



# ESG REPORT

Environmental, Social & Governance Report 2021

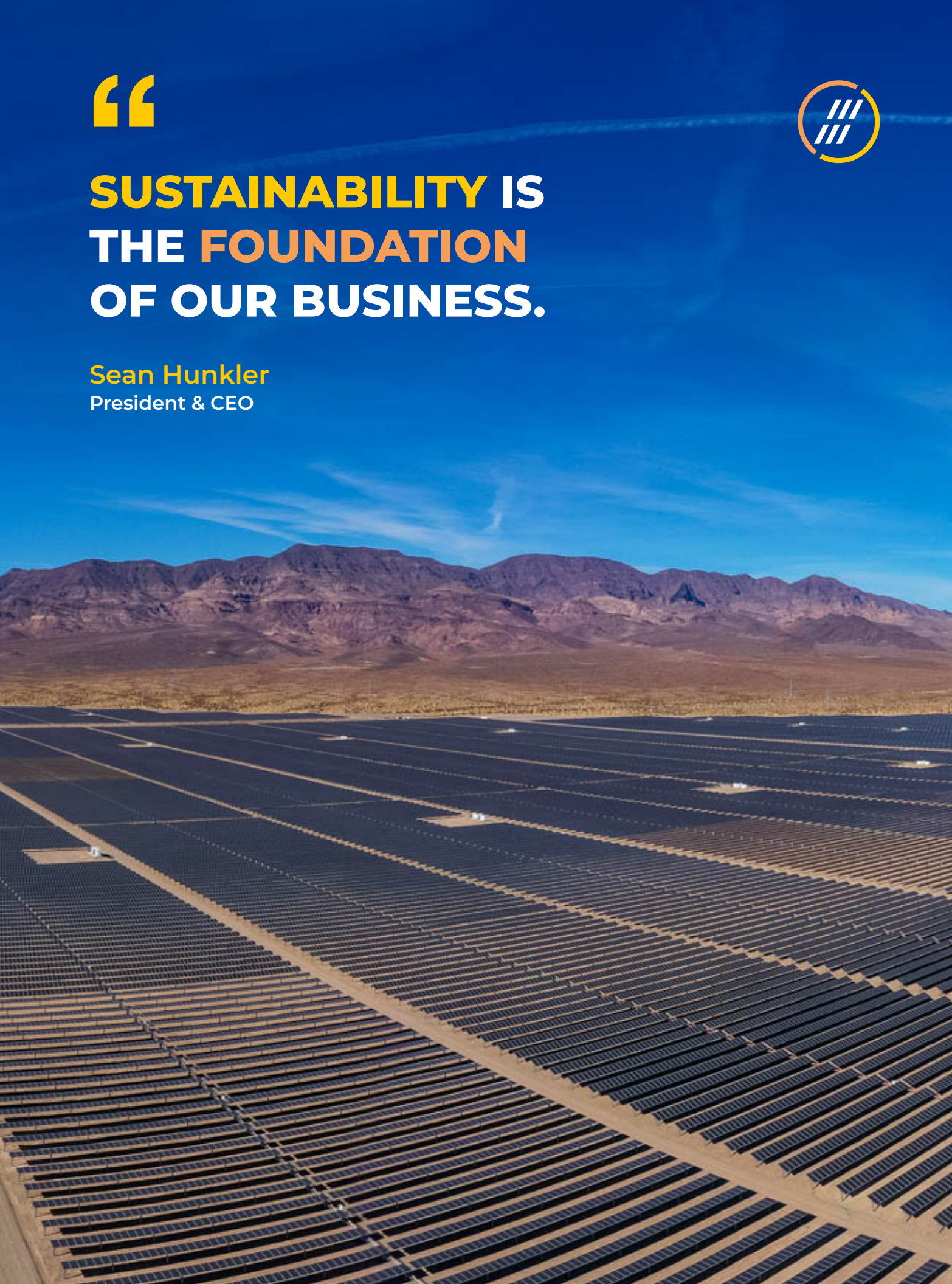
As the world continues to transition away from fossil fuels and toward **renewable energy sources**, we are proud to support our employees, vendors, customers and communities in **expanding access to clean, reliable solar energy**.





# SUSTAINABILITY IS THE FOUNDATION OF OUR BUSINESS.

**Sean Hunkler**  
President & CEO



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# LETTER FROM THE CEO

As a global provider of solar tracker systems, software and engineering services, sustainability is at the foundation of FTC Solar's business and culture. We recognize our responsibility to manage the impacts of our operations and to support our customers as they transition to clean and renewable solar energy.

The year 2021 was monumental for environmental, social and governance (ESG) progress in business. It also marked the year that FTC Solar became a public company. The following three central pillars are what FTC was founded on and what guides our company:

- **Sustainability**, as we were born from sustainable products
- **Innovation** in the energy transition
- **Asset-Light** to provide efficient and flexible capacity

We commit to achieving the highest customer loyalty by consistently delivering world-class products and services. We strive to meet or exceed our customer's expectations by driving quality at the source and continual improvement. Today, FTC has an installed base of more than 3.5 gigawatts (GW) and has served more than 140 customers with our 46 manufacturing partners in seven countries.

In 2021, we were guided by our desire to serve the needs of our stakeholders – our customers, investors, employees, suppliers and surrounding communities. To do this, we recognized the need to formalize our approach to ESG by codifying our policies and procedures, enacting company-wide initiatives, establishing baselines for quantitative data collection and communicating our progress in the following disclosures.

We formally began our ESG journey in 2021, and in 2022 and beyond, we will work to take the next steps identified for each of our priority ESG focus areas. As the world continues to transition away from fossil fuels and toward renewable energy sources, we are proud to support our employees, vendors, customers and communities in expanding access to clean, reliable solar energy. We will also continue to collect data and disclose our progress toward making our own operations more sustainable, innovative and socially conscious. We recognize that ESG and sustainability efforts are long-term investments in our business and our people. We look forward to growing sustainably, leading by example in the solar energy industry and having meaningful engagements with all FTC stakeholders.

On behalf of all of us at FTC Solar, I am delighted to share what we accomplished in 2021 and our plans for the future.



**Sean Hunkler**  
President and Chief Executive Officer







# ABOUT FTC SOLAR

FTC is a fast-growing, global provider of solar tracker systems, software and engineering services.

## Innovative Tracker Design

Solar trackers significantly increase energy production at solar power installations by dynamically optimizing solar panel orientation to the sun. Our innovative tracker designs provide compelling performance and reliability, with an industry-leading installation speed advantage. Founded in 2017 by a group of renewable energy industry veterans, FTC bases its headquarters in Austin, Texas, with sales and support resources in Australia, India, the Middle East and Southeast Asia.

## Mission & Vision

FTC's mission is to drive energy independence through effective and efficient solar engineering and innovation. We accelerate the adoption of renewable energy by reducing the cost of construction, simplifying the installation process and improving the energy yield of solar projects, thus supporting the global transition away from fossil fuels. We make solar energy generation more efficient and attainable with our software, engineering and differentiated products.

At FTC, we aim to demonstrate a genuine commitment to our core values and ensure they are central to the way we do business.



### Integrity

We do the right thing. We are humble and listen to new ideas. We respect our customers and our teammates.



### Accountability

We are all accountable and act with urgency. We are transparent and deliver on our commitments. We come together to solve problems.



### Innovation

We collaborate to create world class solutions. We foster a learning culture. We turn great ideas into our future.



### Excellence

We are committed to high quality. We plan well and execute flawlessly. We are focused on results.



## OUR CERTIFICATIONS

Our tracker business is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified, and through Intertek has met the standards necessary to qualify for the UL certification for solar trackers [UL 3703: 2015 Ed.1]. The FTC Voyager tracker has undergone both static and dynamic wind tunnel verification testing conducted by RWDI.





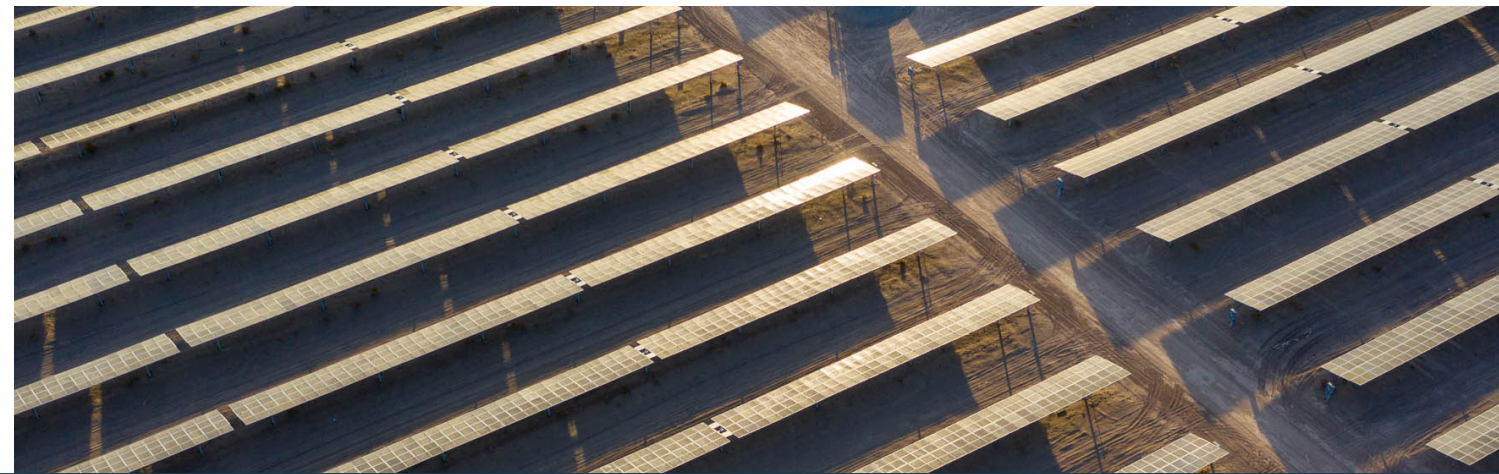
# ESG COMMITMENT

We commit to ethical operations, environmental stewardship and delivery of the highest-quality products and services to our customers. We pledge to adopt policies and programs designed to improve our ability to deliver quantifiable improvement across our ESG performance. We use respected disclosure and reporting frameworks to provide updates to our key stakeholders on meaningful metrics, key performance indicators (KPIs) and goals.



# OUR PURPOSE

We accelerate the adoption of renewable solar energy by reducing the cost of construction, simplifying the installation process and improving the energy yield of solar projects, thus helping the global transition away from fossil fuels.



## OUR ESG STRATEGY AND NEXT STEPS

### CLIMATE CHANGE

Promote the adoption of trackers as an emissions deterrent.

### SUPPLY CHAIN

Engage with responsible supply chain partners and establish a plan for responsible sourcing.

### DIVERSITY & INCLUSION

Foster a culture of inclusion and recognize the value of creating a diverse and equitable environment for our employees, customers, and partners.

### COMMUNITY ENGAGEMENT

Support volunteerism, philanthropy, and community impacts.

### ESG GOVERNANCE

Maintain Board oversight of ESG and ensure effective policies and procedures.

### SHAREHOLDER ENGAGEMENT

Maintain an ongoing dialogue with shareholders on ESG performance.



# ENVIRONMENT

## Environmental Management

At FTC, we commit to protecting our environment for the benefit of current and future generations. We design our products and operations to reduce environmental impacts and maximize environmental savings. While our products provide a notable environmental benefit through increased adoption and efficiency of renewable energy systems, we also address the impacts associated with our operations. We continue to search for new ways to make the most sustainable products in the most sustainable way.



### ISO 14001 Certification

Beginning in August of 2018, several of FTC's functional groups achieved ISO 14001:2015 certification through third-party assurance. This standard from the International Organization for Standardization (ISO) details the requirements for an environmental management system used by FTC to measure and manage its environmental performance. Specifically, we apply the ISO 14001:2015 certification to the environmental aspects of our activities, products and services that we can either control or influence from a life-cycle perspective. The environmental management system helps us minimize the environmental impact of our operations and maintain compliance with all applicable laws and regulations. FTC certifies and scopes our environmental management system to include the following functional groups:

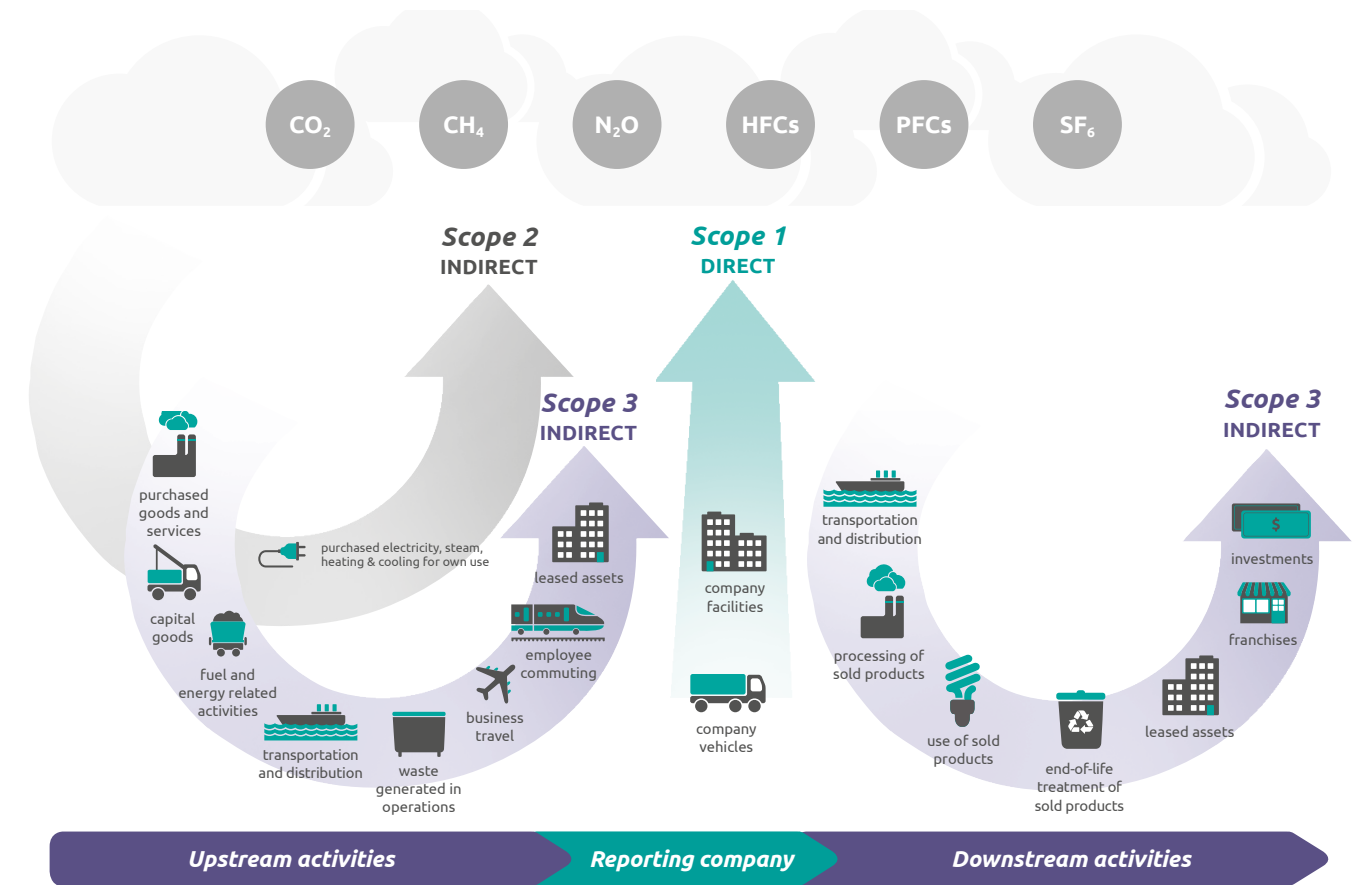
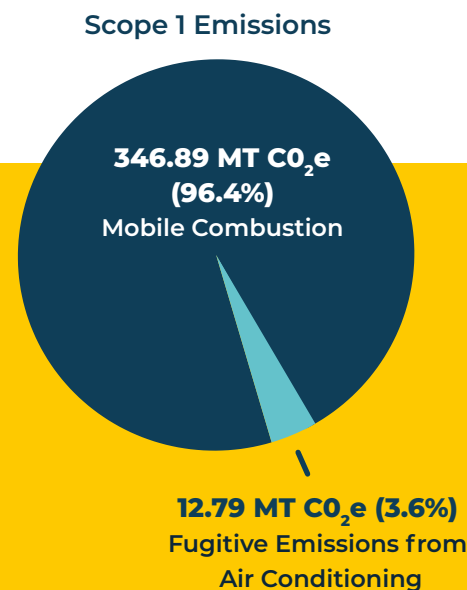
- Design & Engineering
- Sales & Marketing
- Supply Chain
- Planning, Procurement & Logistics
- Installation, Operation &

## Environmental Performance – Operational

In 2021, we endeavored to begin measuring and managing the environmental impact of our operations. As FTC does not directly manufacture solar panels or other products, we associate most of our owned impact with the operation of our offices and facilities.

## Greenhouse Gas (GHG) Emissions

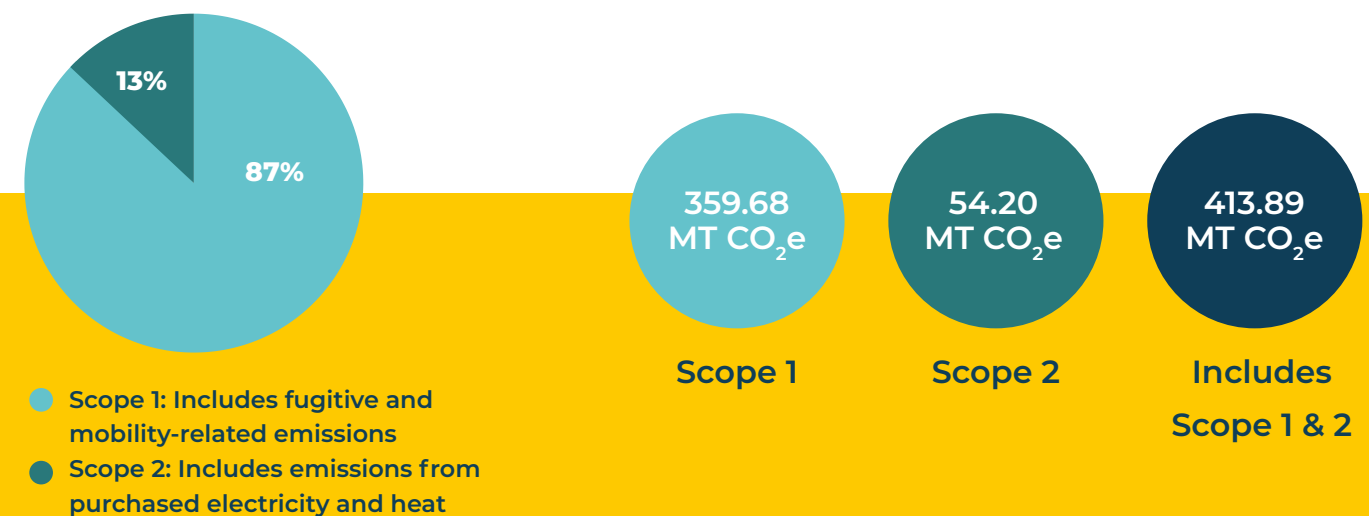
FTC performed a GHG emissions accounting exercise in 2021 to assess emissions across our global operations. In this initial assessment, we focused on Scope 1 and Scope 2 emissions, encompassing emissions from our owned operations and purchased electricity and heating. Through this exercise, we identified strategic and operational opportunities to reduce our emissions and confirmed most GHG emissions associated with FTC exist within our supply chain. Our next assessment will be to calculate and assess these Scope 3 emissions.



## EMISSIONS SUMMARY

Reporting Period: Jan 2021 - Dec 2021

Source: GHG Protocol



CO<sub>2</sub>e or Carbon Dioxide Equivalent: CO<sub>2</sub>e is the number of metric tons of CO<sub>2</sub> emissions with the same global warming potential as one metric ton of another greenhouse gas. MT: Metric Ton



### Water Programs & Impacts

In the coming years, FTC intends to quantify water use from our direct operations and evaluate the associated environmental impacts.

### Waste and Recycling Initiatives

At FTC, we commit to reducing waste and encouraging recycling initiatives both in our operations and in the installation and use of our products. Throughout our operations, FTC is shifting away from nonrenewable materials, especially those derived from petroleum, such as plastics and Styrofoam. We are now working to prioritize renewable materials such as wood and paper wherever possible.

### Product Materials

FTC has established a waste management plan to promote collection and processing of recyclable material within the organization. We are working to minimize residual waste sent to landfill.

Our products are designed with waste reduction in mind. We designed the FTC Voyager Tracker to minimize steel, require no specialized tools and significantly reduce labor hours needed for its installation and maintenance. This means there is minimal equipment and steel to dispose of at the end of the approximately 25- to 30-year tracker life cycle.

FTC adheres to all relevant safety protocols in the management and disposal of waste materials

### E-Waste

As part of our commitment to environmental stewardship, FTC is seeking trusted electronics recycling partners to better dispose of and/or recycle any electronic waste products from our operation.

# SOLAR ENERGY

## FTC's Approach to Solar

At FTC, while sustainability and environmental stewardship are at the core of our business and products, we also aim to make our solar trackers and other products as environmentally conscious as possible. We approach this from several angles:



**Minimal installation hours required to install trackers increases worker safety, minimizes risk and reduces emissions from transportation.**



**Reducing the amount of steel used in trackers directly contributes to lowering emissions from the manufacturing process, as well as the amount of steel waste at the end of the product lifecycle.**



**Voyager Tracker requires up to 56% fewer posts than other trackers and has a low ground coverage ratio, meaning less disturbance to the natural environment (especially in ecologically sensitive areas).**



**Voyager Tracker's high tolerance for slope, wind and temperature makes it better suited to accommodate the changing climate, increases its use and durability, reduces operating and maintenance costs and results in less disturbance to the surrounding land.**



**The high density per row and high yield per solar installation benefit customers and increase access to affordable solar energy.**

FTC's innovations can also support solar energy storage technology – our trackers monitor the time-of-day aspect of solar energy to capture high yields at peak times for use in off-peak times like the morning and evening. The declining cost of batteries and other energy storage technology is helping to pave the way for renewable energy that is dispatchable 24/7 and accessible to as many as possible.





# MEASURING CUSTOMER IMPACT

FTC helps meet our customers' needs for renewable energy by making the solar installation process simple, safe and accessible and ensuring the installations produce a high yield. Beyond this, our products help our customers achieve their own sustainability and environmental commitments by allowing them to avoid the GHG emissions associated with fossil fuel-based energy sources.

In 2021, FTC supported customers in avoiding an estimated:

**4,254,810**  
metric tons of **carbon dioxide (CO<sub>2</sub>)**

**2,190**  
tons of **nitrogen oxides (NOx)**

**2,280**  
tons of **sulfur dioxide (SO<sub>2</sub>)**

**241**  
tons of **particulate matter (PM<sub>10</sub>)**

Methodology: MegaWatts Delivered

Source: U.S. EPA Avoided Emissions and Generation, Tool (AVERT)

## Managing Environmental Impacts During Installation

FTC designed the Voyager Tracker and our other products to reduce installation complexity and optimize land use. Because of this design, our products result in fewer negative land impacts relative to other solar products. FTC trackers require up to 56% fewer foundations per megawatt; piles are driven directly into the ground and occupy a minimal footprint.

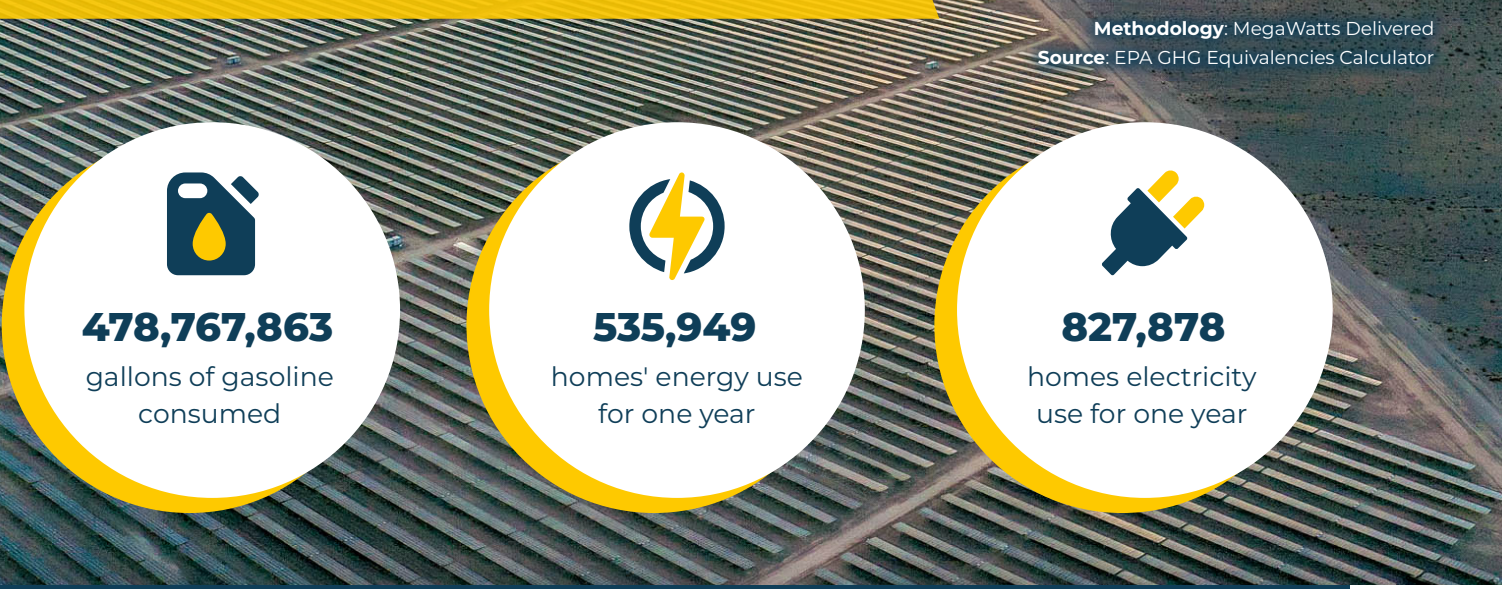
We are continually improving our tracker design to minimize the ground coverage ratio (GCR), or the ratio of the module area to the overall area of the solar array. This measurement describes the proportion of the module area that is used to collect sunlight. A lower GCR means less disturbance to the surrounding natural environment and systems; this is especially beneficial in ecologically sensitive areas. We also design our trackers to have a high slope tolerance – up to 17.5%, well above the industry average – which results in less need for grading (or flattening) of the land below the module and maximizes the use of otherwise difficult to develop areas.

## Project Planning

FTC works to make our processes as efficient and sustainable as possible from start to finish. This means implementing best practices not just at the end of the use phase for our products, but also at the onset of our contracts. In 2020, we implemented a new request for information (RFI) process using automated SmartSheets that has further improved the efficiency of the company.

We have also developed new technology and an app that creates interconnectivity in the commissioning process for our installations, which significantly decreases the labor hours needed for programming and reduces commissioning time per row of each solar installation from 30 minutes per table (with 24 tables needed for 1 megawatt of production) to two minutes.

## Equivalent to CO2 emissions from:





# SOCIAL

## Our Employees

FTC has invested resources in developing a workforce where our teams can enjoy a collaborative environment. The FTC workplace is one in which compassion, tolerance, transparency and an eagerness to achieve the best results possible can challenge and nurture all of us. Our teams comprise individuals who are fueled by their passion for finding solutions and making the world a better place for future generations.

## Health & Safety

At FTC, the personal health and safety of each employee is of the utmost importance, and we work to continually improve our safety policies and procedures.

Our employees do not directly perform solar installations, but we consider the safety of the on-site installers when designing our products and installation procedures. For example, the FTC Voyager Tracker requires no specialized tools to install, which significantly reduces the risk of incident or injury due to improper tool use or malfunctioning equipment.



**ISO 45001** is a framework that was developed to address occupational health and safety risks in the workplace using best practices from international labor standards and regulatory agencies. By using this framework, FTC aims to improve employee safety; reduce workplace risks; and create better, safer working conditions throughout our operations.

We hold ISO 45001:2018 certification and use a separate but aligned qualification process with our contract manufacturing partners.



- **ISO 45001**  
Program in Place
- **2.0**  
Incident Rate
- **0**  
Fatalities
- **1**  
Lost Workday Incident

## COVID-19

Over the past two years, FTC has continued to prioritize the health and well-being of our teams and adapt our business and operations to meet the needs of a new, more digitized workforce.

We adjusted our business travel priorities to favor driving over airline travel when possible, which also serves to promote physical distance and reduce close contact risk. We have focused more of our teams regionally to reduce the need for long-distance travel. We created a COVID-19 guidelines policy for those employees who do still need to travel (e.g., to visit installation sites).

## Recruitment

The deep experience of the FTC team in renewable energy and other industries – decades spent deploying solar structures to projects around the world – is the reason we are here. As FTC grows, we want to attract experienced, passionate people who give back to their families and communities. We recognize that we have the opportunity to recruit the next generation of socially conscious employees into the renewable energy industry.

We have seen significant growth in our business since our inception, and this has been reflected in our hiring. Additionally, we have experienced a **lower-than-average turnover rate at just 19% for 2021 (compared to the average of 57%, according to the Bureau of Labor Statistics).**



## Solar Austin - FTC Partnership

Solar Austin's mission is to accelerate the transition to clean, renewable energy in Central Texas and to expand access to the benefits of solar to everyone to mitigate climate change, create a healthy community and support a strong local economy. At FTC, we partner with Solar Austin to bring local talent into our organization and the broader solar industry, particularly through internship programs.



## Case Study

# SOLAR AUSTIN INTERN

Anya White started her internship in Sales Engineering with FTC at the beginning of 2022, joining us from Solar Austin's Pathways to Clean Energy Careers, a program developed to increase the number of women and people of color in the clean energy industries. Anya is currently attending the University of Texas at Austin, pursuing a bachelor's degree in electrical and computer engineering.

### Q: What excites you about your internship at FTC?

I get to work with great people on fun projects that make a difference! I am passionate about building a more sustainable world, and I love that FTC is doing its part by helping to create renewable sources of energy.

### Q: What is the most interesting thing you've done during your internship?

Lately, I've been working on the automation of data collection from USDA Soil Data, and it has been really fun learning more about geology in the process!

### Q: Which of our core values is most meaningful to you?

I really appreciate Solar Austin's commitment to integrity. The company culture is very open-minded, and the work done at FTC Solar leaves a positive impact on the world, both of which are important to me.



**The Solar Ready Vets Network** is a group of solar workforce development programs funded by the U.S. Department of Energy (DOE) Solar Energy Technologies Office (SETO) that connect veterans and transitioning military service members with career training, professional development and employment opportunities in the solar industry.

FTC partners with Solar Ready Vets to promote workforce development and allow veterans to support our customers in the transition to clean and renewable solar energy.

## Cameron Niccum: Supply Chain Manager



With a bachelor's degree in mechanical engineering from West Point, Cameron commissioned as an Infantry Officer in 2016 at Fort Benning, Georgia. Rising from platoon leader to squadron logistics officer over his military career, he was responsible for the deployment and maintenance of over \$50 million of equipment, and provided logistical support for 180 personnel while deployed to Iraq and Syria. Later, he managed supply, transportation, logistics, maintenance, and budget for a squadron headquarters consisting of hundreds of soldiers and vehicles, and four infantry companies with over \$280 million in assets.

When he decided to transition toward a civilian career, he set his sights on helping to scale solar technology and accelerate the transition to a renewable energy future. He explains that the Hiring Our Heroes Corporate Fellowship Program "helped narrow down what I wanted to do, the impact I wanted to create, and how to best apply the skills and experience I had gained through military service. Through this process, it was clear that FTC would be a great place for me to do that."

## HIRING OUR HEROES

Hiring Our Heroes is a nonprofit organization that helps military veterans launch their careers after serving in the military. One of the hardest things for returning veterans is finding employment, coming home to a competitive business environment and integrating into a nonmilitary culture. Hiring Our Heroes helps people find jobs and start (or restart) their careers, sometimes in an entirely new field. At FTC, we partner with the organization to help new veterans find employment and lasting satisfaction in the solar industry.

## Training & Development

FTC takes great care to ensure we are providing all employees with training and opportunities to develop their skills and interests as well as to help them conduct business in a safe, ethical and environmentally responsible manner.

We currently work with Insperity, our professional employer organization (PEO), to provide a catalog of online learning opportunities as well as training tailored around management and office skills fundamentals. We also introduced Education, Development, Growth and Experience (EDGE) sessions that produce educational content on a range of topics from interpersonal skills to FTC products and the solar market. We have high participation in our live trainings, and we are currently working on a plan to capture engagement metrics.

As part of performance reviews and career development planning, every FTC employee completes our goal setting and performance review process. Each employee has at least one developmental goal and an opportunity to create their own training plan. They are rated on the progress of their goals at the end of each year.

During 2022, the FTC Human Resources team is developing a comprehensive training program and curriculum to support the professional development of current and recently promoted managers.



### Employee Benefits

FTC strives to create a working environment for our employees that supports their needs inside and outside of the workplace, and we offer competitive benefits to reflect this commitment. We offer all employees healthcare and reasonable unlimited paid time off. Other benefits vary by country, but in the U.S., we provide:



We also offer all employees 12 weeks of parental leave (or more if stipulated in a particular country), which employees can take for the birth, adoption or foster placement of a child. This benefit is available equally to both mothers and fathers.

### FTC Culture Program

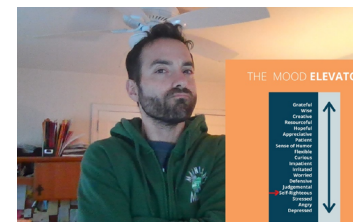
The FTC Culture Program reflects our traditions, recognition, appreciation, feedback and coaching. It is how we work together as a company to get things done, and (in many cases) it extends beyond our core team to our vendors and partners as well. FTC's culture reflects the accessibility and the focus of our leadership, and we ensure that our team members receive training about our cultural concepts.

### Culture Champions

FTC's Culture Champions comprise an internal group that promotes our cultural concepts. Blue Chips and the Mood Elevator are two tools we use to effectively communicate with each other and create a positive company culture.



**Blue Chips** are top priorities that will make the most meaningful impact. By staying focused on these priorities, we can make progress toward what really matters, even in the midst of numerous distractions.



**The Mood Elevator** is a tool based on the concept that our thinking drives our behaviors, which drives our results. It helps us to be more aware of how we're feeling and to live more of our life in the upper states to help us be better leaders and get better results.

### Employee Recognition

At FTC, we strive to ensure our teams are recognized for their hard work through a collection of employee rewards, including public recognition and even financial incentives. Using the SmartSheet platform, our employees can nominate other employees for awards and make company-wide "callouts" to show their appreciation for coworkers' meaningful contributions to the business. Since the implementation of this system in January 2021, there have been 452 individual employee nominations and callouts.

- Megawatt Award (\$50)**
- Gigawatt Award (up to \$1,000)**
- Golden Row Award (up to \$3,000)** – Named for the pilot row built on new projects to model the effectiveness of our technology, the Golden Row Award recognizes the most exemplary employee contributions.

**Andrew Morse** received the 2021 Golden Row Award for demonstration of FTC's core values leading to significant and outstanding results with company-wide impact for his work with the team on our SunPath performance enhancement software.



"I'm grateful to work at a company that actively supports innovation and continuous improvement, and I'm glad to share recognition of the work that went into SunPath with everyone who contributed to its development."  
**- Andrew Morse, Senior Director, Software**



**452** Coworker Callouts **78** Official Award Recipients

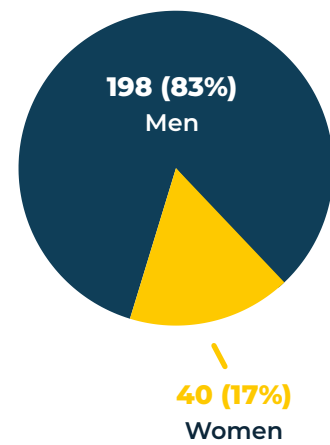


## Diversity and Inclusion (D&I)

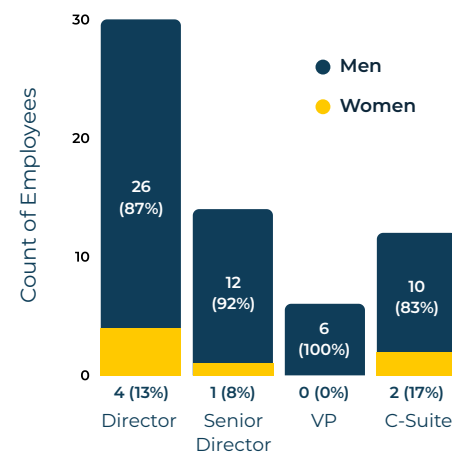
At FTC, we strive to provide a working environment where all employees can come to work – or work from home – feeling safe and supported. We understand the value of promoting diversity at all levels of our organization, as this leads to a diversity of thought and experience, which ultimately leads to progress and innovation. We aim to continue to bring more individuals from traditionally underrepresented groups, including women and racial and ethnic minorities, into our organization and the broader solar industry.

We are beginning to track D&I-related metrics within FTC more closely, as we realize that this is one of the first steps toward addressing our needs and creating a strategy for future improvement.

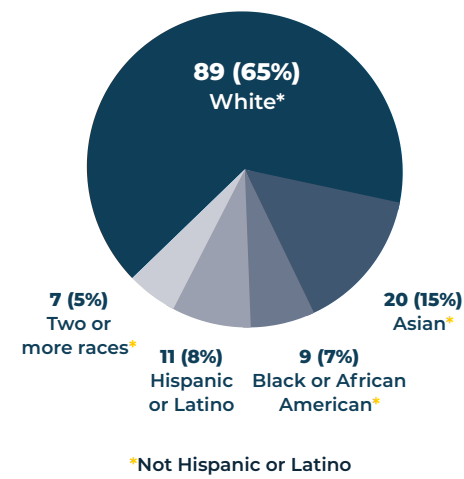
### Global Gender



### Global Director & Above



### U.S. Ethnicity



## 2 Women on Executive Team

The Women's Innovation Network hosted a widely attended event in 2021 for International Women's Day. All FTC employees were invited to the event to participate in an educational session about workplace bias, then attendees were broken out into smaller discussion groups. In these groups, employees engaged in deep conversations with their coworkers about everyday bias, the implications and what they could personally do to address the issue. For the 2021 event, we had an incredible turnout with nearly 50% of our employees participating.



## Our Communities

FTC is a community-minded company and to ensure that our products help promote access to affordable solar energy, we also support philanthropic efforts that focus on environmental preservation and causes that are important to our FTC employees

In 2021 and prior years, we offered informal opportunities for our employees to support various U.S.-based campaigns, and we raised money to support environmental charities and two local food banks. In 2022 and beyond, we are working to expand our philanthropy both as a company and through supporting our employees in their volunteering efforts.

### Managing Community Impacts in Solar Development

At FTC, investing in innovations to reduce solar tracker hardware and simplify the installation process is a priority, as it helps to reduce overall costs for installation and maintenance. Ultimately, FTC's solar trackers allow for a simple, reliable and low-maintenance solar installation with minimal disturbance to surrounding lands and communities.

FTC customers save on installation and operational costs for their solar installations, which allows them to offer more affordable, reliable solar energy to the communities they serve. Additionally, they are able to do so without unnecessary disruption to the natural environment within these communities, and in fact, the integration of clean energy into existing electric grids helps reduce dependence on burning fossil fuels, thereby decreasing GHG emissions and air pollution in communities where solar arrays are installed.

Increasing solar energy in the electricity grid also helps reduce disruptions to existing energy infrastructure; solar energy supplements the existing power grid and helps avoid outages.



# GOVERNANCE

## Governance Structure

### Board of Directors

The FTC Board of Directors comprises eight members, including five independent members:

- Thurman John "T.J." Rodgers
- Sean Hunkler
- David Springer
- Ahmad Chatila
- William Aldeen "Dean" Priddy, Jr.
- Isidoro Quiroga Cortés
- Shaker Sadasivam
- Lisan Hung

### Board Demographic Data

Demographic Background	Percentage of Board Members
<b>Gender</b>	
Male	87.5%
Female	12.5%
Nonbinary	0%
<b>Race/Ethnicity</b>	
White	62.5%
Black or African American	0%
Asian	25%
Hispanic or Latino	12.5%
Native American	0%
Native Hawaiian or Pacific Islander	0%

\*One Board member self-identifies as Middle Eastern.

## Executive Committees

Board Member	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee
Thurman John "T.J." Rodgers <sup>1</sup>			Member
Lisan Hung	Member	Member	Chairperson
William Aldeen "Dean" Priddy, Jr. <sup>2</sup>	Chairperson	Member	
Shaker Sadasivam	Member	Chairperson	Member

<sup>1</sup> T.J. has stepped off of that committee for 2022

<sup>2</sup> Mr. Priddy has joined the Committee for 2022

Chairperson    Member    Chairman of the Board





## Board Oversight of ESG

FTC's Board of Directors oversees the management of our business, including ESG implementation. The Board sets high standards for our employees, officers and directors, governed by the various procedures, charters and guidelines. There are three Board committees: the [Audit Committee](#), the [Compensation Committee](#) and the [Nominating and Corporate Governance Committee](#). The Nominating and Corporate Governance Committee is responsible for overseeing ESG issues. FTC's [Code of Business Conduct and Ethics](#) codifies our expectations for ethical conduct and business practices for our employees, directors and business partners.

## Policies

FTC has published and maintains several policies to govern our actions as an employer, an environmental steward and a corporate citizen:

- [Anti-Bribery & Corruption Policy](#)
- [Code of Business Conduct and Ethics](#)
- [Environmental Policy](#)
- [Quality Policy](#)
- [Safety Policy](#)

## Business Continuity Risks and Management

### Supply Chain Management

FTC is currently working to further diversify our supplier base, increase screening protocols and due diligence processes and support our partners in their own ESG efforts.

We provide our suppliers with an agreement requesting that they adopt environmentally conscious practices and minimize their negative impacts. It also includes labor and human rights stipulations.

Our current supplier screening process involves a comprehensive approved vendor list with four phases:

1. Documentation review
2. Independent evaluation of factories
3. Score rating
4. Alpha product testing

Going forward, we plan to establish a more formalized supplier code of conduct and processes for ensuring compliance.





## Materials Sourcing

Since FTC does not manufacture steel or other products, we are not directly responsible for sourcing the raw materials necessary for production. However, as noted above, we work with our suppliers to ensure they are sourcing materials in an ethical and sustainable manner.

In recent years, we have been working to reduce or eliminate dependence on single-sourced materials and products, which helps reduce our risks related to supply chain complications and regional or geopolitical issues.

### *Management of Critical Materials*

The risks of managing critical materials are negligible for FTC, as we manufacture most of our products from steel, and the production, handling and recycling processes for this material are well established.

### *Environmental Risks in Polysilicon Supply Chain*

FTC does not use significant amounts of polysilicon-based materials – it is used mainly in Row and Zone Controllers and Pony Panels. Our customers procure the solar panels, which also contain polysilicon, with the evaluation of any supply chain risk being completed by them.

## Climate Change Risks and Efforts

FTC, like most companies, faces risks related to climate change. Our supply chain faces risks of disruptions due to extreme weather events. We are responding to these risks by expanding the diversity of our supplier base (instead of single-sourcing items), and we are also partnering with more local suppliers to reduce shipping and transportation needs.

As our company grows, we also face transitional risks related to the scaling of our operations. To meet production demand, we are increasingly partnering with larger-scale steel producers, rather than smaller suppliers. As our supplier base grows, we are conscious of the environmental impacts of steel manufacturing, especially as the regulatory landscape around these high-emitting industries evolves.

We face climate-related risks in the use phase of our products, and we are adapting our designs to help mitigate these risks as much as possible for our customers. The high-slope tolerance, reduced foundation/pile count and wind mitigation capabilities of our trackers allow them to be installed in increasingly hostile environments with minimal disturbance to the surrounding land. These design adaptations are of increasing importance, as extreme climate conditions continue while the world works to transition toward clean and renewable energy.

# CONCLUSION

## The Path Forward for FTC

FTC will continue to be keenly focused on innovation and driving advanced engineering and new products and technology to ensure that our solutions remain at the forefront of the solar energy industry.

The next steps in our ESG journey include formalizing oversight of our programs and progress, conducting a Scope 3 GHG emissions analysis, expanding our focus on D&I in our hiring and employee engagement processes, improving our supplier screening and due diligence processes and continuing to increase the quality and effectiveness of our ESG-related disclosures.



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

## Solar Technology & Project Developers Guidance

Metric	SASB Code	Response	Page	Additional Info
<b>ENERGY MANAGEMENT IN MANUFACTURING</b>				
Total energy consumed	RR-ST-130a.1	116,884.5 kilowatt-hours (kWh)		Approximation; data is lacking across some sites
Percentage grid electricity	RR-ST-130a.1	100%		
Percentage renewable	RR-ST-130a.1	0%		
<b>WATER MANAGEMENT IN MANUFACTURING</b>				
Total water withdrawn	RR-ST-140a.1	N/A	N/A	Metric not currently tracked
Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RR-ST-140a.1	N/A	N/A	Metric not currently tracked
Description of water management risks and discussion of strategies and practices to mitigate those risks	RR-ST-140a.2	N/A	N/A	Metric not currently tracked
<b>HAZARDOUS WASTE MANAGEMENT</b>				
Amount of hazardous waste generated; percentage recycled	RR-ST-150a.1	None generated; none recycled	N/A	
Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	None	N/A	
<b>ECOLOGICAL IMPACTS OF PRODUCT DEVELOPMENT</b>				
Number and duration of project delays related to ecological impacts	RR-ST-160a.1	None	N/A	Metric not currently tracked
Description of efforts in solar energy system project development to address community and ecological impacts	RR-ST-160a.2	FTC products promote better use of land	[Page 15 of relevant section]	

Metric	SASB Code	Response	Page	Additional Info
<b>MANAGEMENT OF ENERGY INFRASTRUCTURE INTEGRATION &amp; RELATED REGULATIONS</b>				
Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	RR-ST-410a.1	FTC designs its products to have minimal negative impacts to the existing environment, community and infrastructure at installation sites, and we are conscious of the various risks surrounding solar installations, including health and safety risks for on-site installers, environmental risks from land excavation and risks to the broader community in terms of energy access and affordability.	[Page 15 for Managing Environmental Impacts and Managing Community Impacts]	
Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	RR-ST-410a.2	While there are currently limited policies at the federal level that support the adoption of solar energy in the U.S., FTC is aware of and working to address current regulatory initiatives that can lead to potential disruptions in our supply chain, especially those related to the import of solar panels and other materials essential to meeting the growing demand for solar and other renewable energy systems to be integrated into existing grids.		



Metric	SASB Code	Response	Page	Additional Info
<b>PRODUCT END-OF-LIFE MANAGEMENT</b>				
Percentage of products sold that are recyclable or reusable	RR-ST-410b.1	Approximately 90% by weight (tracker is primarily steel)		
Weight of end-of-life material recovered; percentage recycled	RR-ST-410b.2	Approximately 90% by weight (tracker is primarily steel)		Note that product life is 25 years, and FTC has been in business with the tracker for only three to four years. There is currently not a recycling program in place, but it is a future opportunity.
<b>MATERIALS SOURCING</b>				
Description of the management of risks associated with the use of critical materials	RR-ST-440a.1	These risks are negligible, as most of FTC's products are primarily comprised of steel, and the recycling process is well established.	N/A	Approximation; data is lacking across some sites
Description of the management of environmental risks associated with the polysilicon supply chain	RR-ST-440a.2	FTC does not use significant amounts of polysilicon – it is used primarily in Row and Zone Controllers and Pony Panels.	N/A	
<b>ACTIVITY METRICS</b>				
Total capacity of photovoltaic (PV) solar modules produced	RR-ST-000.A	N/A		Not relevant to FTC's business
Total capacity of completed solar energy systems	RR-ST-000.B	N/A	N/A	Information not currently available
Total project development assets	RR-ST-000.C	N/A		Not relevant to FTC's business







**As the world continues to transition away from fossil fuels and toward renewable energy sources, we are proud to support our employees, vendors, customers and communities in expanding access to clean, reliable solar energy.**



### GHG Emissions Inventory Methodology

The FTC Solar GHG emissions inventory follows the guidance provided in the [GHG Protocol Corporate Standard](#) to assess the direct (Scope 1) and indirect emissions associated with the purchase of energy (Scope 2). For our next emissions inventory, we seek to include an assessment of our Scope 3 emissions.

For our Scope 1 emissions, the data includes operational emissions from mobile combustion, such as business travel for installations. For fugitive emissions, which contribute only 3% of the total Scope 1 emissions for FTC, we estimated based on industry assumptions. Stationary combustion emissions are not significant contributors as FTC does not produce any power on its own using fossil fuels; we found these emissions to be negligent and immaterial.

Our Scope 2 emissions calculations include electricity consumed in locations (U.S. and International) under active operations of FTC Solar for 2021. Scope 2 location-based emissions factors for the U.S. operations in Texas were taken based on ERCOT data, for India based on Central Electricity Authority Data, Ministry of Power, Gov. of India, and for Australia on National Greenhouse Accounts (NGA) Factors provided by the Department of Industry, Science, Energy and Resource, Govt of Australia. Emissions calculations cover emissions of CO<sub>2</sub>, N<sub>2</sub>O, and CH<sub>4</sub> from electricity and heat generation, as well as those resulting from transmission and distribution losses. Gases are converted to CO<sub>2</sub> equivalent (CO<sub>2</sub>e) by multiplying the global warming potential (GWP), which is a default factor for each greenhouse gas.

Calculations of avoided metric tons of CO<sub>2</sub>e (MT CO<sub>2</sub>e) were derived from the estimated energy production of our solar deployments and converted into comparable metrics using the [Environmental Protection Agency \(EPA\) Greenhouse Gas Equivalencies Calculator](#).







FTC Solar integrates engineering, software, and lean construction to lower installation costs and deploy reliable solar tracking solutions to advanced projects around the world.

North America, Latin America  
Europe, Africa, India  
Middle East & North Africa  
Australia  
Asia

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