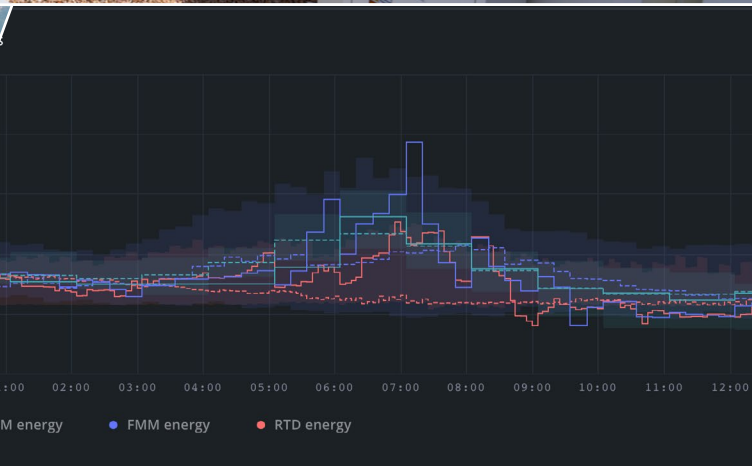
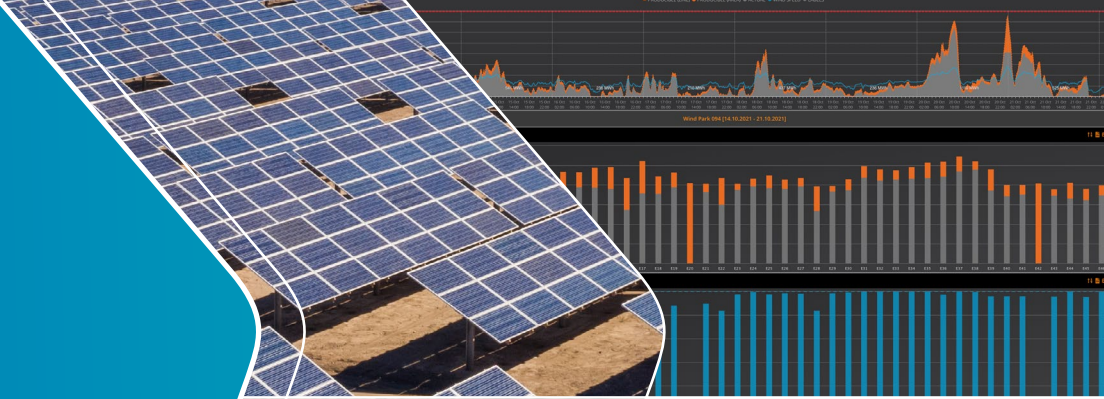


Transforming the way we power our world

2023 Sustainability Report





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Message from the CEO

If I could choose one word to describe this year following the release of our inaugural sustainability report it would be — Transformation. Our team, driven by themes of speed and competitiveness, made meaningful progress on our five strategic business objectives. Underlying each of those strategic objectives is an unwavering environmental, social, and governance (ESG) mindset.

With the essential role our technology plays in the integration of clean energy sources into the power grids, Fluence operates with ESG principles at our core. Our dedication to sustainability is key to our business success. Additionally, the urgency to address climate change imparts an urgency to our work. Speed serves our customers, shareholders, communities, and society.

As you read this report and explore our progress over the last year, you will quickly gain a view of our ESG mindset and how we are moving with speed toward our commitments, including transparency through accountability. Here are a few highlights that exemplify the speed with which we are evolving our sustainability program:

- Fluence was **accepted as a United Nations Global Compact signatory member** in November 2023, well ahead of the 2024-2025 timeline outlined in our inaugural sustainability report published in April 2023.
- We also **achieved several other Company ESG goals ahead of schedule**. These include introducing a robust responsible sourcing framework to enhance our engagement with suppliers and mitigating the GHG emissions from 60% of our employee business air travel.

- Fluence **launched an Always-On operating model** that focuses on customer-centric sustainability programs and initiatives and which is designed to engage and educate customers on the environmental and social impact of their choices.
- We **significantly expanded our diversity, equity, and inclusion (DEI) program** by establishing a framework for our DEI initiatives, developing and implementing DEI educational programs, and expanding our employee-led resource groups.

Fluence's people are at the heart of our sustainability strategy. We are driven by a passion for Fluence's mission — together we are transforming the way we power our world. I am incredibly proud of our team's efforts and the speed with which we are progressing toward our sustainability goals, thus bringing enhanced value to our customers and partners.

This year of transformation sets the stage for continued acceleration toward our goals. We will continue to evolve our ecosystem of solutions to solve the greatest challenges of the clean energy transition. We will also remain transparent about our sustainability goals and progress. I look forward to keeping you updated on our journey.

JULIAN NEBREDA

President and Chief Executive Officer, Fluence





Our Purpose

Our mission is to transform the way we power our world for a more sustainable future.

Our energy storage solutions are integrating renewables at scale, paving the way to meet net zero obligations and navigate the accelerating energy transition. Through deep market experience and gigawatts of successful implementations across diverse energy markets, we go beyond the battery to engineer long-term value for customers.

The energy transition is within reach. At Fluence, we are working alongside our customers to shape its outcome – a brighter future defined by abundant, reliable, and clean energy.

"As a purpose-driven company focused on forging a sustainable future, our commitment to ESG values are integral to our mission. To transform the way we power our world, we remain committed to continuous improvement in how we work, how we partner with suppliers, and how we deliver for our customers. I am proud of what Fluence has achieved over the past year and look forward to advancing our ESG initiatives to further the impact of our technology in delivering a clean energy future."

Ahmed Pasha

CHIEF FINANCIAL OFFICER, FLUENCE



A 60 MW / 240 MWh Gridstack energy storage project in California, USA.





About This Report

Commitment and Scope

Only one fiscal year after our initial public offering in October 2021, we published our first Sustainability Report. This year's report for our fiscal year 2023 (the "Report") continues our commitment to maintaining accountability through transparency. This Report includes operational and program performance data from our fiscal year 2023 (October 1, 2022 through September 30, 2023). It covers many topics relating to environmental, social, and governance (ESG) including our safety culture, greenhouse gas performance, approach to ethics, responsible sourcing, stakeholder engagement, and more.

This year's focus was about improving data collection and formalizing commitments and frameworks. Those frameworks and this Report are crucial for embracing our goal to be accountable through transparency. Driving positive change requires diligence, an inquisitive nature, servant leadership, and passion. We harnessed each of these to further strengthen our ESG programs this year.

It was our mission to create a report that demonstrates where we are on our sustainability journey and our efforts ahead toward transforming the way we power our world. As you read the Report, you will notice that our commitment to ESG and sustainability is not reflected solely within a single department but is embedded across Fluence. Multiple stakeholders play

an important role in our sustainable journey, including our employees, customers, suppliers, contractors, regulators, and others.

Data Accountability

We engaged several external experts to ensure the quality of our data systems and engagement programs meet or exceed industry standards. For our Diversity, Equality, & Inclusion (DEI) program 1065 North and LTHJ Global are helping to shape our organizational diversity, equity, and inclusion (DEI) initiatives. They assist us in crafting a comprehensive global DEI strategy and conduct DEI trainings for our internal staff, fostering a culture of awareness, understanding, and inclusivity within our organization. We worked with Nasdaq Corporate Solutions' ESG Advisory team to conduct the Climate Risk Assessment and the TCFD Framework Alignment Study on which certain of the content in this report is based. Our GHG collection and reporting systems were validated by Sustaining Supply Chains B.V.

Publication Date

We published this Report on our website, fluenceenergy.com, in April 2024.

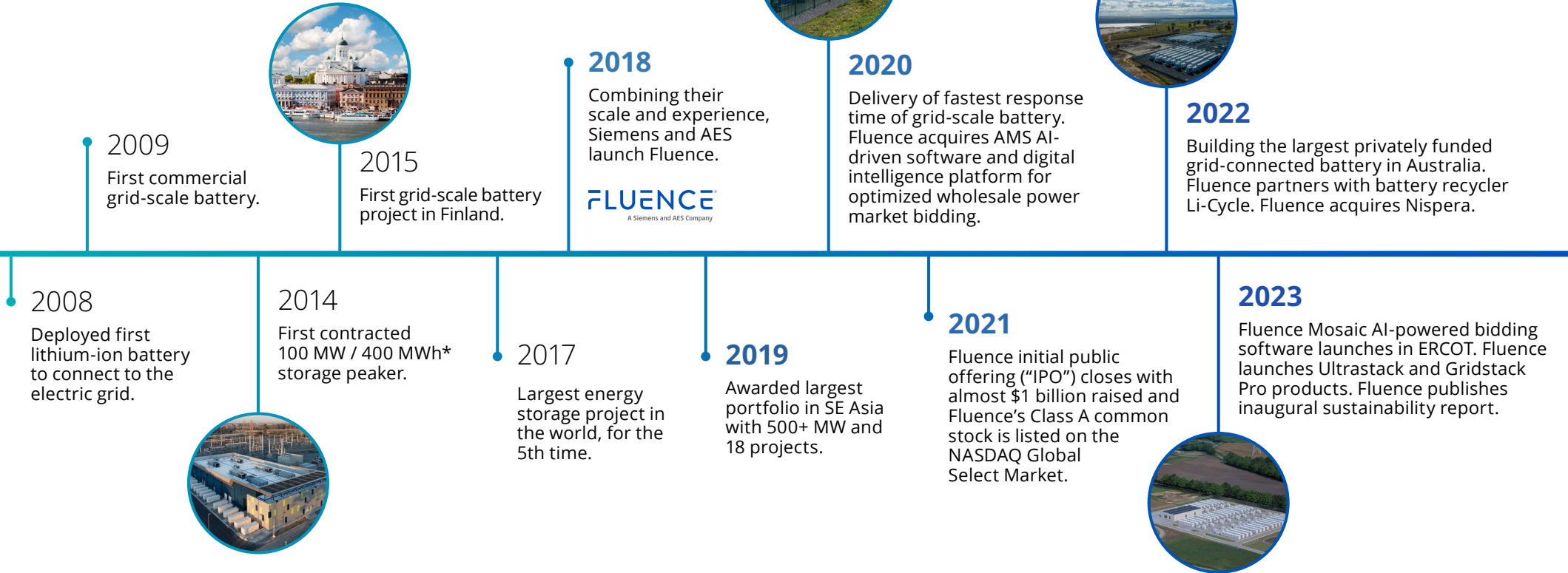
Feedback

We welcome any questions or feedback on this Report. You can reach **Michael Herod**, Director of ESG and Sustainability, at esg@fluenceenergy.com or **Lexington May**, VP of Investor Relations, at investorrelations@fluenceenergy.com.

Fluence team member walks a Gridstack energy storage project alongside our customer in California, USA.



Fluence Team History



What's a megawatt hour (MWh)?



A megawatt hour (MWh) equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output.



Power the average American home for 1.2 months



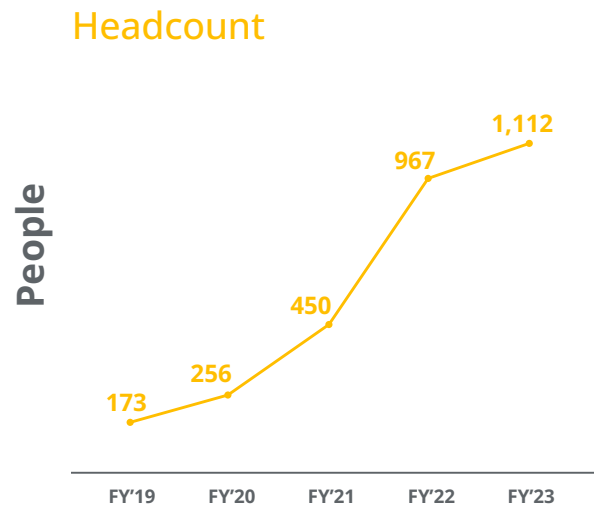
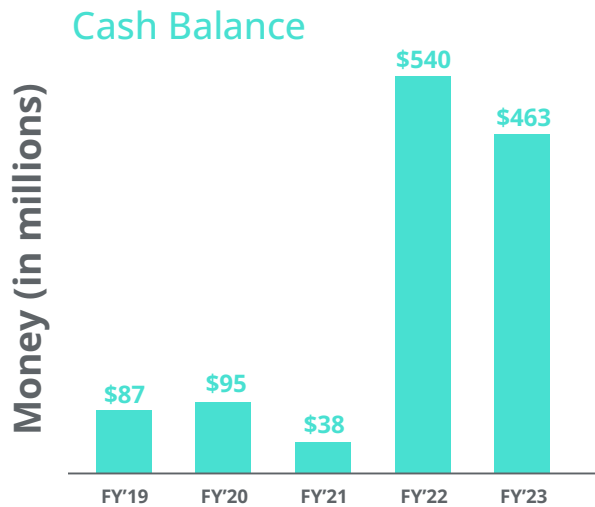
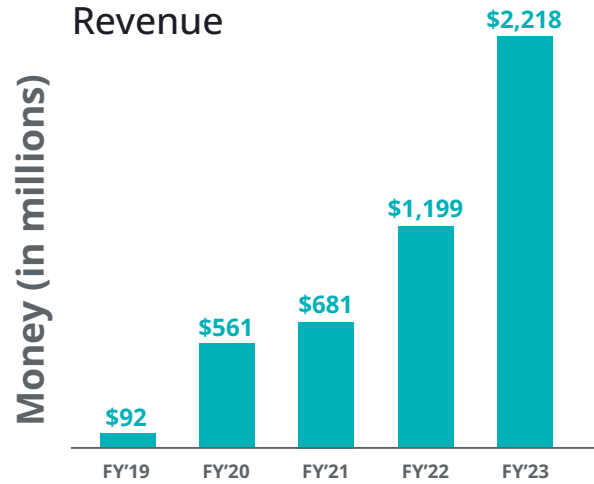
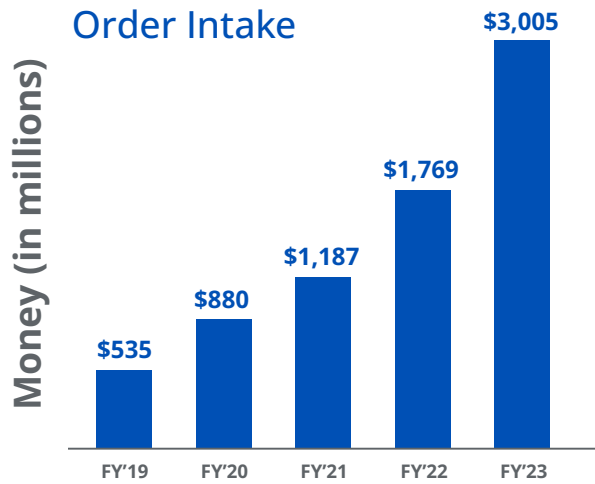
Power two 60-watt lightbulbs non-stop for a year



Drive an electric vehicle 3,600 miles



Positive Performance



FY23
Corporate Governance Highlights

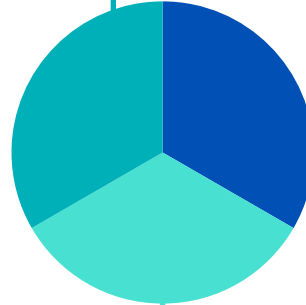
- Nominating and Corporate Governance Committee maintains oversight over environmental, social, and governance (ESG) practices
- Fully independent Audit Committee
- Five of twelve directors identify as female
- Four of twelve directors identify as members of traditionally underrepresented racial/ethnic groups



Our Corporate Culture

The Fluence culture is integral to our success and the experience of our employees and all stakeholders who interact with the company.

We define our culture using the Fluence Core framework which captures the interconnection of our mission, values, and competencies. The Core articulates why we are here, who we are, who we aspire to be, and how we deliver results. The Core elements work together to fuel our ability to create a more sustainable future.



Our Mission



Our mission is to transform the way we power the world for a more sustainable future.

Our Competencies



DELIVER EXCELLENCE

We anticipate market needs and consistently deliver solutions that streamline the customer experience.



FIERCELY INNOVATE

We create competitive and breakthrough solutions that support our mission.



THRIVE TOGETHER

We value diverse perspectives and challenge ourselves to continuously grow and contribute our best.

Our Values



LEADING

We are **growth-oriented** and **purpose-driven**. We believe in serving as a **trusted advisor** to our customers and industry stakeholders to help them navigate the rapidly evolving energy landscape and find certainty amidst disruption. As pioneers in energy storage, we are focused on **driving change** to accelerate the modernization of our energy networks.



AGILE

As we transform the way we power our world, we strive to be **adaptive** and **learn continuously** from the market, our customers, and each other. We form **collaborative** partnerships with our customers and we prioritize the most critical efforts that will drive the greatest impact.



RESPONSIBLE

Safety is paramount in everything we do, and we conduct ourselves accordingly. We believe in delivering the best possible **quality**, both in our technology and service offerings and in our interpersonal relationships with our customers and each other. We are **honest, forthcoming, and fair** in our communications and we take personal **ownership** in what we deliver. Integrity is key to our business and how we develop trust in relationships with coworkers, customers, and stakeholders.



FUN

Working on transforming a fundamental part of our society is exciting and **fulfilling**. It requires **creativity, diversity** of ideas and backgrounds, and building **trust** to effect change and move with speed. We respect our coworkers and customers. We listen to what others have to say, and we are inclusive.



Our Products & Solutions

Fluence's energy storage solutions and asset optimization software play a critical role in enabling the clean energy transition and the urgent need to decarbonize the grid.

We offer an integrated ecosystem of products, services, and optimization software that delivers customer solutions across a range of energy storage and renewable energy use cases.

Our energy storage technology helps modernize power grids by providing a reliable and flexible solution to balance supply and demand, supporting a stable and resilient power system in the face of increasing complexity and extreme weather events. Moreover, storage plays a pivotal role in buffering the intermittent nature of renewable sources like solar and wind, enabling increased integration of these generation sources into the grid.

Our suite of AI-powered optimization software empowers customers to optimize asset revenue, enhance asset performance, and support long-term portfolio management.



Energy Storage

The Fluence team brings over 15 years of experience designing, deploying, and servicing complete energy storage solutions.¹ Our factory-built, configurable energy storage products deliver industry-leading solutions with advanced safety features and integrated controls systems to meet the complex grid requirements of markets around the world. With no minimum load, zero direct emissions, and the ability to be located nearly anywhere, energy storage is a uniquely flexible asset that can improve generator efficiency and economics.



Services

Proper energy storage system maintenance is complex. Maximizing the lifetime value of storage assets requires technicians with a comprehensive skill set across multiple technologies to ensure optimal performance and reduce the risk of system downtime, all while upholding thorough health and safety standards. Fluence delivers valuable insights and services built on over a decade of energy sector knowledge,¹ working to help customers maximize their asset value and meet the unique commercial and operational requirements of energy storage projects.



Optimization Software

Our AI-enabled optimization software, Fluence Mosaic™ and Fluence Nispera™, are designed to help customers maximize asset revenue, improve asset performance, and support long-term portfolio management. Mosaic is intelligent, automated bidding software that helps customers deploy and use more clean energy with higher ROI. Nispera goes beyond traditional Asset Performance Management (APM) to offer the most comprehensive set of AI-based asset performance optimization for solar, wind, storage and hydro assets.

¹ Fluence has an experienced and proven team with over 15 years of experience in the energy storage industry.



Energy Storage

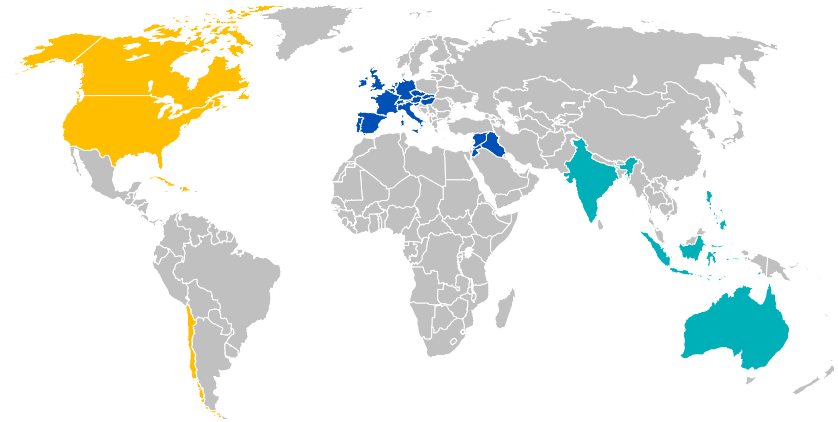
Our battery-based energy storage products are designed for the most demanding industrial applications and are backed by more than 15 years of experience designing, deploying, and servicing energy storage systems.¹

Fluence offers energy storage products that are optimized for common customer applications but can be configured for specific use cases and requirements.

Standard with all Fluence energy storage solutions, Fluence OS is a fully integrated controls system with nearly 3 million operating hours across our global fleet. Fluence OS helps customers minimize redundant software costs and maximize profitability with an adaptive controls system optimized for market participation, asset security, and plug-and-play integration with additional Fluence software products, including Nispera and Mosaic.

The Fluence OS controls software offers a range of market dispatch applications, including primary frequency regulation, voltage regulation, peak shaving, and more. These applications enable storage assets to be dispatched according to specific operator requirements to streamline market participation and maximize revenue across grid services.

¹ Fluence has an experienced and proven team with over 15 years of experience in the energy storage industry.



Energy Storage: Contracted and Deployed*



*Cumulative, through the end of FY23

In fiscal year 2023, we achieved record revenue of US\$2.2 billion, representing an increase of approximately 85% from fiscal year 2022.

To support this rapid growth, Fluence has moved mechanical, electrical, software, and battery system implementation out of project sites and into the factory floor. System performance is tested across our network of global testing facilities and products are shipped to support customers with rapid storage deployment.

Product testing and supply chain management are a key part of our ongoing strategy of investing in Fluence’s global manufacturing and delivery infrastructure to decrease supply chain disruptions and provide increased flexibility for our customers.



Gridstack Pro™

Gridstack Pro is intelligent energy storage for MW to GW scale projects with balanced power to energy matching and increased site density. It combines state-of-the-art battery modules, management systems, and monitoring equipment into a fully unified architecture designed to improve operations and system safety.



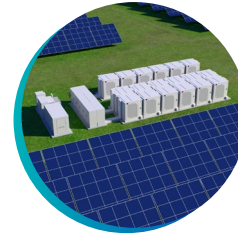
Gridstack™

Gridstack's industrial-strength design is built for demanding front-of-the-meter energy storage applications including flexible peaking capacity, frequency regulation, renewable integration, and more. Gridstack can support 500+ MW projects and can discharge up to six hours.



Ultrastack™

Ultrastack unlocks the power of energy storage for transmission networks—delivering network utilization and system stabilization services. Ultrastack delivers redundant controls and metering, fast system response, and advanced controls applications that deliver a suite of critical grid services.



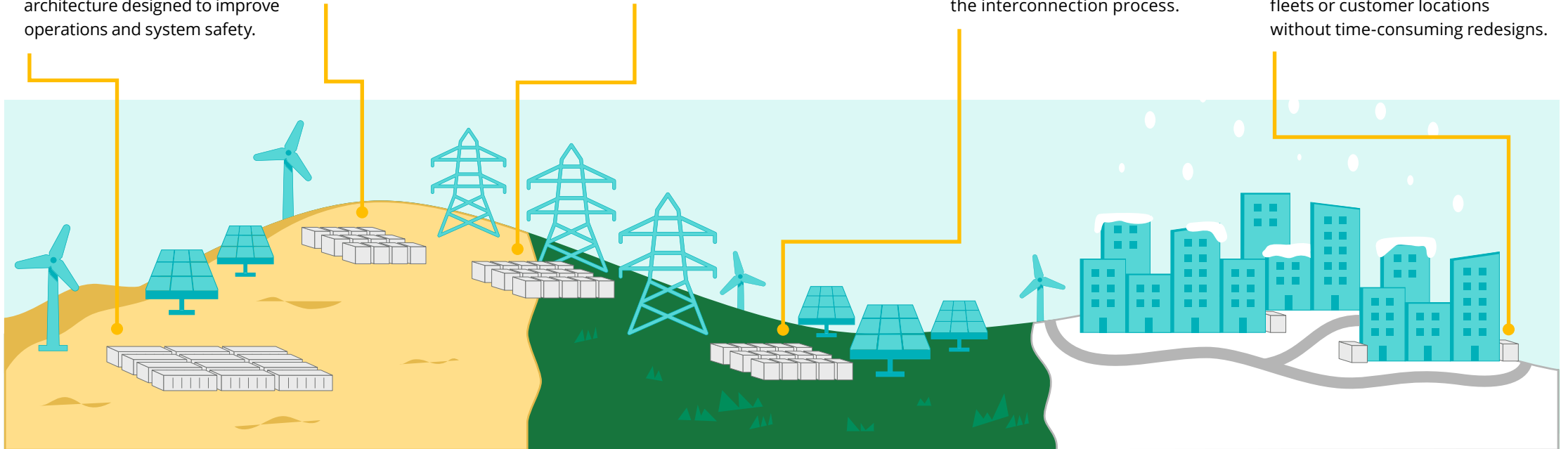
Sunstack™

Sunstack improves and expands the capabilities of photovoltaic (PV) solar generation by optimizing solar capture and delivery. Its system architecture unites batteries and PV on the same side of the DC bus to take advantage of higher PV-to-inverter ratios, maximize solar yield, and simplify the interconnection process.



Edgestack™

Edgestack is a complete, connection-ready system used by commercial and industrial customers to reduce monthly electricity costs. The fully integrated system supports 1+ MW projects and can be configured to meet the needs of individual facilities and aggregated across fleets or customer locations without time-consuming redesigns.





Services

Energy storage assets have continuously evolving service needs. As fleet sizes increase, technology becomes more complex, and as market rules change, energy storage service needs will continue to change.



INCREASING FLEET SIZE

Need for comprehensive fleet management services increases as energy storage fleets grow to GW-sized portfolios, diversify in technology providers, and become more sophisticated



MARKET COMPLEXITY

Changing regulatory environments and evolving grid services create the need for continuous controls and software updates through an asset's lifecycle to maintain market compliance



ASSET COMPLEXITY

Need for smarter operations and maintenance services as assets become more technologically advanced and power markets are continually evolving



CAPACITY MANAGEMENT

Creation of custom, right-sized capacity management plan alongside customer strategy to reduce market risk and technological uncertainties

Fluence has a cumulative services attachment rate of 95% on deployed systems.



Fluence project team member at a Gridstack energy storage site in California, USA.

What Fluence services bring to energy storage assets



GUARANTEES

Safeguard asset revenue potential over project life with degradation, capacity, and availability guarantees



OPTIMIZATION SERVICES

Maintain equipment in optimal operating condition with various maintenance and remote diagnostic services



SPARE PARTS

Support system availability by storing operating spare parts onsite or subscribe to parts in regional warehouses



PROFESSIONAL SERVICES

Provide comprehensive training delivered by experienced service representatives online or in-person



WARRANTIES

Limit your exposure to unforeseen O&M costs of your system and receive extensive claims support



Optimization Software

Our AI-enabled optimization software, Fluence Mosaic™ and Fluence Nispera™, help customers maximize asset revenue, improve asset performance, and support long-term portfolio management.

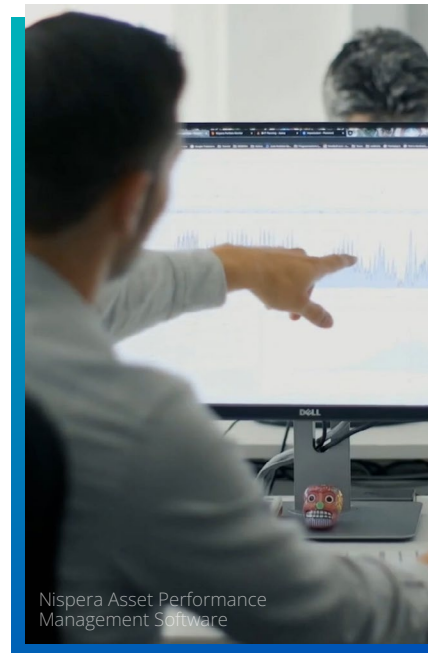
Mosaic and Nispera are part of the Fluence IQ™ Platform, which maximizes the value of solar, wind, and energy storage, including third party systems, with advanced software products and partner applications.



Fluence Mosaic™

Mosaic is a bidding software for solar, wind, and energy storage assets. It is currently available in the Australian National Electricity Market (NEM), the California Independent System Operator (CAISO), and the Electric Reliability Council of Texas (ERCOT) markets.

Conventional manual bidding approaches for energy storage and renewable assets cannot keep up with the volatility and complexity of rapidly changing wholesale markets. Mosaic uses AI-powered bidding to help customers increase energy and ancillary service revenues and maximize asset value.



Fluence Nispera™

Nispera is a cloud-based Asset Performance Management (APM) software that helps optimize renewable asset performance with real-time monitoring, automated reporting, and AI-powered analytics.

The cloud-based software integrates asset data with intelligent machine learning models and visualization tools to help wind, solar, energy storage, and hydro owners uncover hidden performance issues, minimize downtime, and maximize energy production. Nispera supports diverse portfolios of OEM manufacturers, technologies, and site locations.



Awards

S&P GLOBAL ENERGY AWARD

Grid Edge

Customer: Litgrid

The award was given for a battery-based energy storage-as-transmission pilot project deployed in Lithuania by our customer Litgrid and supplied with Fluence's Gridstack.

The pilot project is the first of its kind in the Baltics, and one of the first globally, that uses a grid-scale energy storage system on the transmission network.



ENERGY STORAGE AWARDS

System Integrator of the Year: Fluence

Product of the Year: Fluence Ultrastack

Fluence won the System Integrator of the Year category for offering the most efficient, effective, and innovative integration of battery energy storage into the wider system.

Fluence Ultrastack won Product of the Year Award, which was given to the best hardware solution, software application, component, service platform, or similar product that has been instrumental in supporting the contribution of the energy storage industry to the energy transition.



ASIAN POWER AWARDS 2022

Silver Award for Battery Storage Project of the Year

Project: Kabankalan - 20 MW / 20 MWh

Kabankalan is part of SMCGPH's groundbreaking energy storage portfolio, totaling 470 MW / 470 MWh across 13 project sites and covering 3 power grids in the Philippines. The award recognizes companies having produced innovative solutions for the rising demand for renewable energy.



TIME MAGAZINE

Best Inventions Award

Product: Mosaic

Fluence Mosaic, our intelligent bidding software, was recognized by TIME as one of the Best Inventions of 2022 that are making the world better and smarter. Mosaic unlocks the full potential of renewable and energy storage assets, driving value for owners, making electricity more affordable for consumers, improving reliability and flexibility for grid operators, and lowering carbon emissions.



REUTERS

Top 100 Energy Transition Innovator

Reuters included Fluence as one of its 100 disruptors and change-makers that demonstrated transition excellence, including forward-thinking strategy, novel technology integration, and digital transformation.



Fluence
Sustainability





Sustainability Vision

Our sustainability vision requires assessing our daily operations and digital solutions through the lens of sustainability to further optimize our energy storage solutions, supply chain, and product lifecycle. We believe that by utilizing digital solutions at various stages in our operations, supply chain, and product lifecycle, we will create increased accountability to our operations through greater transparency and accelerate our progress toward greater social and environmental stewardship. The timeline on this page highlights key parts of our multi-year plan that we have achieved or that we plan to accomplish in order to digitize our approach to sustainability.

Sustainability in Action

UPSTREAM

Social and environmental compliance & industry-leading performance of:

- Mineral/Materials (recycled content, recyclability, conflict minerals, etc.)
- Logistics (emission performance and impacts)
- Manufacturing (environmental performance and social compliance)

LIFECYCLE

- Operational environmental compliance & industry-leading performance end of life strategy

- Environmental KPIs and performance during construction phase
- Battery recycling and validation

DOWNSTREAM

Social and environmental compliance & industry-leading performance of:

- Mineral/Materials (implement circular economy principles and validation of responsibility)
- Logistics (emission performance and impacts)
- Manufacturing (environmental performance, social compliance, closing recycled materials loop)

By 2030

Lead the energy storage industry in accountability and transparency through digital sustainability

2026-2028

- Plan to develop and evolve our decarbonization strategy
- Plan to explore ways to reduce embodied carbon in our energy storage products
- Be an industry leader on circular economy for energy storage

2024-2025

- Executed climate risk assessment
- Disclose to CDP
- Update FY22 ESG materiality assessment
- Conduct product lifecycle analysis
- Launch community engagement program
- Expand our ISO 14001-certified environmental management system

2022-2023

- Established Fluence's Sustainability & ESG Roadmap
- Accelerating progress on goals, reporting and compliance
- Published first Sustainability Report
- Mitigated 60% of GHG emissions from employee air business travel
- 35% of new hires were women
- Greatly expanded and strengthened Responsible Sourcing program
- Became a signatory member of the UN Global Compact



2023 Key Sustainability Highlights

ENVIRONMENTAL

Expanded GHG footprint analysis beyond Scope 1 and 2 into Scope 3 and clarified reporting boundaries

Completed development of foundational Company environmental policies, including Waste Management, Spill Prevention and Response, Stormwater Pollution Prevention

Offset 60% of global business travel emissions from flights

Kicked off Scope 2 emissions reduction efforts for Fluence facilities, including switching Erlangen facility to 100% renewable electricity

Began global expansion of ISO 14001-certified environmental management system

SOCIAL

Became a signatory member of the UN Global Compact

Responsible sourcing framework introduced to monitor suppliers. Supplier code of conduct translated into multiple languages

Developed and implemented DEI educational programs

Conducted supply chain mapping exercise to explore opportunities for greater engagement

Fostered the growth and expansion of our employee-led resource groups (ERGs)

GOVERNANCE

Developed global regulatory & stewardship framework and governance

Completed and published new environmental and responsible sourcing policies

Director, ESG & Sustainability reported to the Company's Nominating and Corporate Governance Committee of the Board of Directors on a quarterly basis

Published our first Sustainability Report within 18 months of our IPO

Fiscal year 2023 marked an important advancement of Fluence's ESG and Sustainability program. Our dedicated team introduced new programs, improved existing practices, and expanded our data collection reach. Above are a few notable tasks that Fluence accomplished this year as we worked to contribute to a more resilient society.



Sustainability Philosophies

Fluence is committed to continuously advancing our sustainability performance and to be a leader in our industry. The following philosophies guide our efforts so we can collectively achieve our sustainability goals.



HUMAN RIGHTS & RESPONSIBLE SOURCING

Our supply chain partners are vital to our goals of sustainability across our value chain. We set clear standards of ethical conduct and safe working practices for our suppliers and require that they maintain these high standards through continued training, engagement, and assessments.



ENVIRONMENTAL STEWARDSHIP

We are dedicated to incorporating sustainable design principles throughout our operations and the lifecycle of our products to the extent possible. This requires a comprehensive view of our supply chain, with a focus on identifying and addressing environmental impact throughout the lifecycle – from the sourcing of raw materials and manufacturing to transportation, installation, and eventual end-of-life. To promote compliance, we actively map regulatory requirements through our environmental stewardship program, striving not only to meet but exceed such requirements.



DIVERSITY, INCLUSION, AND BELONGING

Fluence is committed to being a leader in fostering a diverse, inclusive, and supportive culture. Our mission is to create a space where all employees, regardless of backgrounds, are encouraged and supported to reach their full potential.



PRODUCT END-OF-LIFE AND LIFECYCLE INNOVATION

Reducing the environmental footprint of our products is critical to increasing their circularity.

We are developing rigorous end-of-life programs to incorporate lifecycle innovation into our future products. Where a battery may be damaged at a Fluence-managed location, it is company policy to collaborate with the appropriate member of our global network of recycling partners to recycle that battery. Over the next two years, Fluence plans to offer a suite of end-of-life services for our customers, including remote product health monitoring and reporting, seamless battery replacement and recycling, and full site decommissioning.



ESG GOVERNANCE

Our stewardship, accountability, and transparency are rooted in strong and passionate leadership.

We leverage the cross-functional leadership of our Executive Leaders to promote our philosophies. Our Director of ESG & Sustainability reports quarterly to our Nominating and Corporate Governance Committee of our Board of Directors who provide oversight and guidance. Our ESG & Sustainability team is empowered by our Executive Leaders in order to enable quick and efficient program implementation.



EMPLOYEE ENGAGEMENT

We believe our people are our greatest asset. Our success comes through their passion and commitment to our mission.

Through our company-sponsored programs, we encourage employees to drive positive change across our organization. We celebrate our ESG champions who are implementing sustainability initiatives at their sites, and in their roles and communities.

At Fluence, safety is our top priority. Safety is all-pervasive in our company culture and customer partnerships, from product design and site construction to our employees' well-being.



Responsible Sourcing

Fluence’s responsible sourcing strategy sets ESG expectations for our supply chain and drives accountability among our suppliers.

Responsible sourcing is a business imperative, safeguarding both people and the environment against the potential hazards stemming from supply chain failures. We maintain a rigorous system of supplier selection, engagement, education, assessments, and auditing to achieve supply-base integrity and the high standards we expect at Fluence.

The Fluence responsible sourcing mission is to proactively leverage opportunities and inherently mitigate risks in our supply chain. Our focus extends to managing modern-day risks associated with globalization and climate

change, among other significant market megatrends. Our goal is to surpass existing procurement targets without compromising future growth and the long-term sustainability of our business.

Fluence’s Responsible Sourcing and Supply Chain & Procurement teams collaborate to support the supply chain sustainability implementation and risk management programs. Our governance structure facilitates cross-functional collaboration, fostering alignment among all internal stakeholders.

“Fluence’s suppliers are a critical element of our sustainability strategy. A key focus for our team this past year was introducing a robust responsible sourcing framework to enhance engagement with our suppliers, marking an essential step in ensuring that our suppliers understand and align with our sustainability initiatives. Fluence is committed to a sustainable global supply chain and is continuing to drive that vision through partnership with suppliers who share our commitment to sustainable growth.”

Pete Williams

SVP & CHIEF SUPPLY CHAIN AND MANUFACTURING OFFICER, FLUENCE



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fluenceenergy.com

Responsible Sourcing Policy

We believe in ensuring our customers trust by acting responsibly and doing the right things for our people, our customers, and our communities and we expect the same from our suppliers.

Fluence is engaged in economic, social, and environmental practices that achieve a sustainable yet profitable business. We strive to be a thoughtful and diligent role model in our industry and for our community. Whenever possible, we seek partners who share our values and our commitment to quality.

Fluence is adopting those key principles set forth in the United Nations Global Compact (UNGC) and our responsible sourcing policy embraces and incorporates UNGC’s core values of human rights, labor standards, the environment, and ethical practices.

Our responsible sourcing policy respects and incorporates relevant conventions of the International Labor Organization (ILO), the principles of the United Nations Universal Declaration of Human Rights and our commitment to the OECD Guidelines for Multinational Enterprises and the United Nations Sustainable Development Goals (SDGs).

This policy aims to communicate a clear set of requirements for our business partners and work with them to:

- Improve working conditions and workers’ well-being in our supply chain, and
- Protect our corporate reputation and trust in our brand by doing the right thing.

Fluence has created a Supplier Code of Conduct to meet the above requirements, which sets forth the company’s stance and expectations of our suppliers and business partners on the following:

1. Compliance with the law,
2. Fair business practices,
3. Human rights and fair labor practices,
4. Environmental protection,
5. Conflict minerals,
6. Supply chain.

We expect all our suppliers to respect and comply with the criteria set out in our supplier code of conduct and our responsible sourcing policy and we will continue to work with and support those business partners who demonstrate continual improvement and commitment to such standards and practices. We expect our business partners to follow our “Supplier Code of Conduct” and “Responsible Sourcing Playbook.”

This policy applies to all Fluence business partners no matter where they operate in the world. It is complemented by our responsible sourcing program.

Julian Nebreda
President & Chief Executive
Officer

Peter Williams
SVP, Chief Supply Chain and
Manufacturing Officer

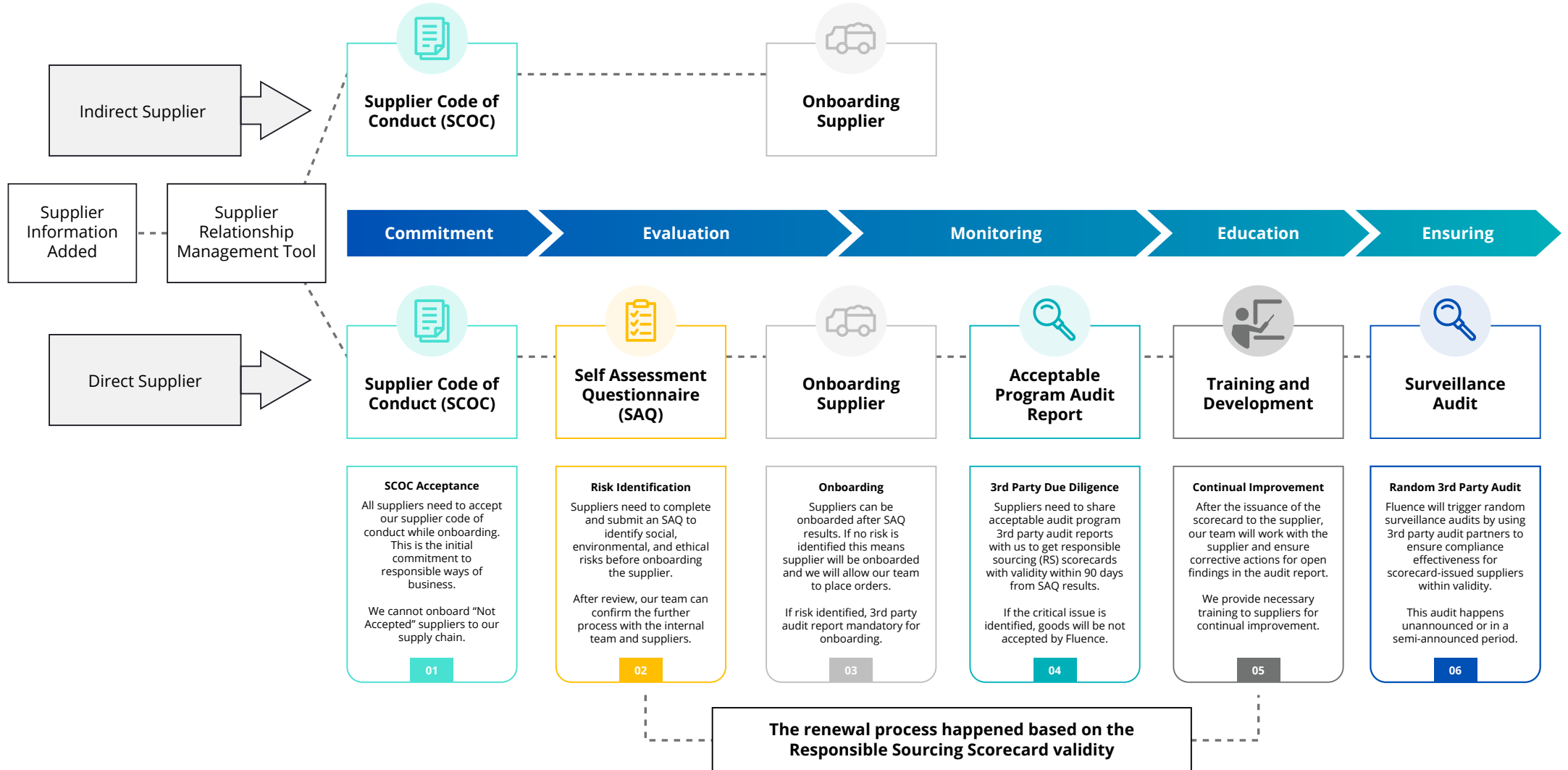
Ahmed Pasha
SVP & Chief Financial Officer

Feb-2024

Transforming the way we power our world.



Responsible Sourcing Framework





We view our supply chain as a force for good in addition to being a key component of our overall business framework. We expect all suppliers to adhere to the same level of integrity and ESG requirements to which we hold our operations accountable. We make various efforts to help our suppliers know what is expected of them and have systems in place to help foster compliance. We do this by:

1. SELECTING SUPPLIERS BASED ON ADHERENCE TO OUR SUPPLIER CODE OF CONDUCT

Executing the supplier code of conduct is the first step in ensuring that our responsible sourcing vision is communicated with our business partners. Suppliers must accept and agree in writing to the supplier code of conduct as part of the supplier onboarding and contracting process.

2. MAINTAINING A MANDATORY PROGRAM OF SUPPLIER SELF-ASSESSMENT

The Fluence Responsible Sourcing team (RS team) shares the self-assessment questionnaire (SAQ) with suppliers for initial risk assessment identification. The RS team reviews and evaluates the supplier risk and categorization based on the completed questionnaire. The SAQ's comprehensive results provide the insights needed to understand the risk and capability of the supplier. Based on these results, the supplier will onboard into our supply chain and must obtain the RS scorecard from us within 90 days from the SAQ results issue date. If we receive any critical concerns regarding the SAQ results, suppliers must provide a report from a third-party acceptable to Fluence regarding the supplier's social compliance performance before onboarding.

3. PROMOTING SUPPLIER COMMITMENT THROUGH THIRD-PARTY COMPLIANCE REPORTS

Each component supplier needs to submit to the RS team an audit report from an internationally recognized social compliance standard/program that is accepted by Fluence. Such acceptable audit programs include

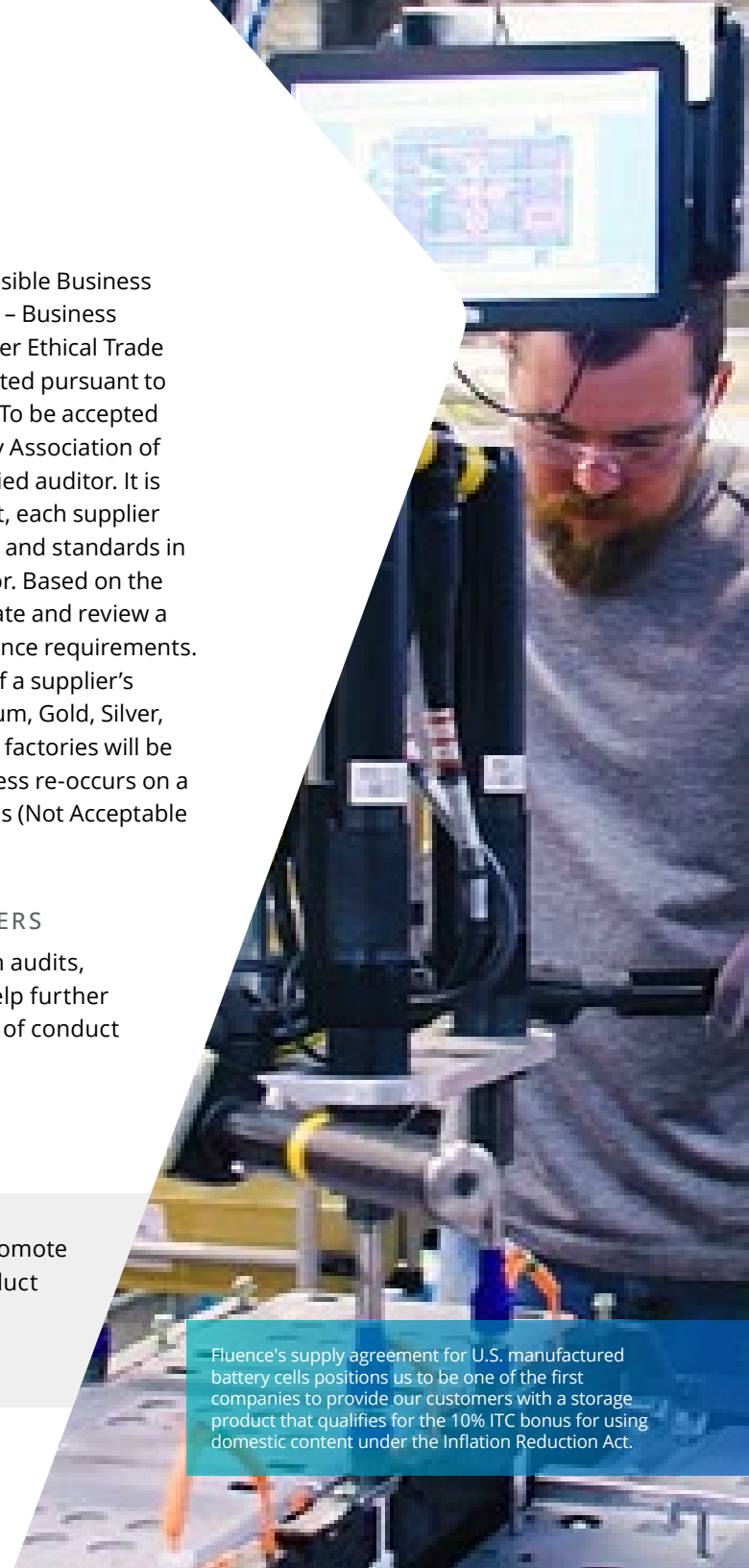
SA8000 – Social Accountability Standard, RBA – Responsible Business Alliance, RLI – Responsible Labor Initiative, Amfori BSCI – Business Social Compliance Initiative, and SMETA – Sedex Member Ethical Trade Audit. Fluence will consider other audit reports conducted pursuant to other international standards on a case-by-case basis. To be accepted by Fluence, the audit must be conducted by a 3rd party Association of Professional Social Compliance Auditors (ASPCA) certified auditor. It is expected that in the applicable audit results and report, each supplier has complied with applicable human rights regulations and standards in their operations, including those relating to forced labor. Based on the applicable audit report, the Fluence RS team will evaluate and review a supplier's full report and compare the results with Fluence requirements. The RS team will then issue scorecard ratings to each of a supplier's factories. The scorecard ratings are classified as Platinum, Gold, Silver, and Not Acceptable for qualified factories and rejected factories will be scored High-risk and Zero Tolerance. Further, this process re-occurs on a periodic cadence based on a scorecard rating (6 months (Not Acceptable scorecard) to 2 years (Platinum scorecard)).

4. CONDUCTING DUE DILIGENCE FOR SUPPLIERS

Fluence may conduct unannounced visits and random audits, including through 3rd party firms or its RS team, to help further determine compliance with the Fluence supplier code of conduct and other requirements on an ongoing basis.

NOTE: The above four-step process will help us promote compliance with the Fluence supplier code of conduct and reduce risks of forced labor and other human rights violations in our supply chain.

Fluence's supply agreement for U.S. manufactured battery cells positions us to be one of the first companies to provide our customers with a storage product that qualifies for the 10% ITC bonus for using domestic content under the Inflation Reduction Act.





Conflict Mineral Diligence

We engage in diligence regarding our sourcing of conflict minerals (tin, tungsten, tantalum, gold, and certain related ores), as well as certain other critical minerals.

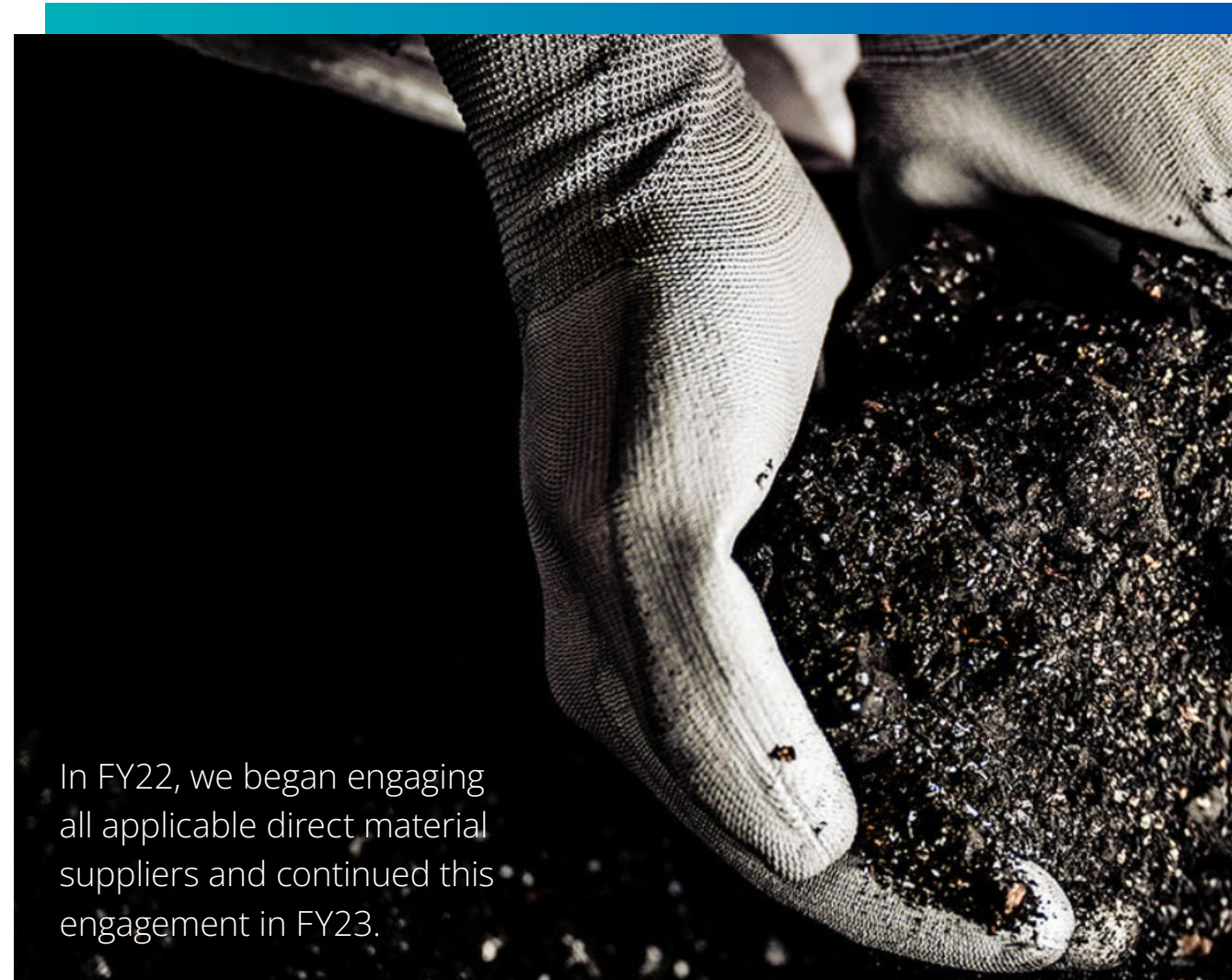
To guide us in this due diligence process, we leverage resources from the Responsible Minerals Initiative (RMI). For our conflict mineral audit, we use the RMI forms to collect information from suppliers. We currently use three forms: Conflict Mineral Report Template (CMRT) for Tin, Tungsten, Tantalum, and Gold, Extended Mineral Reporting Template (EMRT) for Cobalt, and Pilot Reporting Template (PRT) for lithium. Reference our [sustainability page](#) for our latest policies and reports.

Our engagement of suppliers includes the following:

We instruct our suppliers to source materials from suppliers who also source responsibly, including from legitimate, conflict-free mines.

We require all 3TG, cobalt, and lithium (3TG+Co+Li) suppliers to conduct annual due diligence and provide proper verification of the country of origin and source of the materials used in the products they supply to Fluence.

We support initiatives to verify smelters and refiners that are conflict-free and expect our suppliers to utilize any such conflict-free smelter/refiner programs that are available. Fluence is committed to avoiding minerals in our supply chain from conflict-affected and high-risk areas affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance. Please send any questions to conflictminerals@fluenceenergy.com.



In FY22, we began engaging all applicable direct material suppliers and continued this engagement in FY23.



Our ESG Accountability and Engagement

We believe that long-term value and performance for the Company requires a consideration of the various ways our business interfaces with society and the needs and expectations of many stakeholder groups.

We pursue this through various mechanisms, with our ESG Steering Committee and ESG Council serving as the central hub and spoke. Our ESG Steering Committee is comprised of five members of our executive leadership team: Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, General Counsel, and Chief Supply Chain & Manufacturing Officer. Additionally, our Director, ESG & Sustainability meets with our Nominating and Corporate Governance Committee of our Board of Directors on a quarterly basis.

We hold ourselves accountable through transparency to all stakeholders and that begins with a well-structured program. From an operational standpoint, our ESG department is built upon three pillars: reporting and stakeholder engagement, environmental stewardship and compliance, and responsible sourcing and social compliance.

One significant goal, through fiscal year 2025, is to expand our ISO-certified Environmental Management System (EMS) globally. Expanding this EMS will empower us to draw from nearly all facets of the company to continuously improve Fluence’s total environmental impact.

Our Director, ESG & Sustainability reports directly to our Chief Financial Officer. This direct reporting structure shows our commitment and empowers us to establish and drive lasting positive change within the company to support our sustainability performance.

Certified Labs

2019	2020	2021	2022	2023
Germany	Germany	Germany	Germany	Germany
ISO 14001	ISO 14001	ISO 14001	ISO 14001	ISO 14001
		USA	USA	USA
		SA8000	SA8000	SA8000

ISO 14001 Environmental Management System

SA8000 Ethical Worker Rights

We leverage well-known third-party frameworks; we became a Signatory Member of the UN Global Compact in December 2023 and have used the Task Force on Climate-Related Financial Disclosures (TCFD) framework to help inform the climate discussion in this Report. Finally, we will be submitting our first disclosure to CDP in 2024.



Fluence Sustainability Governance

- Engagement and Reporting
- Operationally
- Prioritization, course, and speed
- Navigation, resources, and implementation

ESG Steering Committee ● ●

An executive leadership team responsible for prioritization and ensuring alignment across all internal stakeholders.

- Chief Executive Officer
- Chief Human Resources Officer
- General Counsel
- Chief Supply Chain & Manufacturing Officer
- Chief Financial Officer ●

DIRECTOR ESG & SUSTAINABILITY ●

- Reporting & Stakeholder Engagement
- Environmental Stewardship & Compliance
- Responsible Sourcing & Social Compliance
- Facilities Management & Reporting

Nominating and Corporate Governance Committee ●

This standing committee of our Board of Directors that oversees our ESG initiatives.

ESG Council ● ● ●

A cross-functional team responsible for the resources, implementation, and adaptation of our ESG Program.

- | | |
|---------------------|----------------------|
| HR/DEI | Responsible Sourcing |
| Product | Audit & Risks |
| Ethics & Compliance | Logistics |
| Legal | Health & Safety |
| Investor Relations | Marketing |
| Environment | |



Sustainability Across Functions



ESG & SUSTAINABILITY TEAM

The central team directly responsible for the development and execution of our ESG & sustainability targets, strategies, roadmaps, policies, and programs.

The department draws on multiple formal and informal touch points, including surveys, training, and town halls, to incorporate the insights of Fluence team members.



PRODUCT QUALITY & SAFETY

The teams responsible for considering how products and services can promote sustainability and safe, high-quality management principles. Our practices are informed and shaped by them so that we continue to drive environmental sustainability and engage in circular economy practices.



ESG COUNCIL

A cross-functional team responsible for the resources, implementation, and adaptation of our ESG Program. The ESG Council meets monthly to solicit feedback and gather insights on topics of importance by cross-team collaborations.



SUPPLY CHAIN AND SOURCING

The group that manages vendor relations to promote our ESG performance and reporting and serves as the communication thread between vendors and the ESG team. We have a dedicated supplier management system and hear directly from our suppliers on topics such as procurement and other practices.



RESEARCH & DEVELOPMENT

The group responsible for developing hardware and software products that meet the market and customers' growing and changing needs. In developing products, we seek to move the industry forward in a more sustainable manner throughout the product lifecycle.



ESG STEERING

An executive leadership team responsible for prioritization and promoting alignment across all internal stakeholders. Our leadership sets the strategic direction for our environmental stewardship.



LOGISTICS

The team responsible for the efficient transport and storage of Fluence's energy storage components and completed products. We have a dashboard that is used to track all shipments, modes of transport and estimates of their associated GHG emissions. The team is exploring various ways to reduce and mitigate GHG emissions including the use of US EPA Smart Way trucking companies.



FACILITIES

When searching for prospective facilities, our team prioritizes properties that actively invest in sustainability initiatives, practices, and energy-efficient measures. We place high importance on buildings that are walkable, bikeable, and located near public transportation.



COMMUNITIES AND CIVIL SOCIETY

We work hard to promote measures that contain and neutralize any environmentally impactful activities that could harm the communities located near our project and lab sites. We are also taking action to reduce our GHG emissions from our building operations, employee travel, and product components.



Engaging Our Stakeholders

Fluence’s approach to sustainable business includes engaging our stakeholders to understand their expectations of Fluence and the impacts of our business operations. Ongoing and proactive engagement with stakeholders helps us gain valuable insight into our stakeholders’ perspectives and priorities, and helps us develop products and services that are responsive to their needs. This engagement also allows us to share information about our company’s strategy, practices, and performance.

ESG MATERIALITY ASSESSMENT

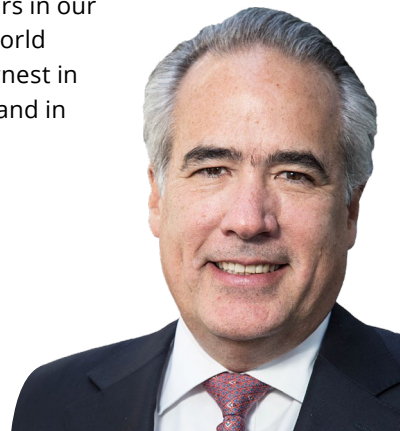
In 2022, we conducted an ESG materiality assessment to help us prioritize programs to best support our future success while reducing our environmental impact and promoting social compliance.

In 2024, we plan to expand upon the 2022 materiality assessment by adopting the double materiality criterion. This will let us look at the big picture through two different lenses: considering how our operations impact people and the planet, and how sustainability issues can affect their financial well-being.

“Sustainability is not just a choice; it is our responsibility. Our corporate success is intrinsically linked to the well-being of our environment. Through relentless innovation, eco-conscious practices, and a steadfast dedication to ESG principles, we aim not only to be leaders in our industry but stewards of a healthier, more sustainable world through the services we offer our customers. We are earnest in our work to help build a future where business thrives hand in hand with the planet.”

Julian Nebreda

PRESIDENT & CHIEF EXECUTIVE OFFICER, FLUENCE



Our Impact

IMPACT FIGURES AS OF THE END OF FY23



GW of energy storage*



GW of renewables and storage optimized by Mosaic and Nispera combined*



GW of energy storage services*



Energy storage projects



Markets worldwide

Our cumulative services attachment rate as of end of FY23 is approximately 95%. This does not include our contracted backlog, which is included in the metrics above.

**Contracted and deployed, cumulative*





Circular Economy

We believe that our energy storage products play a crucial role in accelerating the clean energy transition.

Our energy storage products are expected to have a long service life. We are developing a Fluence Circular Economy Framework that will guide the design, operations, and recycling of our products. This Framework, which will require the implementation of data monitoring and reporting systems, will promote greater stewardship, responsibility, accountability, and transparency throughout the organization.

We have already initiated our Material Recycling Framework, which included establishing internal policies that mandate and facilitate battery recycling through partnerships with battery recycling companies in North America, Europe, and Australia, in order to promote the responsible handling and potential reuse of battery modules upon replacement.

This is key to the development of a more sustainable supply chain. Over the next years, we will continue to explore expanding our existing partnerships, building

new partnerships, and looking to develop a site decommissioning procedure to promote responsible behavior and accountability when storage products reach the end of their first operational life.

As we continue to grow, we want to purposely engineer battery energy storage systems with circularity in mind. This may involve incorporating recycled content into our products, extending their service life, and making them easier to deconstruct for greater recyclability.

We also recognize that our solutions may have the potential for a second life, which could play a significant role in our end-of-life programs.

Overall, we are committed to being good stewards of our resources, reducing environmental stress in the energy market, and providing impactful solutions for a sustainable future.





Fluence Circular Economy Framework in Action: Design, Usage, and Digitization



DIGITIZATION

Using software and data analysis enables us to streamline compliance and become more predictive and proactive.

COMPLIANCE TRACKING | PREDICTIVE REPLACEMENT(S) | PREDICTIVE UPGRADE(S)



RESPONSIVE DESIGN

Incorporating circular design principles into our products to empower greater responsibility and lasting value.

RECYCLED CONTENT | LONGER SERVICE LIFE | RECYCLING DECONSTRUCTION



MATERIAL RECYCLING

The materials contained within our products provide us with many opportunities to be recycled when they become unusable.

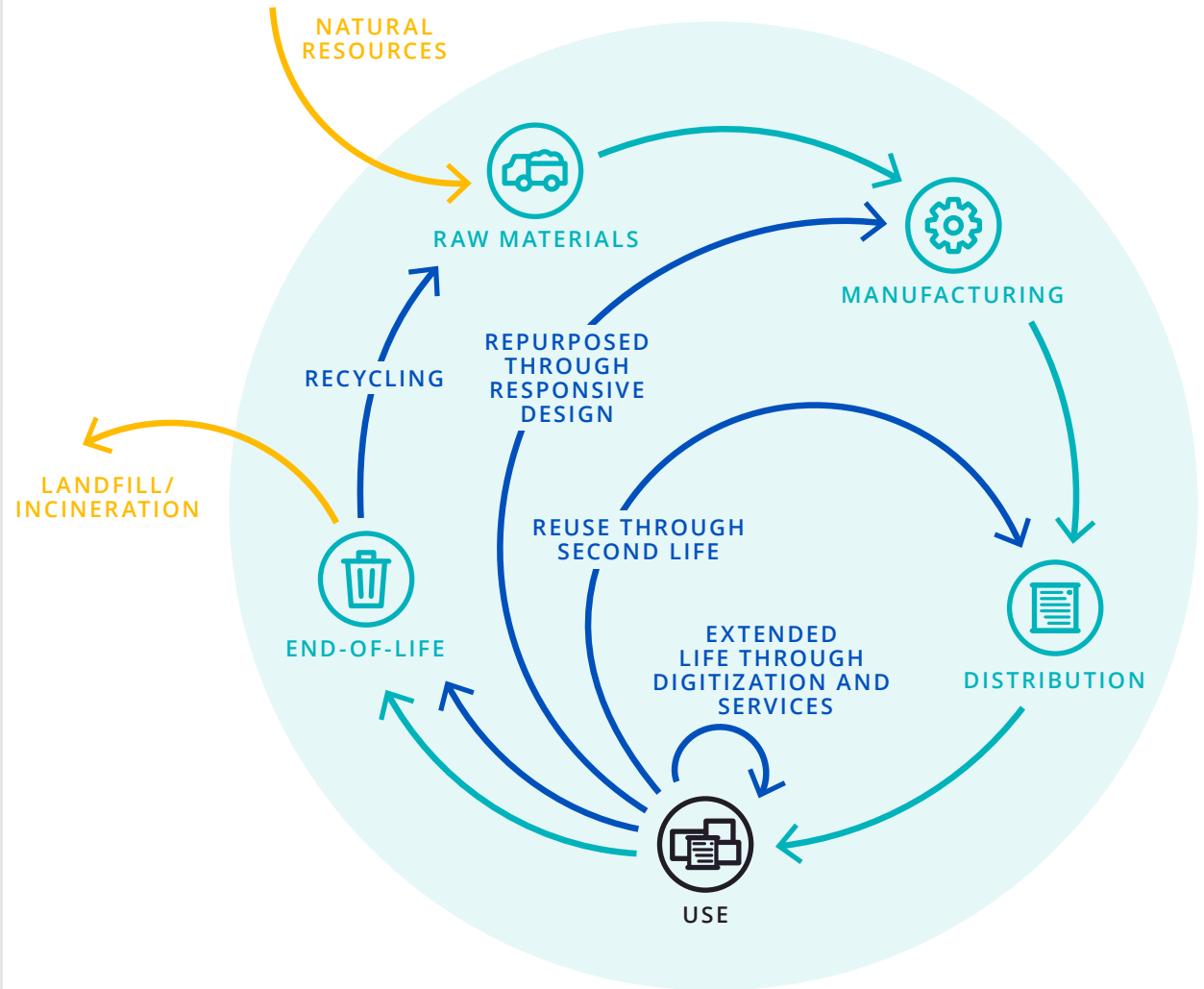
PRE-CUSTOMER TURNOVER | DURING LIFECYCLE | PROJECT DECOMMISSIONING



SECOND LIFE

Our systems are designed with stringent performance parameters but that doesn't limit their ability to be useful in other applications.

WHOLE CUBE | PARTIAL SYSTEM(S) | MODULAR



Our concept of the circular economy for battery-based energy storage



Alignment with UN Sustainable Development Goals

We support those UN Sustainable Development Goals (SDGs) where the Company's particular strengths can help create meaningful impact. Fluence made a public commitment to the SDGs in 2023 that was aligned with our on-going work in the areas of gender equality, affordable and clean energy, industry, innovation and infrastructure, and climate action.

At Fluence, we believe we are strongly positioned to bring together science, people, technology, and the ideas needed to profoundly shape the trajectory of energy storage.



Reporting Standards

This Report aligns with the Sustainability Accounting Standards Board (SASB): Fuel Cells & Industrial Batteries standard, Task Force on Climate-related Financial Disclosures (TCFD), and references the Global Reporting Initiative (GRI). Additionally, we incorporated the applicable UN SDGs that best align with our mission.

Fluence's UN Sustainable Development Goals Alignment

Our commitment to advancing the UN SDGs is guided by our focus to lead the energy storage industry in sustainable business practices. We are dedicated to applying our knowledge, concepts, and innovation to help advance initiatives aimed at achieving those SDGs where our particular concentration of strengths may contribute to long-lasting and scalable effect.



Fluence Commissioning team members at a Gridstack energy storage project in Alessandria, Italy.



Gender Equality

In our dedication to promoting diversity and inclusion, we have established ambitious objectives for gender representation and retention within our organization. We continue to enhance our strategies for attracting and retaining women in the workplace, and we are committed to advancing gender equality within our organization. Our focus on transparency is crucial as we strive for continuous improvement in our pursuit of gender equality.



Affordable and Clean Energy

We provide an ecosystem of offerings to drive the clean energy transition – modular and scalable energy storage products, comprehensive service offerings and the Fluence IQ platform, which delivers AI-enabled SaaS products for managing and optimizing renewables and storage from any provider.



Industry, Innovation and Infrastructure

The Fluence IQ Platform provides a common platform for the creation of value-added software products that work to help maximize asset revenue, improve asset performance, and support long-term portfolio management which offers data integration with local hardware, cloud-hosted microservices, and advanced programming interfaces (APIs). We are continuously innovating in product end-of-life management and mitigating the Global Warming Potential (GWP) of our product refrigerants.



Climate Action

Fluence offers and plans to continue to offer an integrated ecosystem of products, services, and cloud-based software across a range of energy storage and renewable use cases. Our solutions are part of a sector integral to the energy transition and the global effort to combat climate change through the modernization of our clean energy networks. Our products have a long service life and can help to accelerate the adoption of clean energy.

Fluence

Environment





Environmental Stewardship

Fluence has a longstanding commitment to environmental stewardship. From establishing an ISO 14001 certification program to developing a cutting-edge circular economy framework and supply chain for our products and components, we are committed to continuously advancing our environmental performance.

We see environmental stewardship as a collaborative exercise. Our executive leaders set the tone, engineering teams innovate solutions, and supply chain teams adopt processes to help see that product components are responsibly sourced and manufactured.

Our Environmental Stewardship Strategy

Fluence's environmental stewardship strategy is outlined within our Environmental Stewardship Playbook. We manage the environmental footprint of our operations, products, services, and value chain in a manner that meets or exceeds pertinent regulations and standards. Our approach also features Fluence's continuously advancing approach to data management as applied to both environmental performance and regulatory compliance. In this way, we demonstrate that we are not only earnest environmental stewards, but also strive to be a dependable cultural fit for our customers.

Our global and integrated approach to environmental stewardship highlights the following elements:

STANDARDIZATION

ISO 14001 is a standard that sets out the criteria for developing an Environmental Management System (EMS) that optimizes how a company continuously improves its environmental impact. Since 2019, ISO 14001 has been successfully implemented at our Testfield in Erlangen, Germany. We maintain the Testfield's certification by demonstrating adherence to the site's EMS, while working to continuously improve its environmental footprint.



The ISO 14001 certification of our Erlangen Testfield is only the beginning. We have decided to expand our EMS and certification to other sites. By 2025, we expect to expand our EMS from Fluence Energy GmbH to a number of our other Fluence entities in the U.S., U.K., Australia and India.

TRANSPARENCY THROUGH DATA

We work to ground our environmental stewardship program in data. By understanding factors such as how much waste we produce and recycle, how much energy our facilities use, and more, we gain a better understanding of our environmental performance and set future goals in a way that is accurate and impactful.



Engagement & Accountability

We leverage our regional Health, Safety, and Environmental (HSE) managers, site personnel and other stakeholders to make sure our environmental efforts are responsive to needs identified in the field. In addition, Fluence’s Systems Engineering, Product Compliance, and HSE teams help our practices and products align with current and emerging environmental regulations. We use our internal learning management system to train all Fluence employees on our environmental stewardship approach.

Governance Through Policies

To strengthen our environmental performance and accountability, all Fluence projects and facilities adhere to standards to help reduce environmental impact. In developing those standards, we created a strategic roadmap to:

- Understand our operational impacts
- Set regional environmental stewardship standards
- Develop verification and reporting tools

In 2023, we launched a site personnel sustainability data capture program. With this program, we are now collecting waste, water use, and GHG data from sites in the Americas region. Over the course of 2024, we are rolling out this data collection program to sites across our global footprint.

At Fluence worksites, staff are provided trainings as appropriate to the site, including:



Waste Management and Recycling



Site-Specific Plant and Wildlife Conservation Measures



Hazardous Chemical Substances



Hazard Communication



Spill Prevention / Response



Emergency Action Planning (incident response and reporting)



Wildlife Management

These trainings are either delivered via Fluence’s Learning Management System (LMS) platform, or given in person by a designated site leader.



We have developed a full suite of policies and best practices around the following operationally impactful areas:

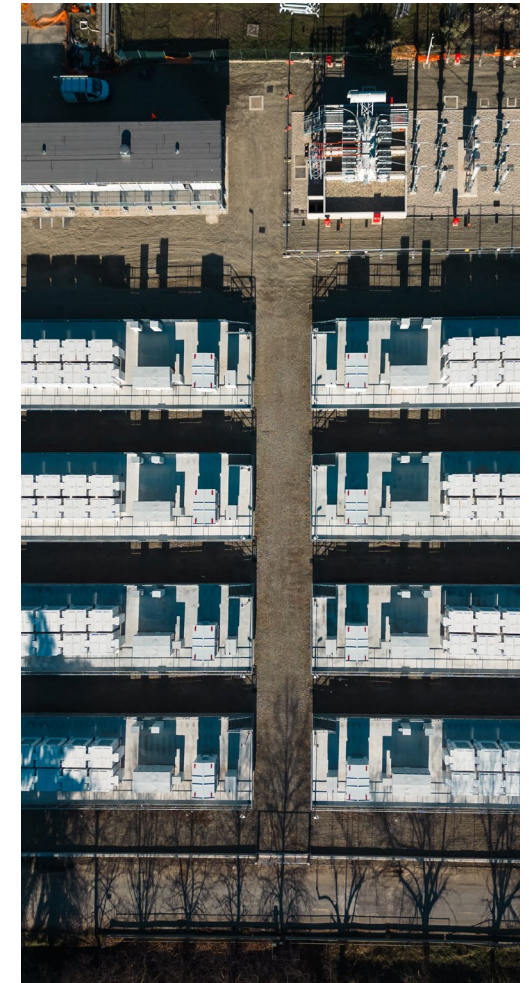
SAFETY

Fluence is committed to safety at every level of our business. Our approach considers all phases of potential safety events, with mitigations that seek to prevent an event from occurring in the first place, limit the extent of an event should one occur, and safely conclude it without harm to people. Fluence designs complete energy storage solutions that operate as a single system, with multiple layers of redundancy and control that perform hazard monitoring, detection, and response. This system-level approach enables us to embed safety in every layer of our core technology, system design, and project design.

We are committed to ensuring that new technology designs incorporate the latest safety-related learnings as well as any new applicable standards. Our product development teams regularly review emerging codes and standards, industry best practices, potential safety issues, new customer requests, and lessons learned from the field, which are then applied to current and future designs. Fluence also maintains product testing laboratories to perform comprehensive testing, including component and system testing.

NOISE POLLUTION MITIGATION

This policy establishes protocols for the mitigation of noise that can impact the health and wellbeing of personnel, communities, and the natural environment at or near Fluence-managed locations. Where necessary, Fluence will develop an Operational Noise Assessment and Construction Noise Management plan before work at a given construction site begins. This evaluates the noise our activities are likely to produce and assigns measures to mitigate that noise, if needed.





DUST ABATEMENT

Fluence has adopted procedures to reduce the generation of dust that may result from Fluence-managed activities at project sites – both on site and in nearby communities.

INVASIVE PLANT SPECIES MANAGEMENT

Where recommended as a result of the customer’s environmental impact assessment of the project location, Fluence will develop an invasive plant species management plan that is tailored for a specific region and project. These plans help to protect the surrounding landscape’s biodiversity by curbing the introduction of invasive plant species and prescribing measures to take when they are encountered.

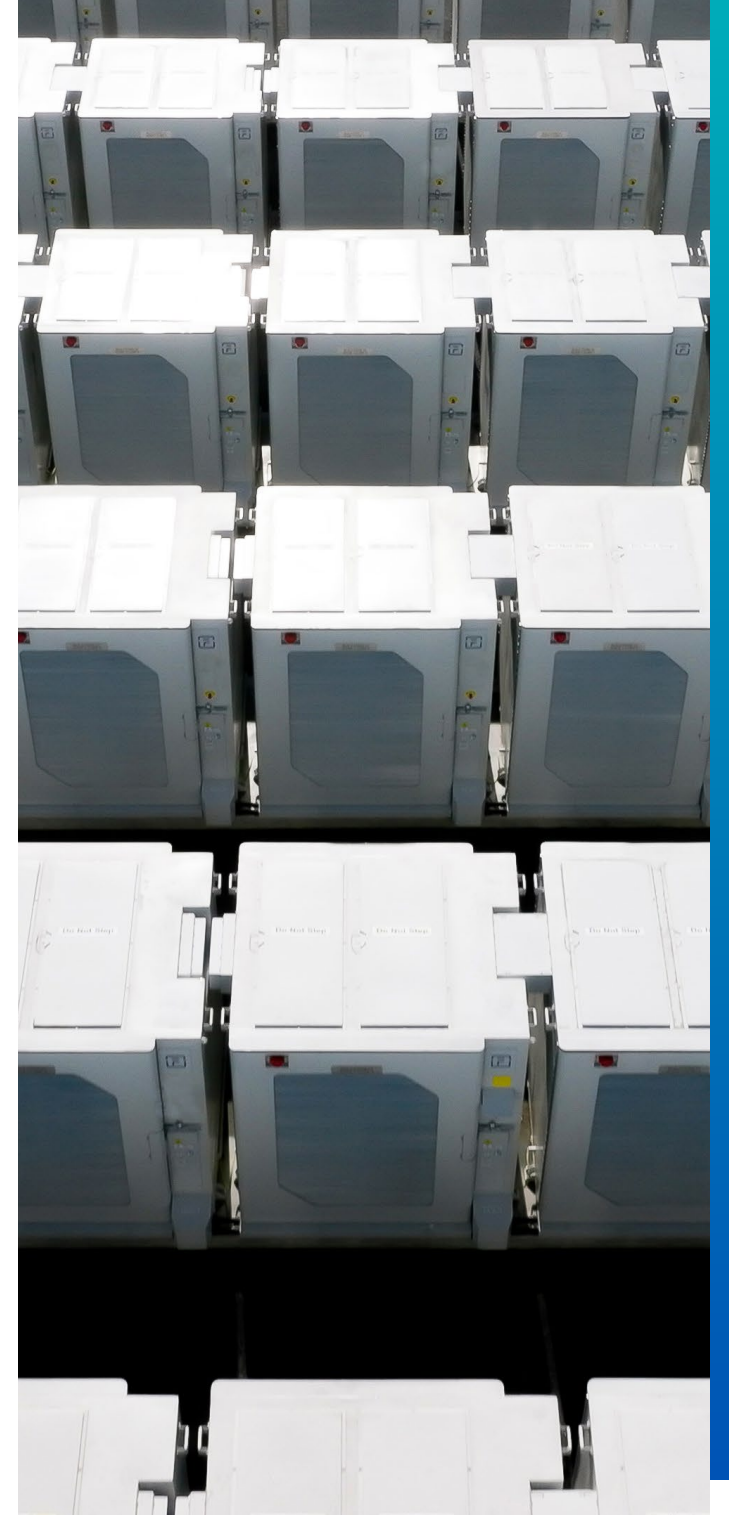
SPILL PREVENTION AND RESPONSE PLANNING

Our Spill Prevention and Response Planning policy describes our approach to preparing for and managing hazardous material spills. Our response plans include detailed measures regarding personnel safety, total cleanup, and verification. Our response plans are completed in accordance with applicable law and regulation as well as specific customer contract terms.

Every time there is an environmental incident, it is Fluence policy for the respective site personnel to submit a Corrective and Preventative Action (CAPA) report. In this way, we maintain a record of incidents and systematically share lessons learned and solutions to prevent future reoccurrence.

STORMWATER POLLUTION PREVENTION PLANNING

Fluence’s Stormwater Pollution Prevention Planning policy describes best management practices to reduce operational stormwater pollution at Fluence-managed locations. It sets guidance to minimize stormwater runoff and erosion – mitigating our impact on the surrounding environment and communities. Fluence location stormwater pollution plans are developed by a third party qualified stormwater pollution prevention plan developer and are completed in accordance with, or in excess of, all pertinent location specific laws and regulations and any customer contract terms.





WASTE MANAGEMENT

Fluence’s Waste Management policy provides guidance and standards to Fluence managed locations for responsible disposal of our spent materials. It promotes landfill diversion tactics such as repurposing, reuse, or recycling to reduce minimal environmental impact where feasible.

In 2023, our waste management policy evolved to incorporate data collection. It is Fluence policy to collect waste data from our labs and project sites. We first piloted this initiative in 2023 in our Americas region. This was a two-fold effort that first involved the development of a simple data entry platform and training for the responsible personnel. We now collect the following data from all Fluence-managed project sites in the Americas as well as our Pennsylvania Systems Test Lab:

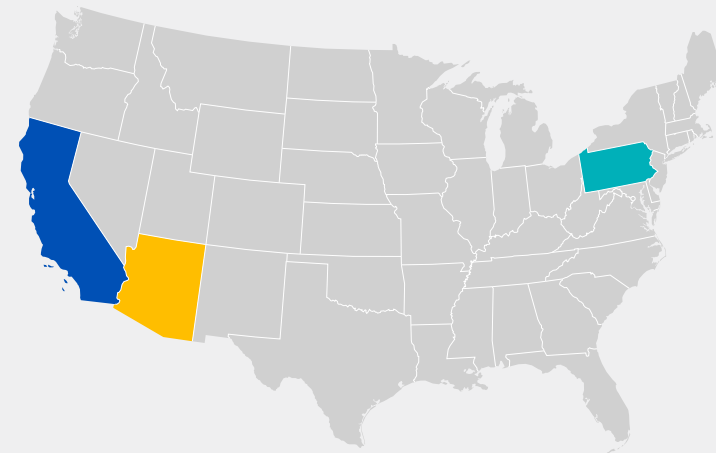
1. Landfill-bound waste
2. Recyclable materials
3. Hazardous / universal waste
4. Damaged battery modules

In 2024, Fluence will globally expand this waste data program.

Footnote: Waste data was collected from waste vendor manifests, or taken from visual estimates of volume that were recorded by site personnel and multiplied by the US Environmental Protection Agency’s [Volume-to-Weight Conversion Factor for Solid Waste](#).

Waste diverted from disposal

Beginning in April 2023, Fluence began collecting waste and recycling data from its active project sites in the Americas and one of its laboratories. We now have waste and recycling data from our project site in California, our project site in Arizona, and our Pennsylvania Systems Test Lab.



At California Project Site

~44 metric tons

OF LANDFILL-BOUND WASTE

At Arizona Project Site

126 metric tons

OF LANDFILL-BOUND WASTE

18.8 metric tons

OF RECYCLING

At Pennsylvania Systems Test Lab

61.7 kilograms

OF LANDFILL-BOUND WASTE

36.1 kilograms

OF RECYCLING

Numbers generated from April 2023 through September 2023.



WATER MANAGEMENT

Beginning in April 2023, we began tracking water use at our project sites in the Americas, including water used for both personal drinking and dust abatement.

From April 1, 2023 through September 30, 2023 project site water consumption was 14,600 m³.

WILDLIFE MANAGEMENT

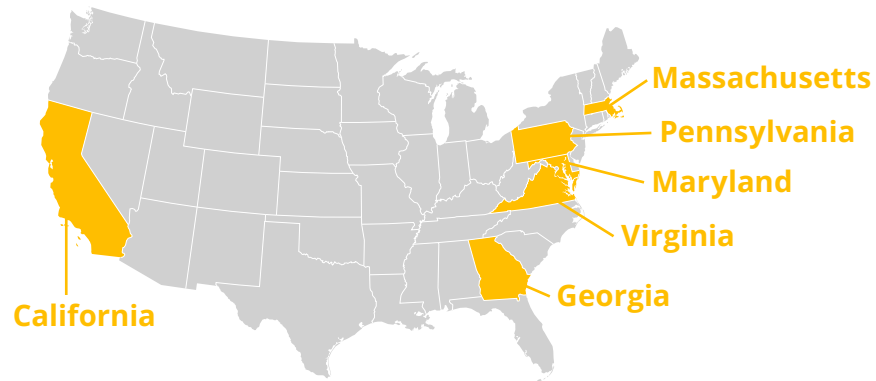
Our wildlife management policy was developed in an effort to foster safe and responsible management practices, promote responsible preparation, prevention, and performance regarding wildlife interactions, and preserve biodiversity surrounding Fluence-managed locations. A location-specific wildlife management plan that is put in place in accordance with this policy is completed in accordance with, or in excess of, all pertinent location-specific regulation and laws. Such wildlife management plans may be required per customer standards or applicable federal, state, or local regulations.





Our Facilities

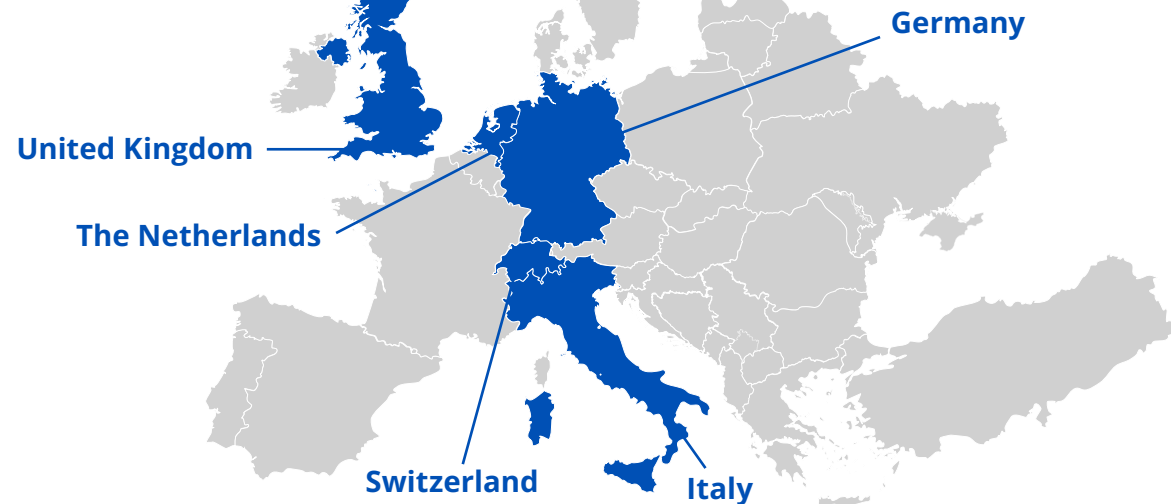
U.S. Sites



APAC Sites



EMEA Sites





Our Facilities

Our facilities contain an array of sustainability features including, depending on the location, access to outdoor spaces, on-site fitness centers at no cost to employees, walking distance to public transportation, high walkability scores, EnergyStar certification, LEED Silver and Gold certifications, on-site bicycle storage and EV charging stations, and recycling initiatives.

Arlington, Virginia Headquarters

Fluence's headquarters facility is located in the heart of Arlington, Virginia, central to public transport and is situated directly in front of a 4.5 mile walk and bike trail and a protected wetland. The property offers an on-site fitness center, bike storage and EV charging stations, and holds a Walk Score® of 90.

Highlights From Other Facilities

Our new Mountain View space in California offers on-site and in-suite composting. Our co-working space in Irvine, California is both LEED Gold and WELL Building certified. Our Erlangen, Germany office revised its utility contract with Erlanger Stadtwerke AG in 2023 to have 100% of its electricity supplied from renewable energy sources beginning January 1, 2024. The source of the renewable energy is certified by means of the German [OK-Power](#) seal via third-party technical assurance (Technischer Überwachungsverein = TÜV). Since September 2023, we also launched EMEA sustainability meetups. These are quarterly events involving all Fluents in the region aimed at promoting environmental stewardship in an actionable way. These meetups have become a forum to discuss environmental matters relevant to Fluence, drawing from real-life situations in EMEA projects and sharing the relevant lessons learned.



The Fluence Systems Test Lab in Pennsylvania, USA serves as the primary location for system-level testing of various configurations of our energy storage products.

FUTURE PLANS

A goal for FY24 is to collaborate closely with our facility owners and landlords to gain a comprehensive understanding of our energy usage at each office.



Greenhouse Gas Performance Measurement

Fluence is continuously enhancing how we collect data on our environmentally impactful activities. We use the GHG Protocol Corporate Standard in our emissions reporting. By setting and measuring sustainability key performance indicators (KPIs), we are developing informed strategies to reduce resource use, increase landfill diversion, and lower our greenhouse gas (GHG) emissions. In FY23, we built upon our prior year analysis of our operational impacts and expanded our data collection efforts by tracking GHG emissions at our project sites in the Americas and EMEA regions – including fuel purchases used for the sites’ cars, trucks, and mobile equipment.

Scope I & II Emissions

OPERATIONAL CONTROLLED NON-OWNERSHIP ASSETS

Of our 19 current locations, we have access to utility data for eight locations – in the United States our headquarters in Arlington, Virginia, office in Alpharetta, Georgia, labs in Mt. Pleasant, Pennsylvania and Rockville, Maryland, as well as our administrative and laboratory facilities in Erlangen, Germany and Bangalore, India. Beginning in 2024, our Erlangen facility will depend on 100% renewable sources for all of its energy use. In the next year, we plan to partner with the My Green Lab organization to help us develop a roadmap to certify our Pennsylvania Systems Testing Lab against their framework.

Fluence does not have access to detailed utility data in 11 of our 19 leased facilities and/or co-working spaces. These sites are mainly small

commercial office spaces within larger facilities. However, as our facility needs evolve, we will continue to keep environmental performance at the forefront of any future decisions.

We expect the learnings from our GHG performance measurement and climate risk assessment will provide a holistic view of our emissions and enable us to create an action plan for our decarbonization strategy in 2026-28.

Scope III Emissions

EMPLOYEE TRAVEL

As Fluence employees engage in necessary business travel, we leverage our travel partners with carbon reporting built directly into their platforms to help us track and reduce our impact. In 2023, we sought to expand our environmental commitment into our travel programs and investigate ways to lower and offset the carbon emissions necessary to support our travel needs. We are proud to have delivered on this by partnering with Climate Vault to offset 60% or 4,073 metric tons of CO₂e of Fluence’s business air travel via the purchase of carbon allowances.





Expanding Our Scope III Awareness

We recently evaluated our most impactful opportunities for improving our environmental stewardship over the next few years and three clearly stood out: logistics, supplier GHG emissions, and fluorinated gases.

LOGISTICS

We are working with our shipping partners in areas with the highest transport volumes – Intra-Asia and Transpacific – to obtain detailed product transport and emissions data. We are also investigating our shipping impact in North America. With this data, we can work to spot opportunities to reduce our GHG emissions from logistics while maximizing efficiency and reliability.

SUPPLIER GHG EMISSIONS

Following a successful supplier pilot program in FY22 involving four supplier CDP disclosures, we greatly expanded our effort in FY23 by engaging with 30 suppliers to obtain their CDP reports. This effort has helped us to better understand their environmental impacts and data collection efforts. With such insights we are able to measure and report our scope 3 emissions to a greater extent when compared to our FY22 report. We plan to continue expanding this effort next year.

FLUORINATED GASES

Fluence’s energy storage products are designed with critical thermal management systems that allow the products to perform in a variety of environmental conditions. Industry-standard chillers – including ours – depend on fluorinated gases. We are working to reduce our dependence on fluorinated gases. Fluence’s system engineering team is collaborating with refrigeration companies to pilot chillers and HVAC systems in 2024 that achieve the necessary cooling performance in a more sustainable way. This includes both optimizing cooling systems in order to reduce the quantity of fluorinated gases required and evaluating alternative gases with lower global warming potential.

EMPLOYEE COMMUTING

In 2023, we conducted our first all-company commuter survey to identify the modes, frequency, and distance our employees commuted to and from Fluence offices worldwide. By capturing these data points, we have expanded our GHG emissions measurement and plan to identify opportunities for future emission reductions.

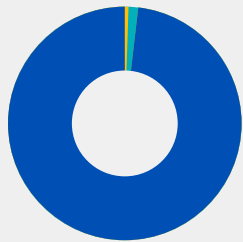
Fluence partners with Li-Cycle for recycling damaged batteries at Fluence-controlled locations in the Americas and EMEA. Li-Cycle’s two-step process can recycle lithium-ion batteries of all chemistries and enables up to a 95% recovery rate.





Fluence FY23 GHG Footprint

TOTAL EMISSIONS OF CO₂e (kg)



SCOPE ONE
19,065

SCOPE TWO
2,662,074

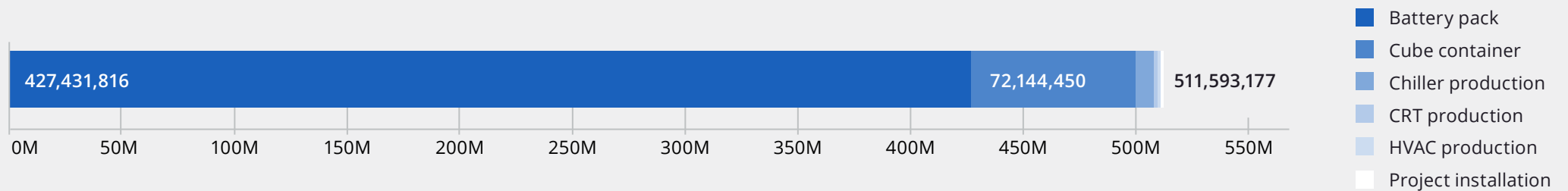
SCOPE THREE
543,745,158

GHG Protocol Scope	Sub	Category	Fuel Scope / Approach	Value
1		Fuel	Tank-to-wheel	19,065
2		Energy	Location-based	2,091,495
			Market-based	2,622,074
3	1	Purchased goods and services*	-	1,421,700
			Market-based	509,484,609
			Well-to-wheel	691,121
	3	Fuel	Well-to-tank	3,804
	4	Logistics**	Well-to-wheel	22,262,170
	5	Waste	-	3,443
	6	Business travel	-	467,292
			Well-to-wheel	8,453,033
	7	Commute**	Well-to-wheel	957,985

* Represents a significant expansion of primary datapoints measured and reported starting in FY23

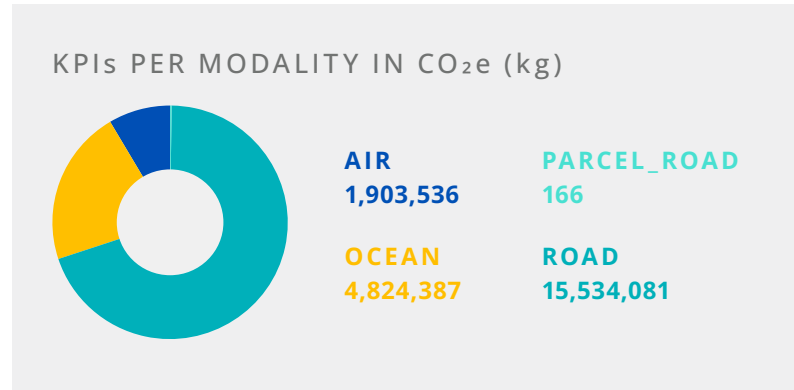
** Data measured and reported starting in FY23

SCOPE 3 EMISSIONS IN CO₂e (kg) PER PROJECT SUB-CATEGORY

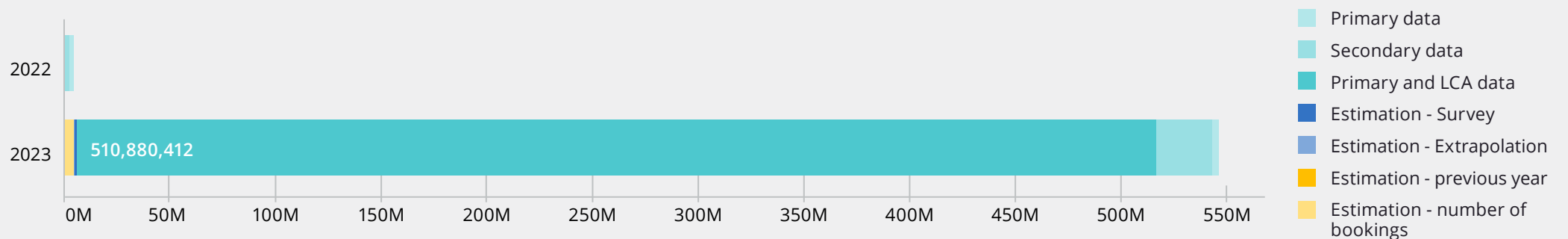




Logistics emissions and data source breakdown



EMISSIONS IN CO₂e (kg) PER DATA TYPE CATEGORY



GHG FOOTPRINT CALCULATION METHODOLOGY

The Greenhouse Gas protocol was used as a basis for scoping and categorization of emission sources. Primary (activity) data is used as much as possible, secondary data was used where necessary. When no data was available estimations were done based on extrapolation or spend.

The following emission factor sources were used: USA EPA, DEFRA (2023), GLEC-framework, European Environment Agency (2022), Ecoinvent v3.10, Kennisinstituut Duurzame Verpakkingen, CO₂ emissiefactoren.nl (2023) and LCA analyses of suppliers on electronic hardware. All calculations are CO₂-equivalents based.

Scope 1: Emissions of gas (heating) were calculated based on primary consumption data (GJ or m³). No other fuel consumption (in e.g. vehicles) is taking place within Fluence. Chiller and HVAC units in our energy storage solutions are designed to be self-contained within a sealed enclosure and are not refilled with fluorinated gas. Thus, any associated fugitive emissions leakage is assumed to be negligible and not included in our scope 1 calculation.

Scope 2: Emissions of electricity consumption or district heating were calculated based on energy consumption (kWh or GJ). For some periods, data was missing. This data was extrapolated based on known periods.

SCOPE 3 SUBCATEGORIES

1 | Cube production – Bill of materials and supplier production energy consumption data was used to calculate emissions. Not all purchased goods for customer projects are taken into account. Missing components are inverters, OCTE, and other minor materials. Other sources of emissions taken into account are cloud services, water consumption, and energy consumption at 3 customer sites during installation by sub-contractors.

3 | For combusted fuels in scope 1, well-to-tank emissions are accounted.

4 | Logistic emissions were calculated based on shipment data available within Fluence in accordance with the Global Logistics Emissions Council (GLEC) framework. Shipment weight was determined based on average weight per product category.

5 | Waste due to water consumption at facilities was taken into account.

6 | Business travel emissions are reported by travel agency of Fluence. Half of the travels was not booked via an agent. These emissions were estimated based on number of flights compared to the travel agent reports.

7 | Employee commuting emissions were calculated based on a survey. Employees indicated the number of days per week on average they come to the office, and they work from home. Also, they indicated which modality(ies) they used for commuting. The outcomes were extrapolated to account for the total FTE number.

Fluence
Social





Our Safety Culture

FY23 marked the achievement of obtaining ISO 45001 – Occupational Health and Safety Certification – demonstrating our commitment to preventing occupational injuries and creating and maintaining management systems and a working environment aimed at preventing those injuries.

Safety is the number one priority at Fluence and is included in Fluence’s core value of Responsibility — rooted in our heritage of power generation and industrial systems design. Safety is embedded in our company culture and the partnerships we build with our customers. We continually reinforce our commitment to safety through education and training.

Our workforce must attend monthly safety education meetings. The Fluence Safety Committee is an integral part of program development, which includes emergency preparedness, asset management, analysis of job safety and company trends, and an Integrated Management System (IMS) to monitor, audit, and streamline business practices.

Fluence employs various processes to monitor and reduce our personnel exposure to health and safety hazards. We consistently evaluate

any possible exposure to risk for our projects. These processes apply to all personnel on all manner of job sites, including project sites, labs, corporate offices, and home offices. As part of continual improvement, our risk assessment process and training curriculum are updated periodically to assist management decision making to effectively identify and address the risks within the workplace. Fluence’s safety culture encourages employees to report all safety concerns and observations. This is documented in our Code of Conduct and Ethics. Fluence team members can ask questions, voice concerns, and make appropriate suggestions regarding business practices without fear of retaliation.



Safety Walk

A process where personnel systematically observe workplace activities associated with worker behaviors and working conditions. Safety walks are intended to provide positive feedback when workers are exhibiting safe work practices and otherwise corrective feedback as necessary. Safety walks are performed on a routine basis (250 per month target) and tracked as part of our company-wide key performance indicator annual goals.



Audits

Employees, contractors, subcontractors, suppliers, and other involved parties are evaluated for compliance with applicable Health, Safety, and Environmental (HSE) requirements. These stakeholders are evaluated periodically using systematic and documented internal and/or external HSE audit methods in line with OSHA and/or ISO standards.



Management Reviews

Designated leaders conduct annual reviews to evaluate the status and adequacy of our HSE Management System and associated processes. Any changes in objectives and requirements due to performance are identified, with corrective and preventive measures implemented.

ABS Quality Evaluations

Certificate Of Conformance

This is to certify that the Occupational Health and Safety Management of

Fluence Energy Inc.
4601 N. Fairfax Drive, Suite 600
Arlington, VA 22203
U.S.A.

(WITH ADDITIONAL FACILITIES LISTED ON ATTACHED ANNEX)
has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by:
ISO 45001:2018
The Occupational Health and Safety Management is applicable to:

DESIGN, DEVELOPMENT, SALES, PROJECT MANAGEMENT / DELIVERY, SERVICES AND MAINTENANCE OF BATTERY-BASED ENERGY STORAGE TECHNOLOGIES

This certificate may be found on the ABS QC Website (www.abs-qc.com). For certificates issued in the People's Republic of China information may also be verified on the CNCA website (www.cnca.gov.cn).

Certificate No: 65919
Certification Date: 18 May 2022
Effective Date: 01 April 2023
Expiration Date: 20 April 2025
Revision Date: 09 May 2023

Dominic Townsend
Dominic Townsend, President



Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system defined by the above scope and is contingent upon prompt written notification to ABS Quality Evaluations, Inc. of significant changes to the management system or company structure.
ABS Quality Evaluations, Inc. 7176 City Place Drive, Spring, TX 77081, U.S.A.
Validity of this certificate may be confirmed at www.abs-qc.com/en, validation.
Copyright 2011-2023 ABS Quality Evaluations, Inc. All rights reserved.





Safety Key Performance Indicators

Our safety teams reduce risk and drive accountability through documentation and data collection. Fluence’s safety management systems are grounded in data. This allows us to gauge our performance by verifying and quantifying the quality of programs and training, ensuring that incidents are reported and lessons learned are articulated, and ensuring that a safe working environment is maintained. We validate our compliance and progress internally via self-assessment and data integrity audits, and externally through sources and standards such as EU-OSHA, BLS, DOLE, BAuA, Safe Work Australia, and through association with the American Clean Power Association and California Energy Storage Alliance. This data is also used in reportable calculations such as the Days Away Restricted Transferred (DART), Total Reportable Incident Rate (TRIR), and Fatality Rate, which is documented and reported annually in the United States per OSHA regulations. The Fluence expectation is to be below our North America Industry Classification Systems benchmark.

Fatality Rate

The scope of our Fatality Rate is focused on full-time employees (FTE). Although the scope is only FTEs, Fluence had zero fatalities in FY23 across all personnel demographics, facilities, and geographies.

Our policy is to report every incident through our global safety portal within 12 hours. This short timeline allows us to quickly respond and develop the necessary corrective and preventive actions to help us reduce the risk of that incident happening again at the same or other Fluence project sites. Timely incident reporting is a key habit that creates a safer culture. The more data we have, the more lessons we learn to prevent recurrences and improve best practices.

FY23 Total Recordable Incident Rate (TRIR)



FY23 Fatality Rate





Employee Training

We invest in the development of our employees and maintain a robust training program on a range of topics. That process begins with onboarding, when incoming employees complete 27 trainings (7.5 hours) on essential topics, including safety, cyber security, and ethics. Our internal Learning Management System offers over 1,300 courses and learnings in one place to streamline the learning experience.

Our leaders also work with their teams to provide training and development opportunities tailored to the goals and needs of their teams. Incorporating training into our Fluence culture enables us to drive our knowledge while achieving KPI goals.

Our employees receive multiple training objectives on essential topics:



Safety
18 courses



Cyber
5 courses



Legal + Ethics
4 courses



Fluence LMS
Offers all Fluents the opportunity to learn and grow together regardless of location globally.



Fluence University LMS
Offers Fluence services and customers an opportunity to learn on specific project-related tools and training.

Living Our Values

Fluence’s annual Safety Award highlights individuals who have gone above and beyond at exemplifying what it means to focus on safety at Fluence. Safety comes in many forms and touches all functional teams. These safety awards extend beyond just project sites and are considered for all departments. Fluence recognized two Safety Award winners in FY23.



As part of their award nomination, bobbleheads were created in their likeness as a fun token of recognition.

Tobias Lang

HARDWARE ENGINEERING (GERMANY)

Tobias exemplifies the essence of safety in our company and his commitment to constant improvement is a testament to his exceptional character. Whether providing detailed tours to visitors, or through other efforts, Tobias is dedicated to communicating the importance of Fluence’s safety commitment beyond our internal team to the broader community. Tobias’s contributions have played a pivotal role in fostering an environment where safety is paramount.

Doug Cox

PROJECT MANAGER (AUSTRALIA)

Doug has gone above and beyond to promote safety compliance on projects, and to protect the health and safety of all workers. He positively represents Fluence and performs his role as a project manager while proactively centering safety at jobs. Doug’s ability to comprehensively communicate and support applicable safety requirements allowed Fluence to obtain important safety accreditation. Doug is an outstanding asset to Fluence.



Committed to Product Safety

We design energy storage solutions that operate as a single integrated system with safety embedded across various layers of controls and hardware.

Systems are built with 24/7 remote monitoring and control capabilities. Fluence's storage products are equipped with comprehensive safety features, including fire detection, fast-stop, deflagration panels, and more.

Fluence systems are designed to meet UL and IEC standards at the cell, module, rack, container, and system levels, including UL1973, UL9540a, IEC62619, IEC61508, NFPA 855, and more. We partner with leading suppliers and conduct rigorous qualifications and certifications across hardware components and subsystems.

Committed to Community Safety

Our commitment to safety also extends to the communities that are directly and indirectly impacted by the energy storage systems we provide. As part of this responsibility, we provide no-cost first responder training programs that are designed to equip first responders with the appropriate knowledge of how lithium-ion battery storage systems operate. The course provides in-depth details on how our systems are designed, the various types of failure modes, the potential for hazards, and more.

The program is instructor-led and can be completed in a virtual setting or in-person, allowing accessibility for emergency response departments anywhere we operate. With the completion of the training program, first responders will be more prepared to identify potential system failures, assess potential hazards and mitigate safety concerns, as well as expand their general knowledge of battery system operations.



A Fluence Services team member provides training to a local first responder organization.



Industry-Leading Fire Testing

Fluence's large-scale fire tests extend beyond the performance standards of UL9540A by initiating extreme fire events in enclosures and testing whether the thermal runaway event propagates to neighboring enclosures, which are configured to simulate a typical energy storage system. Our first large-scale fire test was completed in Sept. 2022. The results of that test demonstrated that, in a real-world application, a fire event could be contained to a single enclosure, enabling the energy storage system to be rapidly restored to operation while the damaged enclosure was replaced. This test was an important step for our industry and is already helping to define future safety standards.



Our Workplace Culture

Equal Pay for Equal Work

At Fluence, we are committed to practicing equal pay for equal work based upon results delivered by each employee. We regularly review employee pay against market data to determine whether employees are paid appropriately for the results they deliver. And, likewise, we assess pay internally to ensure personal characteristics, such as gender, are not a deciding factor when determining employee pay. We believe that equal pay for equal work based upon results delivered is essential for creating a positive and inclusive work environment and ensuring the success and satisfaction of our employees.

Diversity

Fluence is dedicated to fostering a diverse and inclusive workforce, reflecting a wide range of skills, industry experience, backgrounds, and unique characteristics. Our commitment to diversity, equity, and inclusion is essential to our mission of transforming the way we power our world.

To create a more sustainable future, we are focused on:

NURTURING A DIVERSE CULTURE

We strive to create an environment where employees can perform at their best and achieve their full potential, while being themselves.

SETTING DIVERSITY STRATEGY AND GOALS

We use both our internal HR talent and external expertise in developing a comprehensive diversity strategy that aligns with our corporate goals.

TOOLS AND RESOURCES

We have trainings and resources to help our team succeed, promote inclusiveness, ignite their creativity, promote collaboration, and recognize their contributions and achievements.

SUPPORTING A LEARNING CULTURE

Our approach encourages a culture of continuous learning, helping to shape each person's unique career path while creating a robust pipeline of talent to deliver on our company's long-term strategies.

By embracing diversity and inclusion, Fluence is well positioned to address business challenges. We aim to remain competitive and continue providing excellent solutions to our customers.



1. EMEA Strategy, Growth and Marketing Team attending Intersolar Conference in Munich to build meaningful relationships with customers and industry stakeholders.
2. At the office or onsite, we're in good company with our fellow Fluents, including Customer Day at our Global Innovation Centre in India.

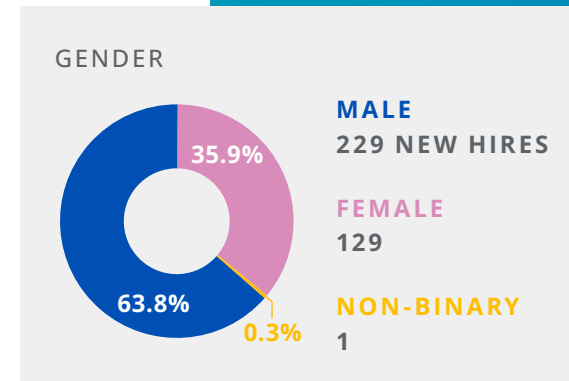
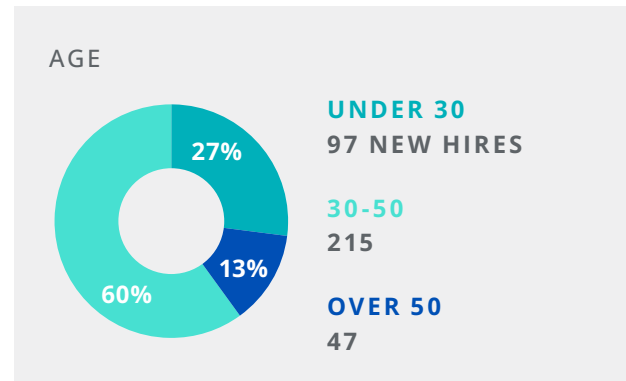
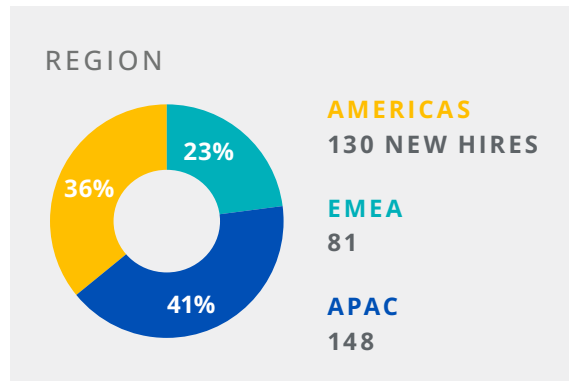


FY23 Metrics

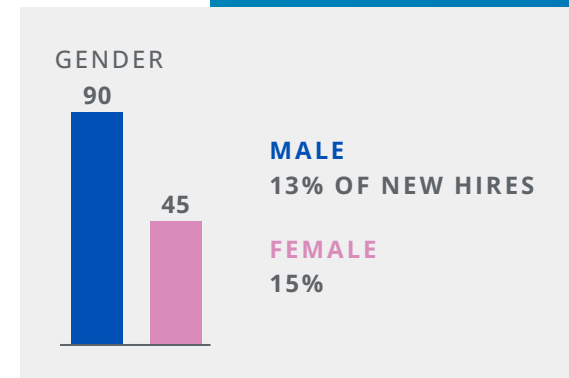
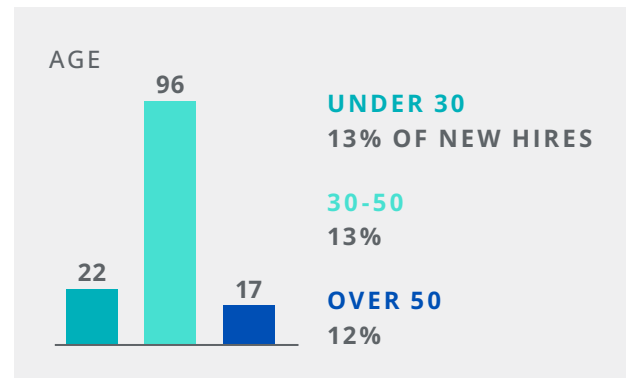
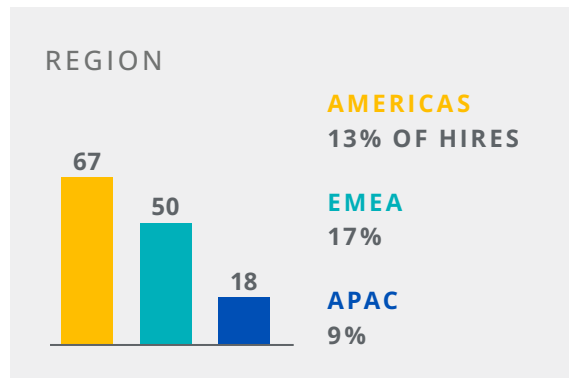
GRI 401-1

New Employee Hires and Employee Turnover*

NEW HIRES



TURNOVER



*All employee demographic data is derived from voluntarily self-reported information by our personnel, so percentages do not necessarily sum to 100% due to voluntary non-reporting.



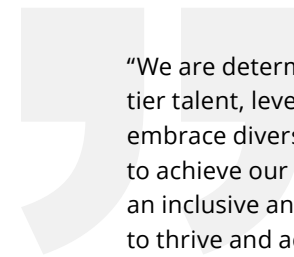
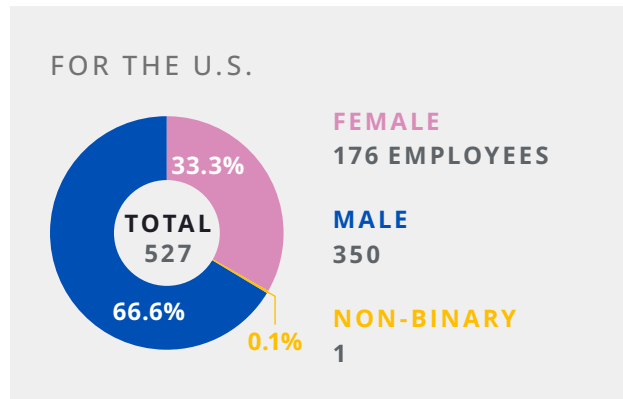
GRI 405-1

Percentage of individuals within the organization’s governance bodies according to gender, age, minority representation - Senior Leadership Team Demographics.



GRI 401-3

Parental leave. Number of employees entitled to parental leave, by gender.



“We are determined to attract, develop, and retain top-tier talent, leveraging diversity in all its dimensions. As we embrace diverse perspectives, we fuel innovative thinking to achieve our strategic goals. At Fluence, we actively foster an inclusive and exciting culture that allows every employee to thrive and achieve their full potential, pushing our company forward.”

Larissa Cerqueira

SVP & CHIEF HUMAN RESOURCES OFFICER, FLUENCE





Employee Resource Groups

At Fluence, we are dedicated to fostering a diverse and inclusive workplace culture. Part of this is done through our voluntary, employee-led employee resource groups (ERGs). Some of these employee-led groups include the Black/African American, Emerging Professionals, Hispanic/LatinX, Pride, Veterans, and Women’s ERGs, which all play a pivotal role in cultivating an environment that celebrates differences and promotes equity and inclusion.

The ERGs provide spaces for networking, mentorship, and the exchange of ideas, fostering a stronger sense of community and empowerment for their respective members.

Fluence is committed to supporting and expanding these ERG initiatives to reach employees across various locations. This ultimately creates a global workplace culture that actively works to dismantle barriers and promotes a sense of belonging for all Fluence employees.

“Leading the Pride ERG has allowed me to positively impact the company’s workforce by fostering inclusivity, providing a support network for LGBTQIA+ employees, promoting diversity awareness, and contributing to a more supportive and accepting workplace culture. It helps create an environment where employees feel valued, leading to increased morale and productivity.”

Joseph Lynch

HEAD OF STAFF, FLUENCE DIGITAL,
PRIDE ERG CO-LEAD



“Fluence’s ERGs are an avenue for employees to connect and create community across diverse geographies, professions, and personal experiences. Fluence is full of individuals who are passionate about our mission to change the way we power our world. ERGs are a key way for the Fluence community to support, empower, and inspire one another on the journey.”

Sarah Kooistra

INTERNAL AUDIT DIRECTOR,
WOMEN @ FLUENCE ERG CO-LEAD



The ERG Ecosystem at Fluence



Global Black Professionals of Fluence ERG

Aims to empower, support, and advocate for Black employees within Fluence while fostering diversity, inclusion, and equity.



Emerging Professionals ERG

Providing networking opportunities and skill development for early-career employees to support their growth and development within the organization.



Hispanic and LatinX ERG

Creating a supportive and inclusive environment for LatinX employees, promoting cultural awareness, professional development, and advocacy for our unique needs and perspectives within the organization.



Pride ERG

Fostering a diverse and inclusive workplace by providing support, advocacy, and education for LGBTQIA+ employees and allies while promoting a culture of acceptance and equality within the organization.



Veterans ERG

Provides support, networking opportunities, and resources for veterans in the workplace to foster their personal growth and well-being.



Women at Fluence ERG

Promote gender equality and empowerment, advocate for women’s professional advancement, and create a supportive and inclusive workplace culture.



Work-life Balance

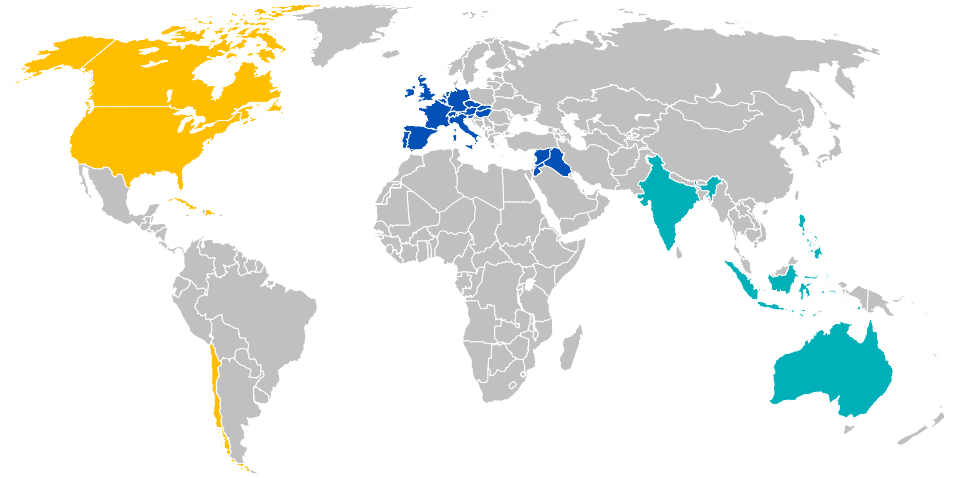
At Fluence, we recognize that work-life balance is valuable to our employees and important in creating an environment conducive to maximizing our company's results. We do our best to ensure our time away from work programs follow country-specific expectations and common market practices. We believe our time away from work programs contribute to heightened engagement and dedication among our workforce. We believe that implementing our time-off programs leads to reduced absenteeism and turnover rates, which in turn fosters a more positive and productive work environment.

In 2023, Fluence introduced the Global Hybrid Work and Hiring Policy, promoting alignment, innovation, speed, and interpersonal connections across the company's diverse teams and functions. This policy supports our business goals by providing flexibility for hybrid work and accommodating employees' professional schedules while respecting their personal commitments. It also guides future hiring decisions within Fluence's corporate and regional teams, reflecting our commitment to adaptability and employee well-being.

Total Rewards

HEALTH & WELLNESS BENEFITS

All Fluence employees have access to health benefits and retirement benefits, tailored to the requirements and practices of their specific location. Health benefits are crucial to the wellbeing of our employees and their families as well as Fluence being a responsible and supportive employer. Having access to quality healthcare can help improve the overall well-being and productivity of our workforce. It can also serve as a valuable recruitment and retention tool in many ways. By supporting the physical health and financial well-being of our employees, we believe we create a positive and supportive work environment that fosters engagement and loyalty.



UNITED STATES



Fluence provides medical, dental, and vision coverage along with pre-tax savings plans for employees. Fluence provides up to a 5% match employer contribution for retirement. Fluence also provides paid parental leave if an employee has at least one year of service in addition to paid leave within the FMLA regulations.

APAC



Fluence provides healthcare and life insurance coverage in all APAC countries. Fluence provides retirement savings options and contributes to the pension plans. Fluence provides vacation leaves, paid parental leaves and maternity benefits in all APAC countries.

EMEA



Fluence provides healthcare coverage in all EMEA countries. Fluence also provides retirement savings options and an employer contribution in all EMEA countries. In every European country in which EMEA has an entity, Fluence pays into the statutory pension scheme for its employees. In addition, there is an employer-financed private pension plan for every employee in Europe. We have taken out additional private health insurance for Ireland and the UK to supplement the state healthcare system. Accident insurance and survivors' benefits are in place for all employees in Europe.

For maternity and parental leave, Fluence grants mandatory payments or provides additional allowances depending on the country-specific regulations.



GIVING BACK

In June 2023, we celebrated World Environment Day by fundraising with One Tree Planted, a non-profit that is dedicated to global reforestation. The goal was to raise funds through employee donations to plant at least 10,000 trees.

We also brought this effort to our booth at the RE+ conference. At the conference, visitors to Fluence’s booth were invited to play a game of bean bag toss with the promise that Fluence would plant one tree for every successful game toss. Through these efforts and thanks to our amazing Fluents, we exceeded our goal in no time, raising funds to plant 20,000 trees.

Human Rights and Fair Labor

We respect our employees’ rights to organize and bargain collectively, and we maintain an open-door policy for addressing grievances and concerns. By promoting fair labor practices, we create a positive work environment for our employees and also contribute to a more just and sustainable economy for all. As a responsible and ethical company, we recognize the importance of fair labor practices in promoting the well-being of our employees and upholding our values. We believe that fair labor practices are not just a legal requirement, but also a moral imperative that contributes to the long-term success and sustainability of our business. We are committed to providing safe and healthy working conditions, fair wages, and equal opportunities for all employees, regardless of their gender, race, ethnicity, religion, or sexual orientation. We also demand that our suppliers and partners adhere to the same standards of fair labor practices, and we strive to continuously improve our policies and practices to create a workplace that is equitable, diverse, and inclusive.



1. Fluents participate in a team scavenger hunt activity at our annual global leadership conference.
2. Business Operations & Transformation team members meet at our Global Innovation Centre in India.
3. Fluents playing bean bag toss at our RE+ conference booth to raise funds for One Tree Planted.
4. Americas team delivers a strong presence at CLEANPOWER 2023.

Fluence
Governance





Corporate Accountability

Fluence was founded on the belief that sound corporate governance practices promote long-term value for internal and external stakeholders. That belief continues to guide our business decisions.

Our management team is responsible for Fluence’s strategy, business, and day-to-day operations. Our Board of Directors is responsible for overseeing the leadership, management, and success of the company. The Board of Directors is elected annually by our stockholders.

The Board conducts its business through meetings of the Board of Directors and its standing committees. The Board has four standing committees: the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation & Human Resources Committee, and the Finance and Investment Committee. Each standing committee is governed by a written charter which is available on our website at fluenceenergy.com. Each committee performs its duties as assigned by the Board in compliance with the Company’s Bylaws and the committee’s charter. The composition of each of our standing committees is set forth to the right.

Our Board of Directors has adopted our Corporate Governance Guidelines which address certain corporate governance topics including, but not limited to, director independence, succession planning, director compensation, selection of new directors, term limits, and director responsibilities.

Name	Function	Year Joined	Audit Committee	Compensation and Human Resources Committee	Nominating and Corporate Governance Committee	Finance and Investment Committee
Axel Meier	Member	2021			•	•
Barbara Humpton	Member	2021		•		
Chris Shelton	Member	2021				
Cynthia Arnold	Member	2021	•	•	•	
Elizabeth Fessenden	Member	2021	•	•		
Emma Falck	Member	2021				
Harald von Heynitz	Member	2021	•	•	•	
Herman Bulls	Chair of the Board of Directors	2021	•		•	•
Julian Nebreda	Director, President and CEO	2021				•
Ricardo Falú	Member	2022				•
Simon James Smith	Member	2021				•
Tish Mendoza	Member	2022		•	•	



Risk & Oversight Reporting

Risk assessment and oversight are an integral part of our governance and management processes.

Our Board of Directors is responsible for overseeing our risk management process, our general risk management policies and strategy, and the most significant risks facing us. The Board oversees the implementation of risk mitigation strategies by management. Management is responsible for addressing the day-to-day risks facing our company. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. While the full Board has overall responsibility for risk oversight, it is supported in this function by our Audit Committee, Compensation & Human Resources Committee, Nominating and Corporate Governance Committee, and Finance and Investment Committee. For example, the Audit Committee is specifically tasked with overseeing the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which our exposure to risk is handled. The Audit Committee also oversees the management of financial risks and cybersecurity risks. The Compensation and Human Resources Committee is responsible for overseeing the management of risks relating to the Company's compensation plans and arrangements, leadership succession planning, and the attraction and retention of key talent. Our Nominating and Corporate Governance Committee manages risks associated with the independence of the Board, Board and CEO succession planning, and potential conflicts of interest; our Finance and Investment Committee helps to manage risks associated with our credit, liquidity, financing activities, tax strategies and potential strategic transactions. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks. In addition, our Board receives periodic detailed operating performance reviews from management.

There were no legal proceedings during the reporting period associated with incidents relating to bribery or corruption, nor anticompetitive behavior, and no monetary losses incurred by the company during the reporting period as a result of legal proceedings associated with incidents relating to bribery and corruption, nor anticompetitive behavior.





Data Security and Cybersecurity

Protecting our environment from cyberattacks is vital to our business.

Fluence has adopted the NIST Cyber Security Framework (CSF) as our standard and is fiercely committed to safeguarding our information assets and business integrity. Our Cybersecurity Office, led by our Chief Information Officer, has a global reach with a presence in all regions where we operate in the world, and provides ongoing security support on relevant policies, procedures, and requirements to all Fluence businesses. The Cybersecurity Office has built a robust program which enhances our security capabilities to safeguard the Company's networks, systems, products, and information against evolving cyber threats. Looking ahead, we are in process of applying for ISO 27001 compliance and expect certification to be achieved late in calendar year 2024.



The Fluence Data Security and Cybersecurity program encompasses people, processes, and technology with the following directives:

- Maintaining an experienced team of seasoned information security professionals** who collectively provide expertise throughout the organization to safeguard all forms of information and data, help maintain the security of the Company networks, systems, and products, and identify, detect, and respond to threats. The team is provided with training and education to support the above objectives.
- Conducting mandatory training for Fluence staff** on information security, protection of personnel data, and records management.
- Conducting periodic security awareness activities and events** around the globe to reinforce cybersecurity principles with employees and other users. Such activities include, for example, mock phishing campaigns across the Company to raise awareness on how to protect against phishing attacks that are routinely used by threat actors.
- Defining appropriate use of electronic communications** and providing guidance for employees and other users on use of email, internet, and social media sites to promote the proper handling and protection of sensitive information.
- Providing clear direction for all employees on secure information handling** which includes guidance related to sharing of information externally, transmitting information safely using appropriate tools and technologies, storing information using safeguards such as encryption where needed, disposal of information in line with Company standards, and much more.
- Systematically identifying and tracking risks** and taking the necessary risk reduction measures, including steps to improve our information security capabilities and build in preventive and/or detective controls.
- Providing edge security controls to the Fluence battery energy storage system** with enterprise-class network security, secure access control, and firewall capabilities to keep critical grid infrastructure secure.
- Conducting annual penetration tests** to proactively evaluate the effectiveness of security defenses and periodic vulnerability assessments to proactively identify, risk-rate, and remediate vulnerabilities.



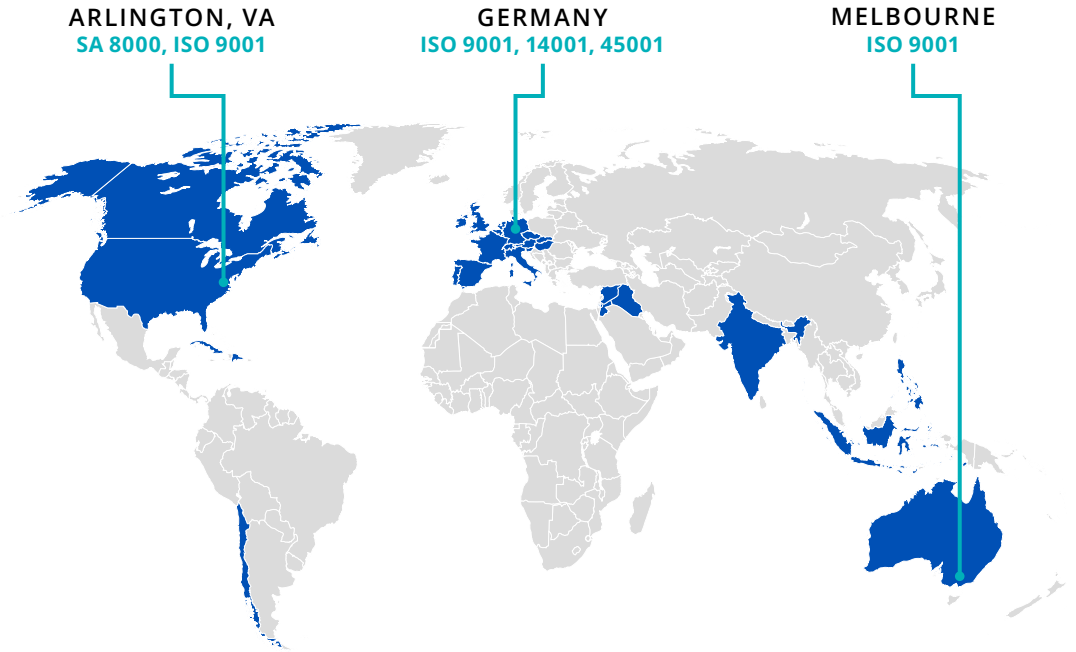
Compliance & Ethics

Fluence maintains a Code of Conduct and Ethics that all Fluence personnel are expected to follow.

Fluence conducts regular compliance training which includes modules on key compliance topics such as bribery and anti-competitive behavior.

In addition, Fluence maintains various escalation and whistleblower hotlines. As part of the compliance training referenced above, Fluence personnel are provided information on how to report any concerns regarding noncompliance with the Code of Conduct and Ethics and other issues relating to bribery or anti-competitive behavior. Fluence will respond to all requests for advice and will investigate all reports of improper behavior that are reported with sufficient detail.

Lastly, all vendors as well as counterparties with which Fluence may engage in transactions or conduct business are subject to internal due diligence processes, which include an on-boarding screening against sanctioned and restricted party lists and additional periodic due diligence.



Standardization & Certifications

Fluence leverages various globally recognized ISO standards to ensure the highest levels of quality, safety, and environmental responsibility in our products and operations. We began in 2019 by certifying our Erlangen Testfield in Germany to ISO 9001, 14001, and 45001. We have continued to expand our integrated management systems and certifications to include a number of our Fluence entities, from Fluence GmbH to Fluence Energy LLC, Fluence Energy UK Limited, Fluence Energy Pty Ltd., and Fluence BESS India Pte Ltd. Our Melbourne office is ISO 9001 certified, and our Arlington, Virginia headquarters is SA8000 certified. In 2023, we expanded our ISO 45001 Occupational Health and Safety certification to include our business operations based out of Arlington, VA in the U.S. and Melbourne Victoria in AU. By 2025, we expect to further expand the scope of our Environmental Management System, and have laid out a roadmap to hold ourselves accountable. This will impact not only the local operations for our certified entities, but also their associated business functions.

ISO 9001	Quality Management System
ISO 14001	Environmental Management System
OHSAS 18001	Occupational Safety and Health
ISO 45001	Occupational Safety and Health
SA8000	Ethical/Worker Rights
ISO 27001	Information Security/Cyber Security



Looking Ahead

This year exceeded my expectations for our sustainability and ESG programs. Our team expanded and our sustainability roots are growing deep and strong throughout the company. While creating this Report, we unearthed great stories of the lens of sustainability being used in day-to-day operations, going deeper into our supply chain, and adding new metrics to our data analysis. We are ahead of schedule on some goals and are adding new ones to keep advancing our mission of transforming the way we power the world. As detailed in this Report, our sustainability and ESG programs have spread to our project sites, suppliers, new offices, data, and commitments. The speed and strength of our programs come from the amazing Fluents we work with every day and the support of our leaders. Without your energy, passion, and support, our programs and this Report would not be possible. Thank you!

Our vision to be the embodiment of accountability through transparency and digitizing our approach has not changed and we are excited to keep you updated on our progress. To the right are key milestones we have achieved or that are part of our plan to meet that vision.

Last, we want to thank you, the reader, for taking the time to learn more about our journey to transform the way we power our world. If you have any questions about our sustainability program, please drop us a note at esg@fluenceenergy.com.



Mike Herod

Director, ESG & Sustainability, Fluence

By 2030

Lead the energy storage industry in accountability and transparency through digital sustainability

2026-2028

- Plan to develop and evolve our decarbonization strategy
- Plan to explore ways to reduce embodied carbon in our energy storage products ●
- Be an industry leader on circular economy for energy storage

2024-2025

- Executed climate risk assessment
- Disclose to CDP ●
- Update FY22 ESG materiality assessment
- Conduct product lifecycle analysis
- Launch community engagement program
- Expand our ISO 14001-certified environmental management system ●

2022-2023

- Established Fluence's Sustainability & ESG Roadmap
- Accelerating progress on goals, reporting and compliance
- Published first Sustainability Report
- Mitigated 60% of GHG emissions from employee air business travel
- 35% of new hires were women
- Greatly expanded and strengthened Responsible Sourcing program ●
- Became a signatory member of the UN Global Compact ●

- Added from last year
- Moved up in timeline

Fluence
Appendix





GRI Crosswalk

IMPACT AREA	DISCLOSURE	GRI#	SECTION REFERENCE
Environmental	Energy Emissions	302	302. Energy consumption. <i>Page 43</i>
		305	305. SCOPE 1, 2, 3 Emissions. <i>Pages 43, 45</i>
	Effluents and Waste	306-1	306-1. Waste generation and significant waste-related impacts. <i>Page 37</i>
		306-2	306-2. Actions including circularity measures taken to prevent waste generation in the organization's own activities. <i>Pages 18, 28, 29</i>
		306-4	306-4. Waste diverted from disposal. <i>Page 37</i>
	GHG Emissions	305-1	305-1. Scope 1. <i>Pages 41, 43, 45</i>
		305-2	305-2. Scope 2. <i>Pages 41, 43, 45</i>
		305-3	305-3. Scope 3. <i>Pages 41, 42, 43, 44, 45</i>
		305-7	305-7. NOx, SOx and other significant air emissions. <i>Page 42, 44</i>
	Ethics	Anti-Corruption	205
Finance	Economic Performance	201-1	201-1. Direct economic value generated and distributed. <i>Page 7</i>
		201-3	201-3 Defined benefit plan obligations and other retirement plans. <i>Page 55</i>



Human Resources	Employment/Benefits	401-1	401-1. New employee hires and employee turnover. <i>Page 52</i>
		401-2	401-2. Benefits provided to full-time employees. <i>Page 55</i>
	Diversity, Equity & Inclusion	401-3	401-3. Parental Leave. <i>Page 55</i>
		405-1	405-1. Percentage of individuals within the org's governance bodies according to gender age, minority representation. <i>Page 53</i>
Global Safety & Quality	Occupational Health & Safety	403	403. OSHA. <i>Page 47</i>
Responsible Sourcing	Supplier Environmental Assessment	308	308. Supplier environmental assessment. <i>Page 21</i>
	Human Rights Assessment	412	412. Employee training on human right policies and assessment of actions taken against violation of human rights. <i>Pages 18, 26, 30, 31</i>
	Supplier Social Assessment	414	



SASB Crosswalk

IMPACT AREA	DISCLOSURE	SASB METRIC #	SECTION REFERENCE	
Architecture & System Engineering	Product Efficiency	3.a	3.a. Average storage capacity of batteries, by product application and technology type. <i>Page 10</i>	
		3.e	3.e. Average operating lifetime of batteries, by product application and technology type. <i>Page 11</i>	
Environmental Stewardship	Energy Management	1.a	1.a. Total energy consumed. <i>Page 43</i>	
		1.b	1.b. Percentage grid electricity. <i>Page 41</i>	
		1.c	1.c. Percentage renewable. <i>Page 41</i>	
	Hazardous Waste Management	8.a	8.a. Amount of hazardous waste generated. <i>Page 37</i>	
		8.b	8.b. Percentage of waste recycled. <i>Page 37</i>	
		8.c	8.c. Number and aggregate quantity of reportable spills, quantity recovered. <i>Page 36</i>	
	Greenhouse Gas Emissions	10.a	10.a. Gross global Scope 1 emissions. <i>Page 41, 43</i>	
	Ethics	Business Ethics	7.a	7.a. Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior. <i>Page 61</i>



End of Life	Product End of Life Management	4.a	4.a. Percentage of products sold that are recyclable or reusable. <i>Pages 28, 29</i>
		4.c	4.c. Description of approach to manage use, reclamation, and disposal of hazardous materials. <i>Page 37</i>
Finance	Activity Metrics	9.a	9.a. Number of units sold. <i>Page 7</i>
		9.b	9.b. Total storage capacity of batteries sold. <i>Page 10</i>
General Counsel	Legal-Compliance	7.b	7.b. Total amount of monetary losses because of legal proceedings associated with bribery or corruption. <i>Page 59</i>
		7.c	7.c. Total amount of monetary losses because of legal proceedings associated with anti-competitive behavior regulations. <i>Page 59</i>
Global Safety & Quality	Workforce Health & Safety	2.a	2.a. Total recordable incident rate (TRIR). <i>Page 48</i>
		2.b	2.b. Fatality rate. <i>Page 48</i>
		2.c	2.c. Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards. <i>Pages 47, 48, 49</i>
Responsible Sourcing	Materials Sourcing	5.a	5.a. Description of the management of risks associated with the use of critical materials. <i>Page 23</i>



TCFD Crosswalk

Climate change is an existential threat and there is currently an ongoing systemic global transition away from fossil fuels towards sustainable energy systems. A major challenge that is threatening the rapid transition to a green economy is the lack of grid flexibility across the globe. Substantial portions of renewable generation, unlike fossil fuel generation, is intermittent and can only be used in favorable wind and solar conditions. Energy storage is therefore critical in unlocking the world’s clean energy transition by enabling large-scale adoption of 24/7 renewable energy while providing the resilience and reliability required of energy infrastructure.

With the scale and frequency of extreme weather events increasing and with significant portions of the world economy taking steps to transition to a lower-carbon state, we recognize the importance of understanding how the changing climate could impact our business, our customers, and our people. To that end, we have aligned this section of the report with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in preparing our climate related disclosure

PILLAR	RECOMMENDATION	DISCLOSURE
<p>Governance</p>	<p>Board Oversight: Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>Our Board of Directors is responsible for the supervision and oversight of our business affairs. The Board of Directors is elected annually by our stockholders. Our Director ESG & Sustainability provides a quarterly report to our Board’s Nominating and Corporate Governance Committee who have primary responsibility for oversight and guidance for ESG matters, including certain climate-related matters.</p> <p>For more details, see pages 25, 58 and 59.</p>



Governance

Management: Describe the management’s role in assessing and managing climate-related risks and opportunities.

Our executive leadership team is responsible for prioritization and alignment across internal stakeholders. The following members of the management are members of Fluence’s ESG Steering Committee:

- Chief Executive Officer
- Chief Financial Officer
 - Director ESG & Sustainability
- Chief Human Resources Officer
- General Counsel
- Chief Supply Chain & Manufacturing Officer

Fluence has also established an ESG Council, which serves as a cross-functional team for resources, implementation, and adaptation of our ESG program. For more details about the involvement of our management’s role in sustainability governance, see pages 25, 58 and 59.

Strategy

Identified Climate-related Risks and Opportunities: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Fluence currently defines time horizons for climate-related matters as follows:

- Short-term: ‘0-3 years’
 - Medium-term: ‘3-10 years’
 - Long-term: ‘10+ years’
-



Strategy

Identified Climate-related Risks and

Opportunities: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Transitional risks:

- **Regulatory:** Increased reporting obligations due to regulatory compliance in the short term to long term.
- **Market:** Potentially increased cost of shipments and cost of raw materials sourcing in the medium and long term.

Physical risks:

- **Acute:** Our business, including our customers and suppliers, may be exposed to severe weather events and natural disasters, such as tornadoes, tsunamis, tropical storms (including hurricanes), earthquakes, windstorms, hailstorms, severe thunderstorms, wildfires, and other fires, which could cause operating results to vary significantly from one period to the next. We may incur losses in our business in excess of: (1) those experienced in prior years, (2) the average expected level used in pricing, or (3) current insurance coverage limits. The incidence and severity of severe weather conditions and other natural disasters are inherently unpredictable. Climate change is anticipated to increase the occurrence of certain natural events, such as an increase in the frequency or severity of wind and thunderstorm events, and tornado or hailstorm events; more frequent wildfires and subsequent landslides in certain geographies; higher incidence of deluge flooding; and the potential for an increase in severity of the hurricane events due to higher sea surface temperatures. For example, wildfire risk in certain markets such as Southern California, could potentially impact our timelines for projects and therefore timelines on which revenues may be recognized in the short to long term. Such severe weather events and natural events may have an adverse effect on our financial results and financial condition.



Strategy

Identified Climate-related Risks and

Opportunities: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

- **Chronic:** Climate change may also result in chronic physical changes, such as changes to temperature or precipitation patterns, leading to potential droughts in certain markets, or rising sea levels that may also adversely impact the suitability of certain project sites or otherwise adversely impact our business. For example, low water levels in the Panama Canal could cause fewer vessel passages per day and therefore longer transit times and higher costs in the short to long term. In addition, climate change can potentially lead to increased costs to insure sites.

Opportunities [see pages 5 through 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 ("2023 10-K") for detailed information about our products and services]:

- **Product:** Potential increased revenues from Fluence's - Energy Storage Solutions – which are energy source agnostic and for which we expect the demand will continue to grow as more renewable energy is integrated into the grid due to intermittency of solar and wind in the short and medium term.
- **Market:** Our Utah and Ireland hubs are strategically positioned near large storage markets and customer fleets.
- **Resilience:** Potential increased revenues from increased demand for Fluence products that provide resilience and stability to the energy systems and aging grids in the medium to long term.

We have identified these various climate risks and opportunities, including through the mechanisms discussed under Risk Management below. However, due to the various processes to identify such risks and opportunities, not all such risks and opportunities identified here are necessarily material to our business and operations, particularly under the definition of materiality relevant for U.S. securities disclosure obligations. For more information, please refer to "Forward Looking Statement and Other Important Notes" on page 75.



Strategy

Impact of Risks and Opportunities:

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Our revenue growth is directly tied to the continued adoption of energy storage products by our customers. The market for renewable, distributed energy generation is emerging and rapidly evolving, and its future success and trajectory is uncertain and subject to a number of risks. If renewable energy generation proves unsuitable for widespread commercial deployment or if demand for our energy storage products and solutions and software-enabled services fails to develop as currently anticipated, our revenue, market share, and our ability to achieve and/or sustain profitability may be adversely affected.

Resilience of Strategy: Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Scenario analysis is a useful tool for strategic decision-making and risk management under uncertain conditions. Scenario-based planning circumvents the impossible task of trying to predict the future and instead focuses on the key uncertainties relevant to a company's strategic decisions. We have attempted to qualitatively evaluate our climate-related risks and opportunities over our short-, medium-, and long-term time horizons against two future scenarios and socioeconomic pathways published by the Intergovernmental Panel on Climate Change (IPCC).

Business as usual, which corresponds to RCP8.5 and SSP5, and assumes continued use of fossil fuels, strong economic growth, and weak carbon policies. This scenario corresponds with expected global temperature increases of 3.5-4.5°C above pre-industrial levels by 2100.

Decarbonized future, which corresponds to RCP2.6 and SSP1, and assumes a transition towards renewable energy, a circular economy, and strict carbon policies. This scenario corresponds with expected global temperatures increases that stay below a 2°C threshold by 2100.

Reuters included Fluence as one of its 100 disruptors and change-makers that demonstrated transition excellence, including forward-thinking strategy, novel technology integration, and digital transformation. Fluence has a continuously advancing approach to data management as applied to both environmental performance and regulatory compliance. Fluence's decision to invest in global manufacturing and delivery infrastructure to provide increased flexibility for our customers and decrease supply chain disruptions is a direct response to the changing market and regulatory climate in both future scenarios considered and discussed above.



Risk Management

Processes for Identifying and Assessing Climate-related Risks: Describe the organization's processes for identifying and assessing climate-related risks.

To support our evaluation of Fluence's climate-related risks and opportunities, we used a third-party partner to support us in steering our qualitative climate risk assessment and TCFD alignment effort.

To do this, we conducted a series of TCFD workshops to explore potential future impacts of climate change on our business. The workshops were attended by members of the ESG Steering Committee, the ESG Council and leaders from across the business's various functions and geographic locations.

Processes for Managing Climate-related Risks: Describe the organization's processes for managing climate-related risks.

Our Board of Directors is responsible for overseeing our risk management process and focuses on our general risk management policies and strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management.

The Fluence responsible sourcing mission is to seek to proactively leverage opportunities and mitigate risks posed to our operations. Our focus includes seeking to identify and manage risks associated with our supply chain, including certain risks that may relate to or be exacerbated by climate change, among other significant market megatrends.

For more information see pages 19 and 59 of our Report and page 23 of our 2023 Proxy Statement.

Integrating into Overall Risk Management: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

We have not yet integrated climate-related risk management into our overall risk management program, though we plan to do so in the future.



Metrics & Targets

Climate-related Metrics: Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We currently track certain energy consumption, emissions, water, and waste metrics. For more information, see pages 37 and 38 of this Report.

Greenhouse Gas Emissions: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

We have calculated our Scope 1 and Scope 2 emissions for 2022 and 2023 fiscal years.

	2022	2023
Scope 1	19,503 CO2e (kg)	19,065 CO2e (kg)
Scope 2	2,058,800 CO2e (kg)	2,622,074 CO2e (kg)
Scope 3	543,745,158 CO2e (kg)	

For more information, see pages 43 and 44 of this Report.

Targets: Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We have not yet established any climate related targets, though we may develop such targets in future.



Forward-Looking Statements

This Sustainability Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements can be also identified by terminology such as “may,” “might,” “could,” “will,” “aims,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Forward-looking statements contained herein include, but are not limited to, statements regarding: (a) our strategic plans and goals; (b) potential disruptions to our operations and supply chain; (c) anticipated product expansion and our expectations regarding potential innovative design and impacts to sustainability of our products; (d) our goals, commitments, expectations, prospects, emissions, other environmental targets as well as external ESG commitments, including the timing and impact of becoming a signatory member of the UN Global Compact, the incorporation of the TCFD framework into future sustainability reports, development of end-of-life programs to incorporate into our future products, complete product Life Cycle Analysis, and publication of any carbon related goals, (e) development of the Fluence Circular Economy and potential impacts on the design, operations, and recycling of our products, and (f) timeline and development of Fluence’s Sustainability Vision. In addition, the quotations from management in this Sustainability Report and information relating to the Company’s operations and business outlook contain forward-looking statements. These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and

uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward- looking statements. The standards of measurement and performance contained in the Sustainability Report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this Report can or will be achieved. Such forward-looking statements are subject to a number of assumptions, risks, and uncertainties, including those described under the heading “Risk Factors” in Fluence’s most recent Annual Report on Form 10-K and in other filings Fluence makes with the Securities and Exchange Commission. New factors emerge from time to time, and it is not possible for us to predict all such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.



Validation Statement

At the start of 2024, Sustaining Supply Chains validated the greenhouse gas (GHG) emissions numbers of Fluence over the Fiscal Year 2023. This statement describes the process, findings, and conclusions.

Process

First, the relevant GHG emission sources were checked and discussed. Next, data gathered by Fluence was checked on data quality, source, and details. When external parties delivered GHG emission numbers directly, used (calculation) methodologies were checked on validity, scope and level of detail used. Where needed GHG emission calculations were executed.

Findings

Fluence has a clear understanding of the GHG emission sources which are relevant. Due to the organisational structure and activities of Fluence, the number of GHG sources within scope 1 & 2 (GHG protocol) are limited to facilities. Most reported GHG sources fall within scope 3. Compared to Fiscal Year 2022, Fluence made significant progress by including emissions related to Cube production, commuting and logistics. Hence, the total GHG emissions reported are significantly higher than over previous year. All other reported GHG emissions numbers are reasonable and follow the approach of measure where you can, estimate if needed. The share of emissions based on estimations is relatively low. Finally, emissions are reported in CO₂-equivalents and report on full well-to-wheel scope in case of fuels combustion. Future improvements are planned to enlarge the coverage of emissions sources reported over.

Conclusions

Publishing its second ESG report, Fluence takes a significant step in transparency on GHG emissions. The FY 2023 GHG emissions report is clear and sound. Subsequent, Fluence shows a good understanding of next steps to take on GHG emission reporting and things to work on towards the future.

On behalf of Sustaining Supply Chains B.V.

WIGER AANTJES, MSC
Partner | Sustainable Supply Chain Expert
23rd of February 2024

Disclaimer: This is not a GHG emission assurance statement.