

Arcadia

CORPORATE RESPONSIBILITY REPORT

Fiscal Year 2022

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ARCADIA IS A CLIMATE
TECHNOLOGY COMPANY
CONNECTING THE CLEAN
ENERGY FUTURE.

WE'RE ARCADIA, AND WE BELIEVE THE FUTURE OF ENERGY IS CLEAN, EFFICIENT, AND ACCESSIBLE.

We're harnessing the full force of technology to empower innovators and consumers to fight the climate crisis and decarbonize the grid.

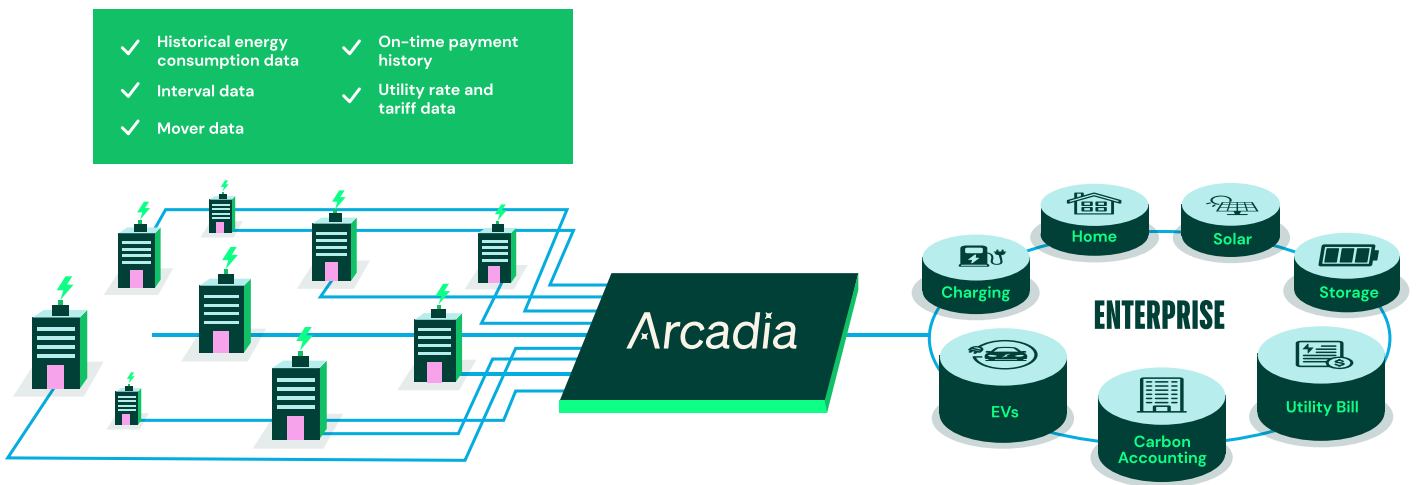
Our game-changing software and APIs unlock clean energy solutions by creating unprecedented data access.

Together, we can connect the clean energy future for everyone.



TRANSPARENCY

As a climate tech company, we're defined by our work as a champion for the environment. That's why we're excited to launch this annual report — we've been living by these values for nearly a decade, so it's about time for us to share this part of our story.



Our goal with this report is to increase transparency and build accountability with our customers, subscribers, employees, and investors.

The shift to a decarbonized economy will be the largest macroeconomic change of our lifetime. Join us as we work to reduce carbon footprints, support local communities, and encourage energy conservation in order to further reduce emissions and support sustainable development.

LETTER FROM THE CEO

Dear shareholders, stakeholders, and friends of Arcadia,

I am thrilled to present our inaugural Corporate Responsibility Report, showcasing the tremendous progress we've made in our mission to create a sustainable and clean energy future. We operate by living our five key values: build for simplicity, build for all, build with urgency, build together, and build for good.

At Arcadia, our core focus has always been to accelerate the transition to a renewable energy future by unlocking utility and energy market data. That transition will depend on accessible meter, tariff, and payment data. If this data isn't easily available, we simply won't transition fast enough.

When we started our community solar program in 2018, we were serving one developer in two states to acquire and manage subscribers. Since then, we have invested heavily in technology and regulatory outreach to ensure public service commissioners and state legislators understand that community solar is a truly equitable energy solution for America — providing cleaner, cheaper energy from local sources. Arcadia played a central role in making this solution a reality, advocating at the state level to expand community solar to 13+ states while leveraging our unique software to ensure that no future Arcadia subscriber has to go through a regressive credit check. I'm incredibly proud that last year we crossed 1 gigawatt of projects under management, serving subscribers who could never get rooftop solar on their own.

We need simple, effective products to work toward a clean energy future. Last year we acquired Urjanet, extending our data network worldwide to over 8,000 utilities in 52 countries. With Arcadia's over 2 million connected meters, 25,000 tariffs in our database, and our platform APIs, we are enabling new technologies and infrastructure across nearly every vertical of electrification — from the industry's largest enterprises to entrepreneurs building the next climate-tech unicorn in their garage.

We need this innovative work to happen quickly and effectively. To do that, we need to attract and keep top talent by providing good benefits, a great working experience, and ownership. We are focused on fostering a culture of social responsibility, because we believe that a diverse workforce and inclusive workplace will not only enhance our innovation, but will also contribute to a more equitable society. We have continued to invest in employee training, development, and well-being programs, recognizing that our greatest asset is our talented and passionate team.

The impact we have achieved would not have been possible without the dedication and support of our shareholders and stakeholders. We are grateful for your continued trust and belief in our mission. Together, we have proven that a sustainable business can be a force for good, creating positive environmental and social impact while delivering strong financial returns.

Looking ahead, we remain committed to furthering our impact and scaling our efforts. We will continue to innovate and refine our product offerings, explore new markets, and forge strategic partnerships to accelerate the clean energy transition globally. As the world faces pressing environmental challenges, we are excited about the opportunities that lie ahead and the pivotal role Arcadia can play in shaping a prosperous future.

Thank you for joining us on this remarkable journey. Together, we can work to end the fossil fuel era and continue to make a difference, one kilowatt-hour at a time.

Warm regards,

Kiran Bhatraju
Founder & CEO, Arcadia



MISSION AND VALUES

Energy data is complex, inaccessible, and siloed across thousands of utilities. **At Arcadia, we are on an urgent mission to connect the clean energy future by unlocking access to global energy data.**

We've invested in centralizing and democratizing energy data and facilitating access to clean energy, giving anyone the tools to electrify and decarbonize.

Our technology is lighting a cleaner path forward for everyone, from everyday consumers and small businesses to the innovators building the next generation of energy products — because the solution to the climate crisis involves *all* of us.

We believe that to solve hard problems, we have to stick to our core values. They drive every decision we make as we work to build an energy system that benefits everyone. These values are to build for simplicity, build for all, build with urgency, build together, and build for good.

✦ **Build for simplicity**

✦ **Build for all**

✦ **Build with urgency**

✦ **Build together**

✦ **Build for good**

ARCADIA AT A GLANCE

All stats are as of end of 2022 unless otherwise specified.

OVER \$6M

Saved community solar subscribers



4.9M

Utility bills processed through our platform

300+



Enterprise customers

2M+



Connected utility accounts globally

95%+

Electric utility data coverage across US

24,000+

LMI subscriber equivalents served



170,000+

Tons of CO2 emissions prevention enabled in 2022

250,000,000+

kWh of solar energy provided to community solar subscribers in 2022



1 GW+

of community solar capacity under subscription management

52

Countries covered



500+

Solar projects managed

~7.8M



Rooftop/DER proposals in 2022

175,000+

Community solar subscriber equivalents on the platform

25,000+

North American tariffs tracked and aggregated

BUILD FOR SIMPLICITY

We are breaking down the barriers of a centuries-old industry and rebuilding the energy data infrastructure for everyone. We turn complex challenges into simple, elegant solutions that enable individual action at scale. Those solutions are built on our data infrastructure and utilize our product offerings, which we're excited to share with you.

ARCADIA'S ARC PLATFORM

The future of energy is centralized data. Arc (by Arcadia) is our leading energy data platform providing high-fidelity, standardized, auditable global energy data that is easily accessible through our developer-ready APIs. The platform unlocks access to comprehensive utility, tariff, and payment data for analytics, optimization, and more — supporting new energy solutions and environmental impact goals.

Arcadia's Arc platform includes five primary products:



Plug

With thousands of data providers across electricity, water, and waste, Plug helps centralize energy and emissions data in one place. It handles the heavy lifting of collecting and standardizing electricity data, so our clients can focus on achieving their goals and serving their customers.



Signal

Signal is the nation's most comprehensive energy rate calculation engine and tariff database. It captures tariff structure and combines that with usage data to enable accurate calculations across geographic regions and utilities.



Switch

Switch is the trusted tool for accurate solar and storage calculations, forecasts, and savings. It automates complex, site-specific cost calculations while taking nuances into account such as solar eligibility, complex net metering rules, time of day pricing, solar incentives, and more.



Spark

Businesses trust Spark to deliver ongoing customer value through extended features like energy usage analytics, smart scheduling recommendations, and automated optimizations for EVs and smart devices.



Bundle

Bundle is the efficient digital infrastructure for utility bill management. It empowers businesses to reimagine their customer experience by delivering a single, consolidated utility bill.

With this robust product suite, Arcadia's Arc platform makes energy data comprehensive and actionable — helping businesses reach the zero-carbon future faster.

CUSTOMER STORIES

Learn how we're making it easier for businesses to create a zero-carbon future.

EVgo

EVgo is the nation's largest public fast-charging network for electric vehicles in the US, with 850+ charging locations around the country. The company is scaling quickly, and is on track to at least triple its network in the next five years. EVgo began working with Arcadia in early 2021 on a limited development basis, but soon upgraded to the Signal API plan. The company initially adopted Signal's self-service option, which allows firms to access our advanced tariff tools with low effort and cost. Once EVgo upgraded to a Signal enterprise license, they were able to gain access to robust APIs that integrate into their own platforms, all backed by performance service-level agreements. The results of EVgo's engagement with Arcadia are striking: The company saved money and staff time, identified cost savings from inaccurate utility bills, and incorporated more accurate utility rate information into station development decisions.

"We were relieved to find a solution to improve the accuracy of our utility expense forecasting and billing — Signal has had a meaningful impact on our business."

**— Eldar Sakebaev,
Energy Finance Analyst
at EVgo**

stem

Smart energy technology company Stem uses AI software to help businesses get the most out of their energy assets by discharging energy when it's most valuable. Stem uses Signal to help end-users calculate and optimize their monthly savings from their clean energy assets, and to pursue new business opportunities. With access to Signal's accurate rates, Stem's staff does not have to spend hours updating and checking rates manually. With the most up-to-date tariffs across all of North America at their fingertips, Stem now has the ability to run cost calculations of their assets with just a few API calls, preserving time and increasing accuracy. This powerful system helps boost Stem's confidence in its calculations, inform its business decisions, and ensure accuracy in its charges to customers. Signal has helped Stem save money and staff time, increase data accuracy, and get into new markets and sites more quickly.

"As a trusted partner in helping our customers successfully navigate the complicated landscape of utility tariffs, we've historically relied on the expertise of our team to manually evaluate numerous tariffs across multiple utilities. Now with Arcadia, Stem is able to automate our process to deliver the best rates for our customers more quickly and accurately."

**— Bob Schembri,
Sr. Product Manager for
Customer Lifecycle, Stem**

COMMUNITY SOLAR

As our first scaled Arc (by Arcadia) use case and vertical served, energy users can reap the benefits of solar power without needing to install their own solar panels. Instead, we connect energy users to remote solar farms in their local communities. In doing so, subscribers receive guaranteed savings off their utility bill. Within this vertical, we serve two core subscriber segments:

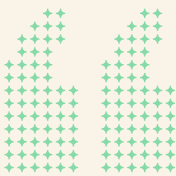
For Homes:

Our technology connects renters and homeowners with local solar farms, giving them access to solar with none of the hassle, and no extra costs. We make it easy to enroll through our online platform, flexible, and transferable upon moving — because being a part of the energy revolution must be simple and universal.

For Businesses:

Customers and employees want to know that companies aren't making empty promises about sustainability. We connect businesses to local solar farms to help them meet their sustainability goals — and those same businesses can opt to expand their impact by providing renewable energy at employees' homes.

Community solar embodies our core belief that the future of clean energy must be accessible for all, as we work to build a more democratized, stable, and decentralized grid.



We recognize how urgent it is to end our dependence on fossil fuels and to replace those with verified, local green alternatives. We want a healthier earth for our children and our community"

– Jennifer N., Arcadia subscriber, Colorado

Your solar impact
You received solar credits on your bill for helping create clean energy from Jan 1–31!

Total solar savings
\$154
+\$12.80 last bill

Total solar energy produced
490 kWh

That's enough clean energy to power a home for 12 days.

*Estimate only. Actual savings and impact will vary.

BUILD FOR ALL

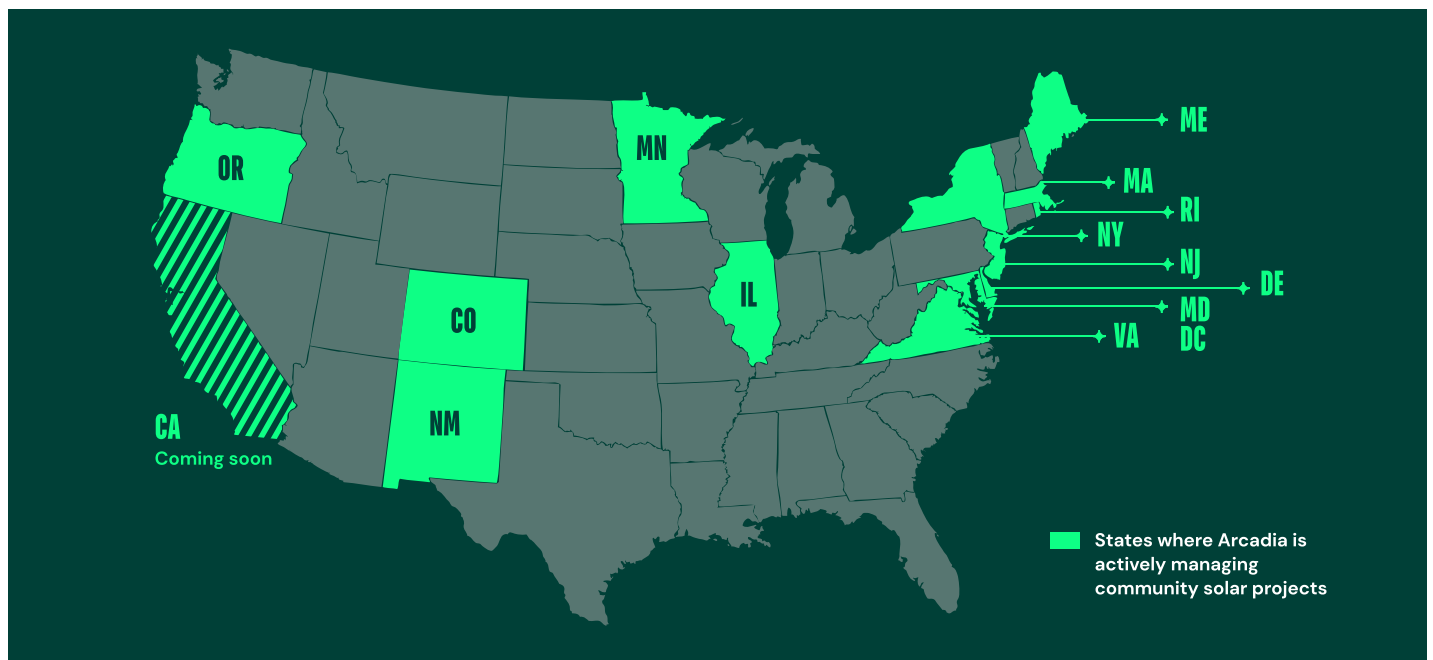
The renewable energy revolution needs to be people-powered. That's why we put our customers and subscribers first, empowering them with our technology products and resources to maximize their collective impact. We work to enable and protect our members, clients, and communities. We have a focus on policy to enable subscriber access to our products, and a commitment to ensuring that access is equitable. We work to institute best practices to protect our subscribers in terms of cybersecurity, data privacy, and responsible sales and marketing. We believe people won't just benefit from the clean energy transition — they'll drive it.

PUBLIC POLICY

At the heart of our business lies the integration of our sustainability commitments with efforts to influence public policy processes. This includes advocating for policies that promote clean energy, such as community solar adoption, through a variety of means, including both direct engagement and participation in multi-stakeholder associations. At Arcadia, we hold ourselves to high ethical standards and prioritize transparency in all of our lobbying activities. We have retained lobbyists in around a dozen states, and each of them is properly registered, complying with all disclosure requirements. We also disclose all corporate campaign contributions as required.

Our policy team is dedicated to expanding Arcadia's market opportunities by using a wide range of tools to advance clean energy policy. We leverage our advocacy and lobbying skills, as well as our technical expertise in writing legislation to help promote solar power. Additionally, we engage in regulatory processes, which requires close collaboration with our legal team and external counsel.

Our policy team works across all of Arcadia's businesses. For instance, we played a pivotal role in creating community solar programs in Virginia, California, New Mexico, and Delaware, which will collectively generate approximately 1,300 MW. We have also worked on improving verification for low-to-moderate income subscribers ("LMI Subscribers") or subscribers from historically disadvantaged communities in virtually every active community solar state.



Regarding our data platform, we are actively working to establish ESG (Environmental, Social and Governance) and GHG (Greenhouse Gas) reporting standards that require entities to use actual energy usage data, not estimates.

And as a member of leading clean energy and sustainability trade associations, including the Coalition for Community Solar Access, Solar Energy Industries Association, Advanced Energy United, and a range of regional and state-specific associations, we remain committed to driving positive change.

SUBSCRIBER ACCESS

Arcadia is committed to an “equal access” model for its products, especially for community solar, whereby low-to-moderate income subscribers or subscribers from historically disadvantaged communities are able to access renewable energy options and save on their utility costs. Arcadia has been a trailblazer in the community solar market in avoiding the use of consumer credit checks, cancellation fees, or long-term contract commitments that may restrict participation by LMI Subscribers.

Arcadia is working to expand its offerings to LMI Subscribers across all markets. By the end of 2022, 14% of our total subscribers served were LMI, and we are committed to growing that percentage in 2023.

LMI Customers as of the end of 2022



INFORMATION SECURITY AND PRIVACY

Arcadia places the utmost importance on cybersecurity, data protection, and privacy. Given that data collection is fundamental to our product, we:



Mitigate privacy risks related to data collection through a robust program headed by both a data privacy and information security lead.



Conduct data mapping through an external firm, a best practice to understand where data is collected from and align with regional data privacy regulations such as GDPR (General Data Protection Regulation) and CPRA (California Privacy Rights Act).



Maintain compliance by relying on legal resources alongside use of OneTrust for privacy compliance.



Conduct regular risk assessments, including continuous vulnerability scanning in product development, weekly scans of software vendors, and annual penetration tests, which are strong practices to ensure our platform does not have vulnerabilities.



Adhere to access controls using the principle of least privilege (POLP) and are compliant with ISO 27001, SOC II type II, and PCI-DSS level 1.

To further promote transparency and ensure our customers and subscribers are aware of our measures to protect them, we publicly share our security and privacy policy on our website.

MARKETING AND SALES

At Arcadia, we are committed to ethical sales practices. As such, we have implemented the following to adhere to the highest level of credibility.

- ✦ Authorized Arcadia agents go through background checks and extensive training on ethical sales and door-to-door interaction risks.
- ✦ Agents' locations are tracked to ensure auditability of safety and harassment concerns, alongside strong practices to remediate and reduce the potential for incidents.
- ✦ Arcadia provides our agents with a Code of Conduct in order to adhere to the terms and conditions of their performance.

We aim to follow all best practices when it comes to responsible marketing, sales, and communications.



Such agreements and Codes of Conduct along with the Arcadia Marketing Quality Assurance Plan provide that if at any time Arcadia determines that an agent has failed to act in compliance therewith, then Arcadia may take disciplinary action. Violations are categorized into Level 1, 2, or 3 with a Level 3 violation being the most severe and requiring written termination. Examples include but are not limited to: Unacceptable quality (Level 1); Misconduct (Level 2); Intentional misrepresentation of program offerings and/or origins (Level 3).

BUILD WITH URGENCY

The climate crisis should've been solved yesterday, but we can still act today. We're climate optimists, focused on solutions — and we understand the urgency of our endeavor, which is why we hire smart, action-oriented people and trust them to do great work. We do this through instituting recruitment best practices, offering competitive total rewards, and working to ensure employee wellbeing.



TALENT

Addressing the world's most significant challenges requires diverse perspectives and out-of-the-box thinking. That's why we strive to attract, hire, and empower individuals from various backgrounds, industries, and educational experiences.

We have adopted, designed, and implemented hiring practices that promote inclusivity, ethical conduct, and celebrate differences. We utilize a tool that reviews job descriptions to ensure they are written using inclusive language. To make evidence-based decisions, mitigate bias, and evaluate candidates consistently and objectively, we follow a structured hiring approach.

We are committed to continuously learning, improving, and refining our strategic approach to talent.

Our goal is to ensure that our organization reflects and develops products that cater to diverse audiences while providing equal opportunities to all individuals.



TOTAL REWARDS

At Arcadia, we believe in a culture of innovation, collaboration, and execution to achieve our mission of connecting the clean energy future. Our team is the driving force behind our success in solving complex issues and creating new technologies to combat the climate crisis.

Our Total Rewards Philosophy is influenced by a combination of our company values, mission, and market data, aimed at attracting, motivating, and retaining top talent. We believe total rewards encompass various components such as base salary, bonuses, equity, and benefits, and our investment decisions in these areas are based on factors such as company size, stage, objectives, financial health, and employee value. We take a holistic approach to compensation, balancing cash and non-cash rewards and incentives to create a market-competitive package that aligns with our values and mission. Our Total Rewards Philosophy is dynamic and continues to evolve as we grow as a company.

We also believe that employees should have ownership in Arcadia and be invested in its long-term success, and as such all full-time employees will receive an equity option or RSU grant as part of the new-hire package. We have progressive, employee-friendly equity policies, including an extended post-termination exercise period for employees with a tenure of 3 years or more (10 years from date of grant rather than 90 days post-termination) and continued vesting eligibility post-termination for a prorated portion of Restricted Stock Unit (RSU) awards. Future grants may be awarded to employees based on performance and promotion.



Base salary



Bonuses



Cash & non-cash
rewards & incentives



Benefits



Equity options
or RSUs



EMPLOYEE WELLBEING

At Arcadia, employee wellbeing encompasses the financial, physical, and mental wellbeing of our employees. We review our benefits and other rewards on a regular basis, incorporating internal and external insights that are customized to geographic markets.

Arcadia has employees in the US across 20+ states. Arcadia also has employees in India localized to Chennai, with a dedicated office space, and a subset of employees outside of Chennai. In 2022, Arcadia had dedicated office spaces in Washington, D.C., Atlanta, Denver, and New York, and provided WeWork memberships to individuals in other areas.

India Workforce

The following is a sample of the benefits Arcadia provides our India workforce:

- ◆ Health benefits including OPS Coverage, mental health resources, leave of absence benefits, maternity leave up to 184 days, paternity leave up to five days, and company-wide events.
- ◆ Medical insurance benefits and personal accident coverage.
- ◆ A flexible leave policy covering sick leaves compliant to the legal norms in the region as well as bereavement leave in the event of family loss.

US Workforce

The following is a sample of the benefits Arcadia provides our US workforce:

- ◆ Comprehensive medical, dental, and vision insurance for all employees who work at least 30 hours per week. Coverage is extended to spouses, domestic partners, and children up to age 26.
- ◆ 401k plan and Employee Assistance Plan, extended to all employees regardless of schedule or enrollment in other benefit plans.
- ◆ Fully employer-paid short and long-term disability and life and accidental death and dismemberment (AD&D) insurance.
- ◆ A flexible PTO policy, with no accruals and no maximum on time taken off, 80 hours of sick leave per year, and tiered bereavement leave in the event of familial loss.
- ◆ Two days of professional development time and two days for volunteer time off.
- ◆ 12 weeks of fully paid parental leave for all new parents, regardless of gender or whether they are biological or adoptive parents.
- ◆ A four week sabbatical leave benefit to employees reaching a six-year anniversary milestone.

BUILD TOGETHER

We strive to ensure diversity, equity, inclusion, and belonging as a company. We embrace our differences, championing collaboration, humility, and radical accountability.

DIVERSITY, EQUITY, BELONGING, AND INCLUSION

At Arcadia, we believe in attracting, recruiting, and retaining top talent. In order to make a workplace where everyone can thrive, we curate inclusive workplace experiences and build teams of individuals from different backgrounds, industries, and educational experiences to help us achieve Arcadia’s purpose.

We follow a DEBI framework, aiming to ensure diversity, equity, belonging, and inclusion. We align ourselves with this framework because we understand that the success of our workplace is tied directly to the wellbeing, happiness, and safety of our employees.

In 2022 we established a DEBI charter with the vision to make Arcadia a place to work where everyone can thrive. We believe that solving the climate crisis requires equitable access for everyone, and that belief guides our approach to DEBI inside and outside of Arcadia. We believe that creating a diverse, equitable, and inclusive environment yields better business outcomes. We need to be intentional and thoughtful about welcoming diversity and establishing inclusion, equity and belonging. When we do this, Arcadians can bring their best selves to work as we collaborate to connect the clean energy future.

We are setting the stage and building a baseline with our 2022 data that will allow us to measure and track our progress. We are a global workforce so going forward we will be reporting out our gender diversity globally and race/ethnicity numbers in the US. We will also share our workforce composition by level in the US.

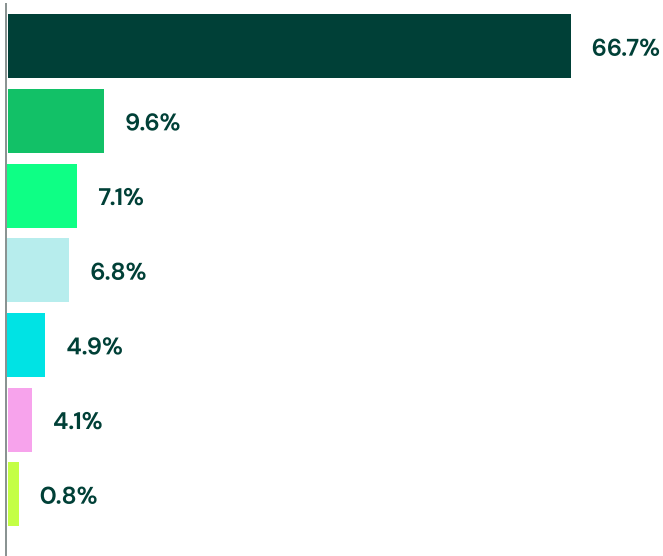
Arcadia Gender Data (Global)



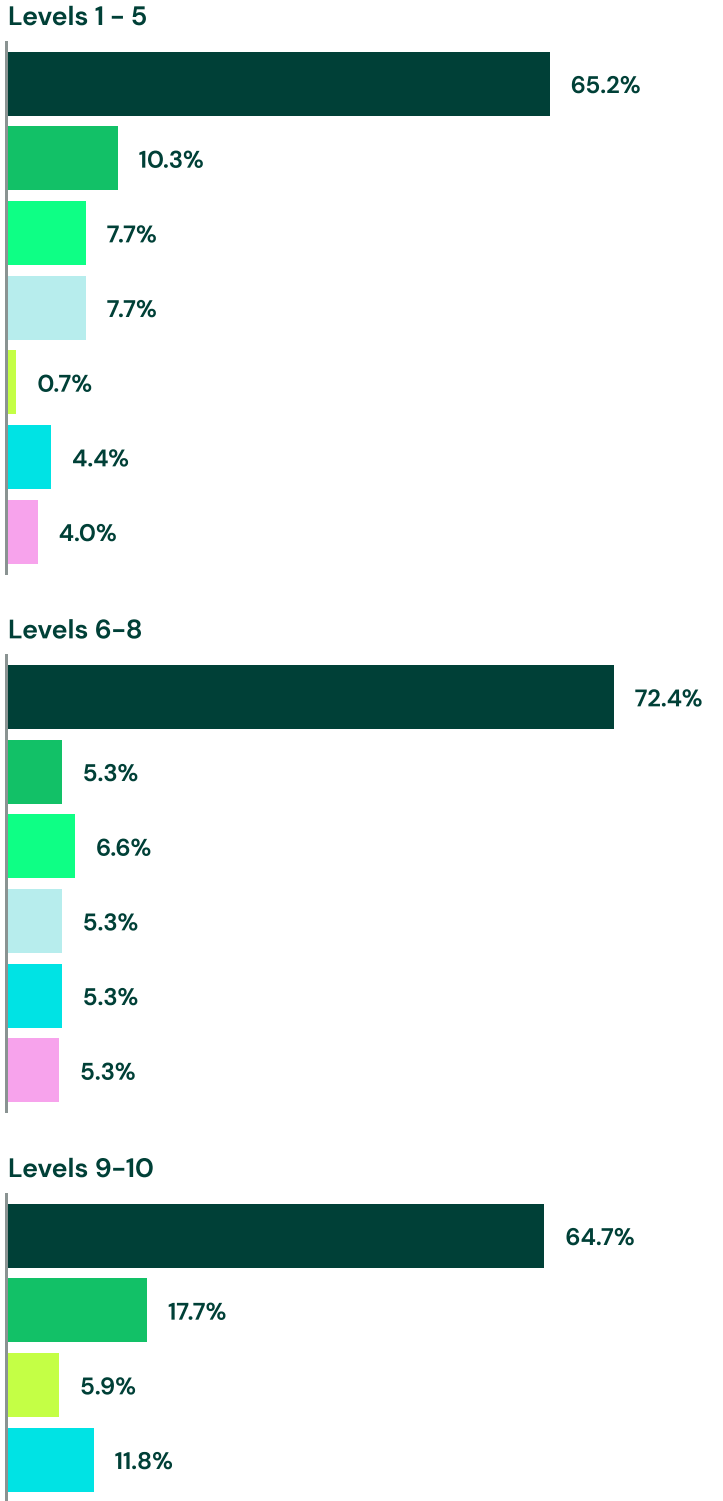
Arcadia Gender by Level (US)



Arcadia Racial/Ethnic Data (US)



Arcadia Race/Ethnicity by Level (US)



- White
- Asian
- Black or African American
- Hispanic or Latino
- Decline to self identify
- Two or more races
- American Indian or Alaska Native

Definitions are taken from EEO-1 definitions

PAY EQUITY

We believe that transparency is crucial to fostering meaningful conversations about career growth, performance, and compensation. To that end, we provide all employees with access to our 10-level structure and competency matrix, which clearly outlines their level and what is expected at each level. As we continue to grow and scale, we commit to conducting annual pay equity studies alongside our compensation analysis to ensure our compensation and benefits packages remain market competitive and equitable.

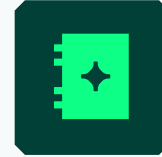
Arcadia Pay Transparency/Equity



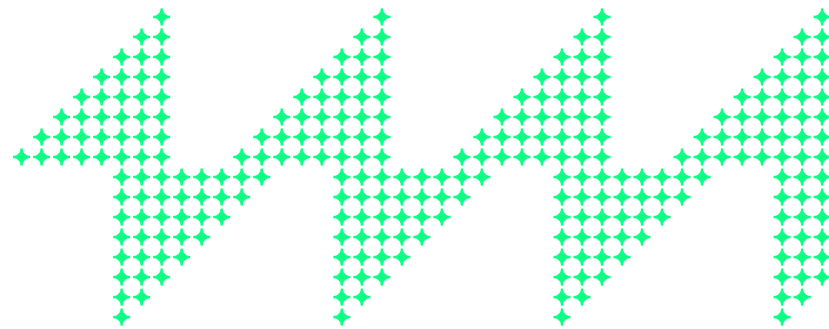
Conduct annual
pay equity studies



Compensation
analysis



Competitive and equitable
compensation and
benefits packages



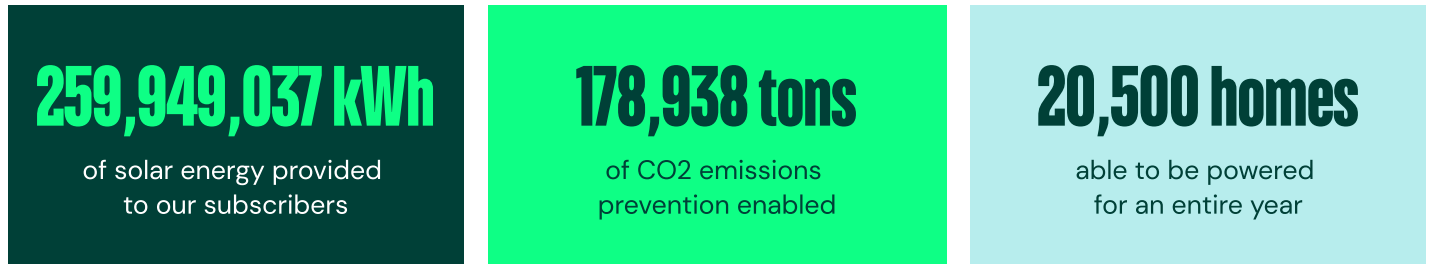
BUILD FOR GOOD

Everything we do is rooted in producing a positive impact for people and the planet. We are here to build a cleaner, healthier, more efficient future. We build this future through the environmental impact of our products — monitoring and minimizing our own environmental footprint, and running every part of our business on a foundation of governance best practices.



ENVIRONMENTAL IMPACT OF PRODUCTS

At Arcadia, we prioritize clean energy access for our subscribers, and our software platform is designed to facilitate this through our community solar product. Community solar has been a significant focus, and in 2022 alone it helped provide 259,949,037 kWh of solar energy for our subscribers. That meant we were able to prevent 178,938 tons of CO2 from being emitted, which is the equivalent of the energy needed to power over 20,500 homes for an entire year!

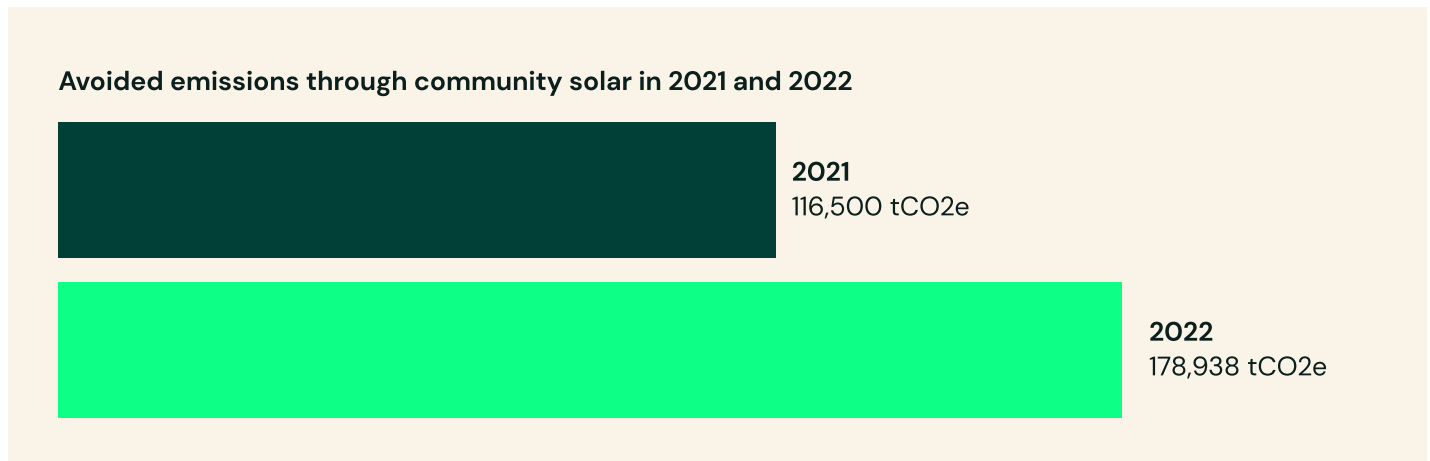


In addition to community solar, we are also committed to promoting energy efficiency and demand response solutions through our Arc (by Arcadia) products. Our platform provides enterprise customers with access to utility data and leverages advanced analytics and optimization techniques to unlock clean energy solutions for businesses.

But our commitment to the environment extends beyond our products and services. We actively advocate for policies that promote clean energy and raise awareness about the importance of sustainability. Through our advocacy efforts, we aim to drive the transition to a more sustainable energy system and promote a greener future for all.

In fact, we are uniquely positioned to lead the transition to a low-carbon economy, as our business model revolves around migrating our subscribers to clean energy. We leverage the power of solar energy as an abundant, scalable, cost-effective solution to achieve this goal, and have the opportunity to continue developing our technology and reach new markets as the demand for clean energy rises.

Ultimately, our products have a significant positive impact on the environment, which helps mitigate climate risks in the long term. By facilitating clean energy access and promoting energy efficiency, we are actively working towards a more sustainable future for all.



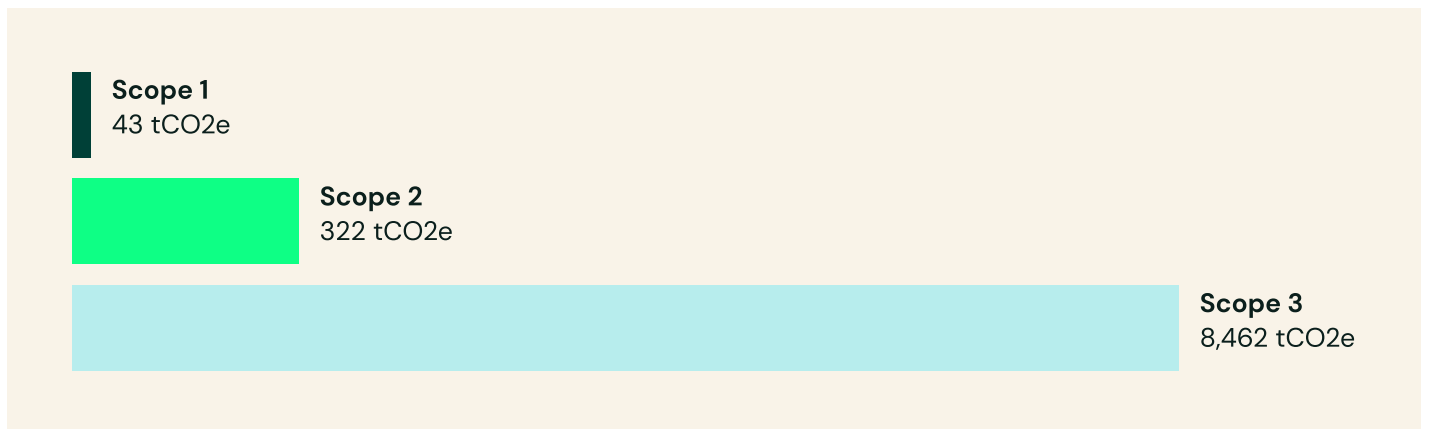
GHG EMISSIONS

While our products provide a positive environmental impact, we also aim to institute best practices for the planet internally.

As an asset-light company, our greenhouse gas (GHG) and energy footprint is limited, but we are committed to reporting our emissions with the utmost clarity. To achieve this, we have partnered with Watershed, an enterprise climate platform that follows the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Our emissions goal is to ensure that our GHG emissions scale linearly with our revenue growth. Arcadia’s emissions come from various operational activities, including team travel, door-to-door sales, and data processing.

Let’s talk hard numbers:



Our **scope 1** emissions, which include natural gas for heating and refrigerants, total 43 tCO₂e, while our **scope 2** emissions, which come from electricity, total 322 tCO₂e. Our **scope 3** emissions, primarily from marketing, followed by goods and services and travel during Jan–Dec 2022, total 8,462 tCO₂e.

We are proud of our commitment to transparency and our efforts to limit our GHG emissions. By working with Watershed and implementing our emissions goal, we hope to set an example for like-minded firms in the industry to follow.

Use of our own data product to validate our emissions

To validate and complement the estimates above, we also ran similar calculations using our own utility bill access capabilities. We pulled actual consumption data for connected Arcadia employees and used averages of that data to determine US employee base emissions. When starting with data directly from utility bills, our work from home emissions were lower than originally estimated.

Through our platform capabilities we were able to leverage intelligent baselining — a feature of our Signal product — to determine energy usage based on specific building type, square footage, and climate zone. With these Kilowatt hours, we used the emissions factor highlighted by Watershed to calculate the carbon dioxide equivalent emissions from our US offices. These emissions showed to be slightly lower than those calculated by Watershed, demonstrating a potential to further increase accuracy as our data capabilities are combined with Watershed’s emissions factors and analytics.

BOARD COMPOSITION

We believe that conducting business with integrity is essential to building long-lasting relationships with our subscribers, customers, partners, and stakeholders. That's why we're committed to upholding the highest standards of business ethics and preventing corruption throughout all operations across the value chain.

Here's how we're keeping that commitment:

- ✦ Our business is structured according to best governance practices, with our Board acting as our highest governance body. Our CEO currently acts as Board Chair. Our Board is comprised of eleven members, including five independent members, four women, and three members from underrepresented groups. Their insights and experience in sustainability and the energy industry help inform developing, approving, and updating the organization's structure, statements, and goals related to corporate sustainability and responsibility.
- ✦ All four of our Board Committees (Nominating and Corporate Governance, Audit, Compensation, and Sustainability) include independent Board members and meet quarterly.
- ✦ The composition of the Board and its Committees is determined by the Nominating and Corporate Governance Committee accounting for factors including whether the directors, both individually and collectively, can and do provide the integrity, experience, judgment, commitment, skills, and expertise appropriate for the company.
- ✦ The Audit Committee's responsibilities include evaluation and recommendation of auditors, annual audit results, accounting principles and policies, risk assessment and management, and more.
- ✦ The Compensation Committee determines the overall compensation strategy and policies, compensation of chief executive officer, compensation of other executive officers, compensation of non-employee directors (only equity at this time), administration of benefit plans, periodic evaluation and charter review, and management succession.
- ✦ The Sustainability Committee assists the Board in overseeing the company's policies and programs related to corporate and social responsibility matters, with a particular emphasis on sustainability and other environmental matters.

They recommend corporate and social responsibility policies and procedures appropriate to Arcadia and help compare performance while staying up-to-date on industry developments. One of the Committee's primary responsibilities is to provide oversight of the annual corporate responsibility report. The reporting process is shared with them quarterly to receive feedback and direction.

Spotlight on corporate responsibility at the board and executive level:

- ◆ In 2022 our Board of Directors, with resounding support from company executives, committed to implementing a plan where a component of Arcadia’s executive bonus payout is tied to non-financial performance. This compensation approach increases the executives' responsibility to deliver our ESG metrics.
- ◆ The diversity metrics will focus on inclusive hiring practices, visa sponsorship, internal mobility, and diverse job postings. The climate metric for 2023 will be primarily concerned with the change in carbon emissions revenue intensity as compared to our 2022 footprint.
- ◆ These metrics went into place for our 2023 bonus plan. Achieving success on these metrics is all or nothing — meaning that if metrics are achieved, executives will be compensated 100% of the bonus target; if metrics are not achieved, the payout will be 0%. If Arcadia does not pay a bonus, 0% of the non-financial bonus target will be paid out regardless of achievement.

Our policies and company structure are designed to promote a culture of ethics and compliance, and we are dedicated to ensuring that our actions align with these values every day. We strive to be recognized as a leading ethical and compliant business, and we will continue to make every effort to avoid and eliminate corruption in all its forms.



Board of Directors			
Director Name	Director Company	Director Type	Committees
Kiran Bhatraju	Arcadia	Chair	All
Sarah Bloom Raskin	US Department of the Treasury (Former Deputy secretary)	Independent	Audit, Sustainability
Alex Laskey	Rewiring America / Opower	Independent	Nominating and Governance
Jen Dulski	Rising Team	Independent	Compensation
Peter Reinhardt	Charm Industrial	Independent	Sustainability
John Rettig	Bill.com	Independent	Audit
Ben Kortlang	G2VP	Investor	Compensation
Sameer Reddy	EIP	Investor	Audit, Nominating and Governance
Tanya Barnes	JP Morgan	Investor	Compensation, Sustainability
Eva Zlotnicka	Inclusive Capital	Investor	Nominating and Governance, Sustainability
Eric Scheyer	Magnetar	Investor	-
Jonnie Cox	Drawdown Fund	Observer	Sustainability
Alex Bell	JP Morgan	Observer	-
Jake Fingert	Camber Creek	Observer	-
Ben Birnbaum	Keyframe	Observer	-
Sanjoy Malik	Prior CEO, Urjanet	Observer	-

Reflects Board composition as of Dec 31, 2022

NEXT STEPS

As we wrap up Arcadia's first-ever corporate responsibility report, we want to take a moment to thank you. This moment marks the beginning of our commitment to release annual reports moving forward, as well as our commitment to continue our direct transparency with you, our stakeholders.

We look forward to using the rest of 2023 to ingrain corporate responsibility even deeper within our company culture. This goes beyond reporting, as we explore more ways to gain feedback and perspectives from all stakeholders in order to constantly increase our transparency and accountability.

We are excited to embark on another year of growth and progress toward a more sustainable future, where we will continue to build for simplicity, build for all, build with urgency, build together, and build for good.



INDICES

GLOBAL REPORTING INITIATIVE (GRI) INDEX

Statement of use: Company has reported in accordance with the GRI Standards for the period FY 2022

Applicable GRI Sector Standard(s): NA

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
GRI 2: General Disclosures 2021	Disclosure Title				
Section 1: Organization & Reporting Practice	2-1 Organizational details	Index only	No	-	Arcadia Power Inc Private incorporated entity United States, India
	2-2 Entities included in the organization's sustainability reporting	Index only	No	-	Legacy Arcadia, Urjanet, iSolar
	2-3 Reporting period, frequency and contact point	Index only	No	-	Annual 1/1/2022 - 12/31/2022, same as financial 6/30/2023 Helena Kilburn
	2-4 Restatements of information	Index only	No	-	No restatements
	2-5 External assurance	Index only	No	-	Did not get comprehensive third party assurance at this time
Section 2: Activities & Workers	2-6 Activities, value chain and other business relationships	-	Yes	Information unavailable/incomplete	
	2-7 Employees	Index only	No	-	763
	2-8 Workers who are not employees	Index only	No	-	60 interns in India, 67 independent contractors in US
Section 3: Governance	2-9 Governance structure and composition	Board	No	-	

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
	2-10 Nomination and selection of the highest governance body	Board	No	-	
	2-11 Chair of the highest governance body	Board	No	-	CEO
	2-12 Role of the highest governance body in overseeing the management of impacts	Board	No	-	
	2-13 Delegation of responsibility for managing impacts	Board	No	-	
	2-14 Role of the highest governance body in sustainability reporting	Board	No	-	
	2-15 Conflicts of interest	Board	No	-	
	2-16 Communication of critical concerns	Board	No	-	
	2-17 Collective knowledge of the highest governance body	Board	No	-	
	2-18 Evaluation of the performance of the highest governance body	Board	No	-	

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
	2-19 Remuneration policies	Board	No	-	There is documentation in the employee handbook and the diversity equity and belonging charter that outlines this information. However, at the time of the publishing of the report this remains an internal and thus confidential document.
	2-20 Process to determine remuneration	Board	No	-	
	2-21 Annual total compensation ratio	-	Yes	Information unavailable/incomplete	
	2-22 Statement on sustainable development strategy	CEO Letter	No	-	
Section 4: Strategy, policies and practices	2-23 Policy commitments	-	Yes	Confidentiality constraints	There is documentation in the employee handbook and the diversity equity and belonging charter that outlines all this information. However, at the time of the publishing of the report this remains an internal and thus confidential document.
	2-24 Embedding policy commitments	-	Yes	Confidentiality constraints	
	2-25 Processes to remediate negative impacts	-	Yes	Confidentiality constraints	
	2-26 Mechanisms for seeking advice and raising concerns	-	Yes	Confidentiality constraints	
	2-27 Compliance with laws and regulations	Index only	No	-	No instances of non-compliance
	2-28 Membership associations	Public policy	No	-	

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
Section 5: Stakeholder Engagement	2-29 Approach to stakeholder engagement	Appendix	No	-	
	2-30 Collective bargaining agreements	Index only	No	-	No collective bargaining agreements
GRI 3: Material Topics	3-1 Process to determine material topics	Appendix	No	-	
	3-2 List of material topics	Appendix	No	-	
GRI 201: Economic Performance	GRI 3-3: Management of material topics	Environmental impact of products, total rewards philosophy	No	-	
	201-1 Direct economic value generated and distributed	-	Yes	Confidentiality constraints	
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental impact of products	No	-	
	201-3 Defined benefit plan obligations and other retirement plans	Total rewards philosophy	No	-	
	201-4 Financial assistance received from government	Index only	No	-	0

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
GRI 206: Anti-Competitive Behavior	GRI 3-3 Management of material topics	Board	No	-	The Nomination and Corporate Governance committee oversees director education and ethical compliance which is supported at all levels of the company by our internally accessible compliance hub which includes the documentation regarding the Arcadia Employee Handbook, Arcadia Code of Conduct, CleanLine Reporting Policy (whistleblower), Document Retention Policy, Contract Review and Approval Policy, Anti-Corruption Policy, Marketing Guidelines, Infosec Policy, SOC2 Policies, Event, Retail and Door-to-Door Code of Conduct and Illinois Supplement, T&E (Travel) Policy, and Privacy by Design Framework.
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Index only	No	-	0
GRI 302: Energy	GRI 3-3 Management of material topics	GHG emissions	No	-	
	302-1 Energy consumption within the organization	Index only	No	-	731
	302-2 Energy consumption outside of the organization	Index only	No	-	441

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
GRI 302: Energy	302-3 Energy intensity	-	Yes	Information unavailable / incomplete	Information unavailable / incomplete
	302-4 Reduction of energy consumption	-	Yes	Information unavailable / incomplete	First year inventory, no reductions yet
	302-4 Reductions in energy requirements of products services	-	Yes	Information unavailable / incomplete	First year inventory, no reductions yet
GRI 305: Emissions	GRI 3-3 Management of material topics	GHG emissions	No	-	
	305-1 Direct (Scope 1) GHG emissions	GHG emissions	No	-	
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions	No	-	
	305-3 Other indirect (Scope 3) GHG emissions	GHG emissions	No	-	
	305-4 GHG emissions intensity	GHG emissions	No	-	
	305-5 Reduction of GHG emissions	GHG emissions	No	-	First year inventory, no reductions yet
	305-6 Emissions of ozone-depleting substances (ODS)	-	Yes	Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Yes	Not applicable	

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
GRI 401: Employment	GRI 3-3 Management of material topics	Employee wellbeing	No	-	
	401-1 New employee hires and employee turnover	-	Yes	Information unavailable / incomplete	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee wellbeing	No	-	
	401-3 Parental leave	Employee wellbeing	No	-	
GRI 405: Diversity and Equal Opportunity	GRI 3-3 Management of material topics	DEBI, Pay equity	No	-	
	405-1 Diversity of governance bodies and employees	Board	No	-	
	405-2 Ratio of basic salary and remuneration of women to men	Board, Pay equity	No	-	
GRI 406: Non-discrimination	GRI 3-3 Management of material topics	DEBI, Pay equity	No	-	
	406-1 Incidents of discrimination and corrective actions taken	Index only	No	-	0
GRI 417: Marketing and labelling	GRI 3-3 Management of material topics	Marketing and sales	No	-	

GRI INDEX CONTINUED

GRI Standard / Other Source	Disclosure	Location		Omission	Additional Notes
			Omitted Y/N	Reason	Explanation
	417-1 Requirements for product and service information and labeling	-	Yes	Not applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling	-	Yes	Not applicable	
	717-3 Incidents of non-compliance concerning marketing communications	Index only	No	-	0
GRI 418: Customer Privacy 2016	GRI 3-3 Management of material topics	Information security and privacy	No	-	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Index only	No	-	0

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Table1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Arcadia Metric or Qualified Disclosure	Disclosure Location
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1	AWS, Data processing outsourced	-
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m3), Percentage (%)	TC-SI-130a.2	AWS, Data processing outsourced	-
	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	n/a	TC-SI-130a.3	Amazon has a goal of 100% renewable energy by 2025 which will add positive momentum to Arcadia's desire to reduce our emissions	-
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	n/a	TC-SI-22a.1	-	Information security and privacy, https://www.arcadia.com/legal/privacy-policy
	Number of users whose information is used for secondary purposes	Quantitative	Number	TC-SI-130a.2	0	
	Total amount of monetary losses as a result of legal proceedings associated with user privacy ²	Quantitative	Reporting currency	TC-SI-130a.3	\$0	

SASB INDEX CONTINUED

Table1. Sustainability Disclosure Topics & Accounting Metrics (continued)

Topic	Accounting Metric	Category	Unit of Measure	Code	Arcadia Metric or Qualified Disclosure	Disclosure Location
Data Privacy & Freedom of Expression (continued)	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, percentage	TC-SI-130a.4	0	
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring ³	Discussion and Analysis	n/a	TC-SI-130a.5	0	
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected ⁴	Quantitative	Number, percentage	TC-SI-230a.1	0	
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	n/a	TC-SI-130a.2	-	Information security and privacy, https://www.arcadia.com/legal/privacy-policy
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore ⁵	Quantitative	Percentage	TC-SI-330a.1	Omitted—information collection is incomplete at this time	

SASB INDEX CONTINUED

Table1. Sustainability Disclosure Topics & Accounting Metrics (continued)

Topic	Accounting Metric	Category	Unit of Measure	Code	Arcadia Metric or Qualified Disclosure	Disclosure Location
Recruiting & Managing a Global, Diverse & Skilled Workforce (continued)	Employee engagement as a percentage	Quantitative	Percentage	TC-SI-330a.2	79%	
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees ⁷	Quantitative	Percentage	TC-SI-330a.3	-	DEBI
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations ⁸	Quantitative	Reporting currency	TC-SI-520a.1	\$0	
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime ⁹	Quantitative	Number, Days	TC-SI-550a.1	0	
	Description of business continuity risks related to disruptions of operations	Discussion and Analysis	n/a	TC-SI-550a.2	Omitted—information collection is incomplete at this time	

SASB INDEX CONTINUED

Table 2. Activity metrics

	Accounting Metric	Category	Unit of Measure	Code	Arcadia Metric or Qualified Disclosure	Disclosure Location
	(1) Number of licenses or subscriptions, (2) percentage cloudbased	Quantitative	Number, Percentage	TC-SI-000.A	Omitted as this information collection is incomplete at this time	
	(1) Data processing capacity, subscriptions, (2) percentage outsourced ¹⁰	Quantitative	See note	TC-SI-000.B	Omitted as this information collection is incomplete at this time	
	(1) Amount of data storage, (2) percentage outsourced ¹¹	Quantitative	Petabytes, Percentage	TC-SI-000.C	100%	

APPENDIX

Materiality assessment

To determine which topics are relevant to Arcadia, we conducted a thorough analysis that involved reviewing third-party recommendations, Global Reporting Initiative (GRI) best practices, and Sustainability Accounting Standards Board (SASB) topics. The materiality process was initiated in partnership with Business for Social Responsibility (BSR), who interviewed internal stakeholders and reviewed our business model to deliver a list of material topics ranked by risk and impact. These topics were then compared against GRI and SASB standards to identify any overlapping areas.

BSR Materiality		SASB Overlap	GRI Overlap
PO			
	Environmental impact of products	Energy management	Energy (302), Emissions (305)
	Public policy		General disclosures, Public policy (415)
	Diversity, equity, and inclusion	Diversity, equity, and inclusion	Diversity, equity, and inclusion (405), Non-discrimination (406)
	Customer access and equity		
	Responsible sales		Marketing (417-3)
P1			
	Emissions	Energy mgmt	Energy (302), Emissions (305)
P2			
	Cybersecurity and privacy	Customer privacy/data security	Customer privacy (418)
	Employee wellbeing		Employment (401)
	Pay equity	Diversity, equity, and inclusion	Diversity, equity, and inclusion (405), Non-discrimination (406)
	Talent retention		Employment (401)
P3			
	Climate risk and resilience	Energy mgmt	Energy (302), Emissions (305)
	Transparency and reporting		General disclosure
	Board accountability		General disclosure
	Business ethics		Anti-competitive
	Supply chain		Supplier, environmental assessment (308), Supplier and social assessment (414)
	Waste		Waste (306)
	Water		Water and effluents (303)

Final List of Material Topics

- ✦ Economic Performance
- ✦ Anti-Competitive Behavior
- ✦ Energy
- ✦ Marketing and labeling
- ✦ Customer Privacy
- ✦ Emissions
- ✦ Employment
- ✦ Diversity and Equal Opportunity
- ✦ Non-discrimination

Avoided emissions calculation

The calculation of averted carbon emissions follows the “Emissions (emitted or averted) = Activity Data x Emissions Factor” framework. In this case, the Activity Data is the total kWh of solar-generated electricity that Arcadia is enabling for its subscribers – specifically the energy that was generated by our operational projects at any point in 2022. The Emissions Factors here are pulled from the EPA’s AVERT dataset, which includes the averted emissions per kWh of energy generated by different clean generation sources in varying geographies, compared to a typical kWh of energy generated in that geography. For our calculations, we’re using the averted emissions factor for Utility PV generation.

Watershed calculations

Watershed conducts updates and third-party reviews of their methodologies and emission factors twice a year, ensuring their accuracy and reliability. They worked with Arcadia to understand our business operations and determine which data inputs were necessary to calculate our carbon footprint. Using this data, they calculate our corporate inventory of GHG emissions, providing us with insights into our carbon and energy footprint and recommendations on how to reduce emissions.

Work from home emissions calculations

For these calculations actual annualized consumption was pulled for a sample of connected employees from their utility bills and converted to average per day. Watershed’s data on the number of working days per year, and percentage of home used for work from home was used to determine annual kilowatt hour usage from employees working from home. The 2022 Green-e emissions factor was used to determine kilograms of carbon dioxide equivalent and converted to tons.

Address	Square Footage	Yearly Consumption (kwh)	CO2e	Watershed (kwh)	Watershed CO2e	Emissions factors (kgCO ₂ e / kWh)
Washington, DC, US 20004	20,173 sq ft	284,935	81.48490636	286,658	81.97764503	0.285977175
New York, NY, US 10011	1,458 sq ft	20,593	5.941563694	20,718	5.977629127	0.288523464
Denver CO, US 80216	6,610 sq ft	86,066	45.5260962	93,928	49.6848368	0.52896726
Atlanta GA, US 30309	18,333 sq ft	164,447	64.88198039	173,675	68.52285505	0.394546452