AREVON

2025 Climate-related Disclosures

Task Force on Climate-related Financial Disclosures (TCFD)

Introduction

Sustainability is central to everything we do at Arevon. As a leading independent power producer, we are dedicated to the responsible and sustainable development and operation of affordable, safe, and reliable renewable energy generation. By prioritizing American manufacturing and domestic energy production, we invest in U.S. jobs, strengthen local economies, and advance the country's energy independence.

In 2025, Arevon completed a climate risk assessment by: (1) identifying climate risks and opportunities, (2) assessing those risks in two potential future climate scenarios, and (3) prioritizing resilience measures to address the identified risks. By prioritizing this work, we are strengthening our company, uncovering growth opportunities, and contributing to a more sustainable economy.

In Arevon's inaugural Climate-related Disclosures Report, we provide stakeholders with a clearer understanding of our exposure and strategic response to climate-related risk and opportunities. This report complements Arevon's Sustainability Report and is prepared in accordance with the TCFD Framework.

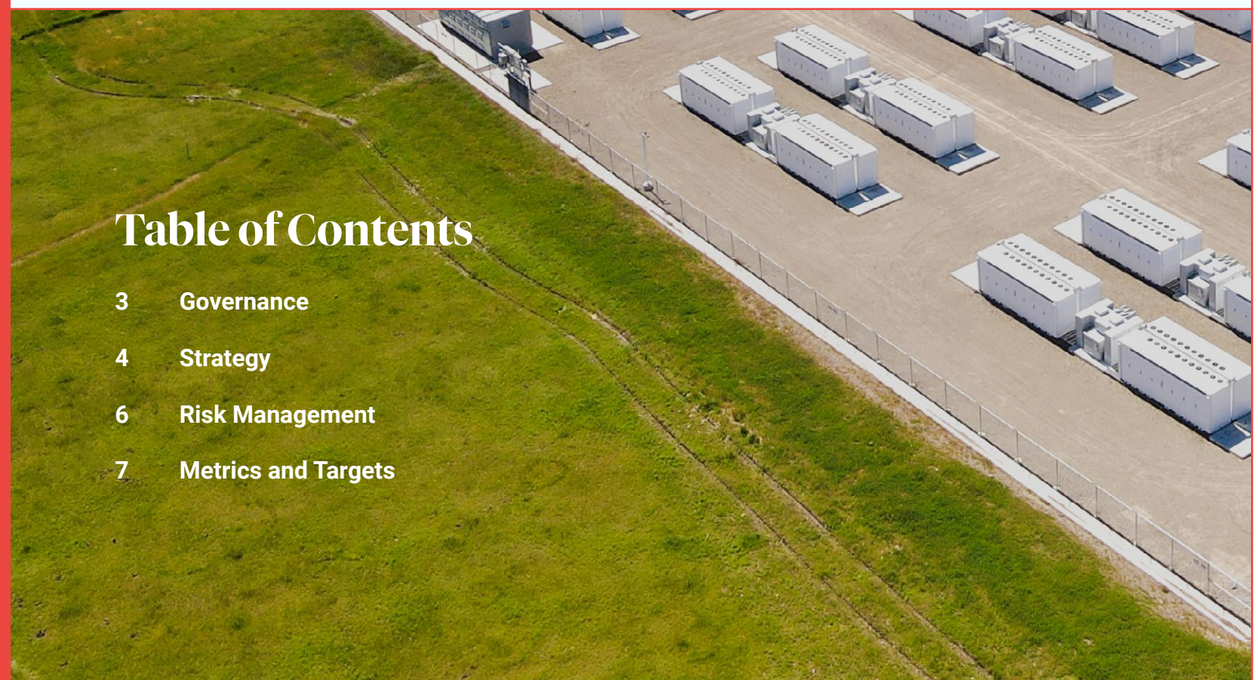

Table of Contents

A Note From Our CEO

Arevon's dedication to delivering reliable, homegrown energy extends beyond the present, requiring us to look ahead and strategically navigate the evolving landscape of climate-related risks and opportunities. This inaugural TCFD report is a testament to our forward-looking approach and our dedication to providing transparency to our partners and stakeholders.

Assessing our climate risks and opportunities has highlighted many ways that Arevon is already well-equipped to support an American energy future, as well as key considerations to ensure our continued growth and success over the next five, 15, and 25 years. The following pages detail the findings of this first comprehensive climate risk assessment.

Our proactive approach is underpinned by our pledge to achieve net-zero emissions by 2040. We are actively working to establish a robust emissions baseline and develop a science-based decarbonization plan. This ambitious target, alongside our ongoing commitment to strong governance and risk management, is integral to our innovation and success.

I am confident that this report will provide a clear and comprehensive view of our strategic approach, and I look forward to sharing our continued progress.

Kevin Smith
Chief Executive Officer

Governance

Strong governance of climate-related risks and opportunities is fundamental to our long-term success as a company. At Arevon, our Executive Team and Board of Directors recognize this importance, prioritizing robust governance structures to ensure that Environmental, Social, and Governance (ESG) considerations are deeply integrated into our business practices. This approach ensures responsible and sustainable operations that benefit both the environment and communities.

Board Oversight of Climate-related Risks and Opportunities

Arevon's Board of Directors plays a key role in overseeing all ESG risks and opportunities, including oversight of climate-related risks and opportunities.

Reporting Cadence to the Board of Directors

The Board of Directors is informed about climate-related issues on a monthly and quarterly reporting cadence. On a monthly basis, Arevon's Operations, Sustainability, Procurement, Finance, and Commercial teams report risks and opportunities to the Executive Team. On a quarterly basis, the reports are aggregated and presented to the Board of Directors. These reports include a section specific to climate-related risks and opportunities, and all risks or opportunities presented to the Board during quarterly presentations are considered material or potentially material to the business. This consistent flow of information provides the Board with the necessary data to effectively oversee the company's management of climate-related issues.

How Climate Risk Is Considered When Reviewing and Guiding Business Strategy

Arevon's Board of Directors includes three committees: Audit and Risk, Business Planning, and Remuneration. The Audit and Risk and Business Planning committees, in addition to the Board as a whole, are responsible for discussing physical and transition climate risks and opportunities, ESG reporting, material topics, and overseeing progress toward climate-related goals and targets. All raised issues are discussed in scheduled Board meetings, reported to the Committees, and brought to other ad hoc meetings as needed.

Management's Role in Assessing and Managing Climate-related Risks and Opportunities

Climate-related Responsibilities and Organizational Structure

Arevon's governance framework ensures climate-related risks and opportunities are embedded into decision-making at all levels of the organization.

- **Board of Directors** – Reviews Arevon's sustainability report, corporate goals, and material topics, including climate change, providing oversight.
- **Chief Executive Officer** – Holds ultimate responsibility for oversight of material ESG topics, including climate change, and ensures alignment with corporate strategy.
- **Executive Team** – Approves climate-related priorities and strategic direction, assigns accountability for implementation, and sponsors key initiatives, ensuring operational integration across the portfolio.
- **Sustainability Team** – Leads the programmatic approach to ESG and climate strategy, ensuring compliance with evolving regulations, developing policies, and coordinating across functions.
- **Sustainability Working Groups** – Cross-departmental teams address specific climate-related deliverables and priorities on an as-needed basis.

This structure enables climate considerations to be addressed strategically by leadership and operationally across the portfolio.

How Management Is Informed

Arevon has a structured process for reporting climate-related risks and opportunities to the Executive Team on a monthly basis:

- The **Asset Management team** and **Sustainability team** report on physical and transition climate risks and opportunities.
- The **Procurement team** presents a risks and opportunities update, discussing challenges and opportunities in sourcing that are often driven by the regulatory environment.
- The **Finance team** reports on financial risks and opportunities related to the availability of capital for project deployment, which are directly linked to decarbonization efforts.
- The **Commercial team** updates the Board on market risks and opportunities, many of which are driven by transition risks and regulations.

Strategy

Arevon completed a climate risk assessment in 2025, during which key stakeholders across the company met to identify, categorize, and prioritize climate risks and opportunities.

Climate-related Risks and Opportunities Identified Over the Short-, Medium-, and Long-Term

Driving Force	Type	Risk or Opportunity Description	Time Horizon[1]	Financial Driver
Market Demand for Renewable Energy	Opportunity *Markets*	General support for renewable energy projects from the public and corporate buyers	Short, Medium, Long	Revenue growth: customer and market demand
		Increase in electricity demand from technology companies (artificial intelligence) as well as technology electrification (electric vehicles)	Short, Medium, Long	
		Increasing access to grid interconnection and grid technology availability	Short, Medium, Long	
Regulatory Opportunity	Opportunity *Markets*	Proactive advocacy for policies favorable to renewable energy generation	Short, Medium, Long	Revenue growth: customer and market demand
		Enhance trust and communications with local stakeholders and lawmakers	Medium	
		Strategic partnerships with communities to fast-track project approval	Short, Medium, Long	
Technology Advancement	Opportunity *Products and Services*	Opportunity for new technology and projects to consider circularity	Short	• CapEx: property, plant, or equipment related costs • OpEx: pilot testing
		Emerging battery technology designed to perform efficiently in elevated temperatures with enhanced thermal stability	Medium, Long	
		Partnership opportunities to advance promising new resilience technologies	Short, Medium, Long	
Regulatory Uncertainty	Transition Risk *Regulatory*	Uncertainty in market signals due to instability of policy and regulation	Short, Medium, Long	• Revenue loss: customer and market demand • OpEx: regulatory and compliance costs (e.g., emissions monitoring, carbon pricing) • CapEx: property, plant, or equipment related costs
		Rolling back of laws and regulations that enable renewable energy advancements could slow growth	Short	
		Wildlife protection could affect project viability	Short	
Extreme Weather Risks	Physical Risk *Acute and Chronic*	Excessive heat causes equipment failures and can lead to wildfires	Medium, Long	• CapEx: property, plant, or equipment related costs • Revenue loss: equipment down time, hail records, cost of replacements, impacts and delays to construction, cost of erosion on sites
		Increase in hail events leads to rising insurance premiums	Short, Medium, Long	
		Flooding and rain cause severe erosion as a result of changing weather patterns	Short, Medium	
		Wind events cause panel deflection and potential damage to panels and trackers, reducing output and requiring repair	Short, Medium, Long	

[1]Short=1-3 years; Medium=4-10 years; Long=11+ years

Impact of Climate-related Risks and Opportunities on Arevon's Businesses, Strategy, and Financial Planning

Arevon recognizes that climate change presents both significant risks and opportunities that have the potential to affect our business, strategy, and long-term financial performance. We continually identify and respond to climate-related risks and opportunities across our business through due diligence on new sites and projects, exploration of new offerings, and evaluation of weather-resilient technologies. We are also working to integrate findings from our 2025 climate risk assessment into our corporate strategy, risk management processes, and financial planning decisions. We recognize the importance of monitoring and responding to both short- and long-term risks and opportunities. For climate-related risk analysis, we have defined short-term as one to three years, medium-term as four to 10 years, and long-term as 11 years or more.

See financial implications of identified risks and opportunities in the table on page 4.

Resilience of Arevon's Strategy, Taking Into Consideration Different Climate-related Scenarios

Arevon selected two distinct climate scenarios from the Network for Greening the Financial System (NGFS) for investigation as part of our 2025 climate risk assessment. The company explored what it would do to respond to the unique physical and transition risks presented by each and to achieve success over five-, 15-, and 25-year time horizons. The outputs from this analysis will be prioritized and leveraged as we work to build resilience into our company.

[2]"Climate scenarios enable us to," Network for Greening the Financial System, n.d. https://www.ngfs.net/ngfs-scenarios-portal/explore/

Scenario 1: NGFS Current Policies

3°C end-of-century warming

In this scenario, only currently implemented policies are preserved, leading to high acute and chronic physical risks, as global emissions remain high and temperatures steadily rise. The price of carbon remains effectively zero. As global energy demand continues to rise, it is still met with a significant amount of fossil fuels. Transition risks related to regulation, technology, and legal risks are not likely to be prominent drivers in this scenario, but widespread implementation of solar and energy storage are still expected.

Potential ways Arevon could strategically respond to this scenario include:

- Implementing rigorous climate risk screening during site selection
- Piloting and adopting extreme weather resilient technology
- Accelerating project construction to meet energy demand
- Diversifying offerings
- Launching public awareness campaigns on the benefits of solar
- Increasing the deployment of agrivoltaics

Scenario 2: NGFS Delayed Transition

1.7°C end-of-century warming

In this scenario, global annual emissions do not decrease until 2030 when new climate policies are introduced. Strong policies are then needed to limit warming to below 2°C, leading to significant opportunities and high transition risks (technology, legal, reputation) and the potential for residual high physical risks. This scenario poses significant opportunities for Arevon, as solar and energy storage systems are the fastest-growing source of power globally, expected to produce half of all electricity by 2050.[2]

Potential ways Arevon could strategically respond to this scenario include:

- Advancing advocacy and partnerships to enable grid investments that expand renewable energy integration and support a low-carbon energy system
- Promoting public education on long-duration energy storage for grid stability and the speed with which solar power can be brought online
- Having a dedicated policy monitoring and response function
- Pursuing creative siting: agrivoltaics and solar grazing, brownfields, etc.
- Repowering and retrofitting projects
- Having a dedicated research and development function and strategic investment to identify and fund emerging technology opportunities

Risk Management

Working to understand and proactively manage climate-related risks and opportunities is fundamental to our long-term business resilience and strategic success. Our management of these issues is integrated into our broader risk management approach, ensuring that climate considerations are central to our operational, strategic, and financial decision-making. We are committed to a continuous process of identifying, assessing, and responding to climate-related factors that have the potential to impact our business, both through opportunities to be leveraged and risks to be mitigated.

Processes for Identifying and Assessing Climate-related Risks

A review of published peer disclosures and industry thought leadership was conducted to inform Arevon's climate risk assessment. The findings from this review were referenced as Arevon stakeholders compiled an inventory of physical and transitional climate risks and opportunities across the short-, medium-, and long-term. Scope and likelihood were also identified for each opportunity and risk. Through a matrix combining levels of likelihood and potential scale, five risk levels were identified. On an ongoing basis, Arevon tracks climate and policy-related risks and opportunities as well as the implementation of ESG initiatives on a project level.

High Likelihood	3	4	5
Medium Likelihood	2	3	4
Low Likelihood	1	2	3
	Scale - Low	**Scale - Medium**	**Scale - High**

Arevon's Sustainability, Asset Management, and Risk and Insurance teams are planning to review and update the **climate risk and opportunity inventory** on a quarterly basis and will continue to categorize risks and opportunities based on type, time horizon, likelihood, and financial implications.

Processes for Managing Climate-related Risks

At Arevon, each department is responsible for managing identified climate-related risks and opportunities. Department leaders continuously develop and refine processes to mitigate physical risks, including exposure to extreme weather, and transition risks. Examples of resilience measures include:

- Regulatory transition risk: Arevon's Government Affairs team monitors business opportunities stemming from federal, state, and local regulations, as well as the shifting landscape of climate-related requirements that Arevon is required to comply with
- Opportunities: Arevon's Procurement team actively follows the industry's technological advances, identifying and testing the most promising new technology to add resilience and longevity to our portfolio

As described in the **Governance section on page 3**, risks and opportunities across the company are reported to the Board of Directors on a quarterly basis. The Board has oversight on all ESG topics which are deemed material, including climate change and greenhouse gas emissions.

Integrating Climate-related Risks Into Overall Risk

Arevon's Legal function actively incorporates climate-related risks into its risk control matrix. This includes clearly defined mitigators and controls that Arevon has implemented to manage those risks. Looking forward, we are working to incorporate climate-related risks into our overarching risk management processes.

Metrics and Targets

Transparent and consistent metrics and targets are essential for measuring our progress, holding ourselves accountable, and providing stakeholders with a clear understanding of our climate-related performance. At Arevon, we use a range of quantitative metrics to assess climate-related risks and opportunities, informing our strategy and risk management processes.

Metrics Used to Assess Climate-related Risks and Opportunities in Line With Strategy and Risk Management Process

On an ongoing basis, Arevon uses several metrics to measure and manage climate-related risks and opportunities. Data on GHG emissions, energy storage capacity, and investments in renewable energy are detailed herein. Additionally, Arevon is working to collect and disclose data on our energy consumption, biodiversity impacts, and conservation efforts as part of our ongoing commitment to sharing transparent sustainability progress.

Scope 1, Scope 2, and Scope 3 Greenhouse Gas Emissions

Arevon understands the importance of tracking, monitoring, and minimizing GHG emissions. At the point of generation, our solar and battery storage assets produce zero GHG emissions. While our facilities generate electricity without emitting greenhouse gases, we recognize that emissions occur in other parts of our operations, which is why we are dedicated to actively tracking and managing them. We currently account for emissions from office energy use (Scope 2) and business air travel (Scope 3) while acknowledging that limited Scope 1 emissions may result from maintenance activities and on-site equipment. In 2025, we plan to conduct a full emissions inventory to refine our approach as we work to further reduce our environmental impact.

GHG Emissions (MT CO_2e)

Scope	Emission Source Description	2022 Emissions Reported	2023 Emissions Reported	2024 Emissions Reported
Scope 1	Zero emissions at the point of generation and limited direct emissions from on-site equipment	Not Accounted	Not Accounted	Not Accounted
Scope 2 (market-based)	Emissions from office energy use that can be attributed to Arevon	574	2,413	2,337
Scope 3	Emissions from business travel (air) that can be attributed to Arevon	Not Accounted	847	809

Energy Storage Capacity

Metric	Total as of November 1, 2025
Energy Storage Capacity in Megawatts (MW)	1,001.5

Investments Committed and Deployed in Renewable Energy

Metric	Cumulative total as of Sept. 30, 2025
Arevon's investments in Renewable Energy, representing funded equity, tax equity, and debt	Over $11 Billion

Targets Used to Manage Climate-related Risks and Opportunities and Performance Against Targets

Arevon has committed to being Net-Zero by 2040 and is currently working to establish our emissions baseline and develop a decarbonization plan to achieve this target through short- and long-term science-based pathways.

AREVON

Corporate Headquarters

8800 North Gainey Center Drive

Suite 100

Scottsdale, AZ, 85258

(480) 653-8450

info@arevonenergy.com

arevonenergy.com

Regional Office

521 Fifth Avenue

34th Floor

New York, NY, 10175

Connect with us on Linkedin

Subscribe to our YouTube channel