

**CONVERGENT**

# 2021 Sustainability and Impact Report





# Letter from Convergent's Executive Committee



Convergent was founded in part because of the mounting threats presented by the climate crisis, which we see as the central global challenge of our generation and because the renewable energy and energy storage sectors have always presented the rare opportunity to “do well by doing good.” Today, the growth and maturation of the energy sector is not only great news for Convergent; it is necessary for our planet to move away from fossil fuels and more quickly realize a clean energy future.

When Convergent was founded just over a decade ago, deploying commercial-, industrial-, and utility-scale battery energy storage to support the electric grid was a relatively new concept for all stakeholders. While other firms shared our mission to accelerate the clean energy transition through AI-powered energy storage, few understood how to actually execute projects to reduce costs and create new value for electricity customers and the grid at large. We were—and remain today—trailblazers within the energy storage sector; we’ve continually delivered many industry “firsts,” proving time

and again that energy storage is ready for prime time and can contribute meaningfully to a clean energy future.

The market now fully agrees with our founding premise. Today, there is strong alignment among the various stakeholders, sector champions and investors, as reflected by “hockey-stick” growth in 2021 (investment into storage assets increased ~3X over 2020 North America) and corresponding media coverage. This past year the energy storage sector reached an inflection point, witnessing exponential growth that is anticipated to continue into 2022 and beyond.

With ongoing support from our ownership group ECP, Convergent capitalized on the growing enthusiasm for both energy storage and the clean energy transition in 2021. We did so by executing on our goals to finance, own, and operate behind-the-meter and front-of-the-meter energy storage and solar-plus-storage assets (solar PV paired with a battery storage system). As of December 2021, we have invested or committed over \$400M to projects in operation or under development in 40 states and the Province of Ontario.

In our first 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.

As we like to say, “energy storage is the linchpin of the clean energy transition,” and we could not be more excited, or more motivated, to be part of the solution to the greatest global threat of our time: climate change.

**JOHANNES RITTERSHAUSEN**  
Chief Executive Officer

**FRANK GENOVA**  
Chief Operating and Financial Officer

**CHRIS STREETER**  
Chief Information and Risk Officer

**MARIKO MCDONAGH MEIER**  
Chief Strategy Officer

**REN GAFFNEY**  
General Counsel



# Convergent's Commitment to the Clean Energy Transition

## How Energy Storage is Accelerating the Clean Energy Transition

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), allows 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 at our commercial and industrial customers' sites, 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 engaged a third-party ESG rating agency, Sustainalytics, to benchmark its performance against ESG standards, establish data-driven goals, and track its progress. Sustainalytics is a Morningstar company and a leading independent ESG and corporate governance research, ratings, and analytics firm.

Convergent received its first third-party validated ESG rating in February of 2021. Sustainalytics' rating is based on their ESG scoring system that factors in potential ESG controversies (Convergent had none). Each company is graded on a scale of 0 to 100 relative to other companies in its global industry peer group. Both within and outside of our industry, Convergent performs extremely well and is considered "low risk."

Convergent received a risk rating score of 13.9 out of 100 ("low risk"), with a lower score signaling lower risk. A score under 10 is exceptional and considered "negligible risk" and a score over 40 is considered "severe risk."

Of 597 companies in the utilities sector (the sector against which Convergent was evaluated) rated by Sustainalytics, Convergent has the eighth lowest risk. Of 71 companies in renewable power production (the subsector against which Convergent was evaluated), Convergent has the fifth lowest risk. In the universe of firms rated by Sustainalytics, which totals nearly 14,000, Convergent ranks in the sixth percentile, with the lowest percentiles again being the best performers. 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 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.

The company's decision to seek an independent, thirdparty ESG rating by an industry leading firm was driven by its commitment to be held accountable and avoid potential "greenwashing."

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 all the 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 **250 MW / 500 MWh** of energy storage and solar-plus-storage projects operating or under development.



**~40%** of our over \$400M 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.



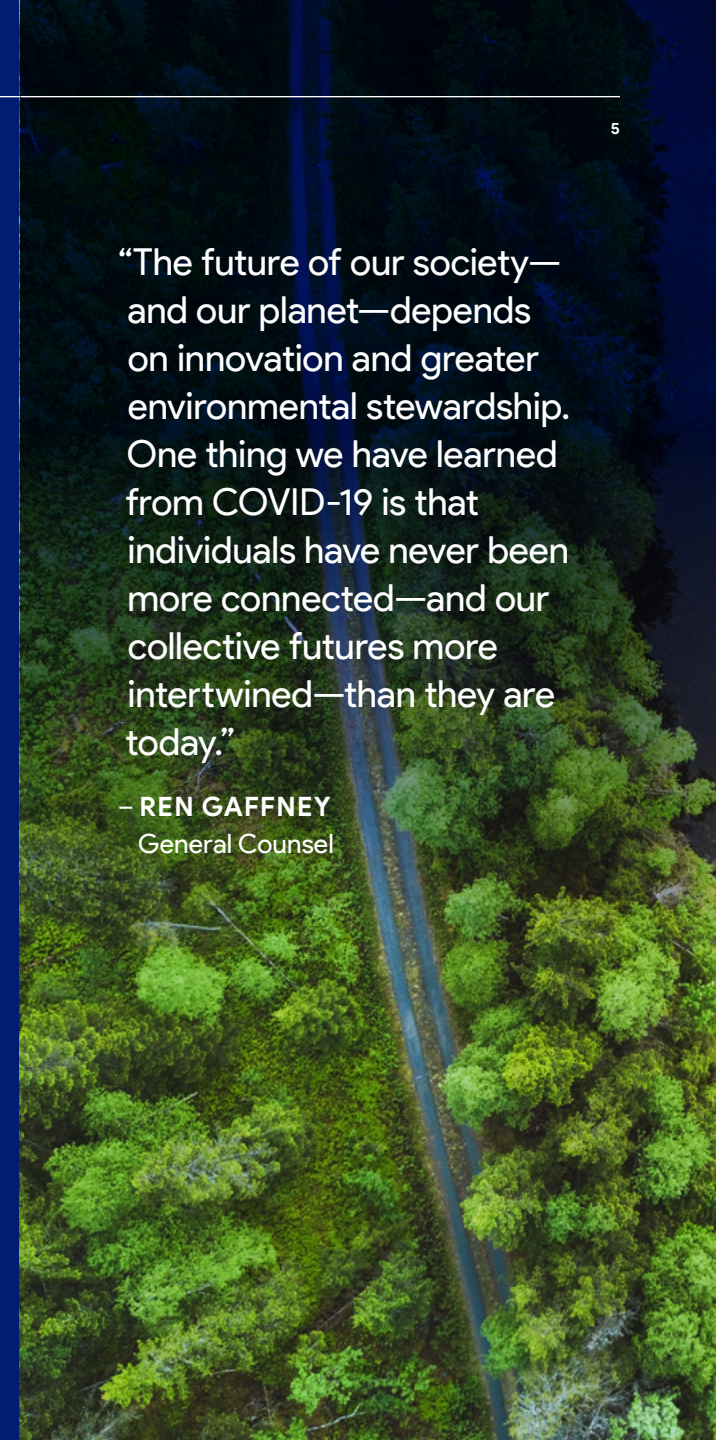
**Over 50%** of the energy storage projects Convergent originated in the past 24 months include solar PV.



Convergent's projects saved **1,300 metric tons of CO2** in 2021, a number we expect to increase with the increasing number of solar-plus-storage project we are developing.

“The future of our society—and our planet—depends on innovation and greater environmental stewardship. One thing we have learned from COVID-19 is that individuals have never been more connected—and our collective futures more intertwined—than they are today.”

– **REN GAFFNEY**  
General Counsel





# Commitment to Diversity, Equity, and Inclusion

We named the business “Convergent” because we envisioned a company where new ideas meet new technologies. Having lived that vision for over 10 years now, we’ve come to understand that our name actually symbolizes far more than that. Convergent is a place where team members with diverse backgrounds, experiences, skills, and interests can come together to collectively advance the renewable energy sector. It is this convergence of our vision with our employees that makes this company unique and drives our success.

This year, we began formalizing our strategy around Diversity, Equity, and Inclusion (DEI), starting with a companywide Workplace Inclusion Diagnostic of DEI conducted by Pusley, an independent organization

specializing in experts in DEI, software, technology, and innovation (the DEI Diagnostic). The DEI Diagnostic provided us with baseline data on team demographics and assesses the level of inclusion competencies within Convergent and across demographic groups. The DEI Diagnostic assists us in identifying and prioritizing opportunities for growth in DEI matters and will enable us to tangibly measure progress in DEI goals sets a benchmark for our future objectives and programs. We had 94% participation in the survey, a record among Pulsely’s clients.

Also this year, we’ve created a new recruiting and onboarding process designed to help us attract and retain the most qualified candidates. We are proud to have an overall a

workforce that is 35% women, 8% non-binary, and 40% people of color within the notoriously white and male-dominated energy sector. We remain committed to recruiting, hiring, and empowering a diverse workforce and creating a culture of equity and inclusion where folks can bring their whole selves to work and have a pathway to advancement within the company. To that end, we have developed explicit 2022 KPIs that will involve staff and manager training, recruiting, retention, promotion, and planning efforts. In order to ensure we are resourced enough to achieve these goals, we have increased the amount dedicated to DEI programming in our 2022 annual budget by >\$50,000.



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



“Working at Convergent is the best career decision I’ve made. The company has **the agility of a startup but the resources of a Fortune 500 company**—an incredibly rare combination.”

– RUTH LIND  
Business Development Manager



# 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 a 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 projects. 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.



**OUR MOTTO IS:**  
“listen twice as much as we speak,” to create a strong, successful partnerships across stakeholders.





# Commitment to Safety

Above all, Convergent is dedicated to ensuring the safety of our systems and the wellbeing of our customers, community partners, employees, and vendors. We have had zero safety incidents since our inception in 2011 and only contract with top-tier suppliers and types of equipment that have had zero incident rates in North America. As a leading provider of battery storage solutions in North America, we're constantly collecting data from the 250 MW / 500 MWh we have on the grid or under construction in order to evaluate our practices and procedures.

Additionally, like other ECP companies, we are governed by a Responsible Contractor Policy that provides that we select our contractors through considering, among other things, a contractor's ethical practices, safety and environmental record, adherence to applicable law, and worker protections.

## SAFETY STANDARDS AND PROTOCOLS

All of our systems are both fully automated and monitored 24/7/365. Our systems exhibit numerous safety features including built-in alarms, self-activating fire-suppression systems, and NEMA3/4

battery enclosures specifically designed to withstand significant heat and pressure parameters.

Each system meets the latest safety standards dictated by UL 1741 (grid connections) and UL 9540 (battery connections) and uses UL-certified safety equipment (cUL in Canada). All of our projects met UL 9540 before this standard was required in the United States. In Canada, all of our projects are built and certified to meet the highly stringent CSA requirements.

We create a customized, site-specific Emergency Preparedness Plan for every energy storage system or solar-plus-storage system we operate. The plan provides a clear chain of command if there is any issue with the system. If there is an issue, our systems are designed to automatically disconnect and power down in a safe manner. In addition to training and educating our customers, we provide a tour for and train local fire departments. We work with fire departments directly to meet any and all local certifications.





# 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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## Community Solar-Plus-Storage in Upstate New York

This year, Convergent partnered with Tops Friendly Market (Tops), a leading full-service grocery retailer in New York, northern Pennsylvania, and Vermont, to deliver more renewable energy to upstate New Yorkers in the form of community solar paired with battery storage. As a result of this partnership, over 75 Tops stores will be powered by the solar farms, which will reduce the stores' carbon footprint. The solar-plus-storage projects developed by Convergent provide Tops and upstate New Yorkers access to solar energy whether or not the sun is shining and reduce the state's reliance on power plants during peak demand hours.

Community solar-plus-storage, facilitated by the Value of Distributed Energy Resource tariff (VDER) in NY, allows the benefits of solar energy flow to businesses and individuals from off-site arrays and is an increasingly popular way to increase access to renewable generation. According to NYSERDA, the program has reduced CO<sub>2</sub>e emissions in the state by 9.1M metric tons. The projects support New York's landmark Climate Leadership and Community Protection Act (Climate Act), which aims for 70% of New York's electricity to come from renewable energy sources by 2030.

“Our ongoing commitment to sustainability is met with enthusiasm and resolve every day, as we work to ensure we leave our communities—and our planet—better for the next generation. We are excited to be working with Convergent, a values-aligned business with the expertise to deliver solar energy to our stores as efficiently as possible.”

– **JOHN PERSONS**  
PRESIDENT AND CHIEF OPERATING OFFICER

“We are enormously proud of the opportunity to simultaneously reduce emissions and support economic growth right here in our home state.”

– **FRANK GENOVA**  
CHIEF OPERATING AND FINANCIAL OFFICER,  
CONVERGENT





“NSG Group has been an excellent partner from start to finish and demonstrated a deep commitment to all of its stakeholders. For this particular project, I’m proud to say our team navigated a global pandemic, and additional safety regulations, to bring the battery system online as safely and quickly as possible to achieve success.”

– **JOHANNES RITTERSHAUSEN**  
CEO  
Convergent

## Providing NSG Group its First Energy Storage System

Convergent brought a 5 MW / 10 MWh battery energy storage system online this spring, the first within NSG Group. The project bolsters Convergent’s reputation as the largest owner and operator of energy storage assets in Ontario and leverages Convergent’s PEAK IQ® proprietary software solution to reduce the facility’s electricity usage during the costliest, carbon-intensive grid peaks.

The project was constructed during the 2020-21 winter season, at the height of the COVID-19 pandemic. To ensure NSG Group’s Pilkington glass facility would be able to achieve projected savings of ~\$450,000 / MW during the 2021 summer, Convergent construction teams adhered to particularly strict safety regulations. Convergent also coordinated with local partners to ensure pandemic-related travel restrictions did not slow down construction while navigating extensive supply chain disruptions.

“We value Convergent Energy + Power’s expertise from system design to dispatch, bringing the battery storage system online as quickly and safely as possible during the pandemic.”

– **JOHN WILGAR**  
HEAD OF PROCUREMENT,  
NSG GROUP

“Locally, this battery storage system is part of our commitment to support our community in Collingwood and the broader efforts in Ontario to create a more efficient, sustainable grid.”

– **RON YOUNG**  
ENGINEERING GROUP LEADER,  
COLLINGWOOD



# Commitment to Continuous Improvement

Here at Convergent, we understand that our commitment to accelerating the clean energy transition through AI-powered energy storage and the pursuit of continuous improvement across our Environmental, Social, and Governance performance is a journey.

We founded an energy storage company because we saw a real opportunity to make an impact on the future of energy, our society, and our planet. But we know that it is not enough to have a business that is inherently “green.” We know that we must do more and that there will always be room for improvement.

To us, continuous improvement is not just an action—it is a mentality that we strive to embed in across the company. There are numerous ways to engender continuous improvement. One of the many ways we strive to improve is through an “open door” policy, in which team members at every level of the company are free to speak with any other employee including, and in particular, the management of this company. Encouraging this diversity of perspectives and culture of openness is one of the many ways we strive to incorporate feedback and become a better version of ourselves.

In 2021, we chose to further align our brand with ESG, choosing to donate the amount we would have spent on customer gifts to the National Forest Foundation in order to plant 5,000 trees!

As it relates to our ongoing commitment to ESG, below are some of the tangible steps we are committing to in 2022 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 2022 begins, we remain bullish on the opportunities for energy storage and solar-plus-storage and the ability of Convergent to maximize the enormous tailwinds behind the broader renewable energy and climatetech sectors.

As we head further into 2022, 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 by accelerating the clean energy transition through AI-powered energy storage.

## CONVERGENT’S TOP FIVE COMMITMENTS TO IMPROVE IN 2022:



**1**

Create a future roadmap to assess and work against to improve our ESG performance and commitment to all of our stakeholders

STRATEGY AND EXECUTIVE TEAMS

**2**

Increase community engagement by providing more educational resources to the communities where we operate projects

STRATEGY AND DEVELOPMENT TEAMS

**3**

Increase diversity, equity, and inclusion integration into our core business through focusing on training, recruiting, experience, retention, and promotion

PEOPLE OPERATIONS AND LEGAL TEAMS

**4**

Launch an agrivoltaics program to improve land use on our solar PV projects and increase biodiversity

COMMERCIAL OPERATIONS TEAM

**5**

Hire a CSR Manager to help steer our efforts to ensure we continue to improve and hold ourselves accountable

STRATEGY TEAM