

THE ACTIVATE REPORT

2022

Foreword

A letter from Activate to our partners and stakeholders

Activate was founded in 2017 with a vision to build platforms for a sustainable, resilient future. We invest primarily in companies that are transforming our energy, mobility and industrial systems as these three segments account for 78% of greenhouse gas emissions globally and are critical to solving our climate crisis.¹

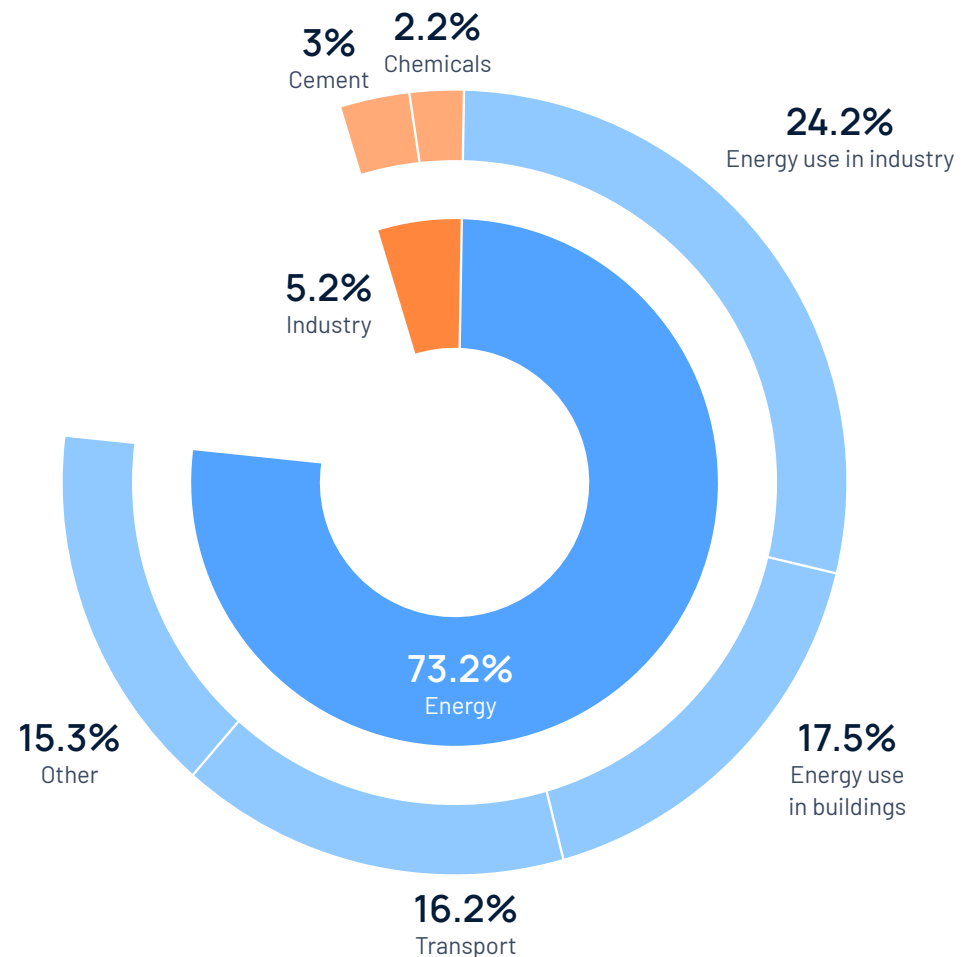
We're proud to present our inaugural Activate report spotlighting impact and ESG. This marks our ongoing commitment not only to amplify the work of the amazing entrepreneurs we partner with, but to also "walk the walk" by improving our own ESG performance.

The United Nations cites climate change as "the defining issue of our time" - everything, from the way we create energy to how we grow our food, will need to evolve to meet the moment and prevent devastating consequences that will disproportionately affect the world's most vulnerable. Despite the magnitude of the challenges we see around us, we also know there is significant cause for optimism.

We believe that we are experiencing a moment in history with multiple inflection points:

- 87 countries have passed tipping points related to clean energy adoption. As one highlight, in 2022, 5% of U.S. new car sales were electric vehicles (EVs) - commonly seen as the main hurdle before the S-curve takes off.²
- The Inflation Reduction Act allocated \$369B to climate and energy security investments, and is expected to have a much broader impact - driving \$1.7T in total investment.³ Coupled with the CHIPS Act, they will inject over \$80B per year into climate mitigating businesses.
- 96% of executives expect climate to impact their company's strategy and operations in the next three years.⁴

Global greenhouse gas emissions by sector (2016)¹



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Declining cost curves, an unprecedented funding environment, and increased attention to the materiality of climate form the context within which we at Activate operate. Despite the market environment, the case for “Why now?” in climatetech has never been more clear.

The case for resiliency of our energy and industrial systems has also never been clearer. The crisis in Ukraine and the reverberations across Europe’s energy infrastructure remind us that sustainability does not exist in a vacuum. We must strike a careful balance that considers affordability and geopolitical concerns, making resiliency a prerequisite for sustainability. For this reason, we pursue both sustainability and resiliency as impact lenses.

It has been an exciting year at Activate. In October 2022, we closed Fund II with \$500M in capital, and across our two funds have invested into 22 innovative companies. Over the last year, the team has nearly doubled in size, as we have focused on attracting and retaining quality talent that reflects the diversity of our stakeholders and the world in which we operate.

We have partnered with the best companies in these sectors for well over 25 years and have witnessed how singular companies can transform entire industries through technology or business model innovation. We look for founders who are building with purpose. It is our belief that these founding teams and companies, in partnership with effective government policy, will reshape our infrastructure and industrial systems.

We have much work ahead - but the investment opportunity is as monumental as the gravity of the challenge we are facing. We are excited to continue partnering with our stakeholders as we navigate and progress on our impact and ESG journey.

The Activate Team

We must strike a careful balance that considers affordability and geopolitical concerns, making resiliency a prerequisite for sustainability. For this reason, we pursue both sustainability and resiliency as impact lenses.

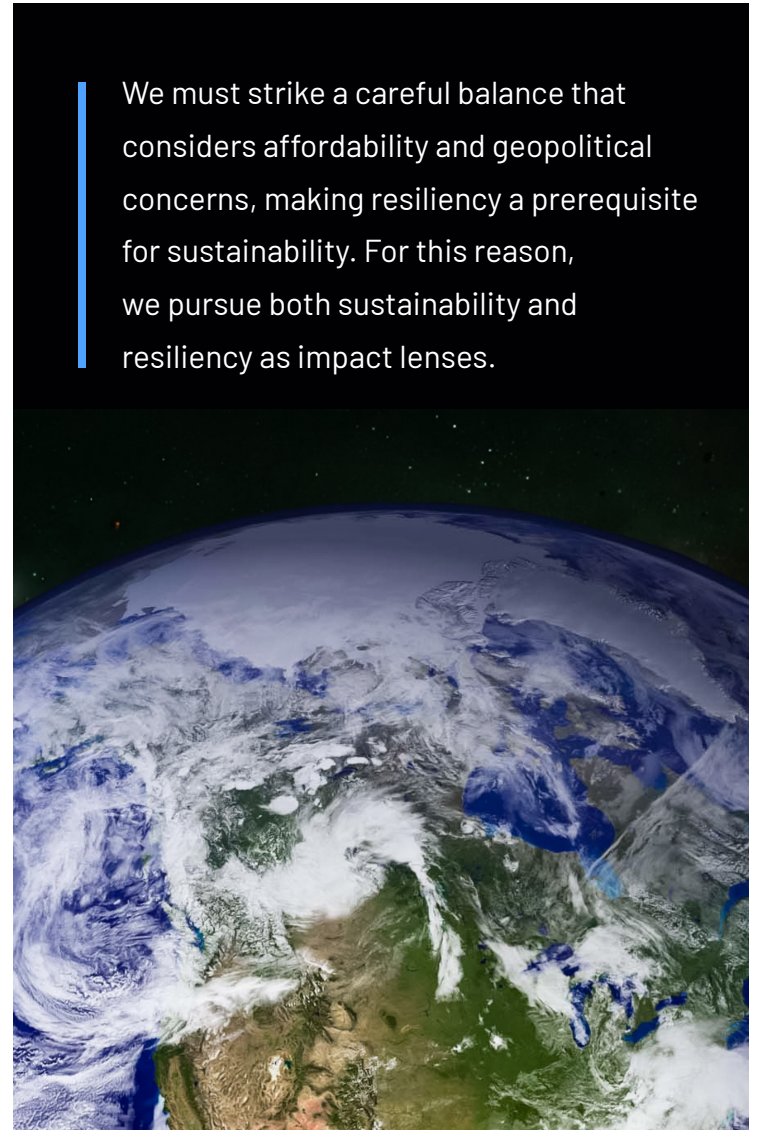


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Introduction



A. Impact and ESG at Activate

We view impact and ESG (environmental, social and governance) considerations as complementary, but distinct.

In our framework, impact is *what a company does* – and speaks to the heart of a company’s business model and the change it drives in the world. ESG is more broadly applicable, and focuses on *how a company operates* – focusing on the details of how they manage their emissions 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 screen and ongoing risk management tool. We have structured this report to address both.



B. By the numbers: Activate

About Activate

2017	When we were founded
\$657M	Assets under management (Fund I and II)
13	Team members
22	Investments to date (2022)
>\$4B	Equity raised by companies in the rounds we have participated in
100%	Of Activate employees receive carry

ESG at Activate

29	Metric tons CO ₂ e emitted as a result of our firm's operations (Scope 1, 2 and travel-related Scope 3)
62%	Of our team are women and / or ethnic minorities
22%	Of our investment team are women

Our portfolio's impact

1+	GWh generated through clean electricity and peaker plant usage avoided – enough to power a small city
600K	Metric tons of CO ₂ e emissions avoided – equivalent to taking over 130,000 cars off the road for a year
2,800+	Employees
675	New jobs created
7	UN Sustainable Development Goals (SDGs) contributed to

By the numbers: our portfolio

E 35K

Metric tons CO₂e emitted as a result of operations (Scope 1 and 2, 2021)

S 31%

Women employees across the portfolio

85%

Average employee satisfaction score

G 94%

Have a paid family leave policy^A

81%

Have a diversity, equity and inclusion policy^A

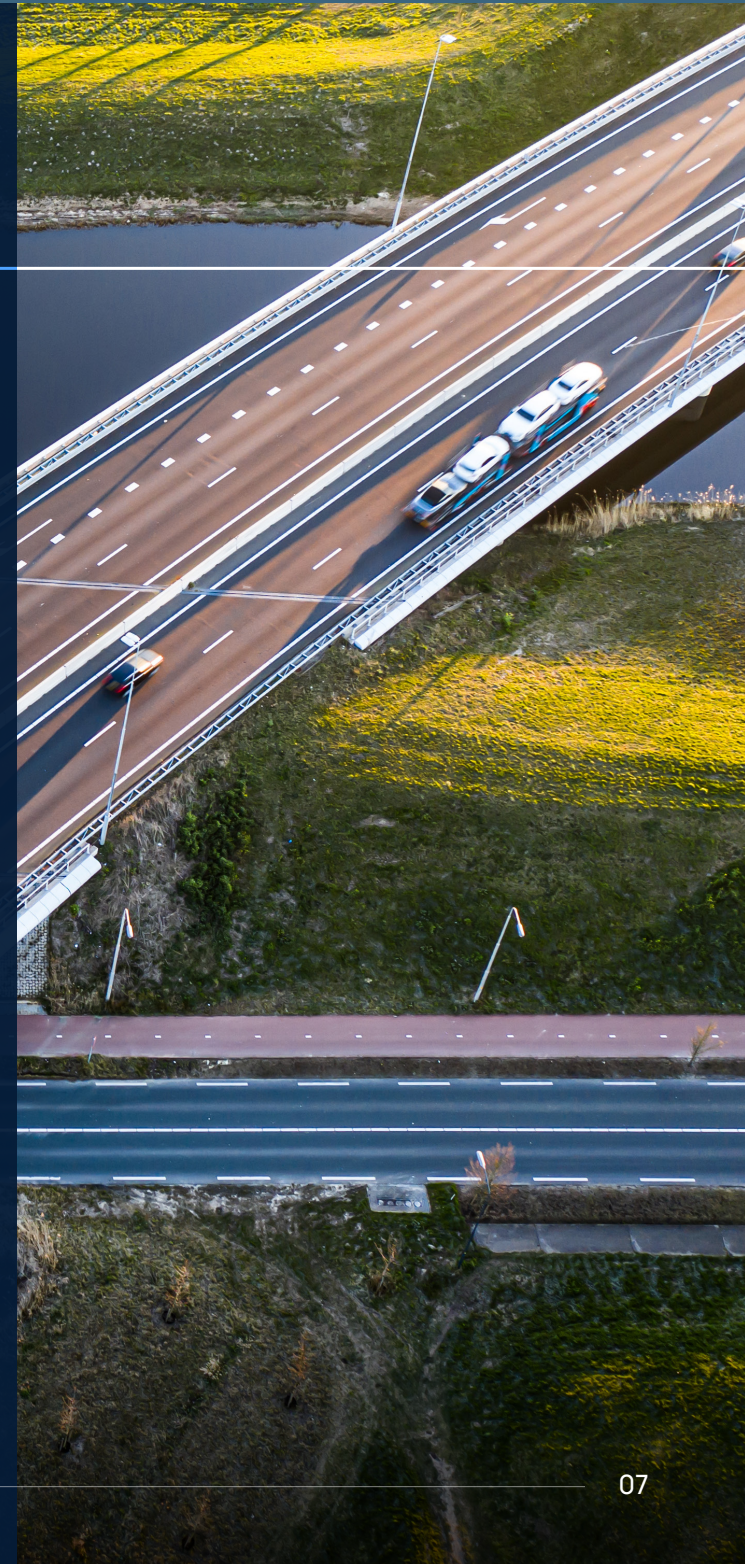
100%

Have a data security policy^A

A. Or plans to establish policy in the next 12 months.

Activate Capital

Data note: not all portfolio companies are included in statistics – see Portfolio impact highlights and Appendix for details.





Who we are



A. About our team

Activate's team brings more than 130 years of collective experience and knowledge to our target sectors as both operators and investors. We optimize for shared values and purpose, which means finding entrepreneurs seeking to reshape the ways we work and live while creating a more efficient and sustainable future.

Our team has a committed vision that drives every choice we make - from building our culture to structuring term sheets and supporting our portfolio companies.

As reflected in our new brand refresh, we want to be "always on," and energized to meet the moment.

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



Our mission is to serve entrepreneurs building the defining companies of our smart, sustainable future.

Our vision is to build platforms for a sustainable, resilient future.

Our values

Our values are guideposts that are fully integrated into every aspect of our business:

- **Persistence** – commitment, passion, purpose and innovation
- **Candor** – honesty and trust
- **Humility** – respect, empathy, integrity and service to our founders, our peers and one another

Our framework defines Activate’s culture

	Recruit	Retain	Engage
Our Belief	Our core values and vision, coupled with execution, allows us to attract the most skilled, diverse and talented individuals to our firm.	A “one-team” mindset - everyone shares in risks, decisions and equity creation.	A culture of apprenticeship enables our people to grow and thrive as investors and people.
Our Intention	We reach the broadest possible set of talent pools to build a firm over time that accurately represents our community and incorporates new backgrounds and perspectives.	Alignment of interests provides constant learning opportunities and allows us to invest in our people for the long-term.	We engage in active mentorship, both on and off the field.

We implement our values with actions:

- **Transparency** - Building an open and transparent firm committed to shared values and vision – celebrating a “raise your hand” culture with relentless passion and curiosity.
- **Collaboration** - Implementing an open, respectful and transparent partnership with a collaborative approach across sectors and strategies (no silos).
- **Equity** - Ensuring every member of the Activate team shares in the profits.
- **Inclusiveness** - Committing to diversity & inclusion as a predominantly minority-owned firm. Our team is comprised of 64% women and / or people of color (as of 2022).
- **Growth** - Encouraging our people and companies to take on calculated risks and be open to failure.

B. Activate's Executive and Strategic Advisory Boards

Executive Advisory Board (EAB)

Activate's EAB includes a growing roster of senior industry practitioners from the firm's broader executive network who are formally engaged in supporting the firm and its portfolio companies. Beyond the two strategy meetings per year, 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 / or conducting due diligence on appropriate investment opportunities.
- Assisting in investment, company evaluation and analysis as part of Activate's due diligence process.
- Acting as a sounding board for our portfolio company CEOs when taking actions such as recruiting board members or senior management.



Strategic Advisory Board (SAB)

Activate's SAB members include select strategic investors representing their respective organizations and expressing a desire to be actively involved in our sectors of interest. These investors have resources dedicated to the success of our relationship and the SAB meets several times per year with the Activate team to collaborate on thematic development and to discuss strategies, co-investment opportunities, portfolio company support and / or deal-specific due diligence.

EAB members include:



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

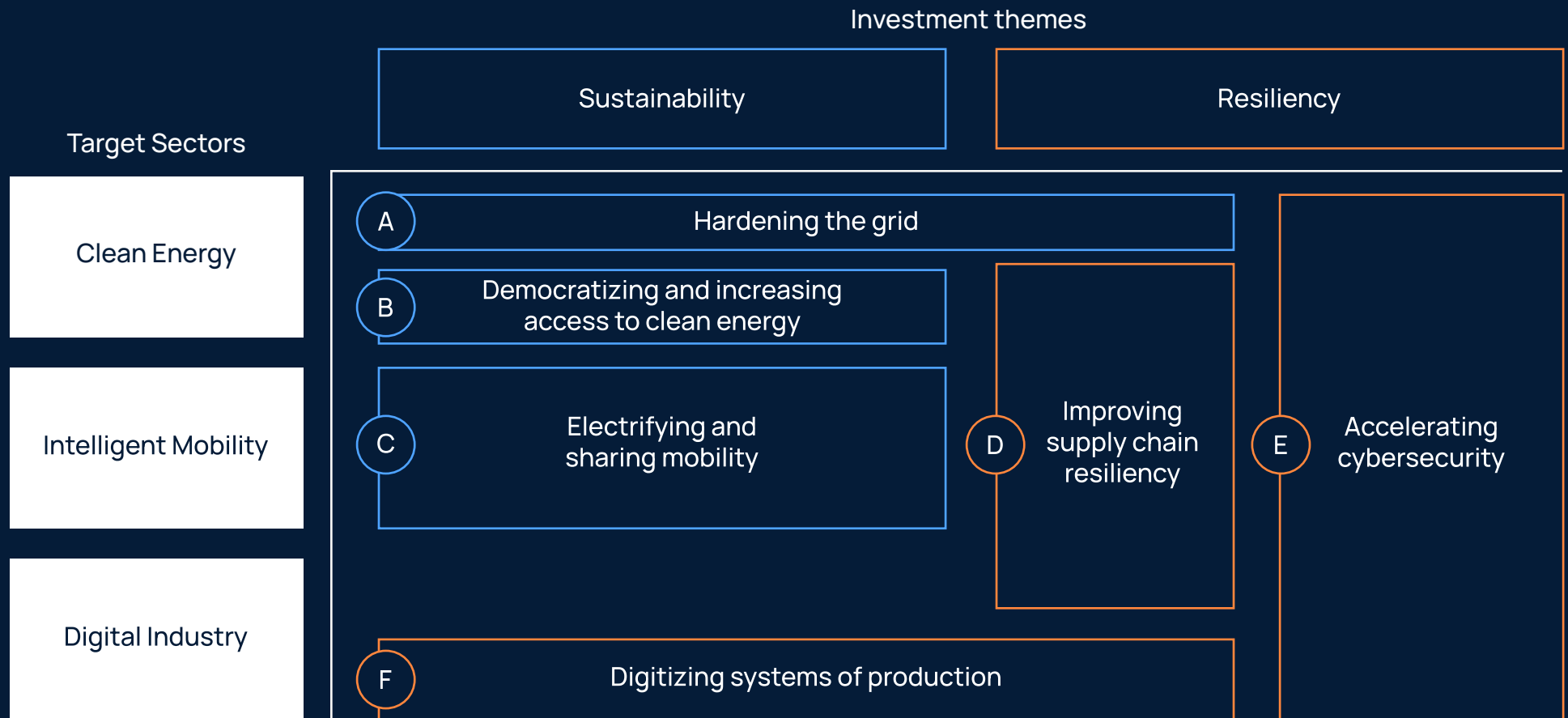


Impact at Activate



A. Advancing impact through our investments

Our strategy consists of investing across three target sectors: energy, mobility and industrial systems. We take a broad lens on impact, but are most critically focused on two investment themes: sustainability and resiliency. The intersection of our target sectors and investment themes forms our impact areas, which encompass our investments and evolve over time as we see new opportunities, trends and sub-industries emerge.



Our sectors



In energy 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.



Mobility accounts for 16% of worldwide GHG emissions⁵ - yet minimal innovation has occurred outside of electric vehicles over the last century. EV infrastructure needs to be built out if we are to achieve mass adoption. This requires hardware, software and business model innovation to truly scale. Modern software systems provide more transparency, flexibility, resiliency and efficiency to the way we transport goods. Covid pulled forward and exposed many of the risks in our supply chains. In order for us to embrace advanced mobility, we not only need visibility into our supply chains but also efficiency and reliability. We are moving from a world of "just in time" to one of "just in case".



Our industrial systems account for 29% of GHG emissions.⁶ As they are increasingly being digitized, the data from these systems is enormous. We must protect our industrial systems that are now connected to the world. Cybersecurity is a prerequisite to modernization. Modernizing industrial sectors like manufacturing and agriculture requires 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 pilots to address a whole host of issues, making our systems of production more streamlined and efficient.

Our investment themes

- 1. Sustainability** – Climate change is the greatest collective challenge that we face, and a potentially existential risk. Without immediate global action during this crucial decade, global temperatures will cross the critical warming threshold of 1.5 degrees Celsius after which scientists have warned some of the most catastrophic climate impacts will be irreversible. At Activate we seek to invest in companies that reduce emissions and support our global decarbonization journey.
- 2. We pursue resiliency** – As a core aspect of our impact because we believe it is inextricably tied to sustainability. At Activate we think about resiliency as the preparedness of our supply chains and energy systems for unexpected events – which, as we’ve seen through COVID and Russia’s invasion of Ukraine, have severe implications.

We see resilience as a prerequisite to ensure the objectives of sustainability and affordability do not come into conflict.

This is a delicate balance to strike. As the 2022 energy crisis has played out, spurred by Russia’s invasion of Ukraine, long-term climate objectives have taken somewhat of a back seat to fighting the near-term energy bill cost spikes. If Europe and the West writ large are to move forward and pursue an agenda of liberal democratic peace in a world that is simultaneously being stressed at the seams by climate, we have to move to a more insulated system for energy, food and manufacturing. This system needs to be protected from the whims of authoritarian regimes, and implemented without triggering protectionist backlash that will surely accelerate in a protracted inflationary period. In other words, we have to decarbonize, keep everything affordable and do it “domestically.” That is, in our view, quite the triple axel to land. And it is not possible if security is misaligned with these goals.

Resiliency is a necessary first step to protect our long-term interest in climate action. Resiliency has three basic tenets, which have been pulled forward due to the scale and speed of recent geopolitical wars, supply chain inefficiencies, global trade and financial market shockwaves:

- 1. The ability to manage risks and volatility.** Over the past three years, disruption and volatility of demand, rigid supply chains, tariffs, opaque sourcing and shipment delays created incredible risks to organizations. The ability to responsibly source raw materials, promote fair labor practices, document and market sustainability became important to consumers looking to make intelligent buying decisions. All of that, however, has to be balanced with resilient and affordable supply and delivery of goods.
- 2. Ongoing prioritization of security and independence.** When resources become scarce or prices go up, security and independence become tied to growth. Without reliable, independent sources of energy, which sustainable renewable energy and storage can provide, security and resiliency of political and economic systems are put under duress and sustainability objectives are thrown to the wayside.
- 3. Pivoting the narrative from a cost center to a driver of value.** The Covid pull-forward of e-commerce revealed in stark terms companies who had preemptively invested in resilient supply chains and those that had not. Operational redundancy, future proofing flexible and modular channels can cost companies current cash flow, but over time as crises become inevitable, creating stronger, more resilient businesses is the key to survival and growth.

— More details of our impact areas are located in section Portfolio impact highlights.

B. Incorporation into our investment process

We focus on companies that have proven technologies that are ready to scale commercially. We look to work with visionary teams that are growing their businesses with a large total addressable market (TAM) ahead of them. Customer due diligence is a key element of understanding product market fit, defensible moat and scalability. We want our companies to deliver impact at scale and that takes a clear understanding of the customer value proposition and great execution.

Tactically, we focus on impact in multiple steps of our investment process. In our sourcing approach and pipeline discussions we look for companies that fit our investment theses, requiring a tie to resilience and / or sustainability. In our final investment committee, two of the eight key lenses we evaluate are directly focused on impact: *"Why does this company matter?"* and *"Does this company make the world a better place?"*

Post-investment, we actively partner with companies to further their missions. We are, and will always be, active investors. We pride ourselves in the day-to-day work we do with our management teams. We want to be the first call made by a CEO. And whether we lead an investment, or join a syndicate, the way we work does not change.





ESG at Activate



A. Our priorities

Activate's commitment to environmental, social and governance (ESG) factors reflects our values, aspirations and responsibility to our investors, our industry and our community.

There are three areas we focus on when thinking about ESG. These factors not only inform our investment decisions but are also incorporated into our ongoing interactions with our portfolio and within our firm's operations at-large:

- **Environment** - We recognize that climate is a systemic, global issue – it does not recognize borders or governments. We leverage carbon footprint (specifically CO₂e, inclusive of other greenhouse gases) as the key metric.
- **Social** - Recruiting and fostering best-in-class talent is core to our and our portfolio's success, and this requires bringing inclusion and diversity to how we approach recruiting and retention.
- **Governance** - Written policies provide the enforceable guardrails for every organization and are important to ensure internal alignment. Key policies can include cybersecurity, compliance, privacy and workplace conduct among others.

At Activate, we collect and report on ESG metrics, just like our companies. Beyond the details included in the following section, we have broader governance and transparency mechanisms in place. This includes two meetings per year with our strategic partners (who also receive our full pipeline of investment opportunities monthly), as-needed Limited Partner Advisory Committee (LPAC) meetings (to discuss potential conflicts and fund valuations) and an annual investor / Limited Partner meeting to provide an open forum for our stakeholders to hear directly from portfolio companies and other industry experts. We also work closely with the National Venture Capital Association (NVCA), co-hosting seminars and adopting best practices from them. This ecosystem - open, transparent, equitable - is all part of responsible investing.



ESG is more than just a risk matrix, it's an opportunity for businesses to become resilient and transformational."

Anup Jacob

Managing Partner of Activate

B. Our firm-level ESG performance

— How we think about our footprint

- As investors, getting our own house in order is the beginning of leading by example.
- This is our first year measuring our direct emissions and purchasing carbon credits –going forward we will focus on finding solutions to reduce our direct emissions.
- We are strong proponents of the emissions hierarchy – the concept that we must prioritize avoiding and reducing our own emissions, before relying on compensation solutions like offsets.
- Our Scope 3 impact was low due to our remote work during 2021. With our return to the office and increasing travel, we anticipate an increase in future years.
- We are committed to iterating on and improving our approach in the future.

— Activate’s direct emissions

0	Metric tons Scope 1 emissions
+	Activate does not directly own / lease equipment that uses fuel.
20.9	Metric tons Scope 2 emissions
+	Comes from our purchases of electricity, heat and steam in our offices and attributable at home.
7.4	Metric tons Scope 3 emissions
=	Includes emissions from commuting and work-related travel (ground and by plane).
28.5	Metric tons total
	2021 Activate-attributable emissions (Scope 1, 2 and travel-related Scope 3).

See Appendix for calculation details.

Activate is carbon neutral

Activate is proud to be carbon-neutral for 2021 (for Scope 1 and 2), as we have purchased 21 metric tons worth of carbon credits.

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

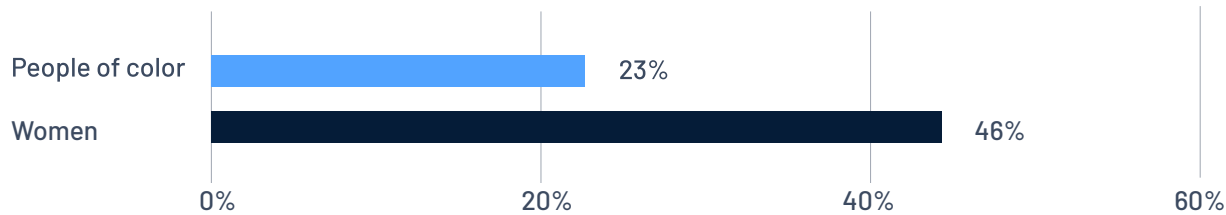
- **Mix of credits** – We believe that both avoidance and removals credits are needed in the near-term, per the Oxford Offsetting Principles, while long-term we should shift to removal only credits.
- **Types of credits** – We believe in supporting both nature-based solutions and emerging technologies. 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 (e.g. Verra).
- **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 were drawn to Pachama as they layer on additional scientific and technological assessments.

Our actions to date

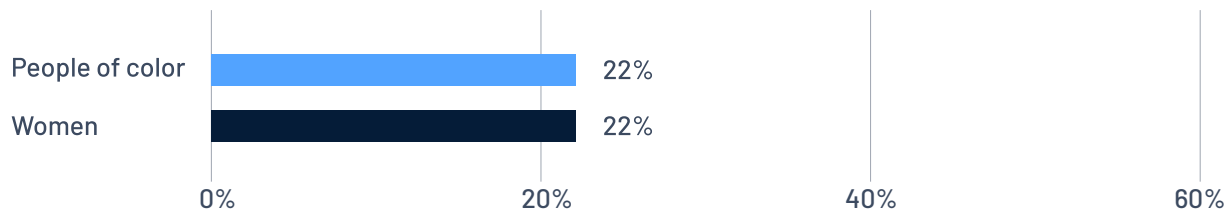
Social

Activate is proud to be a minority-owned firm.

Activate full team (13 people as of 2022)



Investment team (9 people as of 2022)



We are focused on diversity, equity and inclusion.

See “Who we are” section for more detail.

Driving industry-level change

- We are involved in several executive networks focused on fostering new talent. See “Memberships” section for more detail.
- We are exploring opportunities to get involved in coalitions that support other forms of diversity.

Governance

Established key policies to minimize risks

- Privacy policy
- ESG and DEI policy (reviewed annually)
- Family leave policy
- Code of conduct including harassment and discrimination
- Cybersecurity policy
- Compliance and business ethics policy (including trading, donations and material non-public information policies, among others)
- Electronic Communications / Social Media and Foreign Corrupt Practices Act will be added to the upcoming version

Embedding policies into regular operations via trainings

- Annual mandatory compliance training includes Code of Ethics, fiduciary duties, privacy and conflicts of interest
- Annual cybersecurity training, penetration testing and ongoing phishing campaigns
- Annual sexual harassment training

C. Incorporation into our investment process

We seek to have meaningful ESG-related engagements with our companies starting with the due diligence process and continuing throughout the entire investment relationship.

1. Screening & evaluation

2. Diligence & deal prosecution

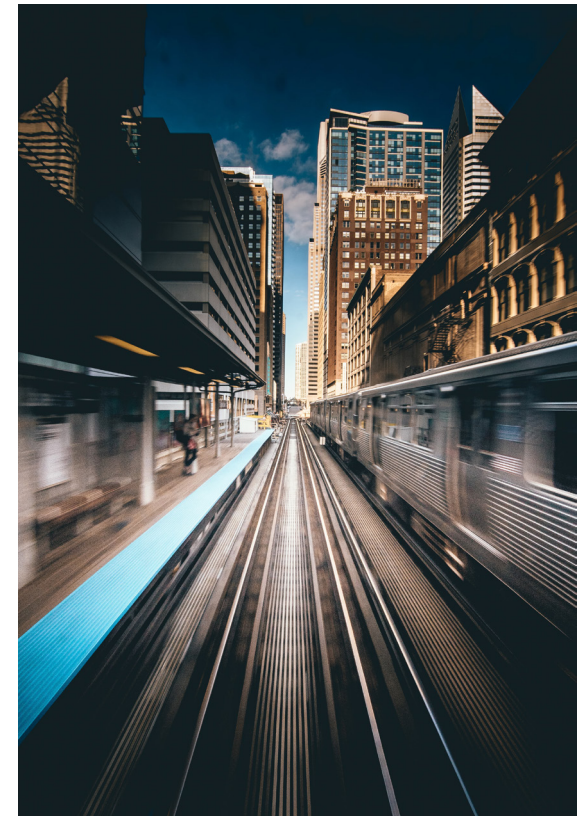
3. Post-investment

1. Screening & evaluation: we only consider investment opportunities that fall within our ESG mandate.

- **Filter** - We actively seek out opportunities that promote a more sustainable and resilient world. This affects both our outreach (outbound) and how potential portfolio companies and advisors perceive us when scanning the landscape (inbound).
- **Screen** - When Activate begins the evaluation of a potential investment, we work with the company to identify relevant impact metrics. Before any investment decision, we consider portfolio construction, evaluating the potential impact of each company in the context of our overall portfolio. This allows us to balance investing in breakthrough technologies while also managing risk.

2. Diligence & deal prosecution - ESG is a core element of our investment framework.

- **Evaluation and approval** - One of the eight qualitative investment criteria we assess is explicitly ESG focused - *does this company make the world a better place?* Our investment team identifies a range of potential ESG issues / strengths by quantitatively answering questions and customizing key metrics to the company, some of which span both impact and ESG.
- **Term sheets** - We require firms to consider adopting ESG policies (if they don't already have them) in our term sheets, which includes offering Activate's resources and expertise to support them in crafting and managing against these policies.



3. Post-investment – our management and oversight ensures due-diligence.

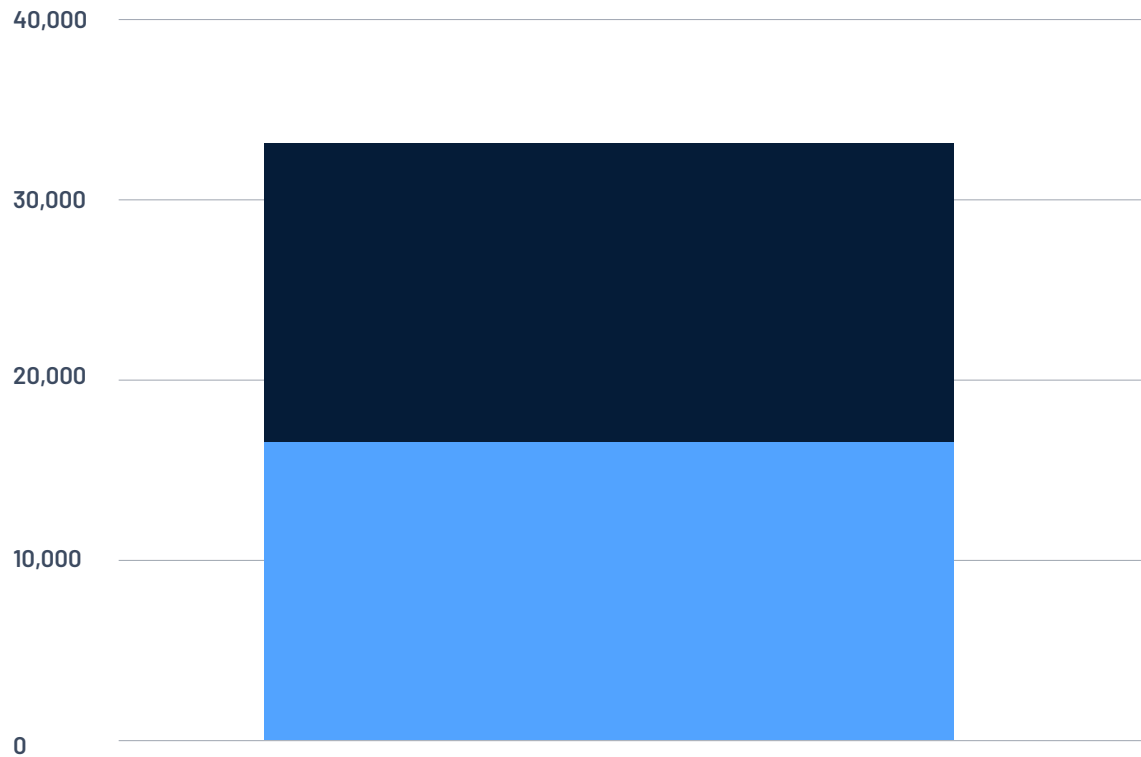
- **Board oversight** – Strong governance is key to our strategy. We sit on all 22 of our portfolio company Boards (including Observer seats, as of 2022).
- **Audit & Compensation Committee** – We view sub-committee board representation as a pivotal tool to exert influence and awareness. For example, through the compensation committee we work with management to establish the right financial and operational targets for the business that incorporate ESG metrics as appropriate to that business and its stage of development.
- **Active engagement** – Our companies report on a wide set of ESG metrics, and Activate helps them establish ESG policies (including in some cases tying metrics to executive compensation). 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).
- **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.
- **Continuous improvement** – We are always striving to improve our ESG practices and to serve as leaders in the community.

	Key Questions:	Sample Metrics:	
E	<ul style="list-style-type: none"> • Does the company help decarbonize our economy? • Does the company help drive resource efficiency? • Does the company source from sustainable supply chains? 	<ul style="list-style-type: none"> • Reduced GHG emissions • Energy efficiency and resource management • Supply chain 	<ul style="list-style-type: none"> • Environmental permits • Air permits • Land use • Waste management
S	<ul style="list-style-type: none"> • Does the company promote DEI? • Does the company help create local jobs? • Does the company promote worker safety? • Does the company recognize the importance of multiple stakeholders? 	<ul style="list-style-type: none"> • Fair labor practices (including gender wage gap) • Diversity and Inclusion • Job creation 	<ul style="list-style-type: none"> • Employee safety • Customer privacy and cyber security • Community / civic engagement
G	<ul style="list-style-type: none"> • Do we have influence / board representation? • Can we recruit independent directors that add diversity? • Can we set up / sit-on audit and compensation board committees? 	<ul style="list-style-type: none"> • Strong corporate governance • Diversity of board • Executive compensation • Alignment of values • Community awareness 	<ul style="list-style-type: none"> • Risk management • Anti-bribery / corruption • Transparency • Whistle blowing

D. ESG across our portfolio

■ Scope 1 ■ Scope 2

Reported portfolio emissions (metric tons CO₂e)



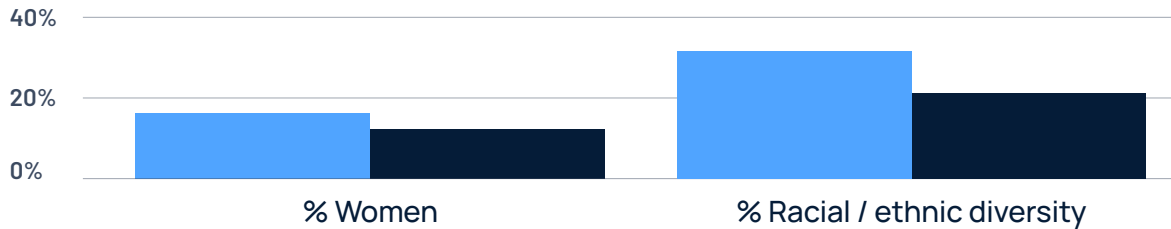
We have focused on our portfolio companies' direct impact - Scopes 1 and 2. Going forward, we will seek to support our remaining portfolio companies in measuring their footprints and including the most material aspects of Scope 3 as well.

Data note: includes 16 companies - HOMEe, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Element Analytics, Passport, Generate, PosiGen, Omnidian, KlearNow, Fictiv, Swimlane, Optimal Dynamics and Sympower.

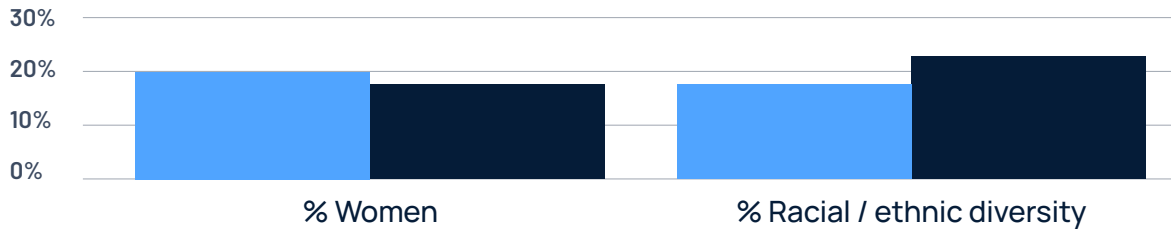
Diversity across our portfolio companies

■ Portfolio ■ Industry benchmark

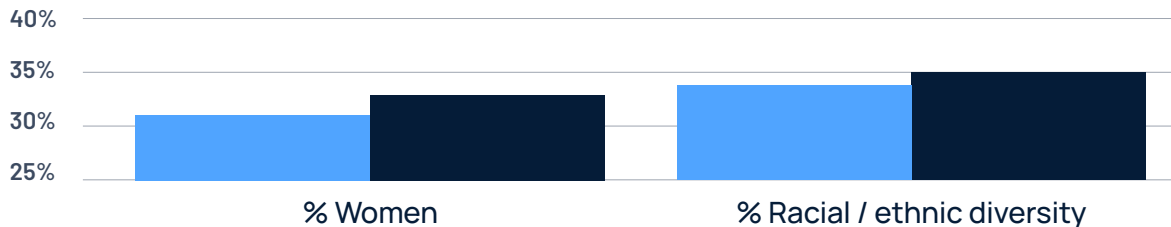
Board diversity



C-suite diversity



Team diversity



All metrics are straight averages across reporting portfolio companies – not size-weighted.

Date note: includes 16 companies - HOMEE, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Element Analytics, Passport, Generate, PosiGen, Omnidian, KlearNow, Fictiv, Swimlane, Optimal Dynamics and Sympower.

Data highlight

We use industry-level benchmarks based on company stage (e.g. 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.

Portfolio highlights

- StreetLight Data’s executive team is 50% women.
- Passport has a 43% female C-suite and 42% female employees overall.
- Ridecell conducts annual review of hiring trends and a global employee satisfaction report with analysis by gender, race / ethnicity and age.
- Flexe conducts Engagement Inclusion Pulses, with a focus on action, engagement, feedback and growth and development.

Employee engagement and contributions to surrounding communities

— Community involvement

1,650+

Volunteer hours tracked across companies

\$100K

In charitable giving tracked across companies



Partnered with a local community (city of Charlotte) to use dynamic pricing to help frontline workers commute more easily during COVID, and help the city rebound



Raised \$62K for Hurricane Ida relief and contributed 170+ volunteer hours to partners Dress for Success and Habitat for Humanity



Raised \$27K through their holiday giving campaign, and contributed 300+ volunteer hours

A. Job creation stats include 14 companies reporting on a 0-100-point scale. B. Calculated as new employees who joined the company less employees lost (both voluntary and involuntary attrition). Data note: job creation stats include 14 companies - HOMEe, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Passport, Generate, PosiGen, Omnidian, KlearNow, Fictiv, Optimal Dynamics and Sympower.

Employee engagement

85%

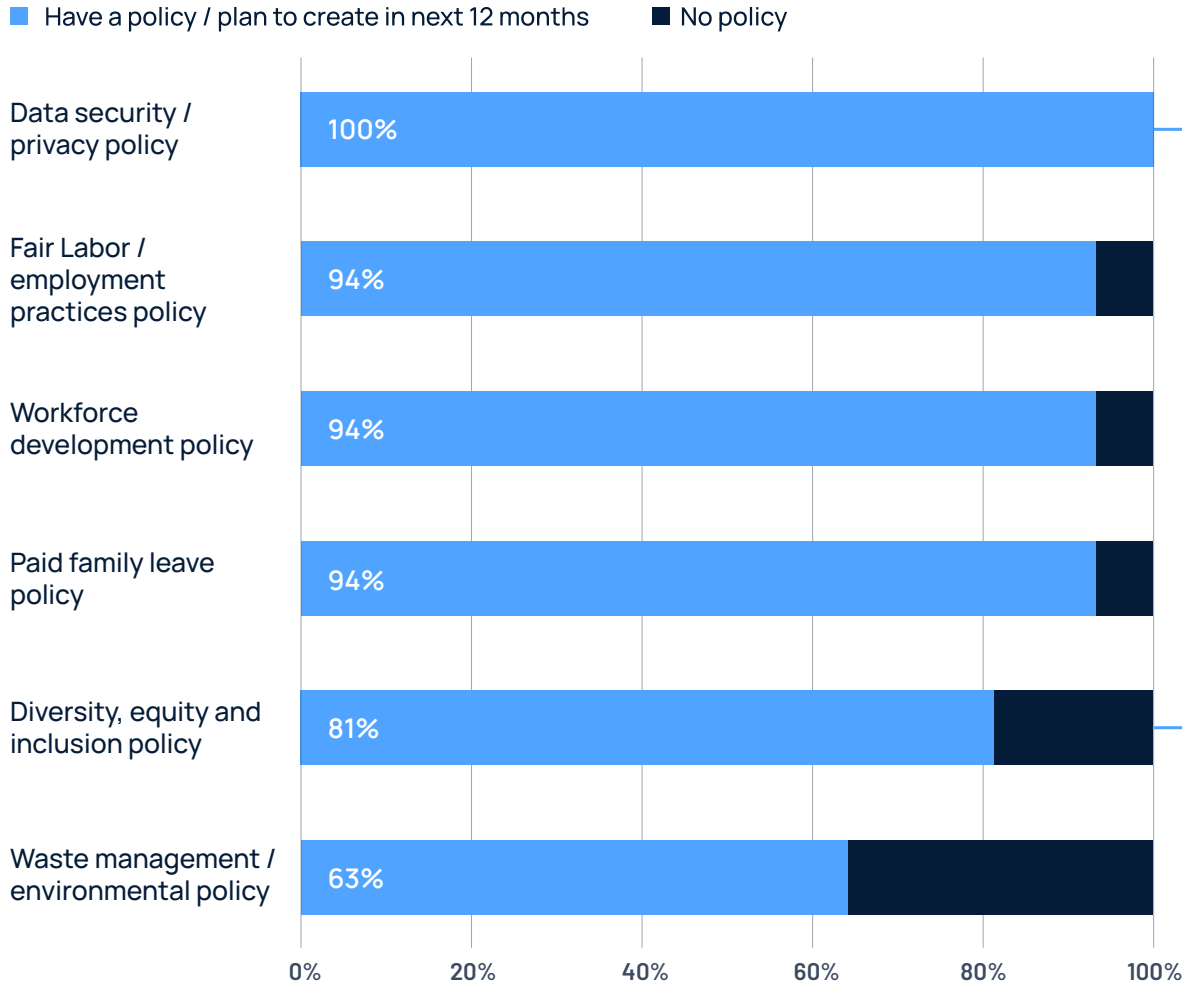
Average employee satisfaction score across reporting companies^A

Job creation

675

Net-new jobs created across our portfolio^B

Key ESG policy adoption across portfolio companies



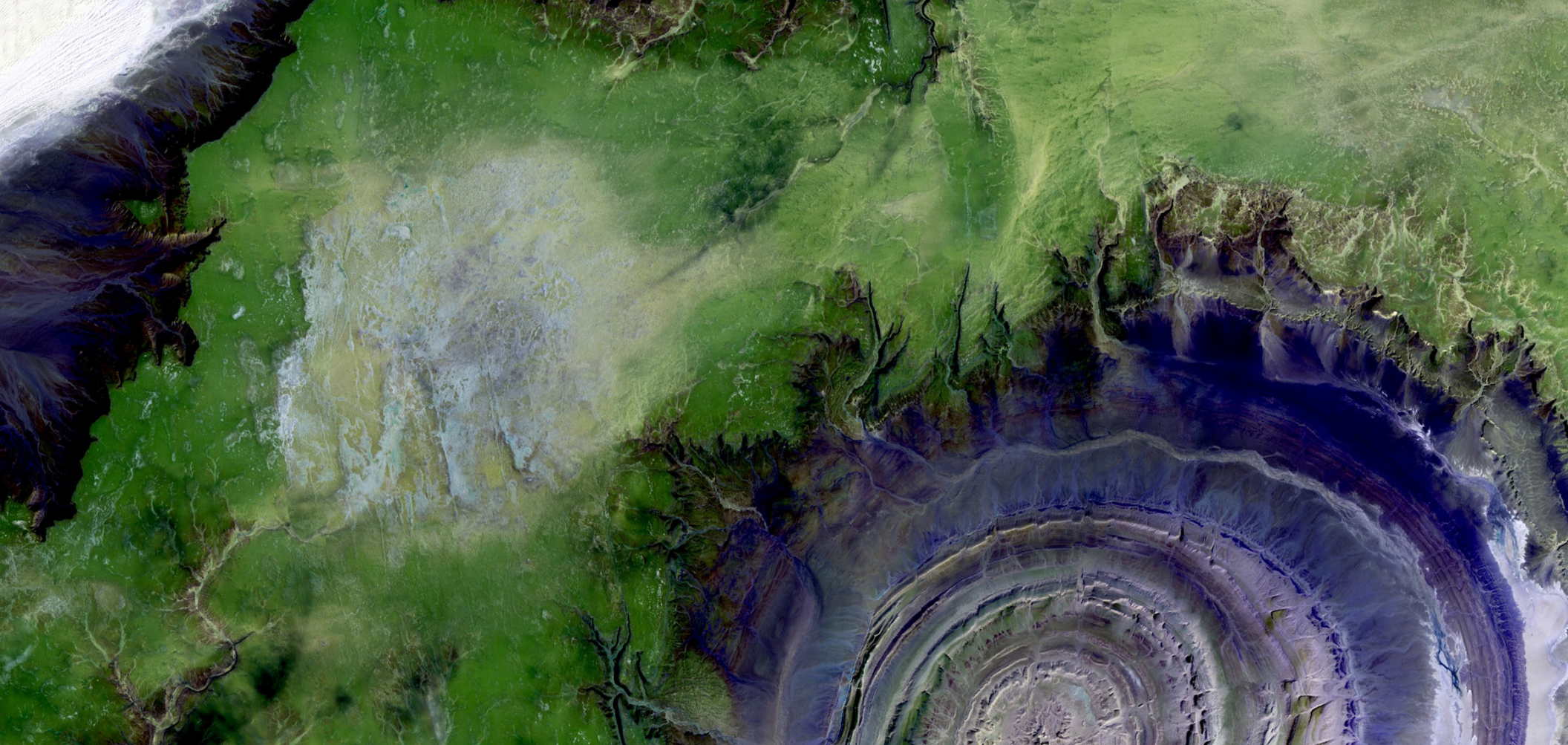
Data note: Includes 16 companies - HOMEe, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Voltus, Element Analytics, Passport, Generate, PosiGen, Omnidian, KlearNow, Fictiv, Optimal Dynamics and Sympower.



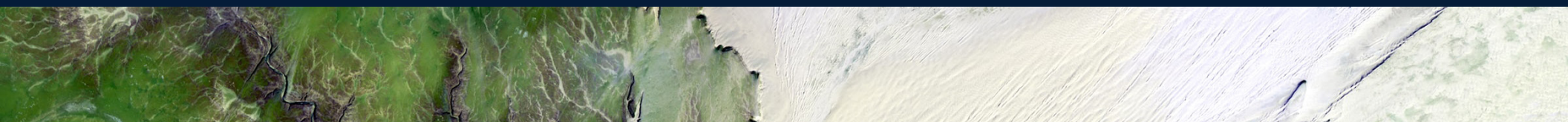
Activate has offered to support our portfolio companies in establishing policies where they do not already exist, by providing standard language and supporting efforts at the board-level.



Ridecell's employee handbook includes Equal Employment Opportunity, and they are in the process of formally adding a DEI policy. In an employee survey conducted in Feb 2022, they scored 94/100 on the parameter of employees being treated in a fair, equitable and respectful manner irrespective of their background.























Portfolio impact highlights



Impact across our portfolio

The companies in our portfolio are all driving impact that spans beyond their firms and customers and brings positive benefits to our environment and society at large. This wide-reaching impact is an intentional outcome of our investment approach. Impact, however, can take many different forms. We think about impact in terms of six areas that sit across sustainability and resilience.

Investment theme	Impact area	Rationale	Portfolio companies
Sustainability	A. Hardening the grid	The shift to renewables is core to climate progress but brings challenges of intermittency and strains to transmission / distribution infrastructure.	   
	B. Democratizing clean energy access	Accessing clean energy infrastructure (e.g. solar) can be complex for individuals and corporations alike, slowing adoption.	 
	C. Electrifying and sharing mobility	Reducing emissions from transportation relies on achieving both fewer and cleaner trips for passengers and goods.	  
Resiliency	D. Improving supply chain resiliency	Modern supply chains can be inefficient (long cycle times, inefficient networks) and are fragile – subject to disruption by macroeconomic events.	    
	E. Accelerating cybersecurity	The energy transition relies in part on a shift to digital infrastructure and increased connectivity, which are at-risk of cyberattacks.	 
	F. Digitizing systems of production	Data can be used to influence decision-making with the goals of decreasing waste, increasing safety and streamlining processes.	   

A. Hardening the grid

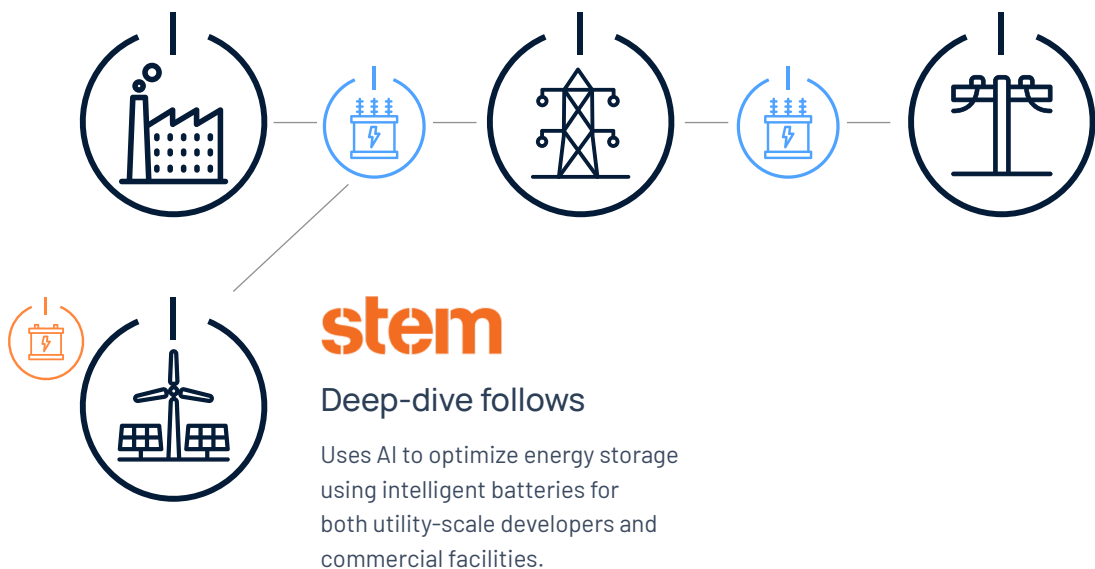
The shift to renewables is core to our climate ambitions but brings challenges of intermittency and strains to transmission / distribution infrastructure. Distributed energy resources, battery storage and grid alternatives are key to the energy transition. The U.S. grid alone will require \$360B in transmission upgrades by 2030 and \$2.4T by 2050 to meet increased electrification demand.⁷



Generation of electricity

Long distance transmission

Distribution



Use and distributed energy resources



OMNIDIAN

Deep-dive follows
Optimizes and guarantees solar and storage performance for residential and commercial users.

voltus

Deep-dive follows

sympower

Software connecting distributed energy resources to electricity markets optimizing energy use during times of grid stress.



Pure play smart energy storage

What they do

Stem (NYSE:Stem) is the global leader in AI-powered energy storage. The company deploys behind-the-meter (BTM) and front-of-the-meter (FTM) energy storage systems for commercial customers and utility-scale developers, then uses its Athena artificial intelligence platform to optimize the charge and dispatch of the batteries. This enables energy savings for customers, who can draw energy when it's less expensive, while optimizing their renewable energy mix.

Why it matters

The intermittency of renewable solar and wind energy makes the scale-up of battery storage an essential piece of the energy transition. On the utility side, Stem systems help maximize project ROI by ensuring as much energy as possible can be captured and sold by renewable assets, independent of when the sun shines or the wind blows. On the commercial and energy demand side, Stem helps corporations manage energy cost by avoiding demand charges from energy use during peak hours (which can be up to 40% of utility bills). They also help industrial sites achieve better resilience in the face of power outages and help them achieve renewable energy goals by only drawing power from the grid during periods of highest renewable generation.

By the numbers

20K

Homes powered during the August 2020 California rolling blackouts

950+

Systems operating or contracted, across 200+ cities

1,600

MWh of systems driving energy autonomy (assets under management)

\$30K+

Annual energy and maintenance savings per MWh systems (case study)

40%

Reduction in peak energy consumption per site (Penske case study)

Highlights



Nowhere is backup power more important than at critical facilities like hospitals, fire stations, emergency shelters and water treatment plants. And having more backup on the system allows utilities to better manage rotating outages, lessening impacts on customers and keeping the heat on."

John Carrington
CEO of Stem





Connecting distributed energy resources to the grid

What they do

Voltus provides grid flexibility services for wholesale market operators to ensure grid stability at all hours of the day. Voltus makes it easy for commercial and industrial customers, as well as distributed energy resource (DER) aggregators, to monetize energy assets through wholesale energy markets. Using a simple hardware controller and software solution, Voltus connects flexible consumption assets such as industrial equipment or smart thermostats and enrolls them in various energy programs, shifting energy consumption away from times of stress on the grid, creating meaningful energy savings for customers.

Why it matters

A more flexible and resilient grid is critical to the energy transition. To meet decarbonization goals, the U.S. electrical will need to expand to accommodate the electrification of homes, transportation and industry. At the same time increasingly severe weather events—such as the 2021 cold snap in Texas and heat wave in the Western U.S.—are driving up peak demand and creating grid instability. This not only risks damaging our already-aged grid infrastructure, but also creates a need for dirty-burning coal and gas peaker plants to stay online. Voltus alleviates this need by creating Virtual Power Plants (VPP) that can smooth energy consumption to protect our grid.

Highlights



We consider distributed energy resources to be the connective tissue of the energy transition. There is a significant need to balance grid supply and demand, particularly with the rise of intermittent renewables like wind and solar. Demand side management, perhaps in the form of onsite or behind the meter battery storage, can provide that balance.”

Gregg Dixon
CEO of Voltus

\$31M saved for customers to-date
(cumulative as of 2022)

By the numbers

1,473

MWs of grid flexibility deployed

11K

MWhs of Peaker Energy avoided

4K

Metric tons CO₂e savings from clean MWhs

9

of ISOs served



Intelligent asset management for distributed energy assets

What they do

Omnidian is the category leader in intelligent asset management for distributed energy resources including solar and storage. The company helps residential and commercial solar asset owners monitor their systems, guarantee performance levels and automate servicing through a nationwide network of vetted technicians. Omnidian is expanding its operations and maintenance platform across other categories, creating unified products to accelerate investment in clean energy assets.

Why it matters

Omnidian's performance guarantee helps accelerate the pace of distributed solar adoption by improving the performance of the solar assets. The solar industry suffers from chronic underperformance as asset management services are often an afterthought - many investments made by homeowners or businesses fail to meet the advertised return. Omnidian removes this uncertainty by guaranteeing a minimum production output. This dynamic not only lowers the cost of capital for new solar projects, but also significantly increases customer satisfaction.

Highlights



Residential and commercial solar are moving into mainstream adoption and with that comes demand for a higher level of service and assurance that a customer's system is operating as expected."

Mark Liffmann

CEO of Omnidian

Top 100 places to work

(Business Seattle) 4 years in a row

Most innovative

U.S. energy company (Futurology, 2021)

By the numbers

660

MW under primary management (2022)

22K+

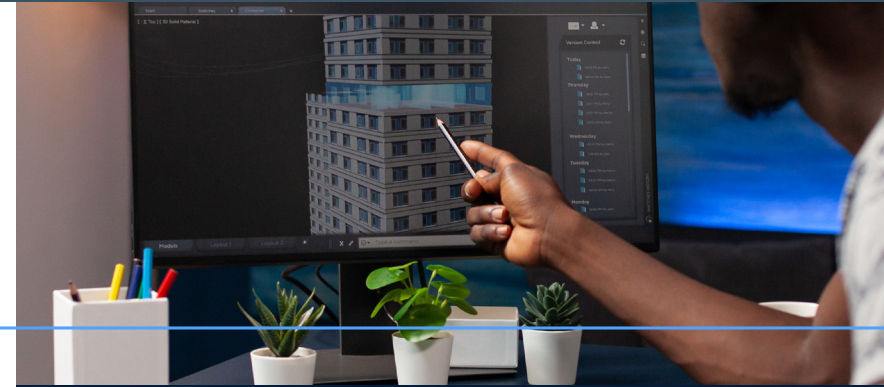
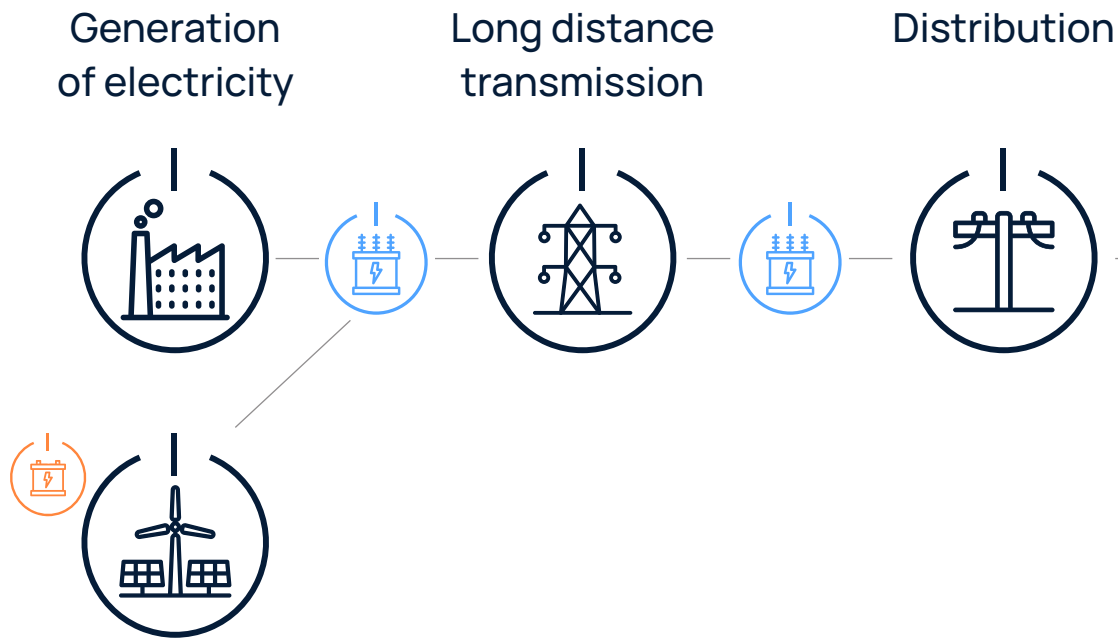
Metric tons CO₂e impact of clean MWhs attributable to Omnidian-driven performance improvement

22K

Residential solar systems managed nationwide (2022)

B. Democratizing and increasing access to 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 U.S. – before accounting for the impact of the Inflation Reduction Act.⁸



Use and distributed energy resources



PosiGen

Deep-dive follows

Provides solar and energy efficiency leasing and purchasing services for homeowners, simplifying the shift to clean energy



GENERATE

Deep-dive follows

Brings Infrastructure as a Service approach to finance smaller-scale renewable energy and energy efficiency assets that aren't supported by traditional financial players





Financing the resource revolution

What they do

Generate Capital is a leading sustainable infrastructure company that builds, owns, operates and finances sustainable infrastructure. Generate delivers clean, affordable and reliable resources to businesses, cities and communities across the sustainable power, mobility, waste, water, agriculture and smart cities' markets. Sustainability is deeply ingrained into everything Generate does, as exemplified by their structure as a Public Benefit Corporation (PBC) and their mission to be the leading capital partner for the Infrastructure Revolution.

Why it matters

While the Resource Revolution requires trillions of dollars of new infrastructure capital, a fundamental barrier to the deployment of new sustainable infrastructure is finding the right capital solution and the right partner. Procuring cost efficient capital solutions to meet the needs of each project while managing operational risks is key to the success of developers and technology providers. Generate's deep domain expertise, ability to provide multiple types of capital and operational focus help to de-risk the adoption of renewable technologies for customers. This helps accelerate the adoption of innovative technologies and allows solutions providers to scale up quickly. Generate has taken this one-stop-shop model to accelerate the deployment of community solar, energy efficiency projects, anaerobic digestors, wastewater treatment, mobility and much more.

By the numbers

\$4B+
Portfolio (2022)

2,000+
Operating projects (2022)

50+
Partners

Highlights



More than two-thirds (70%) of global emissions today stem from operating and building infrastructure, according to the World Bank. Every moment we waste without building cleaner, more resilient infrastructure makes our planet more risky for the future."

Scott Jacobs
CEO of Generate





Residential solar for all

What they do

PosiGen provides residential solar, energy efficiency and energy education solutions to reduce household energy consumption. With over 20,000 households served, the company's lease program combines energy efficiency measures and solar systems in order to make solar energy affordable to low-to-moderate income families. The Company offers individuals and families the opportunity to lower utility bills and achieve greater fiscal autonomy and energy independence.

Why it matters

Millions of American homeowners are unable to get access to green energy products as the industry relies on FICO scores, categorically excluding low-income families from participating in the energy transition. PosiGen's offering is unique among residential solar installers, offering low-income households a no-money down financing option for rooftop solar, resulting in saving the average household \$50 per month. PosiGen not only accelerates the energy transition but creates a more equitable future allowing all individuals to participate.

Highlights



As a company, we believe that serving low and moderate-income customers who will benefit the most from our solar plus energy efficiency offerings creates a virtuous cycle of value – making a difference in the lives and communities of the families we serve.”

Tom Neyhart
CEO of PosiGen



By the numbers

72%

% of solar installs at homes below median state income

\$41M

Total utility cost savings for families

Up to 30%

Energy bill savings per customer

140K+

MWh of clean energy generated

98.5K

Metric tons CO₂e avoided from clean generation

C. Electrifying and sharing mobility

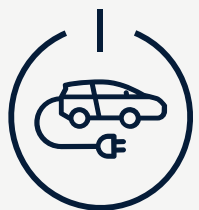
Reducing emissions from transportation relies on achieving fewer and cleaner trips – both through optimizing the way we move goods and people and enabling the transition to electric vehicles. Electric vehicles on the road need to 15x by 2030 – requiring massive increases in supporting infrastructure according to the IEA's Sustainable Development Scenario.⁹



Change the context – specifically the urban planning and routes available, to reduce congestion and integrate EVs



Data platform helping to reduce congestion and integrate EVs efficiently



Reduce emissions per vehicle – through shifting to electric vehicles and creating infrastructure to support EV charging



Provides free electric vehicle charging stations that are supported by sponsor brands, enabling the profitable transition to electric vehicles



Improve efficiency and enable shared fleets



Helps fleets ranging from shared mobility services to delivery vehicles digitize their operations and run more efficiently



Big data for mobility

What they do

StreetLight (acquired by Jacobs Engineering in February 2022) is a big data platform providing visualization and “digital twins” of mobility activities to transportation agencies, mobility providers, real estate groups and financial players planning the future of mobility infrastructure. Applying proprietary machine-learning algorithms to over 40 billion location data points every month, StreetLight measures multimodal travel patterns to help customers understand how people and vehicles move throughout cities: their routes, their vehicles and modalities and how policies affect movement over time.

Why it matters

The transportation and mobility sectors are on the front end of a decades long project to refactor how people and goods move around cities. To make intelligent decisions around new infrastructure investment, stakeholders need better data and modeling solutions. How should cities invest in new transportation infrastructure related to bikes, scooters and electric vehicles? How will these projects impact different communities? How will various alternatives impact congestion or carbon emissions? Where should EV charging networks be designed? StreetLight is the platform helping cities and companies manage this transition with impact, communities and environment in mind.

Highlights



Before StreetLight, it took manual counts, roadside surveys and months of data collection to inform transportation decisions. Our team combines machine learning with deep transportation knowledge to process trillions of location data points from mobile devices to shed light on how our streets, sidewalks and bike lanes really work.”

Laura Schewel
CEO of StreetLight Data

Helped the Bay Area Transit Agency boost bus ridership by **30%** by optimizing routes to serve changing commuting patterns

By the numbers

10,000+ better planning decisions enabled per month as a result of the StreetLight toolkit

Mapped and analyzed **5M+** miles of roadway, sidewalks and bike lanes, and **10M+** census blocks

Supported the city of Santa Clara in determining optimal placement for **400+** public EV chargers based on driving and charging behaviors

Creation of **90** acres of reclaimed public space enabled by reducing traffic on the Brooklyn-Queens expressway by **4,000+** trucks per day



CEO PROFILES:

Laura Schewel

CEO - Streetlight Data, Inc.

— What first got you interested in your sector and problem area?

I took an environmental engineering class in college purely to fulfill my “one science class by the end of sophomore year” requirement. The reading we did on climate change altered my life. At the end of the semester, I realized I had to work on climate. I had assumed I’d be some sort of literature professor or museum curator till then.

The main problem for transportation in the U.S. is that we have trillions of dollars of infrastructure invested in a car centric landscape - and reversing that tide takes political will to change that. It’s tricky to find acceptable solutions. That’s one of the reasons the environmental world has gravitated towards EVs - you can get a bunch of carbon reduction without any tough behavioral or economic change. But EVs alone won’t get us as low as we need to go.

— What are the different ways that your organization thinks about impact?

In our company - we provide data. So, the data can’t be seen as biased. We operate on faith that if there is more data about transportation - and lower-carbon options like biking, walking and transit, in particular - then it will bend the arc of decision-making towards better choices. We have plenty of concrete examples of this working - when our clients are able to justify investments in sustainable modes or (my favorite) when they’re able to show that new car facilities need not be built. But a lot of the time the impact or our work is less easy to pinpoint - and that requires some faith (which can be stressful).

— What have you been reading, watching or listening to for fun? (e.g. favorite books, news publications, podcasts, TV shows)

I have a four-month-old baby so there’s been a lot of Hungry Caterpillar and Pat the Bunny recently! However, I’ve also been reading Walter Mosely’s Easy Rawlins mysteries, which are fantastic.

VOLTA

Charging towards a greener future for all

What they do

Volta Charging (NYSE:VLTA) is a nationwide network of free electric vehicle charging stations that are supported by sponsor brands. Volta’s model provides free charging for electric vehicle drivers, with chargers located near high-traffic commercial destinations such as shopping malls or grocery stores. This provides positive visibility for sponsor brand, and improved amenities for charger hosts. Through the company’s Predict EV platform, they also bring EV usage data to utilities, public agencies and other planners who need critical mobility data to help plan charging infrastructure.

Why it matters

A critical barrier to the adoption of electric vehicles has been the availability and density of charging networks. Unfortunately, many EV chargers have low utilization, which reduces the value proposition for site hosts to looking to justify investment. This is driven by poor placement, unpredictable and complicated payment methods and significant downtime. Volta’s ad-sponsored model unlocks high utilization (up to 50%), a stronger ability to maintain uptime and a better value proposition for site hosts. All while using their bold product as an advertisement itself to promote the adoption of EVs.

Highlights

Volta has supported public service efforts with its kiosks:

- Launched the Volta Response System in 2020, amplifying public safety broadcasts on behalf of city officials during COVID-19
- In 2021, worked with Southern California Edison (SCE) to promote the benefits of electric vehicles
- In 2021, worked with Bloomberg Media to display an air pollution scorecard



By the numbers

32K

Metric tons of carbon saved from clean, free miles (cumulative) - equivalent to taking 7K cars off the road

150M

Free electric miles provided (cumulative) - enough for 30,000 round trips across the U.S.

3.5M+

Gallons of gas saved (cumulative)

50%

Charger utilization - 7x the California average

D. Improving supply chain resiliency

Modern supply chains can be inefficient (long cycle times, inefficient networks) and are fragile – subject to disruption by macroeconomic 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 2026,¹⁰ within the broader \$1.6T U.S. logistics industry.¹¹

Corporate-level supply chain planning



Altana

Visibility into multiple tiers of the supply chain allows for proactive planning, understanding of emissions and more

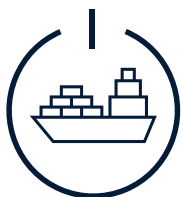
Manufacturing



fictiv

Deep-dive follows
Custom, on-demand manufacturing can increase flexibility and reduce iterations and waste in creating new products

Long-haul transport



KLEARNOW

Simplifies custom clearance and port processes to avoid bottlenecks

Warehousing



Flexe

Deep-dive follows

Increases efficiency with flexible warehousing capacity, distribution and fulfillment

Ground transport and last mile

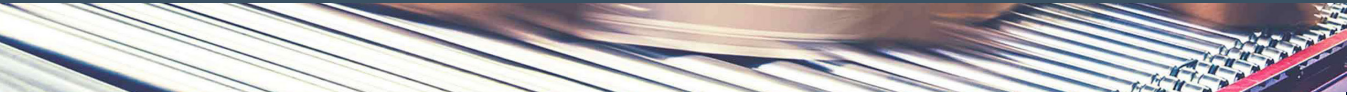


Optimal Dynamics

Optimizes truckloads for fewer, better trips

Final delivery





Flexe

Flexible logistics solutions

What they do

Flexe brings flexible, scalable logistics programs to help the world's largest retailers and brands looking to build resiliency, speed and efficiency into their supply chains amidst global logistics uncertainty. Flexe's innovative model, utilizing a network of third-party warehouses and transportation providers, and cloud-based software platform enables its customers to scale their logistics networks just like the cloud. This results in more structurally resilient and dynamic supply chains that can adapt to the rapidly changing needs and demands of enterprises and end customers alike.

Why it matters

Supply chain stress remains at an all-time high as enterprises are processing the effects of COVID, rapid growth in ecommerce demand, labor inflation and supply shortages. All while the corporate and consumer focus on sustainability in logistics continues to accelerate. Flexe enables enterprises to re-architect their supply chains in a way that meets all these demands, by pulling inventories closer to customers, reducing 1-day airfreight, compressing the last-mile and predictively planning for replenishment of supply networks. This is a fundamentally new model for logistics and will change the paradigm from fixed, siloed supply chains to flexible, shared networks.

Highlights



"I'm most proud of the team we've built. From day one, not only did we set out to innovate in an industry that desperately needs it, but also to build a team of innovators who wanted to work together."

Karl Siebrecht
Co-founder & CEO of Flexe

Flexe served as an integral pillar of Ace Hardware's "Hurricane Heroes" program, aimed at keeping critical items in stock to support during weather emergencies.

- Since 2018, Ace has stored ~3,500 pallets with Flexe, 30% of which were shipped to hurricane-affected regions
- Flexe was able to get shipments of goods to affected areas in less than 24 hours

By the numbers

6

Of the 10 largest retailers work with Flexe

>50%

Reduction in delivery time (Lull case study)



CEO PROFILES:

Karl Siebrecht

Co-founder & CEO - Flexe, Inc.

The original idea for Flexe came from a random conversation with a friend at a housewarming party. The essence of the opportunity to “variablize” what had historically been fixed warehousing capacity resonated deeply with me because it unlocked an entirely new, more agile and more efficient model for the \$1.5T (8% of GDP) logistics industry.

— What are key challenges that your industry faces on its path toward sustainability and modernization (toward Smart Sustainable Systems)?

The primary challenge is that every company is building their own bespoke logistics network to move goods from point of origin to point of destination, often in a very inefficient way. This is akin to every company building their own data centers today, which, in light of how cloud infrastructure has evolved over the past 15 years, seems silly. Logistics, like data and computing infrastructure, should largely be operated through shared platforms and shared assets and this is what Flexe has created. This delivers both direct economic value and sustainability benefits for customers by driving better and smarter utilization of assets.

— What are some of the most inspiring ideas and people you’ve met along your journey?

Our best ideas come from employees and customers who have deep experience in one aspect of our domain like traditional logistics or technology platforms built for other industries, and have curious, open minds. With this combination, they can build on those experiences and adapt them to what is unique about our model and our industry.

— What are the different ways that your organization thinks about impact?

We have primarily framed our impact in terms of customer ROI and the value we create for our operator partners. We’re starting to get our arms around quantifying the sustainability impact of our services for our customers and are very excited to drive this forward.

— What are your company’s values and why?

Think big and work together. We must continually challenge ourselves to think big in order to continually evolve our model, because our runway for innovation is incredibly long. At the same time, we must ensure we continually incorporate a very broad and diverse set of viewpoints because we are still a long way off from having all the right answers. This is only possible if we can build a very diverse team and then harness that potential by truly working together.



fictiv

Digital manufacturing platform

What they do

Fictiv is the operating system for custom manufacturing that makes it faster, easier and more efficient to source and supply mechanical parts. Its intelligent system, supported by best-in-class operations talent, orchestrates a network of highly vetted and managed partners around the globe for fast, high-quality manufacturing, from quote to delivery. To date, Fictiv has manufactured more than 20 million parts for more than 3,000 companies, helping them innovate with agility and get products to market faster.

Why it matters

As supply chains have become more complex and vendor networks have become increasingly fragmented, resiliency has moved into the foreground for CEOs. Companies are highly focused on finding ways to accelerate new product development, strengthen supply chains and increase operational efficiencies. Fictiv's digital network connects buyers with trusted supply, without the need for costly and high-emission travel. Further, Fictiv has the potential to help buyers find suppliers that meet ESG specifications (union shops, minority owned, U.S.-made), by helping to elevate them in the market.

Highlights



We have been able to transform antiquated processes and support manufacturers around the world in their quest to modernize operations. Through technology, they are better able to drive business growth, improve quality and lower costs so we can bring more products to market faster and more affordably."

Dave Evans

Co-founder & CEO of Fictiv

In Fictiv's 2022 State of Manufacturing report, 63% of companies surveyed stated that product sustainability is increasingly important – up from 40% in 2021

By the numbers

98%

Perfect quality parts – meaning less waste

8

Years shaved off development time for break through medical devices (Transmed7 case study)

30%

Reduction in time needed for new product development (case study)

30%

Reduction in launch failure rates (case study)

1,100

Metric tons worth of carbon credits purchased, to offset emissions



CEO PROFILES:

Dave Evans

Co-founder & CEO - Fictiv

What first got you interested in your sector and problem area?

I'm a mechanical engineer from Stanford and have always been in manufacturing. Starting in 2013, my brother and I founded Fictiv to reimagine how hardware – physical goods – could be built at the speed of software and since then we've been working on this idea of workflow, productivity and supply chain. In the last 2-3 years, in particular, it's become clear there's never been a more important time to drive resiliency and agility into manufacturing supply chains.

What are key challenges that your industry faces on its path toward sustainability and modernization (toward Smart Sustainable Systems)?

One of the greatest challenges we're seeing is the prioritization and funding of sustainability initiatives. When we're talking about these massive, global supply chain issues, resiliency and agility are the number one issues at hand here. Initiatives that were once maybe ten years out, are now being accomplished in quarters. Key initiatives are being demanded by board rooms, which is great to see.

What are your company's values and why?

We believe in a culture focused on the well-being of our people and the world around us. Our culture drives business growth and organizational clarity.

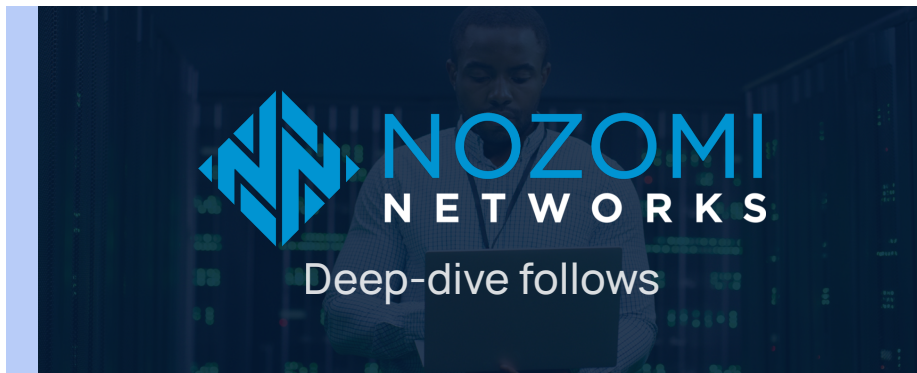
My brother Nate and I grew up in the Canadian wilderness, which has influenced much of our drive and inspiration as leaders to not just change the world of supply chain and manufacturing but to also do it in a more sustainable way.

— What have you been reading, watching or listening to for fun? (e.g. favorite books, news publications, podcasts, TV shows)

Most of my fun time is spent with my daughter these days. I'm currently reading about the history of India and learning more about Gandhi's leadership and approach to nonviolence resistance. We recently opened an office in India and now have over 30 employees there, so I've been fascinated by India's culture.

E. Accelerating cybersecurity

The energy transition relies in part on a shift to digital infrastructure and increased connectivity – from power plants to smart homes. Tailored cybersecurity solutions are needed to protect critical infrastructure, especially energy sources, from disruption. Gartner predicts that by 2025 threat actors will have sufficiently weaponized operational technology environments to cause human casualties, an indicator of the severity of the threat. The global cybersecurity market is expected to be worth \$500B by 2030.¹²



Nozomi provides cybersecurity for connected, industrial assets – including operational technology (OT) – by connecting to critical equipment and using AI to identify and manage cyber risks. They provide real-time threat visibility and resiliency for critical infrastructure such as power plants and transmission.



Swimlane is a leader in security orchestration, automation and response (SOAR) providing a purpose-built platform for security organizations to proactively respond to security threats. They help to protect critical infrastructure including the grid, water treatment plants, hospitals and more.



Cybersecurity for critical infrastructure assets

What they do

Nozomi Networks is the leader in industrial asset cyber security, delivering real-time threat visibility, cyber risk management and resiliency in industrial operations. Supporting sectors such as critical infrastructure, energy, manufacturing, mining and utilities, the company connects to critical equipment and devices, then uses artificial intelligence to help industrial facilities identify, escalate and manage cyber risks to their operational networks.

Why it matters

Critical infrastructure is often highly vulnerable to cyberattacks due to a lack of protection of operational assets and equipment (OT). These assets are not digitally native and cannot be easily protected by traditional endpoint security tools. Incidents like the Colonial Pipeline ransomware attack in May 2021 have shown that a few pieces of unprotected equipment can threaten energy security for entire regions, exemplifying the importance of solutions like Nozomi to safeguard our energy economy.

Highlights



Cybersecurity events on the grid are of significant concern, given the increased deployment of smart grid technologies and other forms of intelligent controls and industrial control systems (ICS)."

- U.S. Department of Energy report: "Electric Grid Security and Resilience" (2016)



2021 was a monumental year for cyber-attacks on industrial and critical infrastructure. SolarWinds, Colonial Pipeline, Oldsmar Water, the JBS meat plant attack, hospital attacks, among many others. In a very short time, we moved from theoretical conversations about the cyber risk to critical infrastructure to a series of real-world scenarios that not only impacted the bottom line but could be felt by everyday citizens."

Edgard Capdevielle

CEO of Nozomi

By the numbers

74M

Devices protected from cyber attacks - including critical infrastructure

5

Of the top 10 electric utilities globally use Nozomi to protect their assets

300+

Electric distributions sites protected (Enel case study only)

500+

Hydro generation plants protected (Enel case study only)

F. Digitizing systems of production

Data can be used to influence decision-making with the goals of decreasing waste, increasing safety and streamlining processes. Improving processes to design out unnecessary delays and waste is an oft-underappreciated tenet of energy transition, especially in relation to industrial applications. Energy efficiency and other process improvements are estimated to be able to drive a 50% reduction in U.S. greenhouse gas emissions by 2050, with roughly 10% from industrial efficiency.¹³



Serving end markets such as manufacturing, energy, packaged goods, materials and aerospace, Parsable's 'Connected Worker' cloud platform helps customers move away from static, paper-based procedures and towards a mobile-first paradigm of industrial operations – increasing productivity and safety.



Element's industrial data platform bridges the built world with the digital world in the form of a single data model giving industrial organizations the ability to create contextualized digital twin models of their physical assets. Element is a critical enabling technology to help process industries better understand their sustainability and safety issues, diagnose problems and test solutions.



Passport is a transactions & payments and operations management platform for cities looking to digitize the management of mobility activities (e.g. parking payments). Passport helps cities offer a seamless experience for visitors and residents alike, while helping integrate new modes of transportation and enabling rewards programs to help low-income communities with access to mobility services.



HOME E combines an automated claims processing workflow with a network of 20,000+ registered contractors to deliver a better experience for insurance policy holders. As homes adopt more complex electrical appliances (e.g. solar, storage, heat pumps, EVs), and extreme weather events continue to become more severe, HOME E is positioned to help the insurance industry serve customers effectively.



Looking ahead



A. Our action plan

We recognize that creating impact is a journey, and we intend to leverage learnings from the process of creating our inaugural report as the basis for driving improvements across our portfolio going forward.

Across our portfolio

- Develop roadmap for impact / ESG reporting evolution - Companies are at varying stages in their journeys. Beyond including an ESG reporting clause in our term sheets and financing documents, we plan to develop a clear, progressive set of expectations for how governance, reporting and strategy should build over time. We additionally plan to facilitate the sharing of best practices across our portfolio companies.
- Standardize metrics -The impact / ESG landscape is evolving rapidly and companies are receiving an ever-increasing set of requests from their investors. We intend to work with peer firms to better standardize the expectations and metrics for portfolio companies in order to efficiently communicate the good work the portfolio companies are already performing.
- Increase response rate to 100% - For our first year of reporting, we developed an initial set of reporting metrics for our portfolio companies. Based on business constraints, not all were able to respond this year - but going forward we aim to capture our full portfolio.
- Improve diversity in our portfolio - We recognize the need to both invest in diverse founders and to support our portfolio companies in attracting diverse talent.

Activate firm-level

- Evolve reporting
- Refine our emissions calculations
- Improve our footprint



Going beyond specific actions, our vision is to build platforms for a sustainable, resilient future. There is no magic bullet for addressing climate change or for solving any of the global environmental challenges. It will take a multitude of companies, governments and changes to individual behavior to meaningfully move the needle on technology and innovation at scale. But we will all benefit from supporting the current “super cycle”— a 30-year shift in the way we produce, deliver, consume and re-use goods, and the underlying energy and resource systems needed to facilitate change.

We are building our firm from the ground up with talented and passionate people who are playing the long game. Technology improvements will continue unabated as they always have, irrespective of economic conditions or market sentiment. Every new learning unleashed by one technology enables more improvements elsewhere. It is our job to anticipate the trendlines in markets and technologies, tie them together and invest in the next innovation cycle that can lead to paradigm-shifting companies.

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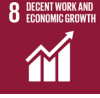






Appendix



A. Portfolio companies and the UN Sustainable Development Goals (SDGs)

At Activate, we remain committed to ensuring that our investments contribute to the United Nations Sustainable Development Goals (SDGs), which we see as a useful framework for identifying different types of impact. While our investments are diversified across a multitude of industries and go-to-market approaches, the SDGs provide a common language.

Company	ESG Impact	UN SDGs
	<p>Generate provides innovative financing solutions to accelerate the adoption of resource efficient infrastructure. Its programs help save energy, increase use of renewables, reduce and reuse waste and promote clean air, water and agriculture.</p>	   
	<p>Stem enables commercial and industrial customers to reduce their energy consumption using renewable power and smart batteries, while also helping utilities achieve system-wide renewables goals by integrating and smoothing renewable loads into the grid.</p>	   
	<p>Volta powers a nationwide network of free-to-consumer EV charging stations, which have collectively delivered over 150 million electric miles to users representing 70M pounds of CO₂ offset and 3.5M gallons of gas saved.</p>	   
	<p>Boosted (acquired by Lime in 2022) designs and built all-electric micro-mobility vehicles (scooters and boards), which provide carbon-free transportation alternatives for commuters in urban and campus environments.</p>	 
	<p>Ridecell's fleet automation and mobility solution software powers efficient carsharing and ride sharing programs contributing to emissions reductions and other ancillary social benefits including reduced congestion and need for parking infrastructure.</p>	 
	<p>Scoop enables reliable, efficient and fun corporate carpooling solutions, which increase vehicle occupancy rates, reduce congestion, improves work-life balance and reduces enterprises' carbon footprint.</p>	  

Company	ESG Impact	UN SDGs
	<p>Nozomi helps secure critical infrastructure against the ever-growing threat of cyber attacks, which increasingly can infiltrate the physical environment, including core energy assets from generation to the grid.</p>	 
	<p>HOMEE connects insurers, policyholders and skilled service providers throughout the claims process. The HOMEE InsurTech platform, in combination with a premier registered network of 20,000 contractors, is utilized by leading firms in the insurance and warranty sectors to dramatically improve cycle times.</p>	
	<p>Flexe allows retailers and brands to optimize their e-commerce distribution networks, which results in reduced transportation costs, energy consumption and land use associated with fulfillment operations.</p>	 
	<p>Passport has the goal of making our sidewalks smart by enabling frictionless parking and other infrastructure solutions for cities, which reduce vehicle miles driven, make delivery more efficient and provide touchless alternatives for citizens during the pandemic.</p>	 
	<p>StreetLight enables cities and regional transportation planners to make smart, sustainable and equitable transportation decisions and accelerate the adoption of electric infrastructure.</p>	 
	<p>Parsable's cloud platform helps industrial organizations empower front-line, deskless workers with access to digital procedures and content, training modules and collaboration tools to improve worker productivity and safety.</p>	 
	<p>Element's industrial data platform allows plant engineers and IT leaders to work collaboratively with an easy-to-use, no-code automated graph data model that better leverages operating data and drives efficiency across operations.</p>	 
	<p>PosiGen provides residential solar, energy efficiency and energy education solutions to over 25,000 households of which over 70% are low- and medium-income homeowners, which reduces energy footprints and increases income to homeowners.</p>	    

Company	ESG Impact	UN SDGs
	<p>Voltus software solution enables owners of distributed energy resources (DERs) to monetize assets through wholesale energy markets.</p>	  
	<p>KlearNow is transforming B2B supply chains with its smart Logistics as a Service (LaaS) platform that connects data, people, processes and organizations to enable new levels of visibility and productivity that reduce logistics costs and create better customer experiences.</p>	 
	<p>Fictiv is the operating system for custom manufacturing that makes it faster, easier and more efficient to source and supply mechanical parts.</p>	  
	<p>Omnidian's proprietary technology provides continuous monitoring for residential and commercial solar energy systems and portfolios which increases productivity and reliability.</p>	  
	<p>Optimal Dynamics' platform helps dispatchers make real-time routing decisions to optimize for revenue, available capacity and driver needs across their entire networks, while engaging in capacity planning months ahead. Route optimization has a direct impact on miles driven and therefore emissions and worker safety.</p>	  
	<p>Swimlane's software platform unifies security operations in-and-beyond the Security Operations Center into a single system of record that helps organizations quantify business value, overcome process and data fatigue and combat chronic staffing shortages.</p>	 
	<p>Sympower is an energy load aggregation platform that helps commercial and industrial facilities monetize their energy assets, such as HVAC, batteries, generators and pumps, through grid services. This provides better usage of existing resources.</p>	  
	<p>Altana AI is a big data platform with a searchable map of physical global supply chains, enabling companies to better understand their sources of supply (including labor and ESG implications).</p>	  

B. Data sources

The data for this impact report was derived from a multitude of sources, notably public and private information from our portfolio companies. We have used endnotes to cite non-portfolio external sources and have provided details on certain calculations.

Scope of data

Unless otherwise noted, the metrics shown in this report are meant to represent calendar year 2021. We rely on reporting by individual portfolio companies and recognize there is room for error.

Portfolio companies represented

In this first year of reporting, we worked with portfolio companies to collect key impact and ESG statistics. Companies are on different stages of their journey: some had established processes in place, and others are in the early stages of setting up ongoing measurement and reporting. Accordingly, not all companies were able to report on all the metrics we requested. For transparency, we have included below the companies that were included in each reported statistic. Notably, we did not collect non-public data from our two publicly traded portfolio companies, Stem and Volta.

ESG in our portfolio

- Key policies (e.g. cyber, DEI): 16 companies were included (HOMEE, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Element, Passport, Generate Capital, PosiGen, Voltus, Omnidian, KlearNow, Fictiv, Optimal Dynamics and Sympower).
- Employees: 18 companies were included, with public information used for Stem and Volta and self-reported figures used for HOMEE, Ridecell, Nozomi, Flexe, Parsable, StreetLight Data, Element, Passport, Generate Capital, PosiGen, Swimlane, Omnidian, KlearNow, Fictiv, Optimal Dynamics and Sympower.
- Scope 1 and 2 footprints, and employee / executive / board diversity: 16 companies were included (HOMEE, Ridecell, Flexe, Parsable, StreetLight Data, Nozomi Networks, Element Analytics, Passport, Generate Capital, PosiGen, Omnidian, KlearNow, Fictiv, Optimal Dynamics, Sympower and Swimlane).

- Employee satisfaction: Nine companies were included - those that reported using a 0-to-100-point scale (HOMEE, Ridecell, Nozomi Networks, Flexe, Parsable, Omnidian, Fictiv, Optimal Dynamics and Sympower).
- Impact across our portfolio: 20 companies were included in overviews (Sympower, Omnidian, Voltus, Stem, Generate, PosiGen, Volta, StreetLight Data, Ridecell, Optimal Dynamics, Altana, Flexe, KlearNow, Fictiv, Nozomi Networks, Swimlane, Passport, Parsable, HOMEE and Element).
- CO₂e avoided: 7 companies were included (Generate Capital, Omnidian, Optimal Dynamics, PosiGen, Sympower, Volta and Voltus).
- GWh generated / saved: 5 companies were included (Generate Capital, PosiGen, Sympower, Voltus and Stem). Note that Sympower's reporting statistic was "MWh sold in balancing programs."

CO₂e emissions

Metric ESG (see Acknowledgments section) calculated the Scope 1 and 2 for all companies (including Activate) with the exception of Generate, which used a separate external provider.

- 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.

Activate's Scope 3 from work-related travel / commuting was calculated in-house, and used emissions factors from the EPA and other U.S. government agencies (for road-based commuting) and ICAO (for flights).

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. In total, Metric has a peer set of 657 companies in their data. Within this, there are 269 Series A-B companies, 198 Series C+ companies and 164 growth capital companies: the three categories relevant to our portfolio.

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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C. Acknowledgements and memberships

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Portfolio companies

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