customers. Through proactive measures such as these, Sunnova strives to mitigate risks and maintain seamless operations, especially during severe weather events.





Cybersecurity Governance

A focused team of technology professionals works throughout the year to assess and monitor all matters of risk related to cybersecurity.

Leadership

Our team is managed by our Chief Information Security Officer ("CISO"), who oversees cybersecurity processes and controls. We deploy a robust combination of security technologies as technical safeguards throughout our network and utilize a defense-in-depth security methodology to protect, detect, and react to threats to our systems and data. We conduct cybersecurity maturity and posture assessments twice annually and adjust our efforts to adapt to the evolving industry and threat landscape.

Board Oversight

Our Board has delegated oversight of risks from cybersecurity threats, as well as overall Enterprise Risk Management, to our audit committee. The audit committee reviews and evaluates the effectiveness of our cybersecurity frameworks, policies, programs, opportunities and risk profile, as well as our business continuity and disaster recovery efforts. Members of our audit committee have cybersecurity experience from their principal occupation or other professional experience. Members of information technology management, including our CISO, regularly report on our cybersecurity matters to both the audit committee of our Board and the full Board. Management provides quarterly reports to the audit committee regarding our cybersecurity program and risks, and the audit committee in turn provides reports to the full Board as needed. All incidents with critical functional impact are escalated to the Board and audit committee.





Cybersecurity Governance

Policy

Our Privacy Policy ([see privacy policy here](#)) 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.

Escalation and Incident Response

Current information security concerns that arise during the year are escalated in real-time to leadership based on the process defined in our Incident Response Plan. All events and incidents are evaluated against our prioritization and informational impact matrices outlined the plan. We recognize cyber threats are a permanent part of the overall risk landscape and cybersecurity threats are constantly evolving. For these and other reasons, cybersecurity is a top risk management priority for us.

Risk Assessment

Cybersecurity risks are also assessed as part of our Annual Enterprise Risk Assessment. Our risk management strategy integrates various programs to address cybersecurity risks comprehensively. This includes aligning our approach with the **National Institute of Standards and Technology Cybersecurity Framework** (NIST CSF) for prevention, detection, and response to cyberattacks. Our Incident Response Program defines roles, classifications, and materiality guidelines, ensuring a structured response aligned with the NIST CSF.

Awareness Training

We enforce an information security training program for all employees and contractors, accompanied by year-round awareness testing. Regular testing, including internal and external penetration tests and tabletop exercises, assesses our cybersecurity posture. We engage with the **Department of Homeland Security** and **Cyber & Infrastructure Security Agency** for standards alignment and resource access. Additionally, we maintain cybersecurity insurance coverage, reviewed annually, to mitigate risks. Assessments, events, and test results guide ongoing program activities and direction.





GOVERNANCE / LOBBYING AND ADVOCACY

Lobbying and Advocacy





Lobbying and Advocacy

ADVOCACY

As leaders in the solar sector, we advocate transparently for public policies that advance the solar industry.

Our Government Affairs team has pushed for a host of important changes to laws and regulations on the state and federal level during this past year, including:

Protecting consumer well-being. To protect our customers, we have advocated for mandatory minimum guidelines of best practices across the industry. Guaranteeing transparency, fairness, and accountability is essential to safeguarding consumer interests.

Opposing a Congressional initiative aimed at reversing the Department of Commerce’s two-year moratorium on new tariffs on solar modules and cells imported from Southeast Asia. Were it successful, the initiative would have drastically increased prices of imported solar panels, at a time when domestic supply was lacking. As a result of our efforts, the temporary moratorium remained intact.

Advocating for tariff changes under FERC Order 2222 at Regional Transmission Organizations (RTOs) to enable greater participation of distributed energy resource owners in aggregations bidding into wholesale energy, capacity, and ancillary services markets. Sunnova engaged in direct meetings with market design managers at NYISO and PJM and collaborated with trade groups like Advanced Energy United to respond to RTOs’ filings at FERC.

Opposing a new rulemaking proposed by the FDIC, the Federal Reserve, and the Office of Comptroller of Currency, that would have dramatically increased the costs of financing solar energy systems subject to leases and power purchase agreements (PPA). Sunnova actively engaged with dozens of Congressional offices to advocate for exceptions for tax equity investments in clean energy projects.

ADVOCATING FOR SOLAR CONSUMER PROTECTION BEST PRACTICES

Here are our recommendations for state and federal implementation to ensure consumers are protected throughout their solar journey:

- 1 Offer comprehensive service coverage for all customers. After installation, the system needs to continue to be warrantied, monitored, and maintained for the life of the solar agreement.
- 2 Provide standardized disclosure forms that clearly outline the key terms of contract.
- 3 Allow a rescission period of a minimum of three days, or longer if required under state law, after contracts are signed. Longer cancellation policies should be allowed for seniors – or where required by state law.
- 4 Customer contract records should be retained for up to 25 years.

TRADE ASSOCIATIONS

As we strive to combat climate change and its effects, our association with trade and industry associations plays a critical role. These associations have the power to influence policies, promote sustainable practices, and drive innovation in their respective spaces, thereby contributing to the larger goal of reducing greenhouse gas emissions and preserving our planet for future generations. By working together with these associations, we can create a powerful force for change and make significant progress towards a more sustainable future. In 2023, we united with over 30 organizations, including but not limited to the California Solar & Storage Association (CALSSA), the Florida Solar Energy Industry Association (FLASEIA), the Arizona Solar Energy Industry Association (AriSEIA), the Solar Energy and Storage Association of Puerto Rico (SESA), the Renewable Energy Industry Association | New Mexico (REIA), Advanced Energy United, and the national Solar Energy Industry Association (SEIA). In fact, a number of our employees were recently elected to positions with the CALSSA Board of Directors, FlaSEIA Board of Directors, AriSEIA Board of Directors, SESA Board and REIA Board of Directors.



CLIMATE ALIGNMENT

We engage in lobbying efforts that support our business success, including consumer protection, renewable energy market development, fair trade, and other policy priorities for our company. Our business model is well aligned with the Paris Climate Accords by supporting our customers to transition to a net zero energy future. While our lobbying efforts span several areas of policy, where policy issues regarding access and expansion of renewable energy is concerned, we believe our efforts fully align with the Paris Climate Accords. Our efforts center around the rapid market expansion of solar energy solutions and we are not aware of any lobbying efforts we have taken in the last year that have conflicted with or impeded this aim.

LOBBYING & ADVOCACY EFFORTS YEAR OVER YEAR

	2023	2022
Political contributions	\$ 61,625	\$ 96,400
Number of times Sunnova testified	20	12
Number of speaking engagements at conferences	41	24
Number of state and local policymakers Sunnova worked with in the past year	200	39
Number of trade associations Sunnova worked with over the past year	33	25





GOVERNANCE / PROCUREMENT MANAGEMENT

Procurement Management





Procurement Management

SUPPLIER ENGAGEMENT STRATEGY

As part of Sunnova's ongoing commitment to sustainability and responsible business practices, we continue to expand supplier engagement initiatives that have evolved from last year's comprehensive assessment development process. Building upon our existing framework, our procurement management team has incorporated additional criteria aimed at enhancing transparency, diversity, and ethical standards within our supply chain. Suppliers are asked to volunteer information regarding any business designation (such as small business enterprise, minority business enterprise, woman-owned enterprise, etc.), and provide documentation of management system certificates for their products. Additionally, we require mandatory acknowledgement of all policies, assess the presence of any ESG report, and scrutinize documentation related to ethical sourcing practices. We are pleased to report that as of December 31, 2023, an impressive 83% of all suppliers on our approved vendor list (AVL) have achieved complete compliance, scoring 100% on all our required assessment materials. In the first quarter of 2024, we began updating our records with the latest product certifications from all suppliers (example **ISO 9001**) and look forward to reporting on our progress as we foster a sustainable and ethically sound supply chain ecosystem.

SUNNOVA SUPPLIERS AT A GLANCE	2023
Total number of suppliers on Sunnova approved vendor list (AVL) assessed	46
Percentage of suppliers assessed	100%
Percentage of suppliers assessed who achieve complete compliance, scoring 100% on all required Sunnova ESG Assessment materials.	83%
Small Business or Small Business Enterprise (SBE) (percentage of our total supplier number with this designation)	13%
Minority Owned Business (MOB) (percentage of our total supplier number with this designation)	3%



SUPPLIER CORRECTIVE ACTIONS

Collaboration with suppliers listed on our Approved Vendor List (AVL) is integral to maintaining quality standards. For those who have yet to achieve 100% on our required assessment materials, we engage proactively with these partners to implement corrective action plans, ensuring any issues or missing documents are swiftly addressed and rectified. Simultaneously, we persistently seek updates from any suppliers falling behind, facilitating ongoing communication to foster improvement and maintain alignment with our expectations. Through this concerted effort, we uphold a dynamic partnership network focused on mutual growth and transparency.

UYGHUR FORCED LABOR PREVENTION ACT (UFLPA)

Sunnova is emphatically and unequivocally committed to respecting and defending human rights and has zero tolerance for involuntary labor in any part of its supply chain. This commitment includes complete alignment with the spirit and the letter of the law as outlined in the UFLPA (as well as other relevant laws and regulations) with the objective of categorically excluding Uyghur forced labor across our supply chain.

Sunnova does not manufacture the equipment that generates the power we produce, and we do not export or re-export goods to other markets. Instead, we partner with the top companies to install solar systems to deliver the best service to our customers.

To enforce compliance with the UFLPA, we work closely with our vendors to ensure they satisfy our **Vendor Code of**

Conduct, our **Human Rights Policy**, and our **Environmental Policy**. Sunnova’s Code and Policies mandate that our vendors engage in the ethical sourcing of raw materials and components used in the manufacturing of the products that they supply to Sunnova.

Specifically, the Code and the Human Rights Policy require that the businesses we work with observe and uphold human rights in the supply chain process and prohibit all forms of forced labor.

Sunnova holds its vendors responsible not only for their own operations in this regard but also for their supply chain: vendors are required to conduct due diligence on their own suppliers to confirm that they do not engage in human rights abuses in the sourcing or manufacturing of raw materials or component parts that are used to produce the goods that are supplied to Sunnova.

Sunnova requires each vendor to sign a certification attesting to its commitment to engage in ethical sourcing, observe and uphold human rights in the supply chain process, and follow the Code and policies referenced therein in all transactions with Sunnova.

CONFLICT MINERALS

Sunnova condemns violations of human rights related to Conflict Minerals and works with our supply chain partners to verify that they provide components that do not contain these materials. Furthermore, we expect suppliers to provide accurate information about their products so that, if necessary, the origin of their materials can be determined with reasonable assurance that these materials are conflict free. For more information on our conflict minerals statement, see our **Environmental Policy**.





Dealer Management

OUR SELECTIVE RESIDENTIAL DEALER NETWORK

We work with a select network of dealers who are established local residential solar installers with a comprehensive knowledge of their local markets, enabling us to provide our customers with the highest quality of service. Sunnova offers industry-leading technology from top brands, national support and service you can count on. Our team leverages our dealers’ specialized knowledge, connections, and experience to amplify our positive impact in communities nationwide. Each of our dealers is carefully vetted and monitored to ensure they meet the high standards of our dealer code of conduct and share our commitment to solar expertise, customer service, and ethical business practices.

Our Dealer Management Program includes strict criteria and an elaborate onboarding process, which includes, but is not limited to the following:

- Proof of qualifications with supporting documentation
- Operations and sales benchmarking
- Detailed background review including legal, compliance and finance
- Risk assessment scorecard
- Consumer complaints process management
- Partner Review and Compliance Committee Approval

We rely on a network of reputable, local dealers for origination and installation.

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; and preventing pollution and waste, conserving natural resources, reducing environmental footprint and identifying methods to minimize packaging and shipping materials.



One of the things that first attracted me to Sunnova was how strict they were; I wanted to ensure that I was doing the job the way I was supposed to be doing it. They're thorough about making sure that we are doing the install correctly for the client.

— **Edwin Arroyave**
CEO and Founder, Skyline Smart Energy

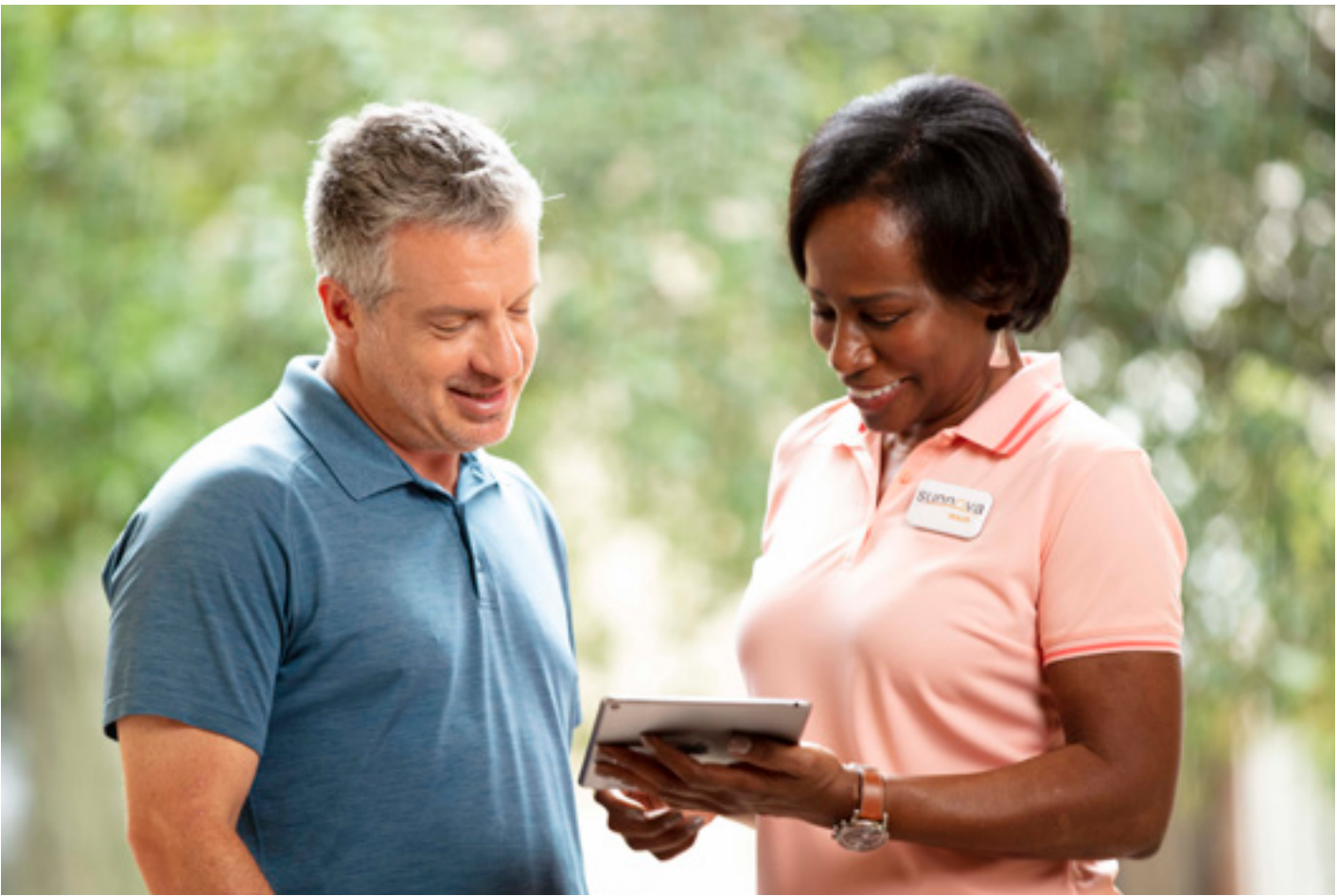




Dealer Management

DEALER CODE OF CONDUCT: CONSUMER PROTECTION

Our dealers cannot decline services to anyone based on age, as doing so would violate federal anti-discrimination laws. At the same time, dealers are not permitted to sell to any customer who, due to language barriers, health, or other evident conditions, is unable to fully understand the terms of the contract. We have a zero-tolerance policy regarding any sales staff who may attempt to take advantage of vulnerable groups. Should these allegations arise, we are committed to investigating any claim and upholding the highest standards of integrity in all our dealings.



ANNUAL COMPLIANCE RENEWAL AND TRAINING

We provide several trainings to our dealers annually as part of our commitment to dealer success and service excellence. On a yearly basis, we require all dealers to complete a compliance renewal that includes the following requirements:

- 1. Review and acknowledgement of our policies and operational standards (ex. Customer Communications Policy, Anti-corruption Policy)
- 2. Sign and return of our Dealer Code of Conduct
- 3. Certification completion of the Solar Energy Industry Association (SEIA) Consumer Protection Webinar video training.

We also check the dealer’s insurance and license against the expiration date. In addition, we have ongoing dealer training support through our Dealer Support Managers (DSMs) and dealer support personnel, who serve as the linchpins in disseminating knowledge throughout our Dealer Network. Through our robust Dealer Learning and Development program, encompassing tailored learning paths for Sales and Operations, we work to support our dealer network to improve customer and commercial outcomes through specialized trainings and certifications. Accessible around the clock, our training materials are housed within the dynamic "Sunnova Resource HUB" content reservoir. In 2023, our dedication to ongoing education was evident as our dealers participated in over 500 hours of training to continue upskilling. Covering a spectrum of topics from warranty procedures to technical operations and project life cycles, this training endeavor was further evident by the download of over 14,000 assets across our Dealer Network.



Appendix

- › Performance Data, SASB and GRI
- › TCFD Index
- › UNSDG Index
- › Material Topics Definitions
- › Financial and Operational Definitions
- › Non-GAAP Reconciliation
- › Forward Looking Statements



2023 Sunnova Energy Performance Data and Frameworks

FINANCIAL (\$ millions) ¹	2023	2022	2021
Adjusted EBITDA ¹ (\$MM)	\$275	\$119	\$86
Interest Income (\$MM)	\$116	\$60	\$34
Principal Proceeds from Customer Notes Receivable ² and Proceeds from Investments in Solar Receivables (\$MM)	\$158	\$147	\$93

¹ Adjusted EBITDA is a non-GAAP financial measure. Please see Appendix for a reconcillation to the most directly comparable GAAP measure.

² Net of amounts recorded in revenue.

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

OPERATIONAL	2023	2022	2021	SASB or GRI INDICATOR
Full Time Employees	2041	1173	738	GRI 2-7
Cumulative Number of Customers, net ³	419,000	279,400	192,600	GRI 2-6
Cumulative Megawatts (MW) Deployed ⁴	2292.6 MW	1,627 MW	1128 MW	
Megawatts (MW) Deployed calendar year	665.2 MW	499 MW	347 MW	RR-ST-000.A
Cumulative Metric Tons of CO ₂ e Avoided ⁵	5.8 million	3.9 million	2.6 million	
Cumulative kWh of Clean Energy ⁵	8.1 billion	5.5 billion	3.6 billion	
States and Territories Where We Operate	45+	45+	25+	
Dealers, Sub-Dealers and New Home Installers	2,041	1,116	814	
Battery Penetration Rate ⁶	15%	15%	11%	

³ See Cumulative Number of Customers in Financial and Operational Definitions.

⁴ Based on the lifetime accumulative production (kWh) for all systems to date as of year-end 12/31/23.

⁵ The kWh estimated corresponds to lifetime accumulative billed production for all systems in service on or before 12/31/2023.

⁶ For definition, see Financial and Operational Definitions.

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

ENVIRONMENTAL		2023	2022	2021	SASB or GRI INDICATOR
Environmental Management	Environmental Policy (Y/N)	Y	Y	Y	
Greenhouse Gas Emissions ⁷	Scope 1 Direct Operational Emissions (MT CO ₂ e)	5,132	1,535	1517	GRI 305-1
	Scope 2 Indirect Operational Emissions (Location-Based) (MT CO ₂ e)	872	805	not disclosed	GRI 305-2
	Scope 2 Indirect Operational Emissions (Market-Based) (MT CO ₂ e)	919	890	752	GRI 305-2
	Scope 3 Indirect Value Chain Emissions (MT CO ₂ e)	847,816	630,887	1254.19	GRI 305-3
	Category 1: Purchased Goods and Services	746,205	607,630	not disclosed	GRI 305-3
	Category 2: Capital Goods	1,249	818	not disclosed	GRI 305-3
	Category 3: Fuel and Energy related activities	1,535	586	not disclosed	GRI 305-3
	Category 4: Upstream T&D	5,463	3,487	not disclosed	GRI 305-3
	Category 5: Waste in Operations	63	49	9.29	GRI 305-3, GRI 306-3
	Category 6: Business Travel	3,245	2,132	587.30	GRI 305-3
	Category 7: Employee Commuting	1,272	602	657.60	GRI 305-3
	Category 12: End of Life Treatment	988	804	not disclosed	GRI 305-3, RR0102-12
	Category 15: Investments	87,797	14,779	not disclosed	GRI 305-3
	Total Emissions (location-based)	853,820	633,227	not disclosed	GRI 305-3
	Total Emissions (market-based)	853,867	633,312	3522.89	GRI 305-3
Energy	Total Energy Consumed (Gigajoules)	85,182	30,585	26,319	RR-ST-130a.1, RR-FC130a.1, GRI 302-1
	Percentage Grid Electricity (%)	100%	100%	25%	RR-ST-130a.1, RR-FC130a.1
	Percentage Renewable Energy (%)	0%	0%	0%	RR-ST-130a.1, RR-FC130a.1
Circularity and End-of-Life Management ⁹	Total Waste Diverted (tons)	224	58	not disclosed	GRI 306-4
	Weight of End-of-Life Materials Recovered [Solar Panels] (tons)	224	58	not disclosed	RR-ST-410b.2
	Weight of End-of-Life Materials Recycled [Solar Panels] (tons)	114	47	not disclosed	RR-ST-410b.2
	Weight of End-of-Life Materials Re-Sold [Solar Panels] (tons)	44	not disclosed	not disclosed	RR-ST-410b.2
	Percent of End-of-Life Materials Recycled [Solar Panels] (%)	51%	81%	not disclosed	RR-ST-410b.2
	Percent of End-of-Life Materials Re-Sold [Solar Panels] (%)	20%	not disclosed	not disclosed	RR-ST-410b.2

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

SOCIAL		2023	2022	2021	SASB or GRI INDICATOR
Our People	Number of Full Time Employees (#)	2041	1170	738	GRI 401-1
	Total voluntary annual employee turnover rate (%)	14.2%	18.2%	16.6%	GRI 401-1
Gender	Total Male Employees (%)	68%	66%	63%	GRI 405-1
	Total Female Employees %	32%	34%	37%	GRI 405-1
	Share of women in all management positions, including junior, middle and top management (as % of total management positions)	33%	not disclosed	not disclosed	GRI 405-1
	Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	22%	not disclosed	not disclosed	GRI 405-1
	Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	27%	not disclosed	not disclosed	GRI 405-1
	Share of women in STEM-related positions (as % of total STEM positions)	29%	not disclosed	not disclosed	GRI 405-1
Age	Employees age 30-50	59%	58%	61%	
	Employees below age 30	31%	29%	24%	
	Employees over age 50	10%	13%	14%	

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

SOCIAL (continued)		2023	2022	2021	SASB or GRI INDICATOR
Diversity	Overall: Diversity and Belonging Metrics	Asian 9.65%	Asian 11.5%	Asian 11.0%	GRI 405-1
	Share in Total Workforce (as % of total workforce)	Black 11.91%	Black 10.8%	Black 10.5%	
	Asian	Islander .69%	Islander .8%	Islander .5%	
	Black or African American	Hispanic 32.39%	Hispanic 34.9%	Hispanic 37.8%	
	Hawaiian/Pacific Islander	Two or More 2.84%	Two or More 2.2%	Two or More 2.4%	
	Hispanic or Latino	Unknown 12.54%	Unknown 2.8%	Unknown —%	
	Two or More Races	White 29.59%	White 36.6%	White 37.8%	
	Unknown or Not Reported	White 29.59%			
	White	Nat. Amer 0.39%			
Diversity	Mid-Level Leadership: Diversity and Belonging (as % of total management)	Asian 8.72%	Asian 10.71%	Asian 6.35%	GRI 405-1
	Asian (%)	Black 4.03%	Black 2.38%	Black 4.76%	
	Black or African American (%)	Islander 0.00%	Islander .00%	Islander .00%	
	Hawaiian/Pacific Island (%)	Hispanic 9.40%	Hispanic 13.10%	Hispanic 15.87%	
	Hispanic or Latino (%)	Two or More 3.35%	Two or More 3.57%	Two or More 4.76%	
	Two or More Races (%)	Unknown 4.70%	Unknown 1.19%	Unknown —%	
	Unknown or Not Reported	White 69.80%	White 69.05%	White 68.25%	
	White (%)				

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

SOCIAL (continued)		2023	2022	2021	SASB or GRI INDICATOR
Training	Total Training Hours (rounded, across the organization: Customer Care, HR, Cybersecurity, Safety, Compliance, Dealer Sales and Operations)	59,400	not disclosed	not disclosed	GRI 403-5
	Average Hours per FTE training and development (59,400 divided by 2,041 employees)	29	not disclosed	not disclosed	GRI 404-1, GRI 403-5
	Total \$ per FTE training and development	\$438,608	not disclosed	not disclosed	GRI 404-1, GRI 403-5
	Average investment per FTE training and development (\$438,608 divided by 2,041 employees)	\$215	not disclosed	not disclosed	GRI 4030-5
Performance Appraisal	Performance Appraisal Frequency	Twice Yearly: Mid year and Annual	Annual	not reported	GRI 404-3
	Performance Appraisal Percentage of full time employees receiving regular performance and career development reviews	99%	99%	not reported	GRI 404-3
Safety	Recordable Incidents	11	8	10	GRI 403-9
	Incidents with Days Away, Restricted, Transferred	6	8	10	GRI 403-9
	Total Days Away (All incidents)	692	420	525	GRI 403-9
	Total recordable incident rate (TRIR) NAICS Code 221114	0.6	0.8	1.5	RR-FC-320a.1, GRI 403-9
	Bureau of Labor Statistics Industry TRIR NAICS Code 2211 Electric Power Generation, Transmission and Distribution	1.7	1.5	1.5	RR-FC-320a.1, GRI 403-9
	Lost Time Incident Rate (LTIR)	0.6	0.8	1.5	RR-FC-320a.1, GRI 403-9
	Days Away (DART Rate)	0.3	0.8	1.5	RR-FC-320a.1, GRI 403-9
	Work Related Fatalities	0	0	0	RR-FC-320a.1, GRI 403-9
	Total safety training hours of all employees	37000+	17457	not reported	GRI 403-5
	Number of safety training certifications issued	1162	674	not reported	GRI 403-4
	Workers covered by an occupational health and safety management system	1,781	933	not reported	GRI 403-8
Community	Number of hours to date spent volunteering for year 2023	1,296 hours	162 hours	inaugural year of goal	

APPENDIX / 2023 SUNNOVA ENERGY PERFORMANCE DATA AND FRAMEWORKS

GOVERNANCE		2023	2022	2021	SASB or GRI INDICATOR
Board Diversity and Independence	Directors’ Average Age	55	54	53	
	Directors’ Average Tenure	4	3	2	
	Number of Female Directors on the Board	3	3	3	
	Number of Male Directors on the Board	6	6	6	
	Number of Racially Diverse Directors of the Board (non-white, non-Caucasian)	2	2	2	
	Number of Independent Directors on the Board	8	8	8	
	Number of Non-Independent Directors on the Board	1	1	1	
Lobbying and Advocacy	Percentage of lobbying activities or trade associations that align with Paris Agreement	100%	not disclosed	not disclosed	GRI 415-1
	Political contributions	\$61,625	\$96,400	not disclosed	
	Number of times Sunnova has testified	20	12	not disclosed	
	Number of conferences Sunnova spoke at	41	24	not disclosed	
	Number of state and local policymakers Sunnova worked with	200	39	not disclosed	
	Number of trade associations Sunnova works with	33	25	not disclosed	
Procurement and Supply Chain	Total number of suppliers on Sunnova approved vendor list (AVL) assessed	46	not disclosed	not disclosed	
	Percentage of suppliers assessed	100%	not disclosed	not disclosed	
	Percentage of suppliers assessed who achieve complete compliance, scoring 100% on all required Sunnova ESG Assessment materials.	83%	not disclosed	not disclosed	
	Small Business or Small Business Enterprise (SBE) (percentage of our total supplier number with this designation)	13%	not disclosed	not disclosed	



TCFD Index

GOVERNANCE

Describe the Board’s oversight of climate-related risks and opportunities:

The Board is responsible for sustainability strategy, including climate-related risks and opportunities. The Board reviews our risk management practices annually, which includes climate-related risks.

Status: Aligned

Describe the management’s role in assessing and managing climate-related risks and opportunities: Sunnova’s EVP,

Communications and Sustainability, is responsible for leading climate strategy and works across the Sustainability Steering Committee to execute climate risk analysis, associated with our identified risks and opportunities. This includes coordination with our annual enterprise risk management procedures, led by our internal audit function, to align procedures and ensure strong governance and risk management of key climate-related risks.

Status: Aligned

STRATEGY

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term: In our 2022 sustainability report we detailed our

process for evaluating climate-related risks and opportunities. We include a detailed overview of these risks and opportunities in that report, including the impacts and time horizons of these risks.

Status: Aligned

Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning: Stemming from our climate risk assessment,

we assess these risks and opportunities with relevant business leaders to determine how to position our business to manage risks and capture opportunity. In this report, we detail our current planning objectives aligned with our priority risks and opportunities, including business continuity planning with the expansion of our Incident Management and Severe Weather Assessment teams along with the abundant market opportunities that we monitor to drive business growth.

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 well positioned to manage our priority risks to improve business resiliency. We continue to quantify the business impacts associated with our identified risks and opportunities, including financial impacts, and develop processes to ensure long-term business resiliency.

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 our top climate-related risks and opportunities under multiple scenarios and assumptions. Following this assessment we continue to evaluate these risks and opportunities annually through our ERM procedures. .

Status: Aligned

Describe the organization’s process for managing climate-related risks: We have identified our priority areas of risk and opportunity and engaged appropriate business leaders to develop 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 sustainability steering committee and is working to integrate more specific climate risks and opportunities into the list of indicators assessed annually.

Status: Aligned



TCFD Index

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 [TCFD section](#). This includes our greenhouse gas emissions (Scope 1-3), number of weather-related incidents in our operations, and EV vehicle demand among other metrics.

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. This includes assessment of future assurance requirements.

Status: Aligned 

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets: In this report, we detailed our progress to setting climate targets and our current challenges to setting SBTi-aligned goals. We are working to assess new targets and will report on these in future disclosures.

Status: In Progress 



UNSDG Index



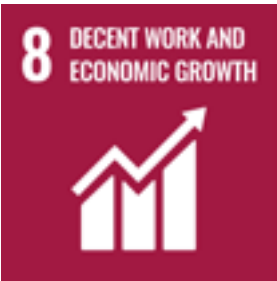
GOAL #7 AFFORDABLE AND CLEAN ENERGY

Alignment

At Sunnova, we believe that prioritizing solar justice and supporting access to affordable, reliable, and modern energy services is aligned with our core sustainability strategy. As an industry-leading adaptive energy services company, we are focused on making clean energy more accessible, reliable, and affordable for homeowners and businesses. Through our adaptive energy platform, Sunnova provides a better energy service at a better price to deliver our mission of Powering Energy Independence™.

Sunnova in Action

In 2023, we continued to support communities facing the brunt of climate change and energy security challenges. In the "[Clean Energy Access Through Community Outreach](#)" section of our report, we detail our engagement with customers in Maui Hawaii and Puerto Rico to deliver clean, affordable energy that can build resilience against energy disruptions and acute physical climate events. Through Project Hestia, our partial loan guarantee through the Department of Energy, we are able to support solar deployment across the nation so that all communities can enjoy the benefits that come with deploying solar energy, such as lower utility bills, increased energy resilience, and healthier communities.



GOAL #8 DECENT WORK AND ECONOMIC GROWTH

Alignment

The renewable energy sector has emerged as a driver of economic growth by encouraging innovation, attracting investments, and generating employment opportunities across various sectors. At Sunnova, the transition to renewable energy creates sustainable employment opportunities while promoting entrepreneurship aligned with UN SDG 8.

Sunnova in Action

We are supporting this goal through achieving higher levels of economic productivity through diversification, technological upgrading, and innovation within the solar industry. In 2023, we completed over 500 hours of training for our dealers and 5,400 hours of customer operations training for our employees, investing in the talent of our industry and promoting best practices in energy services. Read more about our Learning Initiatives in the "[Our People](#)" section of our report.



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GOAL #11 SUSTAINABLE CITIES AND COMMUNITIES

Alignment

Through optimization of solar energy generation and consumption at a district scale, communities can enhance energy resilience, lower energy costs for residents and businesses, and reduce GHG emissions. We believe that promoting the widespread adoption of rooftop solar systems is a key strategy for harnessing solar energy in urban cities and communities. Our smart grid technologies and energy storage systems can enhance the flexibility and reliability to meet energy demands.

Sunnova in Action

We continually innovate to bring new services and solutions to improve community resilience and sustainability. In 2023, we launched the Sunnova Power Flex Program in collaboration with LUMA's Customer Battery Energy Sharing (CBES) initiative in Puerto Rico. By voluntarily participating in the program through the Sunnova Flex Power Program, Sunnova customers play an active role in bolstering the grid and supporting a reliable power supply for Puerto Ricans. Read more in our [Energy Services section](#) of our report.



GOAL #13 CLIMATE ACTION

Alignment

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.

Sunnova in Action

Part of aligning our business strategy with climate action is a deep commitment to engaging with lawmakers to expand markets for solar energy. In 2023, we expanded our government affairs efforts, driving over 200 engagements with national, state, and local policy makers to improve market outcomes for solar energy and to protect energy independence. Read more in our [Lobbying and Advocacy section](#) of our report.



GOAL #17 PARTNERSHIPS FOR THE GOALS

Alignment

Sunnova's success is powered by partnerships, and we continue to expand our network to increase our impact. We seek partnerships to promote awareness and educational resources on energy transformation focusing on renewable expansion and growth.

Sunnova in Action

One of our strongest partnerships in achieving our goals is our dealer network. In 2023, we made significant investments in expanding training and engagement with our dealers to support professional development and continuous improvement in the delivery of energy services. Read more in the [Dealer Management section](#) of this report.



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

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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 and equity securities, amortization of payments to dealers for exclusivity and other bonus arrangements, legal settlements, investment tax credit ("ITC") sales 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, acquisition costs, losses on unenforceable contracts, indemnification payments to tax equity investors 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 and other impairments.

Interest Income from Customer Notes Receivable; Principal Proceeds from Customer Notes Receivable, Net of Related Revenue; and Proceeds from Investments in Solar Receivables 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. We also enter into leases with third-party owners of pools of solar energy systems to receive such third party's interest in those systems. In connection therewith, we assume the related customer PPA and lease obligations, entitling us to future customer cash flows as well as certain credits, rebates and incentives (including SRECs) under those agreements. We recognize payments received from such third parties as proceeds from investments in solar receivables.

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, cost of revenue related to inventory sales, unrealized gains and losses on fair value instruments, gains and losses on held-for-sale loans 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, acquisition costs, losses on unenforceable contracts, indemnification payments to tax equity investors and other non-cash items such as non-cash compensation expense, ARO accretion expense, provision for current expected credit losses and non-cash inventory and other 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



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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, 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, payments of customer rewards, proceeds from investments in solar receivables and capital contributions into ITC sales funds.

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.

Cumulative Number of Customers includes every unique premises on which a Sunnova product is installed or on which Sunnova is obligated to perform services for a counterparty. We track the total number of customers as an indicator of our historical growth and our rate of growth from period to period.

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 or business. 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 and 11.75% senior notes due 2028, as outstanding at each quarter end. 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.



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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 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 customer agreements, 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 6% "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

APPENDIX / FINANCIAL AND OPERATIONAL DEFINITIONS

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 6% "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 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.



Non-GAAP Reconciliation

Adjusted EBITDA, Year Ended December 31	2023	2022
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA	(in thousands)	
Net loss	\$ (502,426)	(130,276)
Interest expense, net	371,937	107,775
Interest income	(115,872)	(59,799)
Income tax (benefit) expense	(1,023)	3,886
Depreciation expense	153,387	108,167
Amortization expense	29,583	29,224
EBITDA	(64,414)	58,977
Non-cash compensation expense	25,535	24,218
ARO accretion expense	4,905	3,701
Financing deal costs	1,723	930
Natural disaster losses and related charges, net	2,831	1,164
Acquisition costs	1,224	7,801
Unrealized (gain) loss on fair value instruments and equity securities	188	(29,279)
Amortization of payments to dealers for exclusivity and other bonus arrangements	6,944	4,327
Legal settlements	1,680	(1,001)
Provision for current expected credit losses	35,515	40,160
Non-cash inventory impairments	50,995	5,375
Indemnification payments to tax equity investors	(22)	2,737
ITC sales	207,425	—
Adjusted EBITDA	\$ 274,529	\$ 119,110



APPENDIX / NON-GAAP RECONCILIATION

Adjusted Operating Cash Flow and Recurring Operating Cash Flow, Year Ended December 31	2023	2022
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO RECURRING OPERATING CASH FLOW:	(in thousands)	
Net cash used in operating activities	\$ (237,562)	\$ (333,426)
Principal proceeds from customer notes receivable	180,721	109,760
Financed insurance payments	(7,151)	—
Derivative origination and breakage fees from financing structure changes	(13,652)	33,520
Distributions to redeemable noncontrolling interests and noncontrolling interests	(48,986)	(29,771)
Payments to dealers for exclusivity and other bonus arrangements	53,821	50,078
Net inventory and prepaid inventory purchases for asset-development activities	(2,555)	189,321
Payments of non-capitalized costs related to acquisitions	2,277	6,681
Payments of non-capitalized costs related to equity offerings	86	—
Payments of direct sales costs, excluding inventory	15,963	3,103
Payments to installers and builders for homebuilder asset-development activities	42,380	45,217
Payments of customer rewards	533	5,032
Proceeds from investments in solar receivables	11,582	12,394
Capital contributions into ITC sales fund	96,834	—
Adjusted Operating Cash Flow	94,291	91,909
Cash paid for interest related to growth	66,108	32,661
Allocated sales and marketing expense	199,551	100,889
Cash expenditures related to growth	26,704	15,912
Principal debt repayments not related to growth or corporate debt	(179,274)	(161,355)
Corporate capital expenditures	(21,355)	(15,491)
Net proceeds from cash sales	(71,609)	(46,454)
Recurring Operating Cash Flow	\$ 114,416	\$ 18,071



APPENDIX / NON-GAAP RECONCILIATION

Adjusted Operating Expense, Year Ended December 31	2023	2022
RECONCILIATION OF TOTAL OPERATING EXPENSE, NET TO ADJUSTED OPERATING EXPENSE:	(in thousands, except per system data)	
Total operating expense, net	\$ 964,088	\$ 639,194
Depreciation expense	(153,387)	(108,167)
Amortization expense	(29,583)	(29,224)
Non-cash compensation expense	(25,535)	(24,218)
ARO accretion expense	(4,905)	(3,701)
Financing deal costs	(1,723)	(930)
Natural disaster losses and related charges, net	(2,831)	(1,164)
Acquisition costs	(1,224)	(7,801)
Amortization of payments to dealers for exclusivity and other bonus arrangements	(6,944)	(4,327)
Legal settlements	(1,680)	1,001
Provision for current expected credit losses	(35,515)	(40,160)
Non-cash inventory and other impairments	(50,995)	(5,375)
Direct sales costs	(48,049)	(6,262)
Cost of revenue related to cash sales	(52,644)	(38,766)
Cost of revenue related to inventory sales	(176,371)	(178,310)
Unrealized gain on fair value instruments	3,761	26,189
Indemnification payments to tax equity investors	22	(2,737)
Gain on held-for-sale loans	19	—
Adjusted Operating Expense	\$ 376,504	215,242
Adjusted Operating Expense per weighted average system	\$ 1,079	940

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, customer value propositions, technological developments, including Sunnova Sentient™ and the Adaptive Technology Center, service levels, the ability to achieve our 2024 operational and financial targets, operating performance, including its outlook and guidance, demand for Sunnova’s products and services, future financing and ability to raise capital therefrom, 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, and 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, 2023 and subsequent quarterly reports on Form 10-Q. 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 report includes certain non-GAAP financial measures, including Adjusted EBITDA. 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 is a non-GAAP financial measure that helps management, investors and securities analysts in evaluating Sunnova’s performance. This measurement is not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The GAAP measure most directly comparable to Adjusted EBITDA is net income/loss. Adjusted EBITDA has limitations as an analytical tool 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 is not necessarily comparable to Adjusted EBITDA 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 report. Sunnova is unable to reconcile projected Adjusted EBITDA 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 forecast of Adjusted EBITDA 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 to projected net income (loss) is not available without unreasonable effort.