

CONVERGENT

2023 Sustainability and Impact Report



Letter from Convergent's Executive Committee



2023 was the hottest year on record and dangerously close to the limits set by the Paris Agreement—signaling the stark urgency of the climate crisis and the imperative to redouble our efforts to accelerate the clean energy transition.

We know that the future of energy depends on our ability to store it—and the future of the planet depends on our ability to drastically reduce our carbon footprint.

Individually and collectively, we joined the clean energy sector because we saw the writing on the wall; there is a narrowing path to reaching the Paris Agreement goal of limiting global warming to well below two degrees Celsius compared to pre-industrial levels. And there is no way to achieve the goals of the Paris Agreement without energy storage.

Convergent Energy and Power (Convergent), a leading developer of energy storage solutions in North America, has been in the energy storage industry since its infancy, more than a decade ago. Throughout that time, we've gained expertise, working closely with businesses and

utilities to take the hassle out of energy storage by building, owning, and operating systems on their behalf.

It seems as if every successive year becomes the most exciting time to be in the energy storage sector—but every successive year also becomes the most urgent time to do what we do.

With ongoing support from our ownership group ECP, Convergent continues to capitalize on the growing demand for both energy storage and the clean energy transition. As of December 2023, we have invested or committed over \$1bn to projects in operation or under development across North America.

In our third annual Sustainability and Impact Report, we'll share more about how we integrate Environmental, Social, and Governance (ESG) performance into our overall success metrics. We'll share the ways in which we consider our impact on people (our team, customers, partners, vendors, and the communities we are part of)

and on the planet. In addition, we'll share our commitment to continuous improvement and some of the ways that we can do more, and do better, in the year ahead.

There has never been a more motivating or urgent time to be an ESG-led business committed to accelerating the clean energy transition through AI-powered energy storage and solar. We are prepared to meet this moment and look forward to investing—quite literally—in the future of energy and the planet.

JOHANNES RITTERSHAUSEN
Co-Chief Executive Officer

FRANK GENOVA
Co-Chief Executive Officer

CHRIS STREETER
Chief Information and Risk Officer

MARIKO MCDONAGH MEIER
Chief Strategy Officer

SEBASTIÁN VILLAVECES
Chief Development Officer

DON JENKINS
Chief Operating Officer

Convergent's Commitment to the Clean Energy Transition

How Energy Storage is Accelerating the Clean Energy Transition

2023 was the hottest year in at least 125,000 years. For the first time on record, some daily global average temperatures exceeded the Paris Agreement's limit of 2° Celsius above pre-industrial levels.

Climate change poses the greatest threat of our time and Convergent is dedicated to mitigating the catastrophic impact of a warming planet on current and future generations by advancing the clean energy transition.

The inability to cost-effectively store electrons has been the biggest obstacle to a more renewable-powered grid, but not anymore. For over a decade, Convergent has developed new applications for energy storage and solar-plus-storage that have pushed the sector forward without compromising reliability.

Electricity is most expensive and carbon-intensive when it is most in demand. Energy

storage is critical to a more flexible and resilient grid because it allows electrons to be stored during times of least demand and dispatched during times of greatest demand, which are also the most carbon-intensive. The reason grid peaks are the most carbon-intensive is because the most prevalent way to meet demand is with inefficient, older, and more expensive gas peaker plants. The more storage we have on the grid, the lower the demand during grid peaks, the less power we'll need overall.

Energy storage is also critical to the proliferation of renewable generation, like solar, which only produces electricity when the sun is shining. Energy storage allows solar energy to be stored and later dispatched, whether or not the sun is not shining.

Additionally, Convergent's distributed energy storage solutions, which are

largely co-located with load (i.e., located where power is consumed, not where it is generated), allow for more renewable energy on the grid more quickly. Today, one of the largest obstacles to renewable penetration is transmission; large-scale renewable generation is primarily located in rural areas, far from electricity demand. Less than 25% of proposed large-scale renewable projects make it to commercial operation because of transmission hurdles. By co-locating (or pairing) storage with onsite solar, Convergent is accelerating the clean energy transition by increasing reliable renewable energy production in the same location that it is being consumed.

THE TAKEAWAY: Energy storage can be used to reduce carbon emissions and to maximize solar energy while ensuring grid reliability, which is why it is the linchpin to the clean energy transition.



Convergent's Commitment to ESG and ESG Performance

Environmental, Social, and Corporate Governance (ESG) refers to the three central factors in measuring the sustainability, societal impact, and values of a company or business.

Being a good corporate citizen is core to Convergent. To that end, this past year, Convergent once again engaged a third-party ESG rating agency, Sustainalytics, to benchmark our performance against ESG standards, establish data-driven goals, and track our progress. Sustainalytics is a Morningstar company and a leading independent ESG and corporate governance research, ratings, and analytics firm.

Convergent was one of the first privately-held companies to receive an ESG risk rating from Sustainalytics. In our first ESG risk rating, in February 2021, Convergent received a risk rating score of 13.9 out of 100 ("low risk"), with a lower score signaling lower risk. For context, a score under 10 is exceptional and considered "negligible risk" and a score over 40 is considered "severe risk."

One year later, in February of 2022, Convergent received an improved "low risk" score of 12.1 out of 100, an improvement of 1.8 points. In other words, we lowered our already low-risk rating, which was not an easy task. That improvement quantified the hard work that we put in, and continue to put in, across the company.

As of April 2023, Convergent received an improved risk rating of 10.4, demonstrating ongoing

improvement. To contextualize our performance, out of 706 companies in the utilities sector (the sector against which Convergent was evaluated) rated by Sustainalytics, Convergent has the seventh lowest risk. Of 96 companies in renewable power production (the subsector against which Convergent was evaluated), Convergent has the sixth lowest risk.

As a testament to Convergent's continued commitment and demonstrated leadership, Sustainalytics has included Convergent as a ESG Top-Rated company for 2024.

In the universe of firms rated by Sustainalytics, which totals over 15,000, Convergent ranks in the third percentile, with the lowest percentiles, again, signaling the best performance. In other words, Convergent is managing issues related to ESG better than the overwhelming majority of its peers.

Convergent's overall management of material ESG issues is rated as "strong." The company's management of specific issues including business ethics, land use, and biodiversity, and occupational health and safety is also rated as "strong." The category in which Convergent is measured as most effectively managing risk is occupational health and safety, which



is paramount to the company and extends beyond our staff to that of suppliers, vendors, and partners.

Convergent's overall score reflects its preparedness, disclosure, and performance. Going forward, Convergent is committed to continuous improvement and remaining a leader in issues related to ESG. Convergent is an aligned partner for utilities and businesses that prioritize community engagement, safety, ethical governance, sustainability, and diversity, equity, and inclusion.

As businesses make increasing claims about ESG, corporate social responsibility, or sustainability more broadly, Convergent is prepared to be transparent about its strengths and opportunities for growth. In other words, Convergent will walk the walk rather than just talk the talk. The company looks forward to working closely with its partners to make a positive impact in communities where it operates and to consider the effect of the business on all constituents and the planet at large.

COMMITMENT TO SUSTAINABILITY

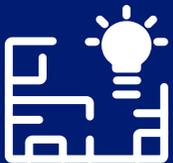
As part of our commitment to sustainability and the clean energy transition, we proactively pursue opportunities to exceed current environmental standards. We continually strive to reduce waste and the emission of pollutants, recycle, and conserve natural resources. We also promote energy efficiency, both within the company and in the communities where we develop projects.

MEASURING OUR CLEAN ENERGY IMPACT – A FIRST STEP

Below are some ways in which we measure our environmental impact across our portfolio, which helps us see where we are providing value to the communities where we operate and the grid at large.



Convergent has **over 800 MW/ 1 GWh** of storage and solar-plus-storage capacity operating or under development.



With **over \$1bn** invested or committed to systems in operation or under development, Convergent is a leading independent owner and operator of energy storage and solar-plus-storage solutions.



Over 50% of the energy storage projects Convergent originated in the past 24 months include solar PV.



~40% of our over \$1bn of capital invested or committed to late-stage projects includes integrated solar PV.



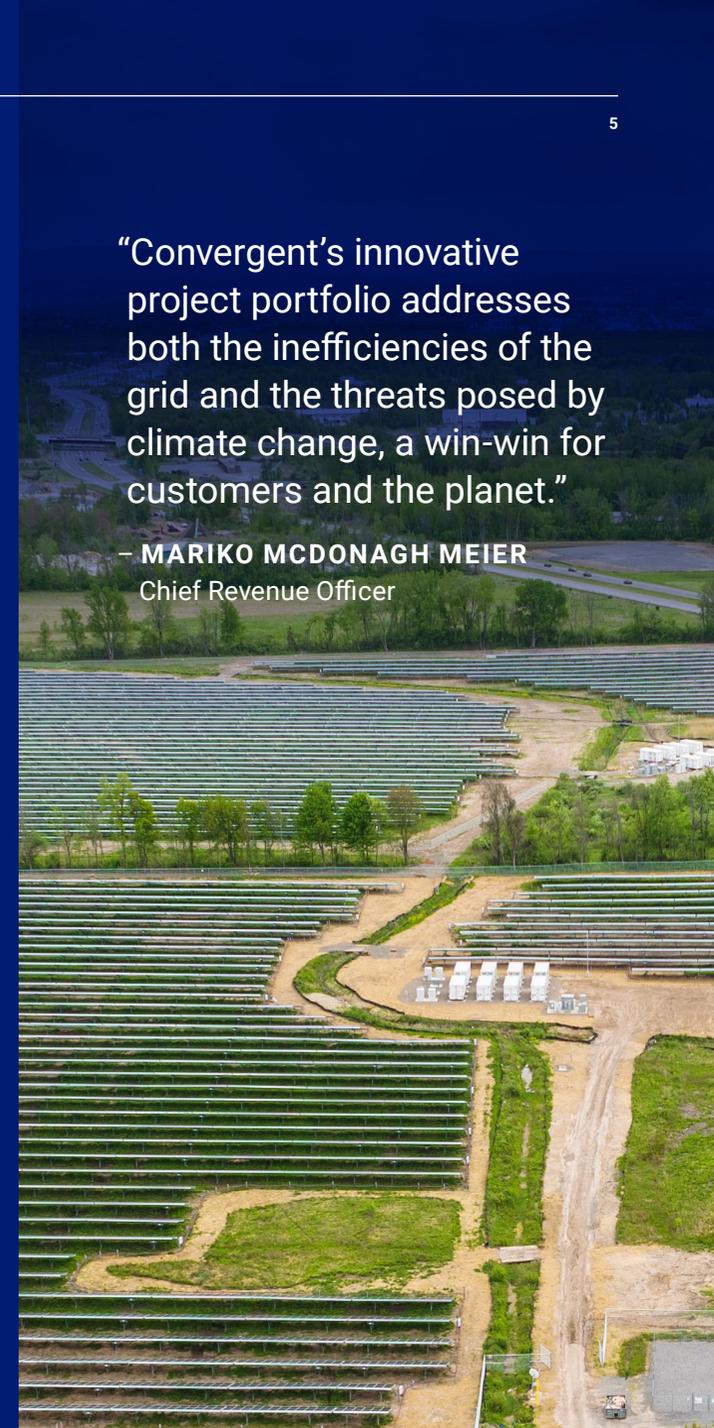
~20% of our projects are set up as shared savings, in that we do not earn unless our customers save money by avoiding peaks.



Convergent's solutions saved **~21,500 metric tons of CO₂** in 2023, a number we expect to increase with the increasing number of solar-plus-storage project we are developing.

“Convergent’s innovative project portfolio addresses both the inefficiencies of the grid and the threats posed by climate change, a win-win for customers and the planet.”

– **MARIKO MCDONAGH MEIER**
Chief Revenue Officer



Commitment to Diversity, Equity, Inclusion and Belonging (DEIB)

At Convergent, we are committed to fostering a work environment where diversity, equity, inclusion, and belonging are seen as a strategic advantage and celebrated. As part of the energy sector recruiting in STEM, we believe it is imperative not to perpetuate the historical demographics of these fields.

We define diversity as (but not limited to) differences in race, ethnicity, religion, gender, gender expression, sexual orientation, age, culture, ability, social and economic class, employment level, veteran status, and political beliefs. We strive to foster a culture where people can bring their most productive versions of themselves to work and experience a sense of belonging with their colleagues. Language is ever-evolving, just like our industry, which is why Convergent's definition of diversity is subject to expansion and iteration.

We value how folks' unique backgrounds and experiences can improve the workplace for individuals and enhance Convergent's overall performance.

Convergent was recognized for its workplace culture in 2023, and was named to Inc. Magazine's annual Best Workplaces list. Each company that was nominated took part in an employee survey conducted by Quantum Workplace, which included topics such as management effectiveness, perks, fostering employee growth, and overall company culture. The organization's benefits were also audited to determine overall score and ranking.

We're committed to fostering a positive and inspiring work environment that encourages a sense of company pride.

Featured DEIB Resources and Communities at Convergent

- Annual employee survey on DEIB, which drives and informs priorities for the following year
- Convergent Diversity, Equity, Inclusion and Belonging Working Group meets monthly to support DEIB priorities
- Multiple employee-led resource groups (ERG), each with a specific mission, community served, budget, and executive sponsor
- Internal Speaker Series that brings in outside experts to share their experiences with a DEIB lens
- Volunteer Time Off (VTO) for every full-time-employee with a non-profit organization of their choice
- Convergent-supported employee giving and matching program



Convergent is a place where team members with diverse backgrounds, experiences, skills, and interests can come together to collectively advance the renewable energy sector.



Commitment to Local Communities

Convergent is committed to working closely with the communities in which we are planning or operating energy storage or solar-plus-storage projects, integrating stakeholders into each aspect of the project. We have a track record of active listening, flexibility, and accommodation to generate community support. Our motto is: “listen twice as much as we speak,” to create strong, successful partnerships across stakeholders.

Prior to construction, Convergent evaluates each site for climate-related risks (e.g., risk of sea-level rise/flooding) by conducting geotechnical assessments. We develop our assets in such a way that they are environmentally non-invasive. We avoid developing projects within floodplains, wetlands, or areas that are highly exposed to the effects of climate change. Furthermore, all of our assets are also insured against climate change-related events.

Beyond our commitment to community buy-in, we’re committed to investing in the communities where we develop and operate our energy storage and solar-plus-storage systems. We make it a priority to hire a local construction team whenever possible, creating STEM jobs whenever we develop a new project.

Our behind-the-meter and front-of-meter energy storage assets also help to mitigate the risks associated with rising temperatures by helping to integrate renewable energy into the grid, avoiding costly utility upgrades, and lowering consumers’ carbon footprint as well as electricity costs.

In the coming decades, most locations in Canada and the United States will experience rising temperatures and more frequent, lengthy, and severe heat waves. Such events will likely increase the demand for electricity and decrease the efficiency and lifetime of certain grid equipment – leaving the grid highly vulnerable to blackout events and the public saddled with the associated economic losses and costs of upgrading power infrastructure.



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“listen twice as much as we speak,” to create strong, successful partnerships across stakeholders.



Commitment to Safety

Above all, Convergent is dedicated to ensuring the safety of our systems and the well-being of our customers, community partners, employees, and vendors.

Convergent is as old as—or older than—the commercial energy storage sector. With over a decade of expertise and over 500,000 operating hours without incident, Convergent brings deep knowledge and experience to our customers, vendors, and stakeholders. As a leading provider of energy storage solutions in North America, we're constantly collecting data from the over 800 MW / 1 GWh we have on the grid or under development in order to evaluate our practices and procedures.

Our systems and system components comply with all the latest applicable energy storage system (ESS) electrical, safety, and industry standards, including UL 1741 (inverter-based generation) and UL 9540 (ESS). With over a century of

experience, UL is a global safety science leader that develops testing and inspection standards and corresponding certifications, including for the energy storage industry, which is recognized in the US and Canada. In addition, we design and build systems that comply with NFPA 855 and NFPA 68 and/or 69 (as applicable).

All of Convergent's systems meet all applicable requirements dictated by local regulations and AHJs (state fire code, building, and electric codes) at the time of approval. We are also working with industry-leading consultants to support our efforts in evaluating our suppliers' safety practices, system compliance, and hazard mitigation.

We have met the industry-required safety standards—and we are now looking at ways to go beyond current industry requirements in 2024. Again, safety is at the core of our business and we are proud of our safety record.



Safety is our top priority. The risk associated with operating electrical equipment will never be zero—but we will continue to work with our vendors and partners to ensure that the systems we procure and install meet or exceed industry standards.



Commitment to Ethical Supply Chains

Convergent is a signatory of SEIA’s Forced Labor Prevention Pledge and is opposed to forced labor in the solar industry and in general. Making sure the energy storage and solar industry’s labor practices are ethical is not only critical to our values as a company but to the broader growth of the industry and its ability to address the climate crisis.

Convergent continues to select vendors that align with our values, oppose forced labor, and are committed to the ethical sourcing of materials and fair labor practices. When contracting with vendors, we provide them with Convergent’s Code of Conduct for vendors, which outlines these principles, or, where appropriate, we scrutinize a vendor’s code of conduct to ensure it is compatible with our principles.

We have supported—and continue to support—the development of an industry-led solar supply chain traceability protocol as a tool for identifying the source of primary raw materials and inputs and tracking their incorporation into finished products, including solar modules.

We are finding that our customers and prospective customers are increasingly interested in ethical supply chain management. This is something we expect to continue and provides us with an opportunity to highlight the policies we currently have in place and potentially expand upon our current policies.



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Growing in the Right Direction: Plans for 2024 and Beyond

Climate change poses the greatest threat of our time and we are working to mitigate the catastrophic impact of a warming planet on current and future generations.

Our mission is to build an energy landscape that is less expensive, more reliable, and increasingly sustainable—one that benefits our employees, customers, communities, and planet. We remain dedicated to all of our stakeholders and bullish on our ability to accelerate the clean energy transition.

In 2023, we began to see the impact of the Inflation Reduction Act increasing awareness of—and demand for—energy storage and solar-plus-storage. We are eager to continue capitalizing on this boon to our industry.

At the end of 2023 we hired Donald J. Jenkins as Chief Operating Officer. Don will be responsible for scaling the business while maintaining and enhancing daily operations. Don is one of a few industry professionals who has been in the energy storage sector from the beginning; his wealth of experience will play an instrumental role in our ability to capitalize on the need and demand for energy storage.

With leadership from Don and other key folks in 2024, we are focusing on the processes and procedures that allow us to efficiently and safely bring more energy storage and solar-plus-storage systems online.

Naturally, we are also redoubling our efforts to make Convergent a more sustainable, diverse, and inclusive place to work. We plan to build on the groundwork

laid by our DEIB working group and recently launched Employee Resource Groups and leverage our most recent DEIB survey to drive our focus on inclusion and belonging in 2024. We continue to choose to donate the amount we would have spent on end-of-year customer gifts to the National Forest Foundation in order to plant 10,000 trees, along with becoming a sponsor of national nonprofit Women of Renewable Industries and Sustainable Energy (WRRISE).

For us, continuous improvement is not just an action—it is a mentality that we strive to embed throughout the company. As it relates to our ongoing commitment to ESG, below are some of the tangible steps we are committing to in 2024 that we believe will strengthen our corporate stewardship and help us continue to align

our business with our values and the interests of our many stakeholders.

As always, we would like to thank our employees, partners, and ownership group ECP for their continued support as we work towards our goal of delivering value to all stakeholders.

If you're looking to reduce your carbon footprint and embrace critical ESG principles, Convergent can help. We're accelerating the clean energy transition through AI-powered energy storage ... and we're ready to partner with your organization.

CONVERGENT'S TOP FIVE COMMITMENTS TO IMPROVE IN 2024:

1

Hire a Head of Environmental Health and Safety to consolidate and centralize ownership of safety initiatives across the business.



2

Scale Learning & Development (L&D) team efforts to provide resources, support, and clarity for career advancement.



3

Support Employee Resource Groups' success and employees sense of belonging.



4

Implement detailed tracking standards on ESG activities and provide quarterly report to the Board of Directors.



5

Expand Convergent's Community Engagement Pilot Program.

