



CONVERGENT

2022 Sustainability and Impact Report

Letter from Convergent's Executive Committee



The future of energy depends on our ability to store it.

If 2021 was the “inflection point” for the energy storage sector, 2022 was the regulatory supercharge that we urgently needed to help reach the Paris Agreement goals of limiting global warming to below two degrees Celsius compared to pre-industrial levels.

The \$369 billion Inflation Reduction Act (IRA), which was signed into law in August of 2022, is the largest and most ambitious investment in climate action that the United States has ever made—and delivers a sea change for the energy storage sector.

Tax incentives and declining costs have propelled renewable energy development for over a decade, taking wind and solar from novel technologies to some of the fastest-growing sources of new electricity in the nation’s power grid. The foundation of energy storage’s meteoric rise is attributed in part to its eligibility for current tax credits when charged by a solar array, prompting the industry to develop solar-paired storage projects.

With the passage of the IRA, energy storage is finally incentivized on its own. Before the IRA, energy storage made sense in locations where power is more expensive, including New York, California, and New England. The IRA makes sustainable power cheaper everywhere in the United States and, not only that, it creates the regulatory certainty that’s needed for the private sector to invest more heavily in the clean energy transition.

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—and here at Convergent—and 2022 was no different. With ongoing support from our ownership group ECP, Convergent continues to

capitalize on the growing enthusiasm for both energy storage and the clean energy transition. As of December 2022, we have invested or committed over \$500M to projects in operation or under development across North America.

In our second 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 critical or opportune time to be an ESG-led business committed to accelerating the clean energy transition through AI-powered energy storage and Convergent is optimally positioned to meet this moment.

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

SEBASTIÁN VILLAVECES
Chief Development Officer

WENDY OLUTIOLA
Head of People

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. 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 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 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 over 2021. In other words, we have lowered our already low-risk rating,

which is not an easy task. This improvement quantifies the hard work that we put in across the company to improve across ESG criteria.

To contextualize our performance, out of 676 companies in the utilities sector (the sector against which Convergent was evaluated) rated by Sustainalytics, Convergent had the ninth lowest risk as of February 2022. Of 85 companies in renewable power production (the subsector against which Convergent was evaluated), Convergent had the fifth lowest risk.

In the universe of firms rated by Sustainalytics, which totals over 14,000, Convergent ranks in the fourth percentile, with the lowest percentiles, again, signaling the best performance.

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 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

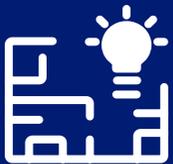
As part of our commitment to sustainability and the clean energy transition, we proactively pursue opportunities to exceed current environmental standards. We continually strive to reduce waste and the emission of pollutants, recycle, and conserve natural resources. We also promote energy efficiency, 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 500 MW/800 MWh** of storage and solar-plus-storage capacity operating or under development.



With **over \$500M** invested in projects in operation or allocated to projects 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 \$500M 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 grid peaks.



Convergent's solutions saved nearly **10,000 metric tons of CO₂** in 2022, 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. Enabling our economy and society to decarbonize must be a national priority.”

– **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.

In 2021, we began formalizing our strategy around Diversity, Equity, and Inclusion (DEI), starting with a companywide Workplace Inclusion Diagnostic of DEI conducted by Pulsley, 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. We had 94% participation in the survey, a record among Pulsley’s clients.

In 2022, we outlined and operationalized our DEI Roadmap, which included delivering manager and company-wide DEI trainings, and coaching for the leadership team. We ensured organizational accountability by engaging Pulsley for our annual DEI inclusion survey for the second year running. In 2023, we will establish a DEI working group that will guide and support the company’s DEI journey based on specific needs outlined in the survey.

“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, Director, Business Development



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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 systems in such a way that they are environmentally non-invasive. We avoid developing systems within floodplains, wetlands, or areas that are highly exposed to the effects of climate change. Furthermore, all of our systems 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 systems 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 2022, we began to formalize this commitment to the communities impacted by the footprints of our solutions. In 2023, we will begin to pilot our community engagement framework and outreach efforts to ensure the monitoring, reporting and involvement of local stakeholders in our work.



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



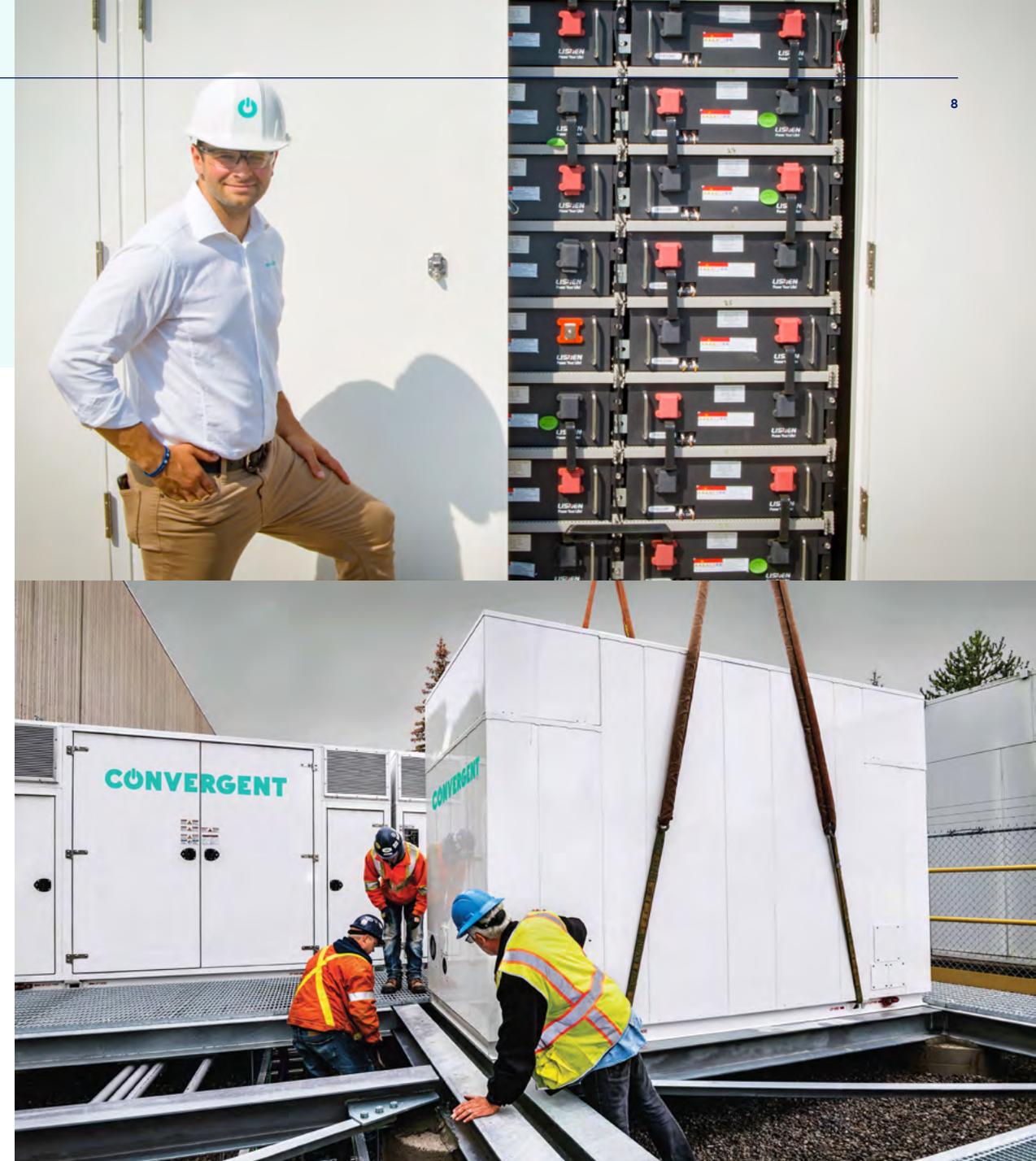
Commitment to Safety

Above all, Convergent is dedicated to ensuring the safety of our systems and the well-being of our customers, community partners, employees, and vendors. As a leading provider of energy storage solutions in North America, we're constantly collecting data from the over 500 MW / 800 MWh we have on the grid or under development in order to evaluate our practices and procedures.

All of our systems are 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. These systems are carbon emissions-free and produce noise emissions of 65dB or less.

Each system meets the latest safety standards dictated by UL 1741 (inverter-based generation) and UL 9450 (ESS), and used all UL-certified equipment (cUL in Canada). Going forward, projects will adhere to the most stringent requirements applicable to conform to NFPA 855 per UL9540 testing including NFPA 68, 69, and 72.

A customized, site-specific Emergency Response Plan is developed for every energy storage system operated by Convergent. The plan details the safety design features of the system and provides a clear plan of action for given safety events. 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 and permitting requirements.



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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Solar-Plus-Storage Provides a Non-Wires Alternative for National Grid

Convergent completed one of the first solar-plus-storage systems providing a non-wires-alternative (NWA) with National Grid, an electricity, natural gas, and clean energy delivery company serving more than 20 million people throughout New York and New England. Through a competitive bidding process, National Grid selected Convergent to cost-effectively increase capacity at its Pine Grove substation, increasing benefits for customers while increasing the amount of solar energy on the grid.

The system, designed, constructed, and operated by Convergent, will deliver more cost-effective, reliable, and sustainable electricity to National Grid customers in Cicero, New York, while leveraging solar energy during nonpeak periods.

An NWA removes or defers the need to construct or upgrade components of a distribution and/or transmission system. Energy storage (typically battery storage) is a type of NWA that offers utilities a way to increase capacity on the electric grid by charging the batteries when electricity demand is low and discharging when demand outstrips supply. Convergent's NWA with National Grid pairs battery energy storage

with solar energy (solar-plus-storage).

National Grid will utilize the system on peak days to provide seamless reliability to customers served by the substation. During off-peak days, Convergent will participate in the market to provide clean energy for National Grid customers.

NY Green Bank, a division of the New York State Energy Research and Development Authority (NYSERDA), which invests in clean energy and sustainable infrastructure in New York State, provided the construction-to-term financing for the project. NYSERDA also provided a total of nearly \$2.3 million for the project through its NY-Sun Program, the state's \$1.8 billion initiative to advance the scale-up of solar while driving costs down and making solar energy more accessible to homes, businesses, and communities.

This 10 MW/40 MWh of energy storage paired with 15 MWdc of solar for National Grid is part of Convergent's portfolio of eight solar-plus-storage systems in Central and Upstate New York. The solar-plus-storage system was constructed by CS Energy. GE provided the DC-Coupled energy storage package.

"Our recently released Clean Energy Vision plan outlines a pathway to achieve a fossil-free future to our energy systems that incorporate renewable sources of energy and storage solutions such as this NWA at Pine Grove. Convergent Energy and Power's expertise in developing and operating energy storage solutions that benefit utilities and communities made them a natural fit for this project."

– **BRIAN GEMMELL**
CHIEF OPERATING OFFICE FOR ELECTRIC,
NATIONAL GRID NEW YORK

"We are thrilled to collaborate with National Grid, a leader in implementing technologies that benefit customers, the electric grid, and the planet."

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





Reducing Peak Demand Charges for Ford Motor Company

The same lithium-ion battery technology propelling electric vehicles is being used to cost-effectively power a portion of the Ford Motor Company's (Ford) Essex Engine Plant in Windsor, Ontario during peak power consumption periods. We were chosen to help support Ford's power needs at the plant with a 4 MW / 8MWh battery energy storage system (BESS), which is currently in operation.

Historically, industrial electricity costs in Ontario have been higher than in any other Canadian province. Because energy is often most expensive—and most carbon-intensive—when it is in the greatest demand, businesses are incentivized to reduce their energy usage during peak times. At the Essex Engine Plant, Convergent's AI-powered energy storage system strategically reduces the facility's electricity consumption, reducing its costs and carbon footprint while supporting the long-term sustainability of the grid.

Our battery energy storage system at the Essex Engine Plant is one of the first for Ford Motor Co.

"The battery storage system provided by Convergent Energy and Power is a strong example of how batteries can support the auto industry at the plant level while also supporting the electric grid serving Ford and the surrounding community."

— **THOMAS REEBER**
PLANT MANAGER,
FORD ESSEX PLANT

"With our friends at Ford's Essex Engine Plant, we've proven that our battery energy storage systems can lower commercial and industrial facilities' utility bills."

— **JOHANNES RITTERSHAUSEN**
CEO,
CONVERGENT



“Puerto Rico has commendable renewable energy goals and is taking concrete steps to reach them. Convergent Energy and Power is ready to help Puerto Rico deploy more solar energy, accelerating the clean energy transition. We are thrilled to help bring cleaner, more reliable power to Puerto Rico with the help of our local partner Ashford Renewable, and PREPA.”

— **JOHANNES RITTERSHAUSEN**
CEO, Convergent

Solar-Plus-Storage Supports Renewable Energy Goals in Puerto Rico

Convergent’s Puerto Rico subsidiary has entered into a power purchase and operating agreement with the Puerto Rico Electric Power Authority (PREPA) for a 100 MW solar generation project paired with a 55 MW battery to be located in Coamo, Puerto Rico, a town in the south-central region of the island. The solar-plus-storage system was awarded in the first tranche of Puerto Rico Electric Power Authority’s multi-tranche plan to modernize Puerto Rico’s grid and reach 100% renewable energy by 2050.

The solar-plus-storage system will be owned and operated by Convergent’s Puerto Rico subsidiary, Convergent Coamo. Subject to satisfaction of customary conditions, the system is currently expected to come online in 2024 and is part of a larger plan to accelerate Puerto Rico’s strategic clean energy transition.

Puerto Rico has ambitious renewable energy goals, which can help the island mitigate the consequences of extreme weather events exacerbated by climate

change and an aging, battered electric grid; Hurricanes Maria and Irma were particularly devastating, damaging 80% of Puerto Rico’s electric grid. The island has responded to these challenges by setting an ambitious goal of achieving 40% renewable energy by 2025 and 100% renewable energy by 2050, relying on its most abundant resources: solar and wind.

Convergent’s large-scale solar-plus-storage system is among the first awarded by PREPA in response to its multi-tranche solicitation effort to modernize Puerto Rico’s electric grid. Partnering with PREPA, Convergent will work closely with local stakeholders to increase the reliability of electricity for Puerto Ricans while supporting the commonwealth’s renewable energy goals.

Growing in the Right Direction: Plans for 2023 and Beyond

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 as we enter 2023.

The year ahead is the first in history with a federal investment tax credit (ITC) for what is known as “standalone” energy storage. The ITC covers 30% of the size of the investment and can increase beyond 30% with various bonuses, including those tied to developing projects in low-income communities or using US-made products. It will be a landmark year for the future of energy and for us at Convergent.

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. 2023 is “go time” for energy storage developers, especially those of us with the expertise and track record of results.

As we continue solving energy challenges for our customers, we will also focus on continuous improvement within our company. Here at Convergent, we understand that our commitment to the clean energy transition and the pursuit of Environmental, Social, and Governance performance is a journey.

To us, continuous improvement is not just an action—it is a mentality that we strive to embed throughout

the company. In 2022, we chose to further align our brand with ESG by operationalizing our DEI Roadmap, developing a community engagement pilot program, and delivering more benefits and training to employees. We also partnered with Groundswell to decentralize philanthropy and empower employees to donate funds to the causes of their choice. In addition, we are once again choosing to donate the amount we would have spent on customer gifts to the National Forest Foundation in order to plant 10,000 trees!

As it relates to our ongoing commitment to ESG, below are some of the tangible steps we are committing to in 2023 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 we head into 2023, 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.

If you’re looking to reduce your carbon footprint and embrace critical ESG principles, Convergent can help. We are trailblazers in the future of energy ... and we’re ready to partner with your organization.

CONVERGENT’S TOP FIVE COMMITMENTS TO IMPROVE IN 2023:

1

Launch Convergent’s DEI Working Group



2

Launch Convergent’s Pilot Community Engagement Program



3

Develop and Implement Strategies to Recruit Talent From Diverse Backgrounds



4

Provide Staff-Wide Training Around Implicit Bias



5

Create Employee Resource Groups That Promote Inclusion

