

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Asset Pool

Sunrun Inc.
04 March 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Asset Backed Security
Relevant standards	<ul style="list-style-type: none">• ICMA Green Principles
Scope of verification	<ul style="list-style-type: none">• Sunrun Inc. Green Financing Processes• Sunrun Inc. Green Asset Portfolio
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• For a single issuance after SPO publication

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Overall Evaluation of the Green Asset Backed Security

Sunrun Inc. (Sunrun) commissioned ISS ESG to assist with its Green Asset Backed Security (ABS) by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Asset Backed Security link to Sunrun’s sustainability strategy – drawing on Sunrun’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Sunrun’s Green Financing processes – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs).
3. The asset pool – whether the projects aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: ABS link to issuer’s sustainability strategy	According to the ISS ESG Corporate Rating published on 18.01.2021, the issuer shows a high sustainability performance against industry peer group on key ESG issues faced by Renewable energy operation sector. As of 04.03.2021, the company obtains a Decile Rank relative to industry group of 3, given that a decile rank of 1 indicates highest relative ESG performance out of 10. The issuer is rated 9 th out of 30 companies within its sector.	Consistent with issuer’s sustainability strategy
Part 2: Performance against GBPs	The issuer has defined formal processes for its Green ABS regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is partially in line with the ICMA GBPs, however some processes have not been put in place because the issuer generates most of its revenue from eligible green activities. Such as, the issuer did not make publicly available a Green Finance Framework to accompany this issuance and the reporting on allocation and impact of the issuance will only be conducted at the corporate level	Partially positive
Part 3: Sustainability quality of the asset pool	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green KPIs. The Green KPIs contain a clear description of eligible asset categories which include: solar P.V. (residential rooftops) and solar energy components. This asset contributes significantly to SDG7 “Affordable and clean energy” and SDG13 “Climate action”. The environmental and social risks associated with this asset have been appropriately managed.	Positive

¹ ISS ESG’s evaluation will remain valid until any modification of the Green Bond processes described to ISS ESG on 18.02.2021 or addition of new assets into the asset pool by the issuer and as long as the Company Rating does not change (last modification on the 18.01.2021).

PART I: ISSUANCE’S LINK TO SUNRUN’S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF SUNRUN’S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	SECTOR	RATING	DECILE RANK	TRANSPARENCY LEVEL
SUNRUN INC.	RENEWABLE ENERGY OPERATION	B -	3	HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by Renewable energy operation sector and obtains a Decile Rank relative to industry group of 3, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 04.03.2021, this Rating places Sunrun 9th out of 30 companies rated by ISS ESG in the Renewable energy operation sector.

Key Challenges faced by companies in terms of sustainability management in this sector are displayed in the chart on the right, as well as the issuer’s performance against those key challenges in comparison to the average industry peers’ performance.

Key Issue Performance



Legend: Industry (light blue), Company (dark blue)

Sustainability Opportunities

Sunrun activities are focused on the development, installation and maintenance of solar photovoltaic systems for residential customers in the United States. Within the scope of a transition towards a more sustainable energy system, solar power systems contribute significantly to the mitigation of climate change.

Sustainability Risks



For a solar power project developer and operator, one of the key sustainability issues is to ensure the safety of employees, contractors and business partners involved in the installation and maintenance of its solar panels. Sunrun operates exclusively in the United States, where relatively high standards apply in relation to occupational health and safety. While Sunrun has a code of conduct for its suppliers in place, it remains unclear whether the company has implemented adequate management procedures to address risks related to labour rights and working conditions in its supply chain. In general, environmental risks related to Sunrun's residential-scale projects remain limited compared to conventional utility-scale power generation projects.

Governance opinion

Sunrun has sound governance measures in place to ensure the separation of managerial and supervisory functions. While the chairman of the board, Mr Edward Fenster, is not independent as he was previously CEO of the company, there is a lead independent director in charge, Mr Gerard Risk (as at October 14, 2020). In addition, the majority of board directors are independent. The company has also established Independent board committees in charge of audit, remuneration and nomination. The company discloses the remuneration policy for its executive managers, including long-term components, which can incentivize sustainable economic values within the company. Regarding governance of sustainability, no sustainability board committee seems to be in place and it remains unclear whether sustainability performance objectives have been incorporated into the variable remuneration of the executive management team. Sunrun's code of conduct covers relevant topics such as corruption and bribery, insider trading or conflicts of interest. The company has procedures in place to enforce ethical and responsible decision-making such as channels to report breaches anonymously and confidentially.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of Sunrun's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to evaluation of final product characteristics and does not include practices along Sunrun's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Provision of energy to private customers	78%	CONTRIBUTION	 

Breaches of international norms and ESG controversies

The company is not facing any controversy.

B. CONSISTENCY OF THE ABS WITH SUNRUN’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Sunrun has been established to accelerate the transition to a low-carbon, climate-resilient economy. Sunrun’s solar energy systems offset GHG emissions every moment that they deliver clean energy to customers. During 2019, Sunrun deployed 413 megawatts of solar to 53,900 customers. These systems could generate nearly 16 billion kilowatt-hours of clean energy during the next 30 years, enough to prevent the emission of nearly 11 million metric tons of CO₂e. This quantity is more than 33 times greater than the quantity of CO₂e emitted to deploy these systems, which means that Sunrun negates significantly more emissions than it produces.

Sunrun offers clean, reliable, affordable solar energy and battery storage solutions to accelerate the transition away from polluting fossil fuels. Sunrun recognizes that inaction on climate change threatens global security and stability and bringing solutions to bear on the issue remains the driving force behind their mission to create a planet run by the sun.

Rationale for issuance

Sunrun activities are focused on the development, installation and maintenance of solar photovoltaic systems for residential customers in the United States. Within the scope of a transition towards a more sustainable energy system, solar power systems contribute significantly to the mitigation of climate change. In this context the issuer has chosen to enter the green bond market.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this green ABS with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for Renewable energy operator. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy	<ul style="list-style-type: none"> Financing of solar P.V. and components projects 	<ul style="list-style-type: none"> Products and services providing environmental benefits 	Contribution to a material objective

Opinion: *ISS ESG finds that Use of Proceeds financed through this bond are consistent with the issuer’s sustainability strategy and material to ESG topics for the issuer’s industry. The rationale for issuing green bonds is clearly described by the issuer and aligns with the issuer’s business model.*

ISS ESG SPO ASSESSMENT

PART II: GREEN BOND PRINCIPLES

1. Use of Proceeds

Sunrun, a home solar, battery storage and energy services company, offers distributed solar energy — electricity generated by a solar energy system installed at or near customers' locations — to residential customers primarily through a customer-focused and neighborhood-driven direct-to-home sales model.

The net proceeds of the contemplated green Asset-Backed Security (ABS) will be used to finance projects that will directly or indirectly expand the residential systems. For example, the use of proceeds might be used to expand into other sales channels (increasing Sunrun's ability to deploy renewable energy), further build out operational functions (increasing Sunrun's ability to deploy additional renewable energy and service existing assets), invest in better information technology resources and to provide solar electricity pursuant to long-term contracts with customers.

Opinion: ISS ESG considers the Use of Proceeds description provided by Sunrun aligned with the Green Bond Principles (GBPs). Environmental benefits are described. However, no Green Finance Framework is publicly available.

2. Process for Project Evaluation and Selection

Sunrun offers clean, reliable, affordable solar energy and battery storage solutions to accelerate the transition away from polluting fossil fuels. Sunrun recognizes that inaction on climate change threatens global security and stability, and bringing solutions to bear on the issue remains the driving force behind our mission to create a planet run by the sun. Sunrun is committed to comprehensive environmental stewardship as demonstrated through the following avenues:

- Supplier Responsibility:

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

- Resource Efficiency and Pollution Prevention:

Sunrun is reducing or eliminating hazardous waste release, reducing waste generation, limiting greenhouse gas emissions, and engaging in product end-of-life stewardship.

By virtue of operating in an industry dependent on regulation, the company is necessarily and constantly engaged in managing potential ESG risks and has robust capabilities. The company complies with transparency requirements of various external bodies including the SEC.

The company has a very experienced management team whose relevant expertise is listed on the company's website.

Opinion: ISS ESG considers the description of the Evaluation and Selection process provided by Sunrun aligned with the GBPs, Although the issuer has not committed to transparency when controversy or potential ESG risks are identified, Sunrun constantly engage in managing ESG risks,

reflecting best market practices. The projects selected show alignment with the sustainability strategy of the issuer. However, no Green Finance Framework is publicly available.

3. Management of Proceeds

There will be various accounts set up to process the proceeds of the projects, managed by the indenture trustee (Wells Fargo).

The proceeds will be disclosed in the company's quarterly and annual public filings.

Unallocated proceeds will be held primarily in cash and time deposits with high-credit-quality institutions.

The proceeds of the bond will not be segregated because projects are not segregated, as there is only one category of project. 100% of proceeds will go towards the construction and operation of new solar energy systems

Opinion: *ISS ESG finds that Management of Proceeds proposed by Sunrun is partially aligned with the GBPs. No information is provided on the expected allocation and tracking period, nevertheless the risk of contamination of proceeds is low as the issuer generates the majority of its revenue from eligible green activities. No Green Finance Framework is publicly available.*

4. Reporting

Sunrun monitors performance and reports in accordance with prevailing sustainability reporting frameworks, such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). Our annual reporting informs interested stakeholders on environmental performance, and helps identify priority areas for improvement.

The reporting of this issuance will be consolidated at the corporate level and available on the issuer's website^{2 3}.

Opinion: *ISS ESG finds that the reporting proposed by Sunrun doesn't align with the GBPs, as the issuer does not commit in reporting on the allocation nor on the impact following the issuance. However, the issuer reporting will be consolidated at the corporate level and made publicly available on the issuer's website. The reporting will include GHG emission reductions, the number of megawatts installed as well as the number of customers to whom solar energy was provided.*

² <https://investors.sunrun.com/making-an-impact>

³ <https://investors.sunrun.com/filings-financials>

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE





Contribution of the Green ABS to the UN SDGs

Based on the assessment of the sustainability quality of the green ABS asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the Sunrun’s Green ABS to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



Each of the instrument’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Solar PV (for residential buildings)	Significant contribution	 
Solar Energy Components	Significant contribution	 

PART III: SUSTAINABILITY QUALITY OF THE ASSET POOL

Solar PV (for residential buildings)

As a Use of Proceeds category, solar PV has a significant contribution to the SDG 7 “Affordable and clean energy” and SDG 13 “Climate action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against the KPIs developed for this use of proceeds category.

ASSESSMENT AGAINST ISS ESG KPI

Environmental aspects of solar panels

- ✓ 79% of assets provide for high environmental standards regarding take-back and recycling of solar modules at end-of-life stage (e.g. in line with WEEE requirements). No information is available for the rest of the assets.
- ✓ 97% of assets provide for high standards regarding the reduction or elimination of toxic substances within solar panels (e.g. in line with RoHS requirements or other relevant standards). No information is available for the rest of the assets.

Production standards

- ✓ 97% of assets provide for high labour and health and safety standards in the supply chain of solar components (e.g. ILO Core Conventions). No information is available for the rest of the assets.

Responsible treatment of customers with debt repayment problems

- ✓ Residential customers with debt repayment problems, will be disconnected from their solar panels and will receive 100% of its energy from the grid. The U.S. Federal law referred as the Investment Tax Credit (ITC) was established by the Energy Policy act of 2005 and allows owners of solar energy systems to deduct 30% of the cost of installing the system from their federal taxes.

Controversies

A controversy assessment was conducted for the manufacturers of Solar P.V. financed through this green ABS and revealed no controversies.

Solar energy components

As a Use of Proceeds category, solar energy components have a significant contribution to the SDG 7 “Affordable and clean energy” and SDG 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against the KPIs developed for this use of proceeds category.

ASSESSMENT AGAINST ISS ESG KPI

Environmental aspects of manufactured products

- ✓ 98% of assets underwent a comprehensive life-cycle-assessment. No information is available for the rest of the assets.
- ✓ 98% of assets feature take-back and recycling at end-of-life. No information is available for the rest of the assets.

Production standards

- ✓ 98% of assets provide for a comprehensive Environmental Management System at the manufacturing sites. No information is available for the rest of the assets.
- ✓ 98% of assets provide for high labour and health and safety standards at the manufacturing sites (e.g. ILO core conventions). No information is available for the rest of the assets.

Safety of manufacturing facilities users

- ✓ 98% of assets provide for measures to ensure operational safety. No information is available for the rest of the assets.

Controversy Assessment

A controversy assessment was conducted for the manufacturers of renewable energy component financed through this green ABS and revealed no controversies.

DISCLAIMER

1. Validity of the SPO: For Sunrun's first issuance following the SPO release date.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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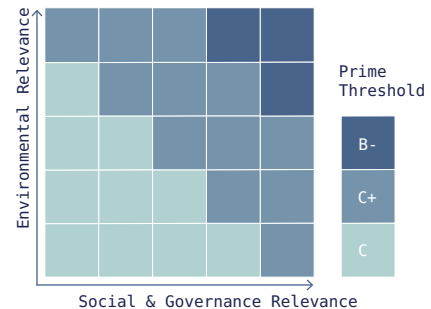
ANNEX 1: ISS ESG Corporate Rating Methodology

SunRun Inc.

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

SunRun Inc.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

ANNEX 2: Methodology

ISS ESG Green KPIs

The ISS ESG Green KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Sunrun’s Green ABS.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Sunrun(e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Sunrun’s Green ABS contributes to related SDGs and has a positive association with their respective sub-targets.

The contribution assessment is split into two Levels:

1. **Level 1:** Contribution and/or obstruction of the Use of Proceeds categories to be financed through the ABS to the UN SDGs
2. **Level 2:** Association of the assets’ ESG performance with further SDGs

ANNEX 3: Quality management processes

SCOPE

AFC commissioned ISS ESG to compile a Green ABS SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the ICMA GBPs and to assess the sustainability credentials of its Green ABS as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA GBPs
- ISS ESG KPI set: Solar PV (residential rooftops) and Solar Energy Components

ISSUER'S RESPONSIBILITY

AFC's responsibility was to provide information and documentation on:

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green ABS to be issued by Sunrun based on ISS ESG methodology and in line with the ICMA GBPs.

The engagement with Sunrun took place in February 2021.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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