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FOREWORD

OREWORD PREWORD

FOREWORD

A Letter from Activate to Our Partners & Stakeholders

Macro Reflections

As we entered 2022, the global effect of climate change on people, infrastructure and our way of life became increasingly apparent underscoring the urgency and need to bolster the resilience and security of our global economies, production systems and trade networks. In response to this alarming scenario, some positive developments [e.g. the passage of the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act] provided a muchneeded boost to the climate tech sector and the US economy.

In response to this stimulus and the increasing global awareness of the need for climate adaptation, the sector has been catalyzed by significant shifts in technology, markets and policy, and, as a result, and obvious benefit, we are now experiencing a tidal wave of incoming talent and the proactive reorganization of critical markets and industries around sustainability principles.

Activate Updates

Overall, 2022 was another exceptional year for Activate despite a broad set of challenges posed by rising interest rates, fear of inflation and an uncertain and declining market. During the course of the year, we made seven new investments, including our first investment in Europe. Activate is increasingly interested in Europe, where we recognize strong regulatory tailwinds, broad consumer desire for energy independence and overall a greater commitment to ESG and sustainability.

We're also delighted to note the continued expansion and diversification of our team with the addition of five new hires in 2022 and four in 2023, resulting in 71% women and/or ethnic minorities (up from 62% in 2021). Along with significant investments in our software systems and infrastructure, we are continuing to scale and aspire to operate at the highest level.

20 **2**0 **2**0 **2**0 **2**0

Impact & ESG Updates

Focusing on our ambitious impact and ESG objectives for the year, 2022 marked the first year of our full ESG and impact reporting. Our proactive leadership in the Impact community also brought significant opportunities to increase collaboration with our portfolio, peers and investors.

Progress highlights include:

- At the firm level, we began publicly reporting on financed emissions and included portfolio-level, travel-related Scope 3. In addition, we updated our scope of metrics to align with the evolution of key recognized frameworks. Finally, we co-launched a peer climate tech working group to ensure alignment of best practices on impact and ESG efforts.
- At the portfolio level, our companies generated more avoided emissions (1M metric tons, up 400K metric tons from last year), and achieved a 95% response rate in their ESG and impact reporting (+6 percentage points from last year).

Going forward, we will continue to align our reporting with the rapid evolution of key frameworks, implement an ESG-focused portfolio review with regular frequency, continue collaborating with peers on best practices, and provide more support and resources for our companies' impact and ESG journeys.

Summary

Today's dynamic has produced a generational opportunity to reconstruct our physical systems and infrastructure to be sustainable, intelligent and resilient. Moving forward, Activate's strategy will continue to center on the belief that large-scale, climate and technology-driven shifts are underway, transforming how we power, produce and move people and goods—and adapt to increasing levels of disruption.

As we strive for transparency and aim to further our contributions and impact, we look forward to a continued partnership with our CEOs, investors, and all of our stakeholders as we work together toward our vision for a sustainable and resilient future.

THE ACTIVATE TEAM





INTRODUCTION

Impact at Activate

We view Impact and ESG considerations as complementary, but distinct.

In our framework, Impact is what a company does. It speaks to the heart of a company's business model and the change that the company drives in the world. ESG is more broadly applicable and focuses on how a company operates, detailing how it manages their environmental footprint, diversity and key policies.

We believe both are important—Impact as a filter for what defines an Activate Investment and ESG as both a screening and ongoing risk management tool.

We work with our portfolio companies to establish ESG reporting and measurement frameworks, which are frequently linked to KPIs. To simplify the process, we use technology reporting tools to gather industry data and standardize reporting from our Fund I and II portfolio companies.

SORSHOO

BY THE NUMBERS

Activate



2017

When we were founded



Assets under management (Funds I and II)



Team members (June 2023)



24

Companies in our portfolio (June 2023)



100%

Of Activate employees receive carry

Our Portfolio's Impact



395

GWh clean electricity generated and peaker plant usage avoided



Metric tons CO2e avoided



²0² 3,300+

Employees



750

New jobs created



UN Sustainable Development Goals (SDGs) contributed to

BY THE NUMBERS

ESG at Activate



Metric tons of CO2e emitted as a result of our firm's operations (Scope 1, 2 and travel-related Scope 3)



71%

Of our team are women and/or ethnic minorities



36%

Of our investment team are women



100%

Of portfolio company boards

had Activate representation at time of investment (inclusive of observer seats)

ESG in Our Portfolio



116K

Metric tons CO2e emitted as a result of our portfolio's operations (Scope 1, 2, and travel-related Scope 3)



94% Have a diversity, equity and

inclusion policy (or are creating one in the next 12 months)



35%

Female employees across the portfolio (+4% vs. industry benchmark)



100%

Have a data security policy (or are creating one in the next 12 months)



81%

Average employee satisfaction score



50%

Have at least one independent Board member (or an open search in place)

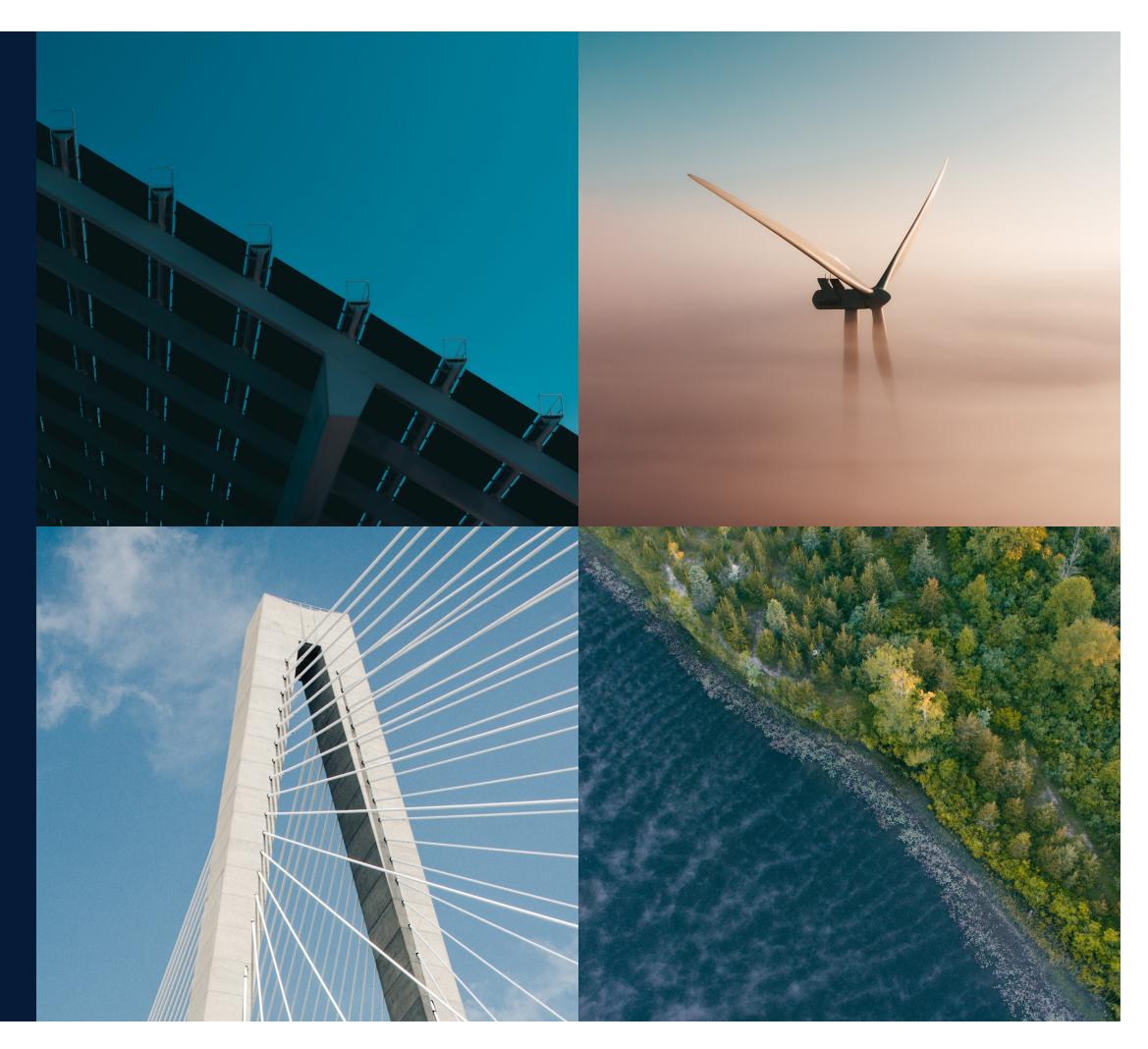


Have a paid family leave policy (or are creating one in the next 12 months)



Activate Capital is a growthstage venture capital firm investing in the sustainable, resilient transformation of the global economy.

Our portfolio companies address climate and important 21st-century challenges by accelerating decarbonization and strengthening our shared systems and infrastructure.



Activate's team brings more than 130 years of collective experience to our target sectors as both operators and investors.

We optimize for shared values & purpose.

We invest in technology companies at their inflection point of growth, led by exceptional entrepreneurs, with ambitions to build category-defining platforms of the future. Beyond providing capital, it is our mission to build deep, lasting partnerships.





ACTIVATE'S TEAM (PICTURED LEFT TO RIGHT): Leila Martin, Eric Meyer, Evan Friedman, Paul Jordan, Caroline Chick, David Lincoln, Anup Jacob, Patti Szczepaniak, Karina Diaz, Jon Guerster, Susan Stella, Tim Healy, Avery Park, Phyllis Reid, Raj Atluru. Not pictured: Anna Nitschke, Emma Bell and Lani Yung joined the Activate Team in 2023.



PERSISTENCE

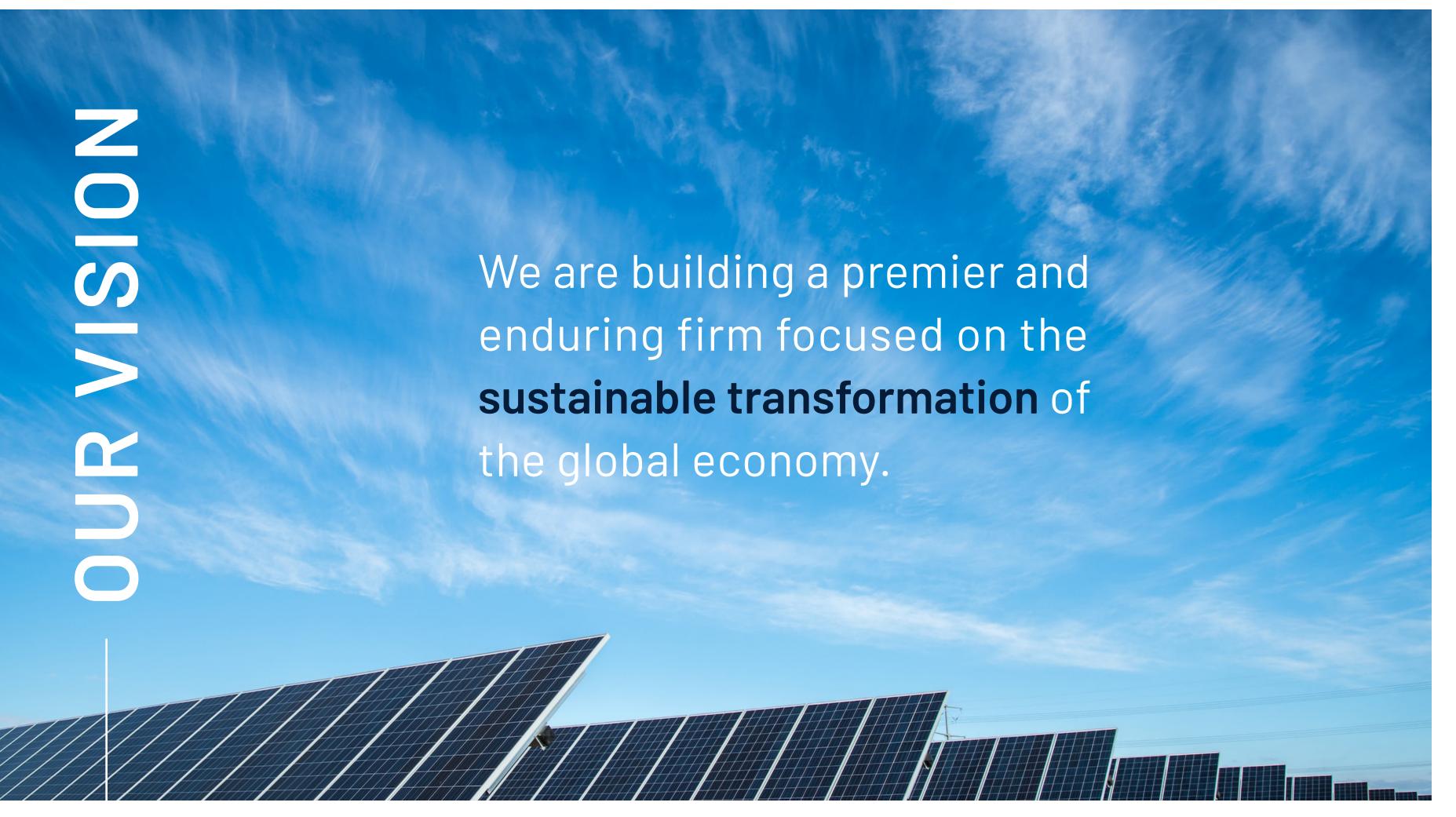
Building companies is hard. Entrepreneurs are all in. We are too.

CANDOR

Direct and transparent communication drives trust and better decision-making.

HUMILITY

Self-reflection is essential for building balanced perspectives and allows us to learn from our mistakes.



S N N

WHO WE ARE

Executive Advisory Board (EAB)

Our EAB is comprised of senior industry practitioners from the firm's broader executive network who are formally engaged in supporting the firm and its portfolio companies. The EAB regularly engages with the Activate team by:



Providing expertise and market knowledge of emerging themes, technologies and investment opportunities.



Actively identifying, sourcing, evaluating and conducting due diligence on appropriate investment opportunities.



Assisting in company evaluation and analysis as part of Activate's due diligence process.



Acting as a sounding board for our portfolio company CEOs when recruiting board members or senior management.



TIM HEALY EAB Chair

Founder & Former CEO, EnerNOC



KATIE MCGINTY

VP & Chief Sustainability, External Relations Officer, Johnson Controls



WILLIAM REILLY

Former Administrator, Environmental **Protection Agency**



JACOB SUSMAN

CEO & Co-founder, Ambient Fuels



JOHN WOOLARD

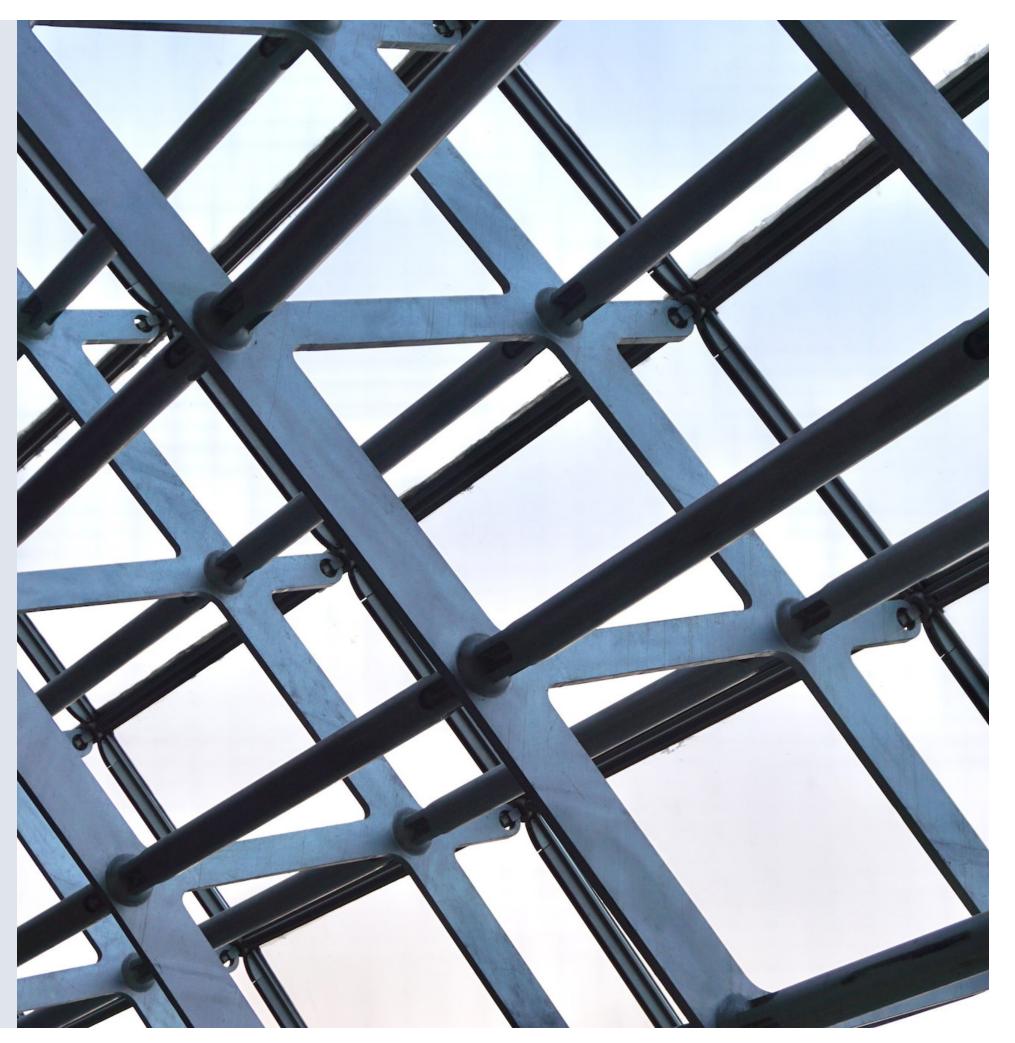
CEO, Meridian Clean Energy

WHO WE ARE

Strategic Advisory Board (SAB)

Activate's SAB members include select strategic investors who represent their respective organizations and express a desire to be actively involved in our sectors of interest.

The SAB collaborates with the Activate team on thematic development and discusses strategies, co-investment opportunities, portfolio company support and deal-specific due diligence.



OUR FRAMEWORK

Our thematic, thesis-driven investment strategy focuses on three core drivers:



Power

- Decarbonized power
- Affordable energy
- · Resilient, flexible grids
- Intelligent assets



Produce

- Circular production
- Intelligent automation
- Secure operations
- Manufacturing reshoring



Move

- Zero carbon transport
- Transparent, resilient supply chains
- Shared, autonomous fleet operations

FRAMEWORK

Investment Themes

We believe that sustainability and resiliency are the core critical properties that will define the future of energy, infrastructure and our broader systems of production, transportation and trade.

The integration of these themes provides the foundation for Activate's differentiated investment strategy and forms the lens through which we view and measure impact creation across our portfolio.



Bringing Sustainability & Resiliency Together

We believe truly sustainable systems must also be resilient.

Global economic disruption poses one of the greatest existential threats to a successful sustainable transformation. Such disruptions could be exogenous to the transformation or a byproduct of it and may derail the project before it is completed. For instance, electric vehicle (EV) adoption leading to global conflict for scarce resources could delay timely deployment or render the transition infeasible. Low- and zero-carbon energy solutions must be coupled with

reliability and affordability, or countries may revert to traditional forms of energy and abandon commitments to carbon reduction. Declines in population and productivity threaten to bring about long-term inflation and stagnation that will inhibit governments' ability to make critical capital investments if they are not countered with breakthroughs in production efficiencies. Success is not inevitable.

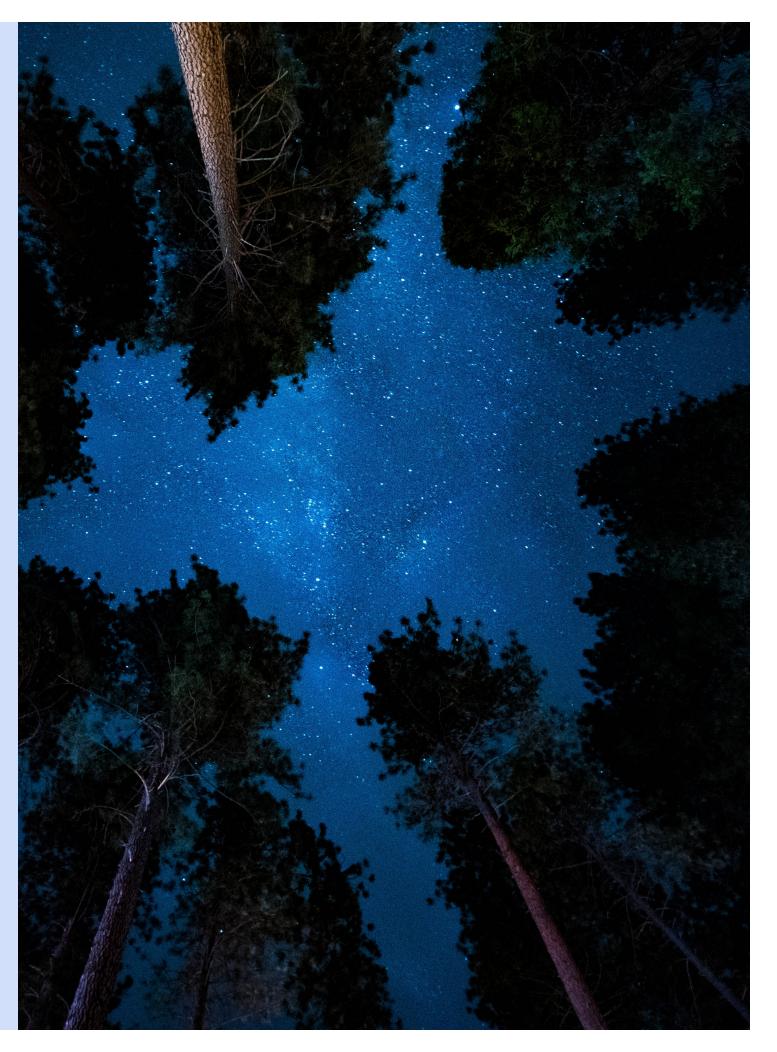


Sustainability

Activate believes that a sustainable economic future requires a predominantly decarbonized economy.

Therefore, sustainability through carbon reduction is the primary lens through which we measure the impact of our investments. While the acceleration and integration of renewables and the adoption of electric vehicles are among the most significant vectors for driving direct carbon reduction—and thus central investable themes in our strategy—Activate also pursues opportunities which reduce carbon emissions indirectly by increasing efficiency across adjacent sectors such as production or logistics.

Beyond reducing carbon emissions, Activate also considers material inputs, resources and systems necessary for a sustainable world. This includes material production processes, waste disposal and circularity, food requirements and water usage. Sustainability is the centerpiece of our impact strategy and is reflected across our portfolio.





Resiliency

Activate believes that increasingly correlated macro forces, such as climate acceleration, resource depletion, technological disruption, mass migrations and demographic decline, challenges to financial institutions and public trust, global health crises and a turbulent geopolitical landscape, are converging to accelerate global instability.

This acceleration is likely to continue over the coming decades. Furthermore, Activate predicts that the sustainable transformation underway across our systems of energy, transportation and production—the very transformation we invest in—may itself contribute to increased disruption and uncertainty across the global economy.

As such, enabling structural resiliency across all vital economic systems including energy grids, the manufacturing and labor stock, supply chains, trade networks, food sources and transportation systems is essential to promoting general well-being and prosperity across the economy, and ensuring that sustainable shifts are not derailed.





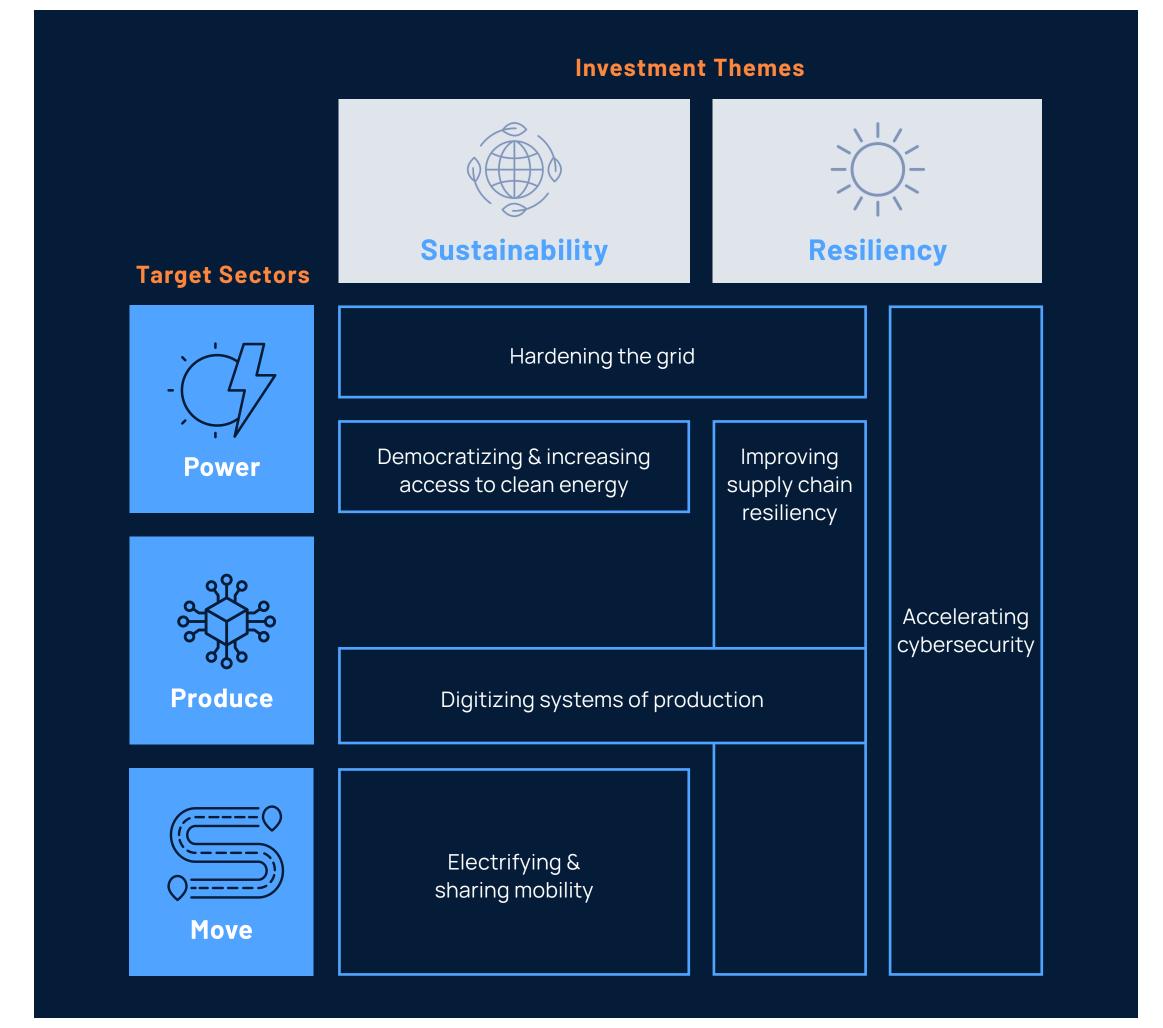
As we work towards a greener economy, we must also strengthen its core systems in a way that promotes broad prosperity, growth and stability.

We aim to invest in businesses at the intersection of these themes. Fundamentally, we believe our lens on Impact through resilient sustainability is indistinguishable from sound economic investing across our target sectors. This belief grounds our conviction that the Activate strategy is a unique approach to creating a broad, measurable impact while generating best-in-class economic returns.

Framework

We take a broad lens on impact but are focused on two investment themes: sustainability and resiliency.

The intersection of our target sectors and investment themes defines our impact areas. These encompass our investments and evolve over time as we see new opportunities, trends and secondary industries emerge.





Power

Energy makes up 73% of total emissions, and 33% net of industrial systems and mobility. 1 We look for companies that focus on renewable energy, energy storage, grid flexibility and energy efficiency in the built environment. As we move to a more distributed energy system with intermittent renewable resources, we will need to build systems to add resiliency and flexibility into the grid of the future.

These will include new software platforms for integrating and monetizing distributed energy resources, as well as hardware platforms to store and deliver that energy on-demand.



Produce

Our industrial systems account for 29% of GHG emissions.² As these systems become increasingly digitized, the amount of data they generate is enormous. Protecting our globally connected industrial systems is crucial. Cybersecurity is a prerequisite for modernization. Modernizing industrial sectors such as manufacturing and agriculture will require data analytics and process intelligence to unlock energy efficiency and reduce waste.

Artificial intelligence, big data and machine learning technologies are now being deployed beyond the pilot stage to address a host of issues, making our systems of production more streamlined and efficient.



Mobility accounts for 16% of global GHG emissions,³ yet minimal innovation has occurred outside of EVs over the last century. To achieve mass adoption, EV infrastructure needs to be expanded, which will require scaling hardware, software and business model innovation. Modern software systems significantly enhance the transparency, flexibility, resiliency and efficiency of transporting goods.

Covid exacerbated and exposed many of the risks in our supply chains. For us to embrace advanced mobility, we not only need transparency in our supply chains but also efficiency and reliability. We are moving from a world of "just in time" to one of "just in case."

Incorporation Into Our Investment Process

We believe that sustainability and resiliency are the critical properties that will define the future of energy, infrastructure and broader systems of production, transportation and trade.

The integration of these themes provides the foundation for Activate's differentiated investment strategy and forms the lens through which we view and measure impact creation across our portfolio.



Initial Sourcing

Our focus on sustainability and resiliency as our fund-level strategy channels the right selection of companies to us. Our thematic work and proactive outreach align with these impact focus areas.

In our standard Investment Committee documents, we evaluate companies using two key lenses focused on impact: "Why does this company matter?" and "Does this company make the world a better place?" We quantify each company's impact where possible, such as in metric tons of CO2e avoided.

Post-Investment Engagement

We actively partner with companies to help achieve their goals through ad-hoc engagements, board interactions and annual measurement/reporting of key metrics. We take pride in supporting our management teams on a daily basis.

Evaluation & Investment

Driving Impact With Our Portfolio Companies

Portfolio-wide



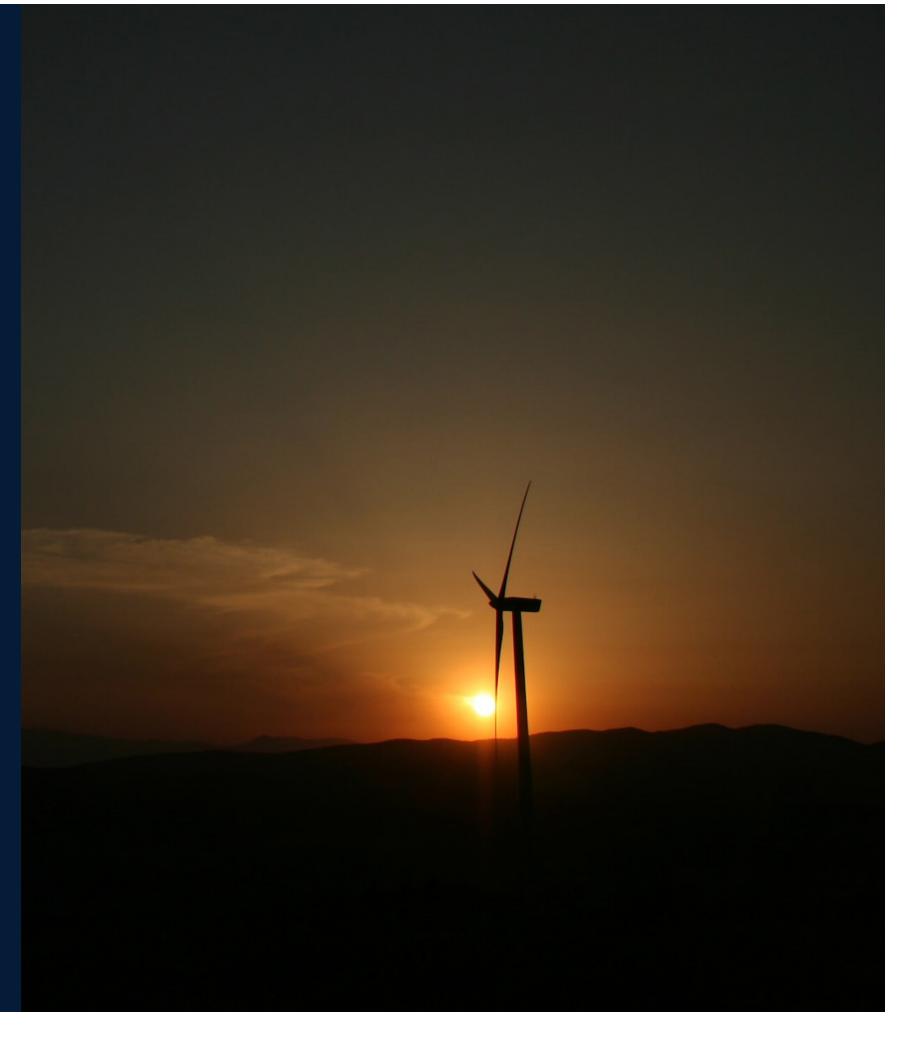
Held ESG-focused 1:1s with each of our portfolio companies to understand their priorities and level of maturity, and began a dialogue about where we can support



Provided carbon accounting support to all portfolio companies without existing calculations (via Metric ESG), and shared back outputs to support their own management of emissions



Engaged with multiple companies as a result of 2021 and 2022 ESG / impact data submissions



The Impact of Our Companies

Our portfolio companies contribute to sustainability and resiliency through their core business models.

Some of their key impacts can be directly quantified via emissions abated or avoided and renewable energy generated/supported, for example. In aggregate, five of our active portfolio companies drive impact that can be quantified through one or both of these key metrics. Other business models drive broader, non-quantifiable impacts that support the broader systems and changes at play. For example, Nozomi Networks provides cybersecurity to critical infrastructure assets while Altana drives visibility into multiple layers of supply chains.

We recognize that summarizing a diverse portfolio in a few metrics can be challenging. We will continue to work with portfolio companies to find the right metrics to suit their business models, as well as begin to consider impacts beyond mitigation and the climate adaptation benefits our portfolio companies drive.

750

New jobs created at portfolio companies, and 3,300+ existing jobs supported.

395 GWH

Of clean electricity generated / peaker plant usage avoided. This is enough to power 40K US homes for a year.

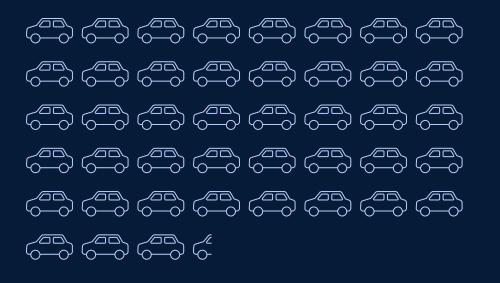




= 1,000 US HOUSES WORTH OF USAGE AVOIDED

UN Sustainable Development Goals (SDGs) contributed to.

Metric tons of CO2e avoided as a result of portfolio company operations, equivalent to taking 217K internal combustion engine cars off the road for a year.



= 5,000 CARS OFF THE ROAD

ES G

OUR PRIORITIES

Activate's commitment to ESG factors reflects our values, aspirations and responsibility to our investors, our industry and our community.



ESG AT ACTIVATE

Activate's ESG Priorities

At Activate, we collect and report on ESG metrics, just like our companies.

	Our Firm	Across Our Portfolio	
Environment	Scope 1-3 emissions (total & per employee) Beyond-value chain climate action	Scope 1-3 emissions (total & financed)	
Social	Full team diversity Investment team diversity	Employee, C-suite & Board diversity Job creation & employee engagement	
Governance	ESG governance process/owners Policies in place	Board composition Key policy adoption	



BEYOND THE METRICS PUBLISHED, we collect additional metrics in line with the ESG Data Convergence Project that apply to a smaller portion of our portfolio (e.g. renewable energy usage, work-related accidents, turnover, etc.)

FIRM-LEVEL ESG PERFORMANCE

Environmental

Scope 1-3 time series (metric tons CO2e)



Our firm's emissions (all in metric tons CO2e)

Scope 1 Activate does not directly own or lease equipment that uses fuel.

Scope 2 Inclusive of our purchased electricity and gas for our office and estimated attributable emissions from remote employees.

> These emissions represent a market-based approach; Activate purchased 22 MWh of Renewable Energy Credits (RECs) from Terrapass, a Green-e certified provider, to ensure that our office runs on 100% clean energy. The remaining reported emissions represent remote employees and office gas consumption.

40.7 **METRIC TONS CO2E** Scope 3 (travel-related only)

From business travel flights and hotels.

2022 total

Our approach & external climate impact



We are committed to reducing our own emissions.

We assessed our carbon footprint and opted to purchase RECs to ensure that our office runs on the equivalent of 100% renewable power. This is reflected in our Scope 2 calculation.



Our overall emissions increased in 2022 because of elevated Scope 3 from business travel, which was artificially deflated during COVID. While our per-employee emissions remained largely flat, we are continuing to assess broader climate targets for our firm-wide emissions as well as other reduction levers.



Activate respects the work that the Voluntary Carbon Markets Integrity Initiative (VCMI) has done to standardize and clarify climate claims. In following with the VCMI's Provisional Claims Code of Practice, we have opted to purchase high-quality carbon credits to contribute to beyond value-chain mitigation.



We have purchased 44 metric tons worth of carbon credits, the equivalent of our 2022 Scope 1-3 firmlevel emissions.



Environmental

In keeping with our focus on impact, we took a first principles approach to our selection of credits:

Mix of credits

We believe that both avoidance and removals credits are needed in the near-term, per the Oxford Offsetting Principles, while long-term we should shift to removal-only credits.

Types of credits

We believe in supporting both nature-based solutions and emerging technologies. As such, we purchased a mix of REDD+ (forest-based avoidance), reforestation (removals) and engineered removals credits.

Providers

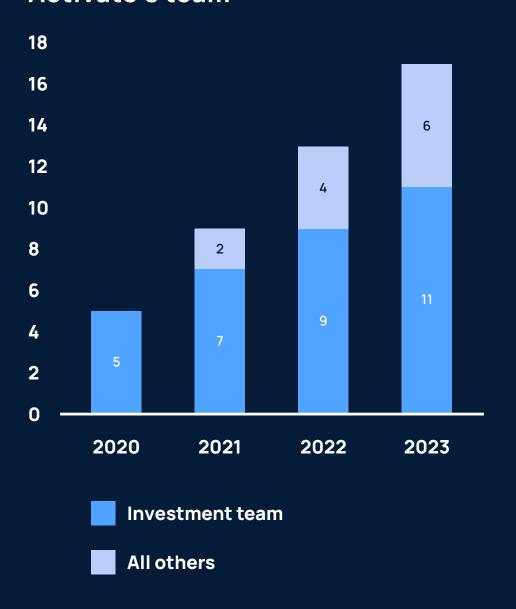
We selected Patch (a removals-focused marketplace) and Pachama (a forest carbon marketplace) for our purchases. Both vet their credits for quality above and beyond credit standards.

Credit Quality

We care about basic principles of additionality, permanence and leakage, as well as co-benefits. Given the challenges with additionality and land tenure in some forest-based projects, we selected Pachama as they layer on additional scientific and technological assessments.

Social

Activate's team



Activate is proud to be a minority-owned firm.

Two of our three Managing Partners are Asian American and we are thrilled to welcome four women to our team in 2023. Today, 71% of our firm is comprised of women and individuals from underrepresented backgrounds and we have nearly tripled our headcount since inception. We have made intentional changes to the way we recruit to ensure diverse candidates are well-represented in our pipeline and ultimately in our firm. We think active

mentorship is one of the ways that we can build our culture of inclusion and pay it forward. To that end, we have a summer internship program and encourage our team to participate in a firm-sponsored annual

Beyond our firm, we are actively engaged with several executive networks focused on fostering diverse talent. See Partnerships section for further details.

Full team gender diversity

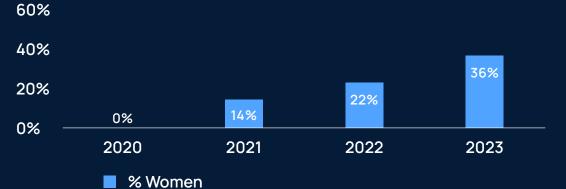


Full team ethnic diversity

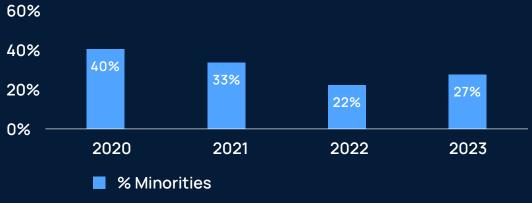
volunteering day.



Investment team gender diversity



Investment team ethnic diversity



NOTE THAT TEAM STATS DEPICT FULL-TIME TEAM MEMBERS ONLY;

some team members had joined earlier on a part-time basis.

WE ARE



FIRM-LEVEL ESG PERFORMANCE

Governance

Recent Updates

- In 2022 we updated our ESG and DE&I policy, adding exclusions and clarifying the process by which we incorporate ESG into our investment process.
- We continue to actively engage with the NVCA, which brings together the venture ecosystem including governance matters as well as our active involvement in their Climate and Sustainability Working Group.

Broader Firm Governance

- Our firm's primary governing bodies include our four partners (who meet weekly) and Limited Partner Advisory Committee (LPAC), which meets on an as needed basis. In addition, our Chief Compliance Officer oversees and manages all compliance issues within our organization.
- As is standard practice, we report quarterly to our investor base and also engage them throughout the year via tailored communications, meetings and at our AGM.

How We Govern ESG

Within Activate, responsibility for ESG and impact sits at multiple levels:

Head of Impact

The Head of Impact, in partnership with the Investment Team, is charged with updating the ESG & DE&I policy annually, developing the strategic roadmap, spearheading initiatives, leading external reporting and reporting to investors.

Managing Partners

Managing Partners are ultimately responsible for defining Activate's investment areas and in turn our approach to ESG and impact. They hold ultimate responsibility for ensuring the firm abides by the ESG and DE&I policy, and all other policies.

All Investment Team Members

All team members are charged with ensuring that analysis of the impact and ESG factors of each investment is complete and incorporated within the discussion in Investment Committee.

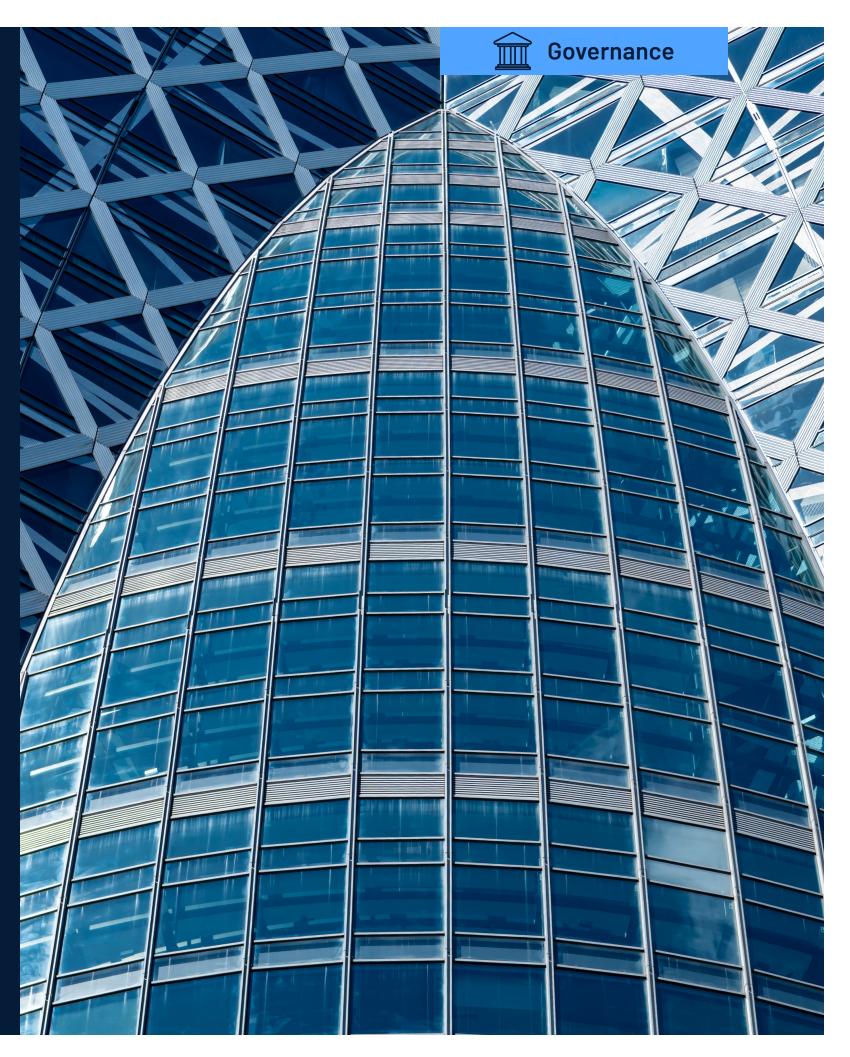
Our Policies & Frameworks

As a firm, we recognize the importance of managing business and governance risks through policies and consistent procedures. Firm-level ESG risks are covered within our policies:

- Privacy
- ESG and DEI
- Family leave
- Code of conduct including harassment and discrimination
- Cybersecurity
- Compliance and business ethics (including trading, donations and material non-public information policies, among others)
- Electronic Communications / Social Media and Foreign Corrupt Practices Act

We embed policies into our regular operations via annual trainings, including:

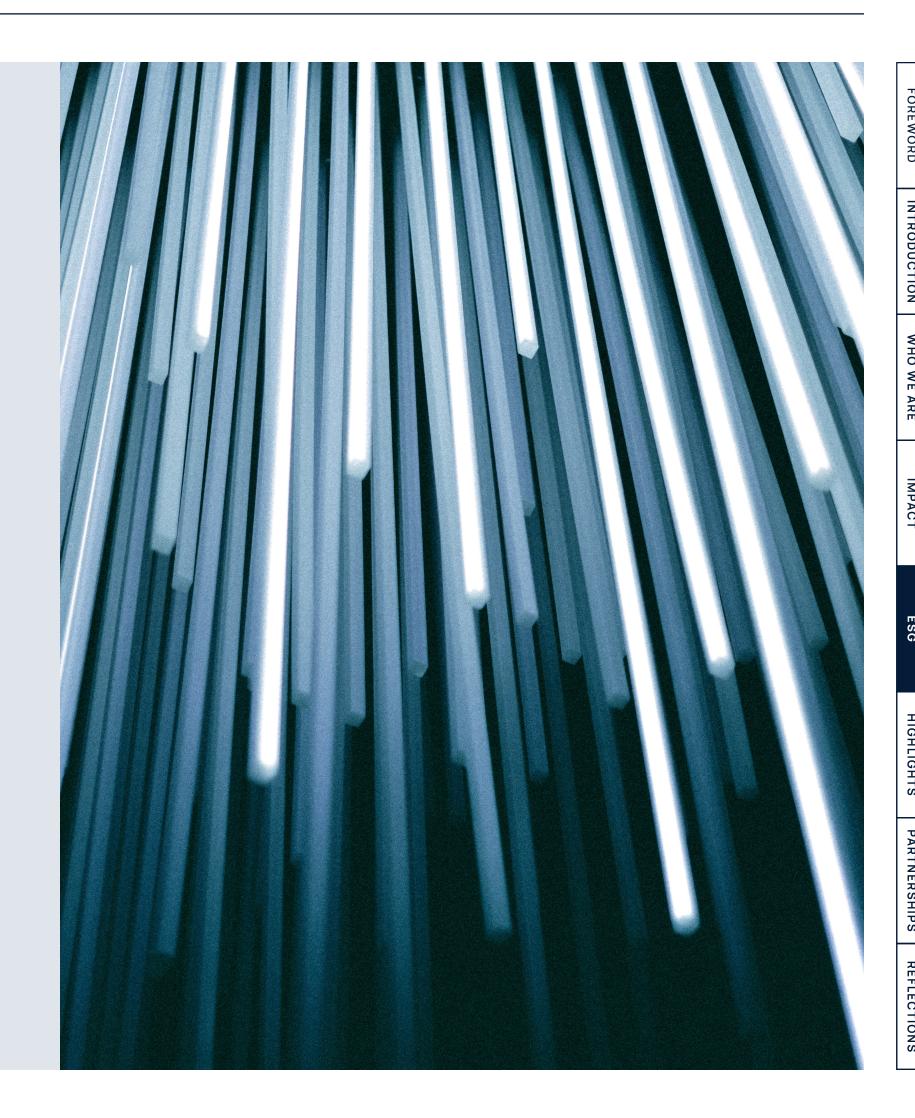
- Compliance that includes our Code of Ethics, fiduciary duties, privacy and conflicts of interest
- Cybersecurity, penetration testing and ongoing phishing campaigns
- Diversity and Inclusion
- Sexual harassment



Incorporation Into Our Investment Process

Investment Sourcing

- We actively seek out opportunities that promote a more sustainable and resilient world. This affects investment thesis work, our outreach (outbound), and how potential portfolio companies and advisors perceive us when scanning the landscape (inbound). This also entails holding memberships in organizations that provide ample networking and access to companies that are aligned with our investment strategy (See Partnerships section).
- We recognize that female and non-white founders receive a disproportionately small portion of VC and growth investment and believe that it is important that we increase their access to capital. As a first step, we track the CEO diversity of the companies in our pipeline (gender and ethnicity) so that we can develop a clear picture of the diversity in our current sourcing channels.



Diligence & Investment Decision

Preliminary Diligence

One of the qualitative investment criteria we assess is explicitly ESG/impact-focused—"Does this company make the world a better place?". We evaluate this question from the outset in every investment that is discussed in our Investment Committee.

Full Diligence

When we enter the full diligence stage, we request specific ESG-related information from the company as well as perform our own assessments.

- We send a detailed ESG diligence questionnaire to companies, spanning both ESG risks and areas of strength.
- Beyond our ESG diligence questionnaire, investment teams are charged with completing additional diligence to identify any ESG risks. At a minimum, this includes checking public sources to identify potential issues, assessing industry materiality benchmarks, and assembling a proposed set of ESG KPIs.
- Activate seeks to ensure that we have a governance role in all our investments so that we can play an active role in maturing their ESG risk management. To this end, we obtain a board or observer seat and are members of the audit or compensation committees.

Investment Committee Discussion

ESG diligence findings are formally reviewed during the Investment Committee. These include, at a minimum:

- Summary assessment of ESG risk (within a broader investment scorecard)
- Assessment of company culture and DE&I, along with team sentiment
- Company-specific summary of other material areas of ESG risk
- **Term Sheets**

In our term sheets, we require firms to consider adopting ESG policies (if they don't already have them) and report to investors on ESG annually. Our term sheets offer Activate's resources and expertise to support them in crafting these policies.

Post-Term Sheet Diligence

After signing a term sheet with a company, we undergo confirmatory checks to manage risk. ESG-specific examples include legal diligence, background checks and executive reference checks. Any issues that surface are shared with the Investment Committee.

		Group	Issue Category	Description
	Ε	Environment	GHG Emissions Air Quality Energy Management Water & wastewater management Waste & Hazardous Materials Management Ecological Impacts	Scope 1 emissions from company operations Air quality impact from stationary sources (e.g. factories), mobile sources (e.g. vehicles), and industrial emissions Environmental impact from energy consumption (e.g. energy efficiency, energy mix, and grid reliance) Extent of water use, wastewater generation, and impact of operations on water resources Hazardous and nonhazardous solid waste management (treatment, handling, disposal, and regulatory compliance) Impact on ecosystems and biodiversity through land use, resource extraction, cultivation, construction, etc.
222	S	Social Capital	Human Rights & Community Relations Customer Privacy Data Security Access & Affordability Product Quality & Safety Customer Welfare Selling Practices & Product Labeling	Impact on local communities (socioeconomic, environmental justice, local workforce development, etc.) Risk from use of user data and personally identifiable information (PII) for secondary purposes (e.g. marketing) Risks related to collection, retention, use, and potential breach of sensitive/confidential user information Ability to ensure access and affordability to products and services with universal need (healthcare, utilities, financial services) Potential for unintended health or safety risks to end users from using products or services Concern for the effect of product on customer and society welfare (e.g. nutrition of food, controlled substances) Transparency, accuracy, and comprehensibility of marketing statements, advertising, and labelling
		Human Capital	Labor Practices Employee Health & Safety Employee Engagement, Diversity & Inclusion	Ability to uphold labor standards in compliance with labor laws and global norms (e.g. fair wages, no child labor) Ability to create and maintain a safe and healthy workplace free of injuries, fatalities, and illness Ability to ensure that culture, hiring, and promotion practices embrace a diverse and inclusive workforce
	G	Business Model & Innovation		Management of lifecycle impact of products and services (e.g. packaging, distribution method, disposal) Industry's capacity to manage risks and opportunities from social, political, and environmental transitions in status quo Impact from environmental and social externalities created by suppliers (e.g. emissions, human rights, labor practices, corruption) Issues of resilience of materials supply chains to impacts of climate change and social factors Ability to manage risks and opportunities from assets and operations exposed to physical impact of climate change (e.g. sea level rise)
		Leadership & Governance	Business Ethics Competitive Behavior Management of Legal & Regulatory Environment Critical Incident Risk Management Systemic Risk Management	Upholding ethical conduct of business (e.g. avoidance of fraud, corruption, bribery, fiduciary responsibilities) Management of legal and social expectation around anti-competitive practices (e.g. collusion, price fixing, manipulation, IP) Engagement with regulators where there are conflicting corporate and public interests (e.g. lobbying for favorable policies or incentives) Systems and scenario planning to identify, understand, and mitigate accidents with significant environmental or social externalities Mechanisms to reduce contribution to (or erect safeguards against) systemic risks including financial crises, supply/demand shocks

Post-Investment



Board Oversight

Strong governance is key to our strategy. We sit on 95% (19/20) of our active portfolio company boards (including Observer seats, as of 2023), and at investment inception sat on 100%.



Audit & Compensation Committee

We view sub-committee board representation as a pivotal tool to exert influence and awareness. For example, through the compensation committee, we work with management to establish the right financial and operational targets for the business that incorporate ESG metrics appropriate for that business and its stage of development.



Reporting

We ask companies to prepare metrics, customized for their business, that measure their progress on ESG goals as well as complete an annual ESG and impact survey.



Active Engagement

Our companies report on a wide set of ESG metrics and Activate helps them establish ESG policies. As the company matures, we work closely with management to bring best practices into key processes (e.g., recruiting Board members or executives from diverse backgrounds).



Continuous Improvement

We are always striving to improve our ESG practices and to serve as leaders in the community. We actively collaborate with other investors to establish best practices. Despite the hypercompetitive nature of the venture industry, we have co-founded (along with Energize Capital) the Climate Tech Impact & ESG Working Group. This group includes our climate tech peers and focuses on sharing best practices, which is important to everyone's success.

ESG ACROSS OUR PORTFOLIO

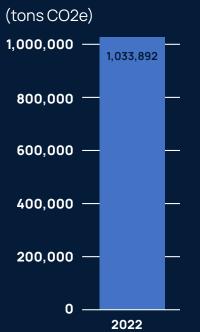
Environmental

In 2021, we focused on our portfolio companies' direct impact—Scopes 1 and 2. This year, we are pleased to share that our portfolio companies have begun reporting on travel-related Scope 3 as well.

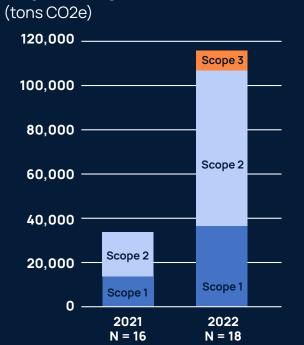
Emissions from our portfolio increased in 2022 primarily due to growth in the portfolio's underlying assets. Additionally, though less material, the companies included in 2022 differ from the active companies in 2021.

Going forward, we will seek to support our remaining portfolio companies in measuring their footprints and including the most material aspects of Scope 3 as well. While we work with our portfolio companies to reduce their direct emissions where possible, we are proud that their avoided emissions (i.e. the reductions/avoidance they enable) amount to 8x of their own direct footprints.

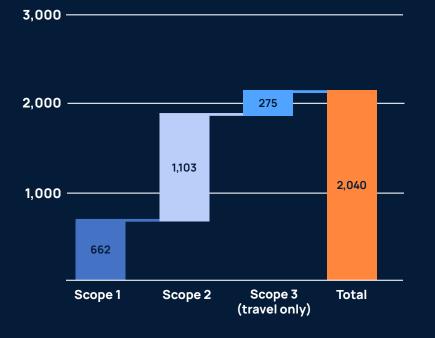
Emissions avoided



Reported portfolio emissions



Financed emissions



(tons CO2e based on Activate's equity ownership)

Environmental

Measurement approaches

We work with Metric ESG to leverage portfolio company utility bills, travel information and other data sources to estimate Scope 1-3 emissions. Several portfolio companies have existing preferred providers for emissions estimates; therefore, some data may not be fully comparable, especially with regards to Scope 3 categories.

Portfolio highlights

Flexe

Purchased RECs to reduce their Scope 2 footprint.

GENERATE

Has a 2040 Net Zero target in place and hired a Head of ESG.



Purchases carbon credits to drive climate impact beyond their business.

Portfolio highlights

Reports on gender and diversity

numbers for their candidate pipeline

and conducts trainings on the use of

inclusive language in job postings.

ARE

ESG ACROSS OUR PORTFOLIO

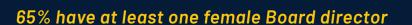
Social

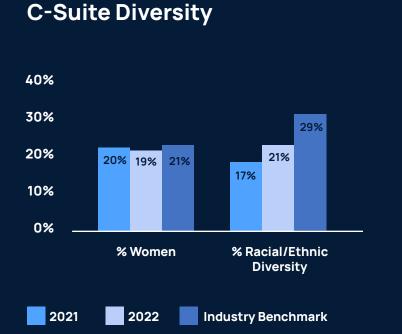
Data Highlight

We use industry-level benchmarks based on company stage (i.e. Series A-B, Series C+, and Growth Capital) from Metric ESG, a sustainability and ESG provider, to benchmark the diversity in our portfolio companies. We use this information both for transparency and to guide our efforts to help our portfolio companies improve their approaches.

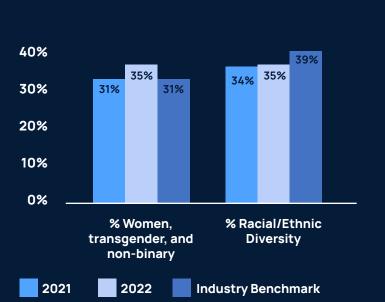
See Appendix for more details on Metric ESG.

Board diversity 40% 30% 20% 16% 10% 0% % Women % Racial/Ethnic 2022 Industry Benchmark





65% have at least one female C-suite executive



Team diversity

fictiv

Implements diverse hiring initiatives (GEM, Sistas in Sales, Hire Heroes, Latinas in Tech, & Society of Women Engineers) and a bias training program for hiring managers. They also engage DE&I experts to support programs and involve employees.

COMMUNITY INVOLVEMENT



Omnidian's Civic Action Committee supports local BIPOC-led businesses and non-profits that are solving systemic issues within marginalized communities. Omnidian's contributions both within and beyond their firm have been recognized through being awarded as one of Seattle's Top 100 Workplaces for five consecutive years.



Generate regularly engages the communities they operate in. For example, as part of the Hillsborough County Public Schools (HCPS) energy efficiency project, Generate made various charitable contributions to organizations including BASH Return to School, which provides free school supplies to students in need, Hillsborough Education Foundation, which celebrates local leaders involved with education, and HCPS events/fundraising efforts like the Operations Department Gala.

IMPACT CERTIFICATIONS



B Corp Certification is done by B Lab (a nonprofit), for companies that demonstrate high social and environmental performance and make a legal commitment to be accountable to all stakeholders.

Since 2021

Since 2022





Public Benefit Corporation is a legal entity that includes a "public benefit" in its Certificate of Incorporation.

Since 2021



Social

EMPLOYEE ENGAGEMENT



78%

Of responding companies survey employees at least annually



81%

Average employee satisfaction score across reporting companies

JOB CREATION



750

New jobs created across our portfolio in 2022

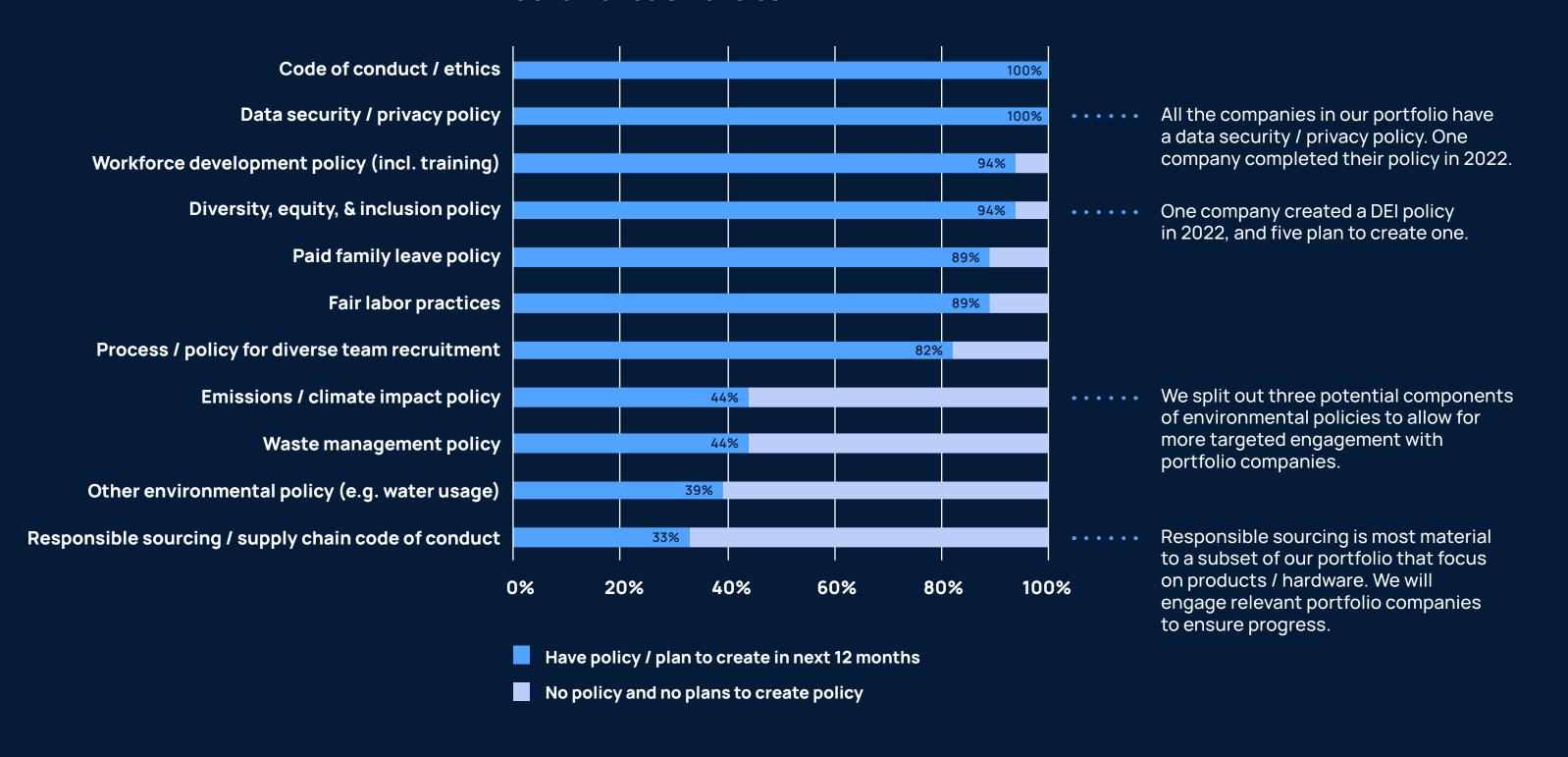
Defined as employees hired less employees exiting

Governance

ESG ACROSS OUR PORTFOLIO

Governance

Governance & Policies



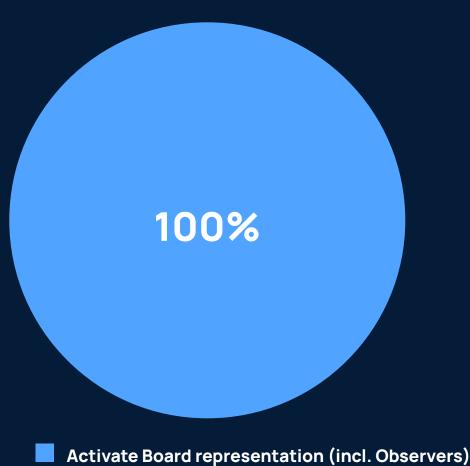
Governance

Actively Governing Our Portfolio

At Activate, we know that strong board governance is one of the most powerful levers to support companies as they grow, and to drive attention to their impact and ESG performance. To this end, we seek out board and/or board observer seats for all our investments, regardless of whether we lead the round or follow.

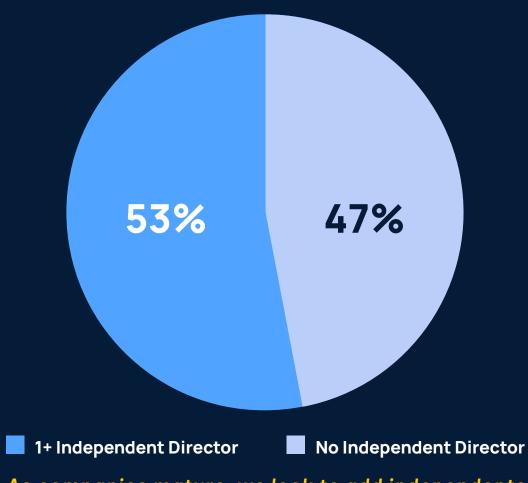
As of 2022, it is now standard practice that all of our lead term sheets now have a clause on ESG, including, at minimum, a requirement to report on ESG annually to the board as well as develop appropriate policies for its ongoing management.

Activate board representation at initial investment

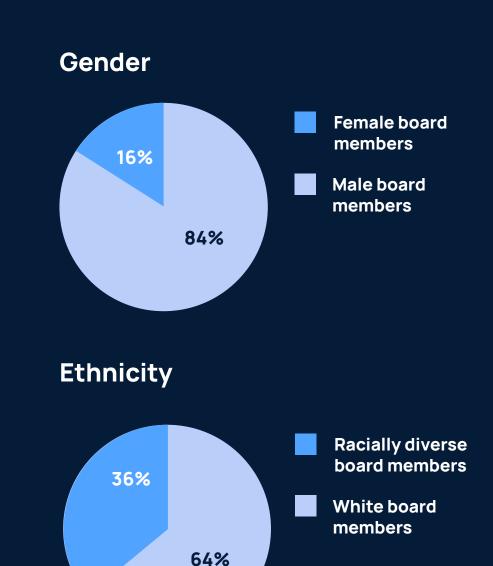


We continue to seek board or observer seats in all of our investments.

Companies with at least one independent on the board



As companies mature, we look to add independents to the board.





IN ALIGNMENT WITH THE CORPORATE FINANCE INSTITUTE AND MAJOR STOCK EXCHANGES, we define Independent Directors as non-management, non-investor parties with no material relationship (financial interest) with the company.



nvestment Theme	Impact Area	Rationale	Existing Portfolio Companies	New In 2022
	A Hardening the grid	The shift to renewables is core to climate progress but brings challenges of intermittency and strains to transmission / distribution infrastructure.		WeaveGrid sympower
Sustainability	B Democratizing clean energy access	Accessing clean energy infrastructure (e.g., solar) can be complex for individuals and corporations alike, slowing adoption.	BOLNERAIL	Enpal . Sunuary 2023 investment
	Electrifying & sharing mobility	Reducing emissions from transportation relies on achieving both fewer and cleaner trips for passengers and goods.	VOLTA RIDECELL STREETLIGHT DATA	
<u>`</u>	C Improving supply chain resiliency	Modern supply chains can be inefficient (long cycle times, inefficient networks) and are fragile— subject to disruption by macroeconomic events.		Altana fictiv Optimal Dynamics
Resiliency	Accelerating cybersecurity	The energy transition relies in part on a shift to digital infrastructure and increased connectivity, which are at-risk of cyberattacks.	NOZOMI NETWORKS	SWIMLANE
	Digitizing systems of production	Data can be used to influence decision making with the goals of decreasing waste, increasing safety and streamlining processes.	PARSABLE element	

PORTFOLIO IMPACT HIGHLIGHTS

Portfolio Company SDG Mapping

Activate is dedicated to ensuring that our investments align with the United Nations Sustainable Development Goals (SDGs). To drive specificity in our mapping, this year we matched our portfolio companies' business models with SDGs based on the 230 indicators (metrics) attached to the 17 headline SDGs.

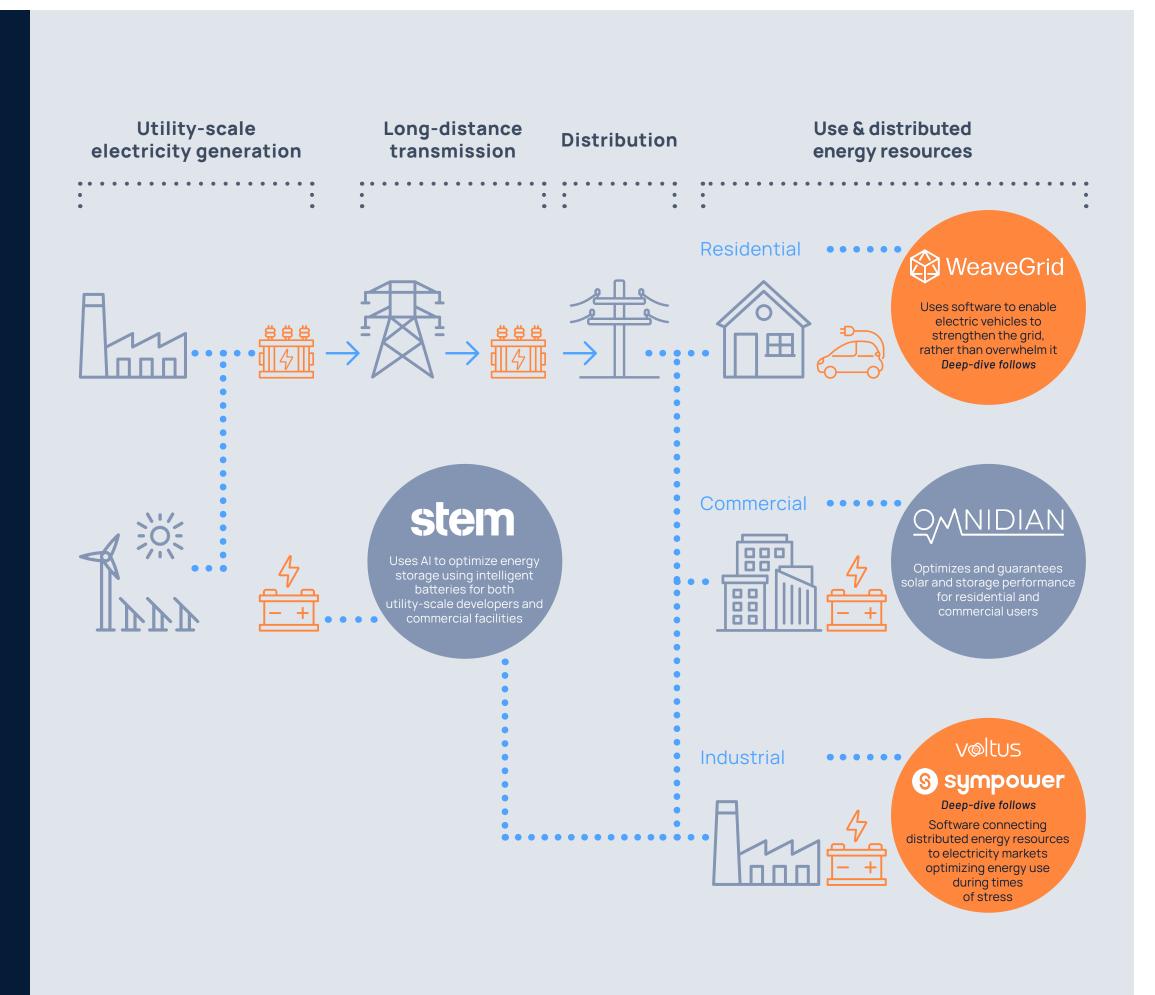
		Climate-Related SDGs			Other Impact SDGs							
Portfolio	Total	7	9	11	12	13	: 1	2	3	6	8	16
Generate Capital	7	•	•		•	•	•	•	•	•		
PosiGen	5	•	•			•	•		•			
Voltus	4	•	•			•	•		•			
Omnidian	4	•	•			•	•		•			
Sympower	4	•	•			•	•		•			
WeaveGrid	4	•	•	•		•	•					
Enpal	4	•	•			•	•		•			
Parsable	3		•		•		•				•	
Fictiv	3		•		•		•				•	
Optimal Dynamics	3		•	•			•				•	
Ridecell	2			•			•				•	
Nozomi Networks	2	•	•				•					
Flexe	2		•				•				•	
Element	2		•				•				•	
KlearNow	2		•				•				•	
Altana	2		•				•					•
Scoop	1			•			•					
Homee	1						•				•	
Passport	1			•			•					
Swimlane	1		•				•					
TOTAL		8	16	5	3	7	1	1	6	1	8	1



Hardening the Grid

The shift to renewables is core to our climate ambitions but brings the challenges of intermittency and strains to transmission/distribution infrastructure.

Distributed energy resources, battery storage and grid alternatives are key to the energy transition. The US grid alone will require \$360B4 in transmission upgrades by 2030 to meet increased electrification demand and \$2.4T by 2050.





PORTFOLIO IMPACT HIGHLIGHTS WeaveGrid



WHAT THEY DO

WeaveGrid is a software company building data products to enable the electric transportation transition.

The Company's SaaS platform connects a growing wave of electric vehicles to an electric grid that was not designed to support the power intensity of ubiquitous electric vehicle charging. WeaveGrid uses cutting-edge data science and optimization to bring value to all stakeholders in this transition, including utilities, automakers, and drivers. WeaveGrid helps utilities understand how EVs are operating on the grid and properly orchestrate loads in response to localized grid congestion or overall transmission system imbalances. For consumers, WeaveGrid offers a seamless experience for drivers to charge their EVs in an optimal way, providing them with utility bill savings.

WHY IT MATTERS

Consumer adoption of EVs is coming, with 40 million EVs expected on the road by 2030.5

However, the electrical grid in its current form is not set up to reliably accommodate new load growth from these vehicles. Without innovation, utilities would need to spend billions of dollars on new grid infrastructure, putting massive inflationary pressure on customer retail rates. WeaveGrid offers an elegant, low-cost software solution to connect two incumbent industries—automakers and utilities—to deliver on the promise of a decarbonized transportation sector at the lowest cost to rate-payers Optimizing EV loads also allows clean energy resources to be integrated into the grid more seamlessly and allows utilities to minimize the need to turn on peaker plants, which emit disproportionately high levels of pollutants and are the most expensive sources of energy.



PORTFOLIO IMPACT HIGHLIGHTS WeaveGrid





BY THE NUMBERS

13,800

EVs enrolled on WeaveGrid's platform

70%

Reduction in costs of managing EVs on the grid via optimized charging. (Estimate from BCG)



We're working with some of the largest utilities nationwide to run extremely innovative EV programs for them. On the East Coast, we work with the Exelon group of utilities to help drivers manage their charging using the connectivity and telematics that their cars are already enabled with—allowing them to get the cheapest off-peak charging possible. Meanwhile, in the Midwest, we're working with Xcel Energy to automate charging when energy production is the highest. In that region, there's often too much wind energy produced-rather than curtailing it, we send signals to cars, allowing them to start charging when electricity is not only cheap but also incredibly clean.

Finally, on the West Coast, we're working with PG&E, where almost one in every five EVs lies within their territories in northern California, and they often grapple with grid reliability thanks to climate-related events. We work with them to allow customers to not only get access to cheaper charging during off-peak but also preemptively alert and manage those cars in the case of a grid event where power has to shut off—in such a way that instead of somebody waking up and finding their power out and their car's only at 20% state of charge, now they have 100% fully charged battery."

APOORV BHARGAVA

CEO, WeaveGrid



s sympower

WHAT THEY DO

Sympower is an energy load aggregator that helps commercial and industrial facilities monetize their energy assets, such as HVAC, batteries, generators and pumps, through grid services.

As we rapidly **decarbonize our electrical infrastructure** and shift away from fossil fuel generation, it is becoming increasingly challenging for grid operators to maintain the reliability of the grid. By working with Sympower to aggregate industrial resources to meet this growing demand for grid flexibility, grid operators can achieve emissions abatement while also enhancing grid resilience. They do this by reducing reliance on carbon-intensive thermal generation plants, commonly known as peaker plants, which are traditionally used to smooth out frequency fluctuations and grid imbalances.

WHY IT MATTERS

Sympower offers grid operators a low-cost, carbonfree alternative to fossil fuel generators that leverages existing demand-side electrical assets to balance the grid.

Sympower also provides an opportunity for customers to monetize their consumption assets via a revenue share model, enabling them to offset the impact of rising energy prices on their businesses. Sympower is a missiondriven, zero-emission organization, as well as a Certified B Corp.



PORTFOLIO IMPACT HIGHLIGHTS Sympower

sympower sympower



BY THE NUMBERS

119,614

tons CO2e avoided via company operations

100%

Of scope I, II, and travel-related scope III emissions offset using permanent carbon removals

150+

industrial and commercial customers across 12 countries

900+ MW

of flexible distributed energy resources under management

I wasn't aware of the environmental benefits of demand response at first. But after working with Sympower, it's something I want to share with my customers, so they know we are dedicated to sustainable change."

HANNA HELENIUS

CEO, Piltin Puutarha Greenhouse

If you see how quickly the supply of energy is changing, with much more renewable energy coming into to the system, and how that's already having a big impact on prices and imbalances and so on, I think it's clear that demand side response is going to play a really big part in the system going forward."

SIMON BUSHELL

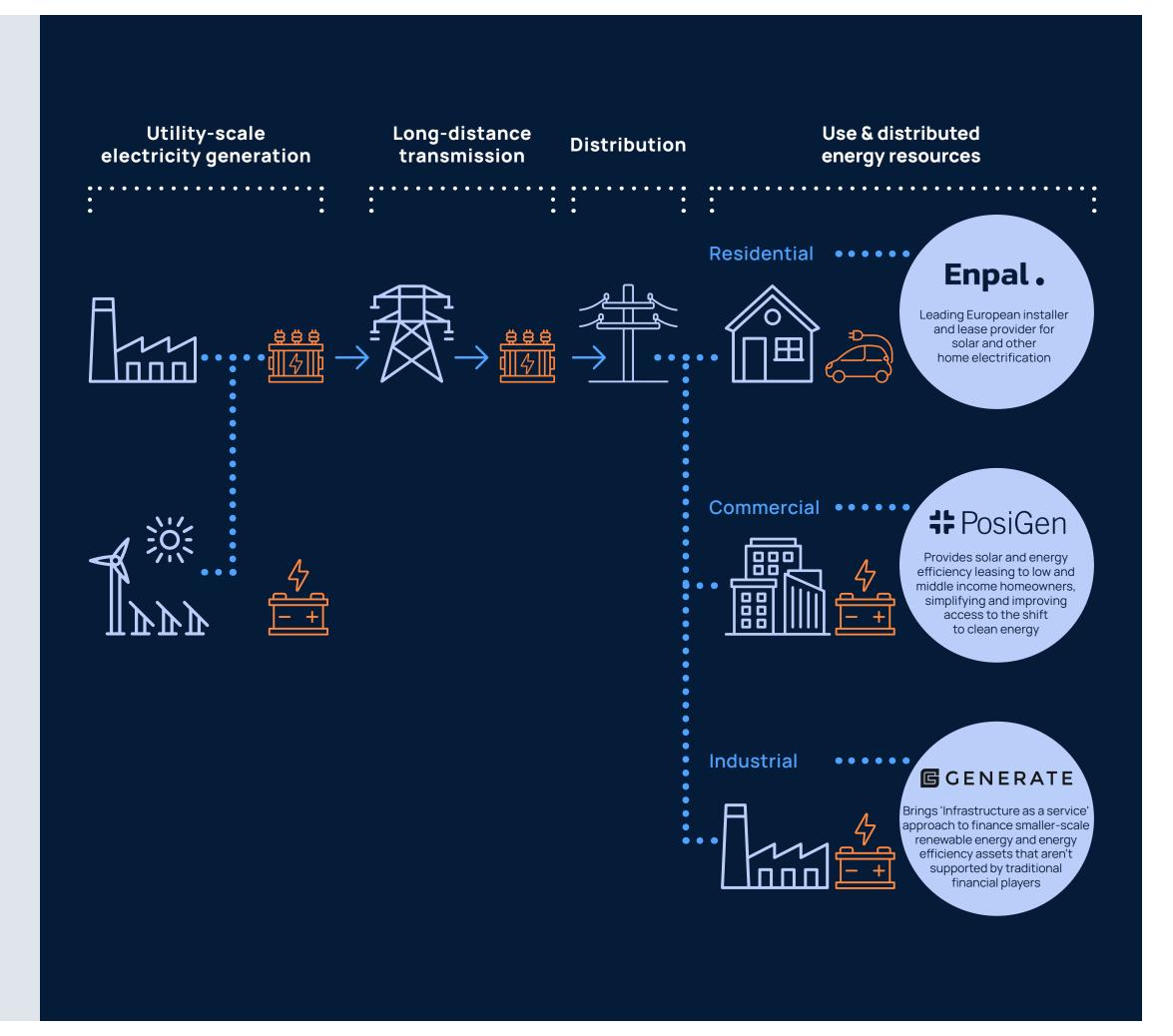
CEO, Sympower



Democratizing Clean Energy

Accessing clean energy infrastructure, (e.g., solar) can be challenging for individuals and corporations alike.

Financing-focused companies can simplify the process and make it affordable. Part of the solution stems from turning 'capex into opex', providing end-to-end services for corporations and individual households without requiring them to take on upfront risks. Distributed energy resources were expected to receive \$110B in cumulative investment between 2020 and 2025 in the US—before accounting for the impact of the Inflation Reduction Act.⁶



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ARE



Improving Supply Chain Resiliency

Modern supply chains can be inefficient (long cycle times, inefficient networks) and are subject to disruption by macro-economic events and bad actors.

These disruptions have real consequences for consumer affordability, predictability (especially of critically-needed goods) and the ability to dually pursue geopolitical/human rights interests alongside sustainability. Consumers are also increasingly interested in where and how their goods are made, creating value in transparency.

To meet this moment, supply chains need to become transparent, reliable and flexible. As a result, supply chain enterprise software alone is expected to grow at double-digit rates and reach a market size of \$36B by 2026, within the broader \$1.6T US logistics industry.7





PORTFOLIO IMPACT HIGHLIGHTS Altana

Altana

WHAT THEY DO

Altana has built a first-of-its-kind platform the Altana Atlas, the only intelligent, dynamic map of the global supply chain.

The Atlas provides businesses, logistics providers and governments with a trusted, shared and connected source of truth for supply chains and insights and recommendations around related risks and opportunities. Through it, companies can now understand where their products come from, how disruptions deep in their network may impact their businesses and the environmental and labor impacts of their value chain. Using deep machine learning and artificial intelligence, the Atlas provides companies with a single pane of glass view into their networks as well as a central platform for supplier collaboration.

WHY IT MATTERS

The past few decades of rapid globalization have resulted in complex, brittle and opaque supply chain interconnectivity, issues that were recently brought to light by the COVID-19 pandemic.

As a result of these complexities, it is increasingly difficult to understand what goes into our everyday goods, including the carbon intensity of processes and materials down the value chain and the labor practices used to produce them. The Altana Atlas brings new visibility, understanding and trust to the supply chain networks of its customers and connects them to a living map that provides a single source of truth to facilitate trusted collaboration. Using this new source of truth, Altana's customers are empowered to refactor their supply networks not just around prioritizing speed or cost, but also resiliency, security and positive global impact.



PORTFOLIO IMPACT HIGHLIGHTS Altana

Altana



BY THE NUMBERS

100M+

Supply chain links identified, helping customers identify ESG risks in their supply chains

2.5B

Shipments mapped

Entities tied to forced labor in China exposed by the Altana Atlas

50%

From proprietary data

Supply chains are the nexus of climate change, labor rights, national security, and economic resiliency. Globalization obscured the supply chain in a fog. Driven by outsourcing, we built supply chains that were only concerned with direct buyer-to-supplier relationships, and not the extended value chain of production. It became impossible to see, connect with, or govern the extended, multi-tier business network beyond any direct relationship. In Globalization 2.0, we believe that the public and private sectors will come to do business in rules-based, collaborative networks-all managed around dimensions of visibility, sustainability, security, compliance, and resiliency."

EVAN SMITH

CEO, Altana

To ensure that we continue to identify and mitigate ESG risks most material to the companies we invest in and industries that we operate in within a shifting landscape, we engage with relevant groups within the venture capital community.

We see our partnerships as both an opportunity to learn, and in many cases, an opportunity to contribute back to the venture ESG/impact community with our learnings and best practices. While our memberships and affiliations are subject to change, we are currently affiliated with the following organizations.

© Climate Impact

Organization	Activate Joined	Description	Involvement
initiative climat international Private equity action on climate change	2023	A global, practitioner-led community of over 200 private markets firms and investors representing over US\$3.2 trillion in AUM that seek to better understand and manage the risks associated with climate change. iCl members commit to sharing knowledge, experience, and best practice, and collaborating through working groups to develop rich content and resources that will help standardize practices across the industry.	Activate intends to attend in person and virtual events as well as becoming an active member on various committees.
CLEANTECH LEADERS ROUNDTABLE	2022	Bringing together a diverse group of investors and entrepreneurs for the purpose of idea sharing and building a supportive and collegial fellowship to accelerate decarbonization, the energy transition, and climate adaptation solutions.	Activate has co-hosted and sponsored multiple climate tech events with CTLR over the last two years including round-table dinners, judging climate tech startup events and co-hosting a Women in Climate Tech: Career Journeys & Market Update panel.



Organization	Activate Joined	Description	Involvement
nvca	2017	Supports the foundation of high-growth companies and ensure the US remains the most competitive environment in the world for entrepreneurs. NVCA has convened VCs and climate-focused entrepreneurs from across the country to discuss a policy agenda that will focus the tremendous power of the U.S. startup ecosystem on climate technologies.	Activate is an active member of the NVCA's Climate and Sustainability Working Group, regularly meeting with leaders at the NVCA as well as helping organize and participate in various events and activities. In 2022, Activate's Director of Finance became a member of the NVCA's CFO Taskforce and co-hosted and presented on carbon credits at an NVCA climate event in San Francisco. In addition, Activate's Head of Investor Relations & Impact joined an LP panel at the NVCA's annual CFO conference in Washington, DC in November 2022.



Social (Diversity)

Organization	Activate Joined	Description	Involvement		
Women of Renewable Industries and Sustainable Energy	2023	A national nonprofit working across the renewable energy economy with a broad purpose—to change our energy future through the collective power of community. Our mission is to accelerate the transition to a sustainable and equitable energy future by igniting the collective power of community.	Activate intends to attend in person and virtual events as well as becoming an active member on various committees.		
Women's Association of Venture & Equity	2022	Promotes a spirit of cooperation and understanding among its members and to create professional opportunities for them by providing a strong network of contacts in the private equity and venture capital industry.	Activate co-hosted a panel with WAVE in February 2023, Women in Climate Tech: Career Journeys & Market Update along with CTLR and Kirkland & Ellis.		
	2021	Aims to strengthen women's presence in the finance field by supporting women at each career stage to achieve their career goals.	Activate attends in person and virtual events.		
P.E.W.I.N	2019	The pre-eminent organization for senior women leaders in private equity, providing opportunities to network, share ideas, make deep connections with peers, and empower each other to succeed.	Activate actively participates in both national and city-specific activities and events.		



Organization	Activate Joined	Description	Involvement		
Venture ESG/.	2023	A non-profit community-based organization that provides guidance on concrete ESG practices (e.g. ESG framework, ESG policy) for VC firms.	Activate joined VentureESG as both a member as well as joining the committee to help formulate and formalize term sheet clauses focused on DEI.		
Climate Tech Impact and ESG Working Group	2022	In collaboration with Energize Capital, we established a working group in Q3 2022 for our climate tech peers in VC to share best practices for impact and ESG.	With 10+ GPs and growing, the group meets quarterly to align on best practices to move the industry forward.		

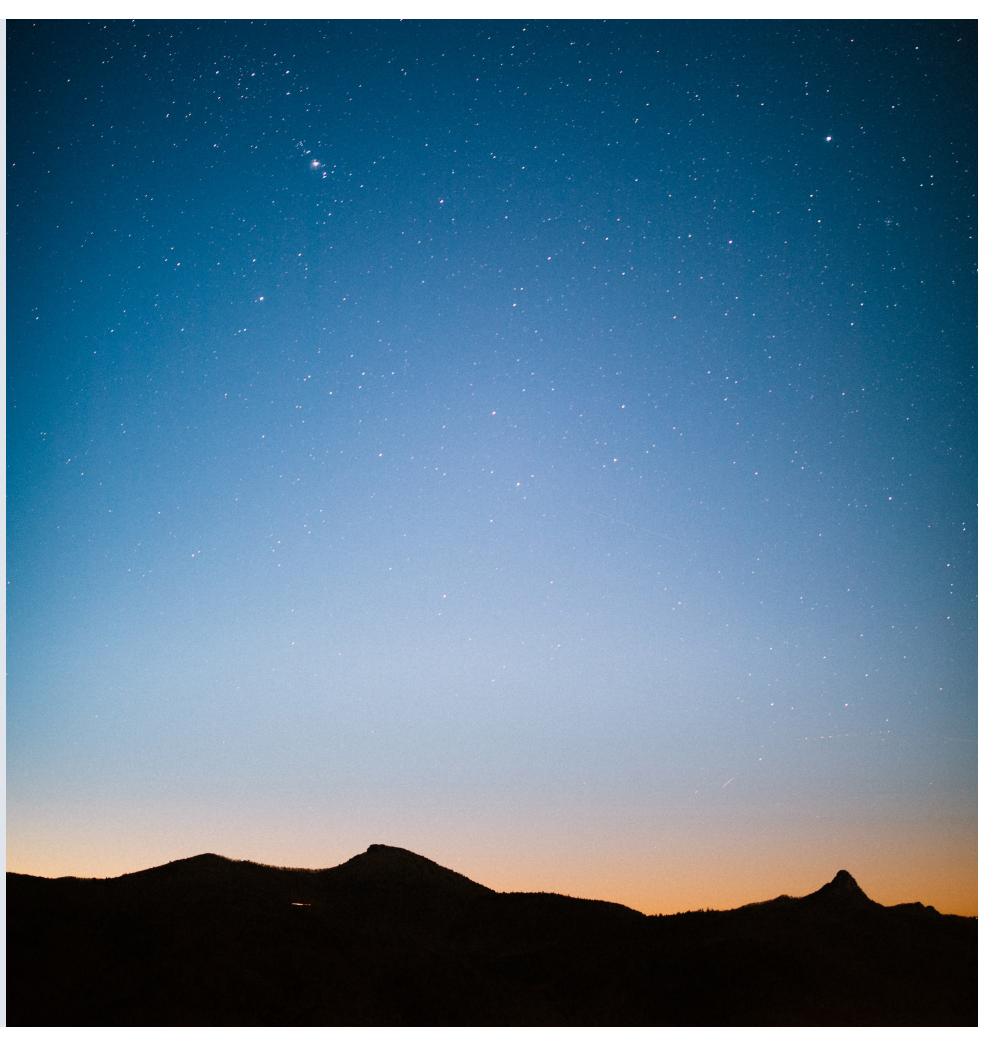


OUR PROGRESS

Learnings From Our 2022 Report

In our inaugural 2022 report and beyond, we will continue to outline steps that strengthen our ESG and impact efforts.

We believe it's important to share ideas with the broader venture ecosystem and reflect on our progress. In the spirit of accountability, we've graded ourselves with three scores: Achieved/almost there, Major progress, and More work to do. We recognize that some goals take longer to achieve than a year, and we continue to prioritize and make progress toward them.



OUR PROGRESS

At Activate



REFINE EMISSIONS CALCULATION

- Began reporting on financed emissions publicly and included portfolio-level travel-related Scope 3
- Will add other material Scope 3 categories and improve the input data quality for emissions



EVOLVE REPORTING

- Expanded scope of metrics requested from portfolio companies (employee engagement, governance) while simplifying in other areas
- Took initial steps to align with the Task Force on Climate-Related Financial Disclosures (TCFD)



IMPROVE OUR FOOTPRINT

- Purchased RECs to reduce Scope 2 footprint
- Will focus on travel-driven footprint, which drove most of 2022 emissions (due to post-COVID rebound)

Across Portfolio



INCREASE PORTFOLIO COMPANY **RESPONSE RATE TO 100%**

- Data received from 95% of active portfolio companies, up from 89% in 2021
- Received more complete information from majority of our portfolio companies



STANDARDIZE METRICS

- Annual ESG and impact data requests and pre-investment diligence aligned with standard sets of metrics (e.g., ESG Data Convergence Project and ILPA DDQ)
- Joined Initiativ Climate International and co-founded (with Energize) the Climate Tech Impact & ESG Working Group (see Partnerships Section)



DEVELOP ROADMAP FOR IMPACT / **ESG REPORTING EVOLUTION**

- Standardized ESG term sheet clause and engaged portfolio companies on ESG progress
- Developing support resources for portfolio companies



IMPROVE DIVERSITY IN PORTFOLIO

- Began tracking CEO diversity of our pipeline
- Will continue taking steps to improve diversity in opportunities we source; also plan to develop a strategy to support portfolio in tracking and managing their diversity

LOOKING AHEAD

Our Goals for 2023 & Beyond

We are proud of our progress in 2022 and look forward to continuing to improve and learn as we strive towards greater ESG and impact management maturity.

In addition to continuing to act on existing priorities from 2022 (e.g. around metrics and collaboration with other investors), we plan to focus on the following areas for the upcoming year.



LOOKING AHEAD

Activate Firm-Level



Continue to evolve our reporting in line with key frameworks (e.g. emerging VC industry standards, TCFD, PRI).



Implement an ESG-focused portfolio review at least annually, as a complement to our quarterly financials/ operations-focused review.

Across Our Portfolio



Formalize our standard toolkit for ESG / impact support, beginning the dialogue on how we can support portfolio companies at initial investment.



Double down on portfolio company diversity, providing resources to portfolio companies around DE&I policies and practices for diverse team recruitment and retention.



Work with portfolio companies to develop tailored impact measurement approaches (where they are not already in place).





APPENDIX

Data & Calculation Notes

Scope of Data

- Given the breadth of our ESG and impact reporting, this section serves to clarify the applicability of figures provided.
- Unless otherwise noted, all information represents calendar year 2022.
- As of December 2022 Activate had invested in 23 companies across our two funds, of which 19 are considered active (vs. exited). Of the 19 active portfolio companies, 18 submitted 2022 ESG and impact data.
- The companies that shared ESG and impact information are: Element, Parsable, Passport, Nozomi Networks, Generate Capital, Flexe, Homee, Scoop, Ridecell, PosiGen, Voltus, Fictiv, Optimal Dynamics, Swimlane, Sympower, Altana, WeaveGrid and Omnidian.
- Unless otherwise noted below, data from these 18 companies drives metrics reported.
- Metric tons CO2e avoided: five companies provided data; this information is meant to represent their impact within 2022 (vs. their lifetime enabled impact).
- GWh clean electricity generated / supported: two companies provided data, noting that others report in GW as in some cases capacity metrics are more relevant.
- Process / policy for diverse team recruitment: 17 companies provided data.
- Travel-driven scope 3: 12 companies provided data.
- We look forward to working with our portfolio companies as they continue to create and refine their impact metrics in particular.

CO2e Emissions

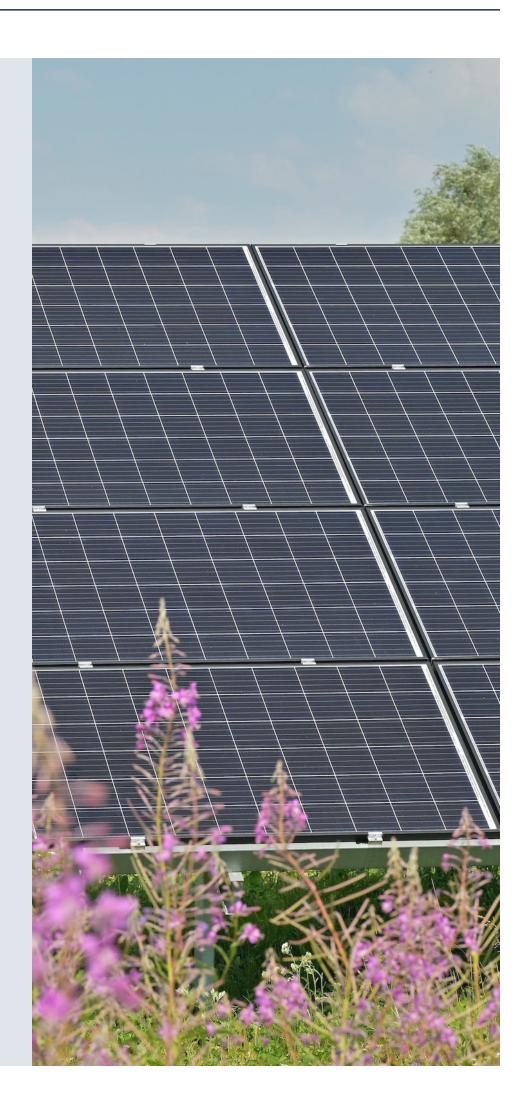
Metric ESG (see Acknowledgments section) calculated the Scope 1 and 2 for 13/18 companies (as well as Activate). The remaining five portfolio companies worked with other external providers or in-house tools.

- The basis for all calculations is the GHG Protocol
 - The basis for Scope 1 calculations were inputs including fuel for stationary equipment, fuel for vehicles / transport and refrigeration / air conditioning use.
 - For Scope 2, inputs included square footage or heat / steam / electricity usage and remote work patterns.
 - ZIP-code specific emissions factors are taken from the EPA GHG **Emissions Factors Hub.**
 - Location affects both average energy consumption and the emissions factor for the local grid.
 - For office electricity consumption, energy intensity per square foot and location is assessed.
 - For remote employees, average in-home energy consumption attributable to working hours was evaluated, based on location.
 - Scope 3 calculations include both estimated emissions from flights and hotels; one portfolio company had also measured other scope 3 categories.

Benchmarking portfolio company diversity against VC peer set

Metric ESG has a proprietary database of diversity data across VC-backed companies. In benchmarking the diversity of our portfolio's boards, executive teams and employees, we leveraged benchmarks that were specific to company stage and, where available, industry. In total, Metric has a peer set of 900+ companies in their data. In assessing our portfolio against the benchmarks, we took the straight average of diversity percentages across our portfolio companies (i.e. they were not weighted by size).

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INTRODUCTION

WHO WE ARE

WE ARE

APPENDIX

Acknowledgements



Metric ESG

Metric supports ESG data collection for portfolio companies and provides visibility for reporting and portfolio management including benchmarking data and baseline measurements. We would like to thank Megan Murday, founder and CEO of Metric ESG, for her support.



Portfolio Companies

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Miel Creative Studio

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