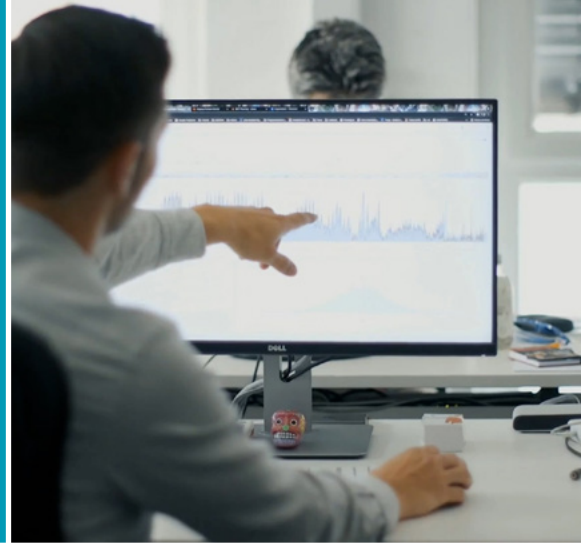
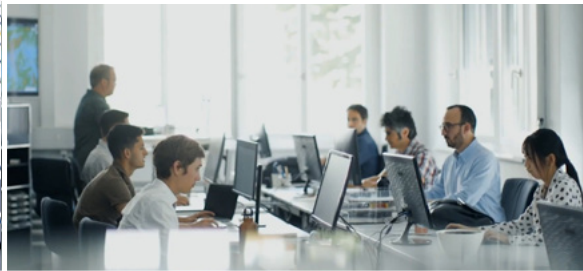


# Transforming the way we power our world

**FLUENCE**<sup>®</sup>  
A Siemens and AES Company



## 2022 SUSTAINABILITY REPORT



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# Message from the CEO

As an industry leader working alongside our customers to address climate change, we recognize that maintaining sustainable business practices is a key part of our mission. We consider the sustainability of our products at all stages of their lifecycle and are continually taking steps to deliver more sustainable products. We also recognize that responsible sourcing is a powerful lever for sustainability. As such, Fluence is proactively establishing standards throughout our supply chain to minimize the societal impact of our sourcing and operations.

This report, our first sustainability report, provides an overview of our current and planned environmental, social, and governance initiatives. It also highlights our vision of implementing digital sustainability into our business to become the leader in the energy storage industry through accountability and transparency.

We are extremely proud of our accomplishments and of the world-changing progress that we have made as a company since our launch in 2018 and going public in 2021. Looking back over the past few years, our progress did not come easily as we navigated global supply chain constraints, inflation, and other challenges linked to the COVID-19 pandemic.

Everything that we have achieved is the result of the hard work of our employees, the trust of our customers and shareholders, and the partnership of our suppliers.

I am excited for the achievements on our horizon, and I want to thank our employees, shareholders, customers, and suppliers for your trust and dedication to our mission of transforming the way we power our world.



## Julian Nebreda

PRESIDENT AND CHIEF EXECUTIVE OFFICER,  
FLUENCE



# Our Purpose

Fluence is a global market leader in energy storage products and services, and cloud-based software for renewables and storage. With a presence in over 40 markets globally, Fluence provides an ecosystem of offerings to drive the clean energy transition, including modular, 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.



**At the heart of our company is a firm commitment to ESG values, which serve as a driving force for our team.** By emphasizing transparency and risk reduction, we are able to positively impact our customers, and we take pride in holding ourselves accountable through open communication. Our swift publication of this report following our recent IPO is simply a reflection of that unwavering dedication and commitment to our stakeholders."

**MANAVENDRA SIAL**  
Chief Financial Officer, Fluence



# About This Report

## Commitment and Scope

Shortly after our initial public offering in October 2021, we made a commitment to publish our first Sustainability Report (the "Report"). This is our inaugural Report and it demonstrates our commitment to maintaining accountability through transparency by publishing a Report or update every year. This Sustainability Report includes operational and program performance data from our fiscal year 2022 (October 1, 2021 through September 30, 2022). 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.

We recognize where we are in our sustainability journey and that this year was about building frameworks and engagement. 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 build a strong ESG foundation this year from which we can grow.

It was our mission to create a report that is applicable to our current place along our journey 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 embedded across every department at Fluence. All stakeholders play an important role in our sustainable journey, including our employees, customers, suppliers, contractors, regulators, and others.

## Data Accountability

In the spirit of accountability through transparency, 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 we used 1065 North Consulting. Nasdaq conducted our Material Assessment and Investor Perception Study. Our GHG collection and reporting systems were validated by Sustaining Supply Chains.

## Publication Date

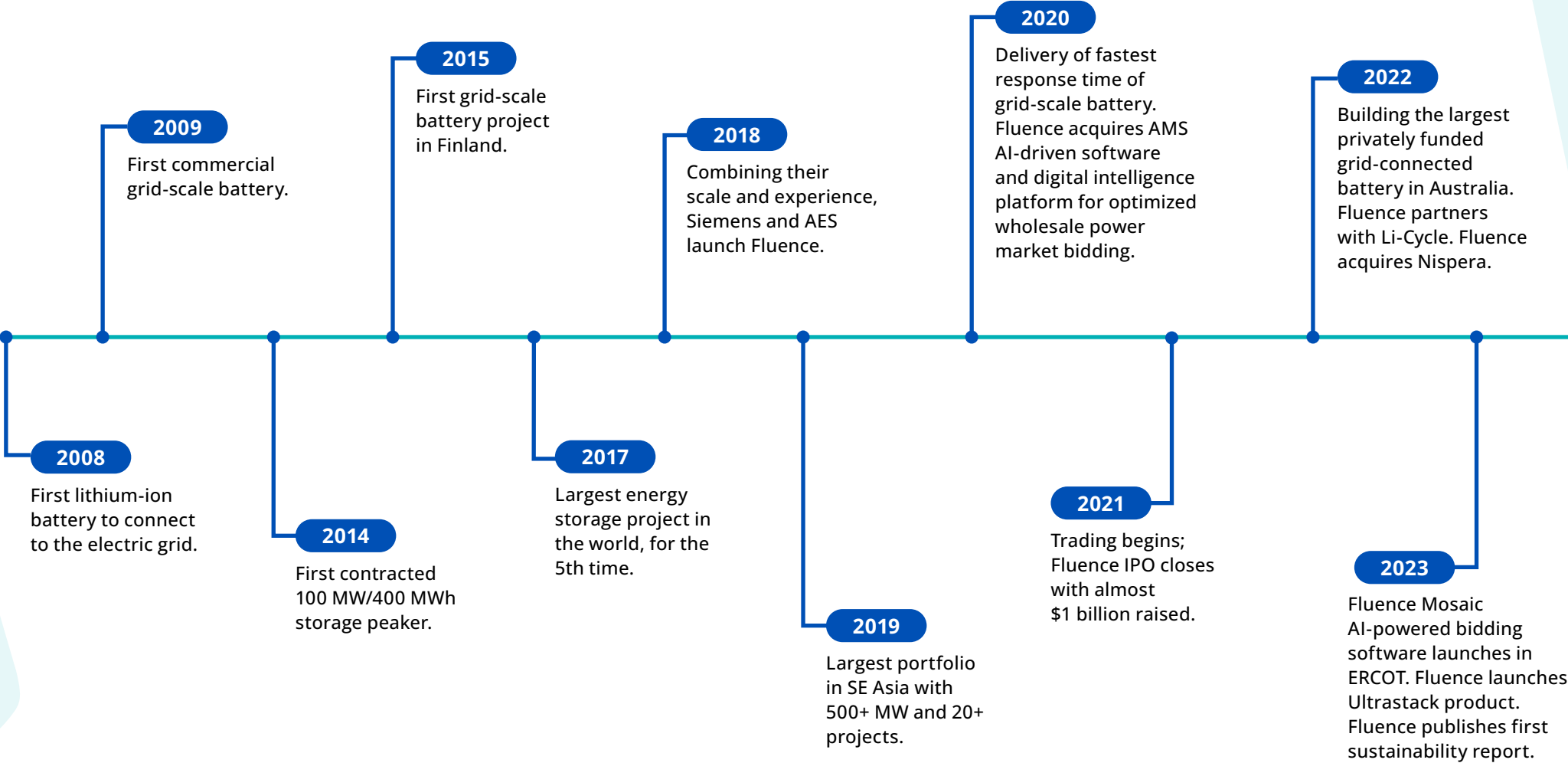
We published this report on our website, [fluenceenergy.com](https://fluenceenergy.com), in April 2023.



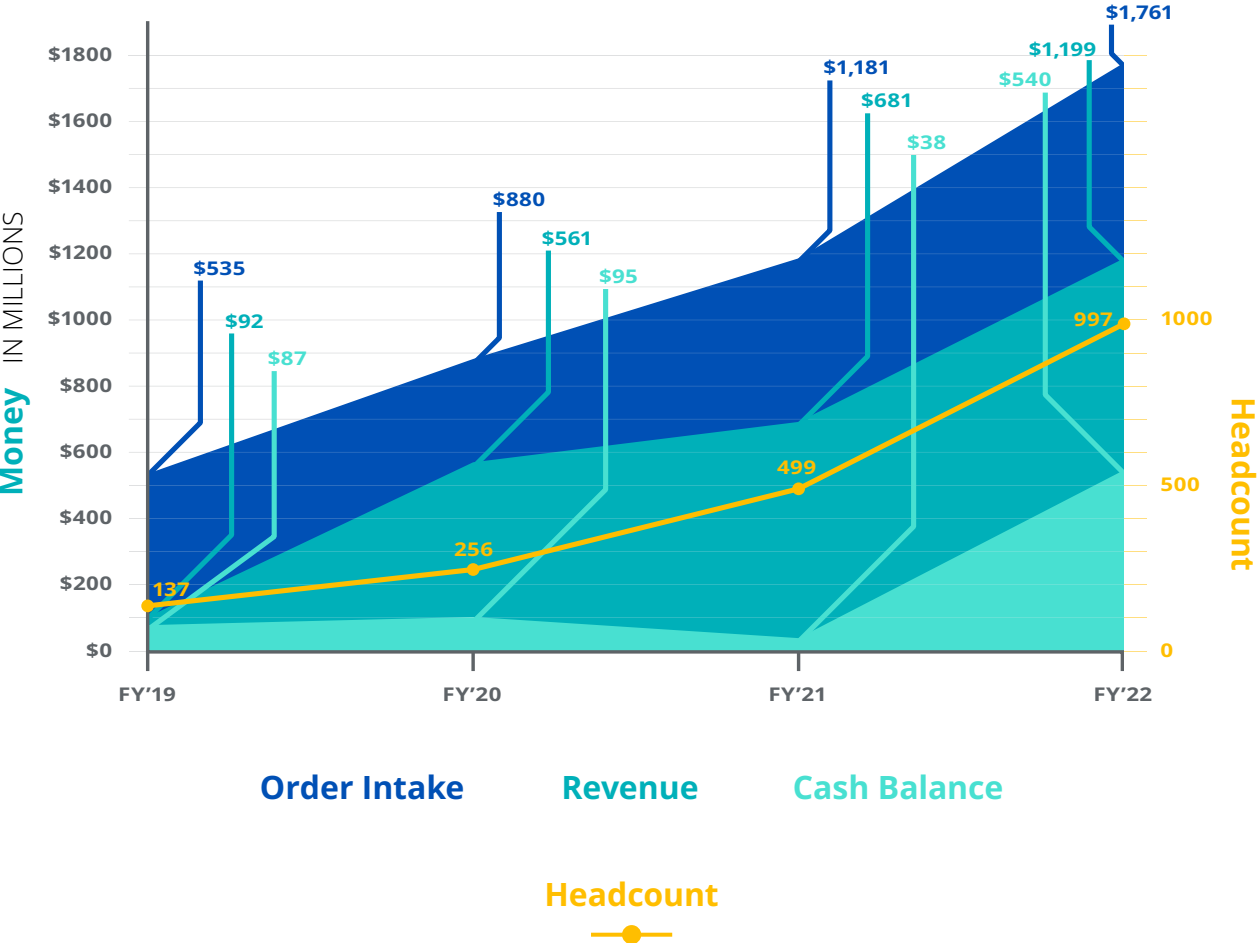
## FEEDBACK

We welcome any questions or feedback on our 2022 Sustainability Report. You can reach Michael Herod, Director of ESG and Sustainability, at [esg@fluenceenergy.com](mailto:esg@fluenceenergy.com) or Lexington May, VP of Investor Relations, at [investorrelations@fluenceenergy.com](mailto:investorrelations@fluenceenergy.com).

# Fluence Team History



# Positive Performance



FY'22

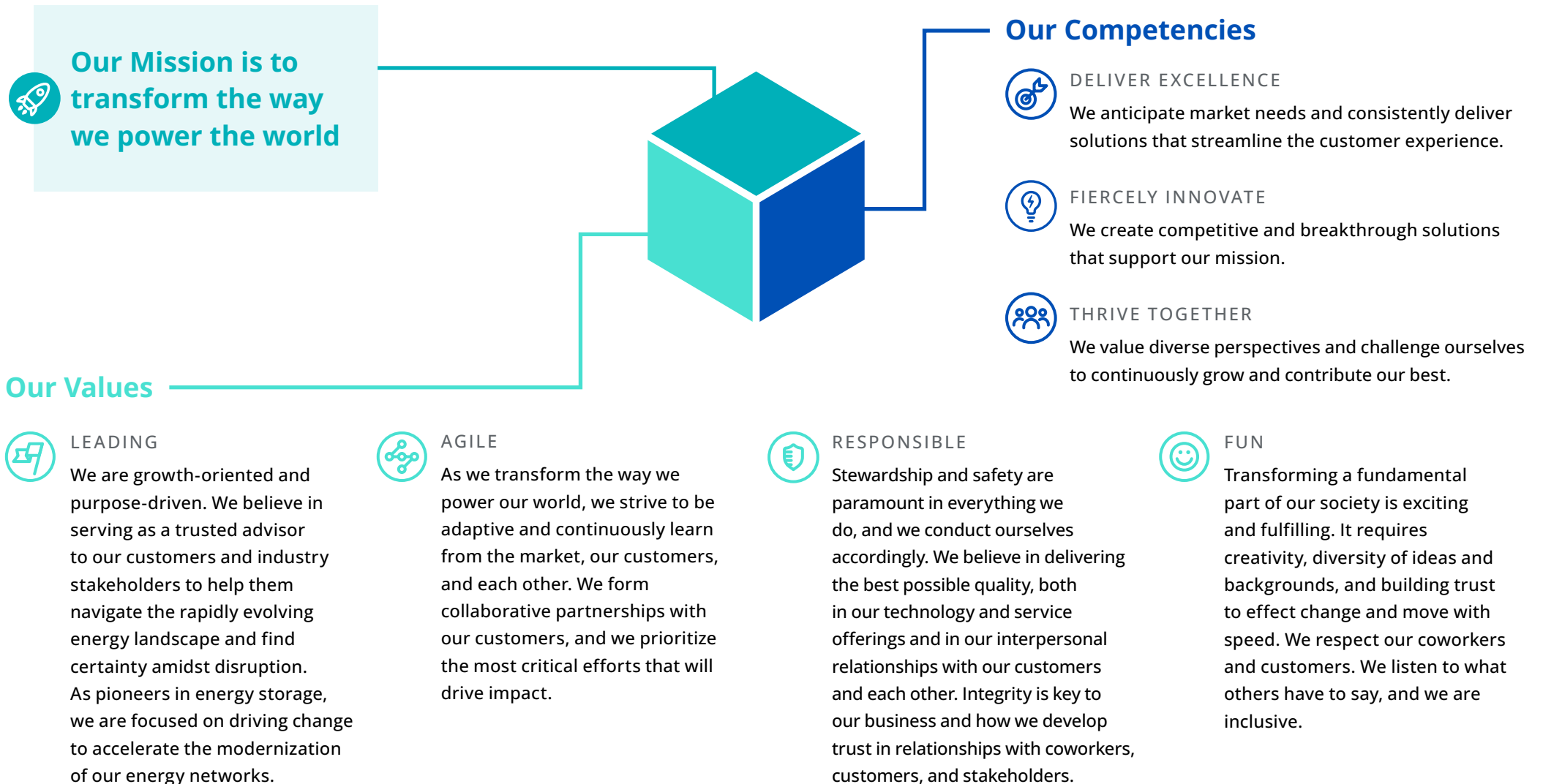
## Corporate Governance Highlights

- Nominating and Corporate Governance Committee oversight over environmental, social, and governance (ESG) practices
- Establishment of ESG Steering Committee
- Independent board chairperson
- Board composed of all non-employee directors (other than Julian Nebreda, our President & CEO)
- Fully independent Audit Committee
- Five of twelve directors identify as females
- Four of twelve directors identify as racially diverse
- Annual election of all directors

Graph includes cash and cash equivalents, restricted cash, and short term investments

# Our Corporate Culture

The Fluence Core is the interconnection of our mission, values, and competencies. Together, they describe our culture, with each element working together to fuel our ability to create a more sustainable future. It is why we exist, who we are, who we aspire to be, and how we deliver results.





# Our Products & Solutions

## Energy Storage

Our storage technology lays the foundation for better energy storage solutions with industry-leading safety, integrated controls systems, and factory-built, highly modular building blocks. By pairing the benefits of mass production with the flexibility of a highly configurable system architecture, we can serve the diverse needs of customers around the world from a single, underlying product platform.

Fluence offers energy storage solutions that are optimized for common customer applications but can be configured for specific use cases and requirements. All Fluence products can be delivered as turnkey solutions to the customer including all associated balance of plant equipment.



## Services

Proper energy storage system maintenance is complex. Maximizing the lifetime value of your asset 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 unparalleled insights and services built on decades of energy sector knowledge. Our team follows through on our commitments and is focused on building strong, long-term partnerships with our customers. We find creative solutions to maximize your asset value and meet the unique commercial and operational requirements of energy storage projects.



## Fluence IQ

Maximizing the value of storage and renewable resources requires powerful software that can help asset owners manage market volatility and system complexity to increase revenue and improve operational performance. The Fluence IQ platform provides cloud-based intelligent bidding and asset performance management (APM) software products, Mosaic and Nispera, which help customers increase energy and ancillary services revenues and optimize renewable asset performance with real-time monitoring, automated reporting, and AI-powered analytics.

Mosaic and Nispera can integrate directly with Fluence storage systems or be used with any underlying technology provider across any renewable asset class.



# Energy Storage

Fluence offers an integrated ecosystem of products, services, and cloud-based software across a range of energy storage and renewable use cases. Our solutions are integral to the energy transition and the global effort to combat climate change through the modernization of our clean energy networks.

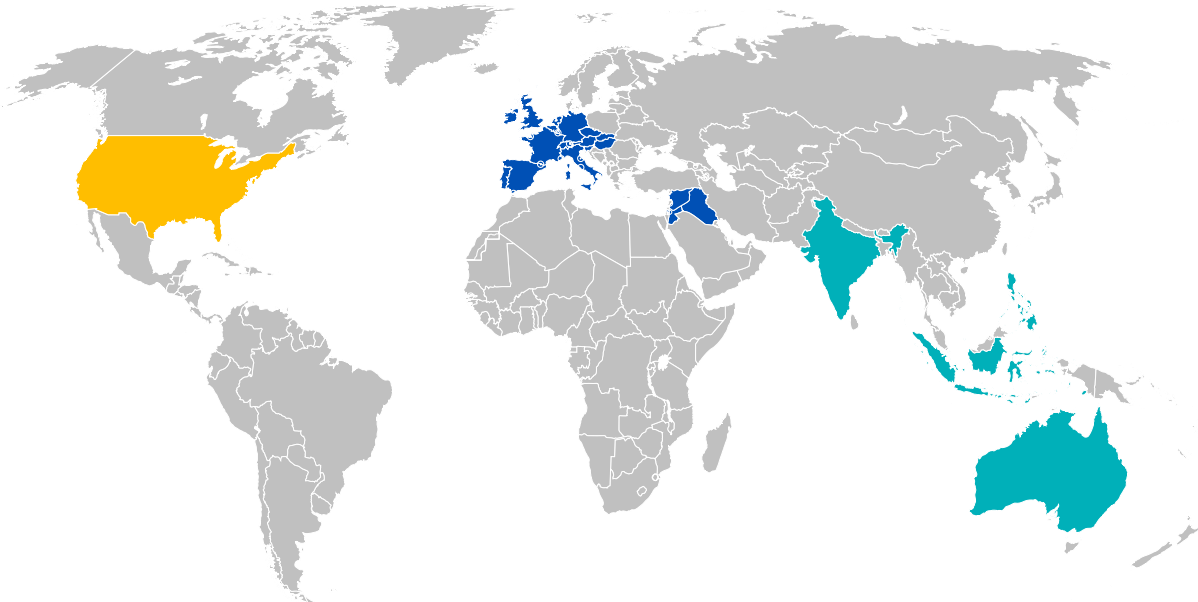
Our battery-based energy storage products are designed for the most demanding industrial applications and are backed by more than 15 years of experience designing, deploying, and operating energy storage systems. Our cloud-based software products maximize the value of renewables and storage with intelligent bidding and asset performance management so our customers can deploy and use more clean energy with higher return on investment (ROI).

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.

AMERICAS  
**4.1**  
GWh

EMEA  
**664**  
MWh

ASIA PACIFIC  
**329**  
MWh



**We delivered energy storage systems to 14 unique markets in fiscal year 2022**





## We had revenue growth by greater than 75% over 2021.

Fluence has led the industry in energy storage productization and mass manufacturing by moving mechanical, electrical, software, and battery system implementation out of project sites and into the factory floor. System performance is fully tested across our network of global testing facilities and products are shipped from regional production hubs to support customers with rapid storage deployment.



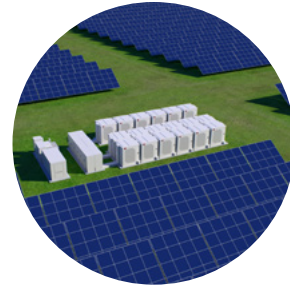
### Gridstack™

**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.



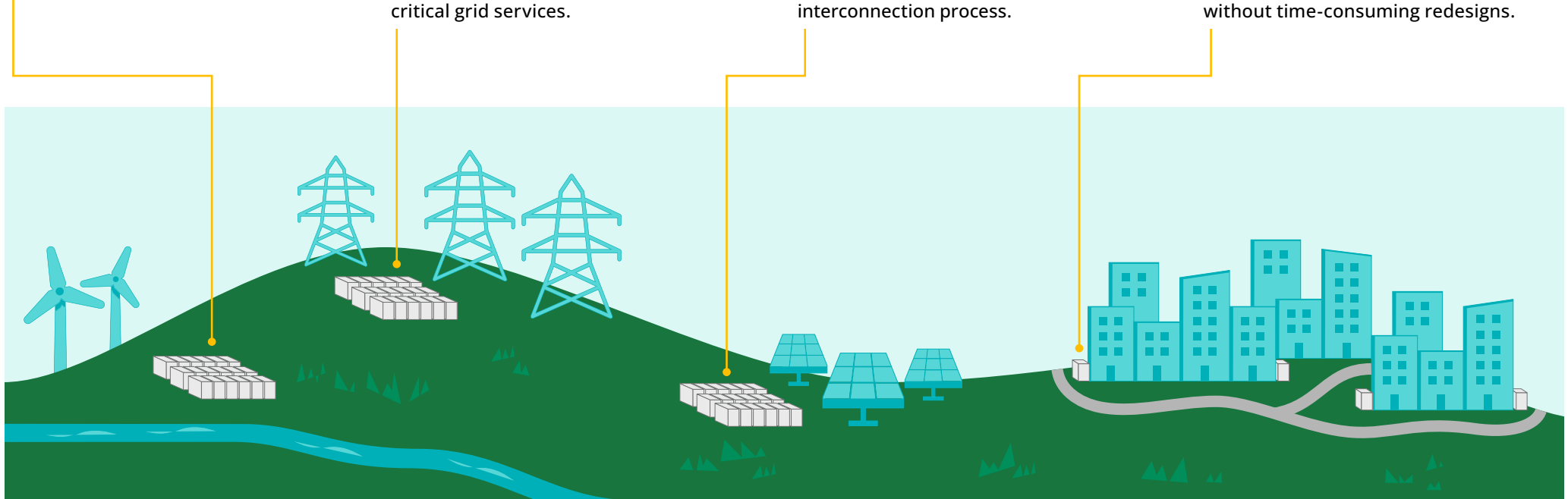
### Sunstack™

**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

Customers have continuously evolving needs. As fleet sizes increase and technology becomes more complex, energy storage service needs will continue to change.



## INCREASING FLEET SIZE

Need for comprehensive fleet management services increases as energy storage fleets grow, diversify, and become more sophisticated



## ASSET COMPLEXITY

Need for smarter O&M services as assets are more technologically advanced / complex and power markets are continually evolving



## MARKET COMPLEXITY

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



## CAPACITY MANAGEMENT

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

Fluence has a more than 90% services attachment rate with customers

What Fluence services bring to energy storage assets



## GUARANTEES

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



## SPARE PARTS

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



## WARRANTIES

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



## OPTIMIZATION SERVICES

Maintain equipment and optimal operating conditions with various maintenance and remote diagnostic services



## PROFESSIONAL SERVICES

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

# Fluence IQ

Fluence IQ maximizes the value of solar, wind, and energy storage resources with advanced software products and 3rd party applications. Fluence sells two software products, Mosaic and Nispera. These software products can integrate directly with Fluence storage systems, but are original equipment manufacturer (OEM) agnostic, meaning they can be used with any underlying technology provider.

Our SaaS\* products support solar, wind, energy storage, and hydro assets.



\*SaaS = SOFTWARE AS A SERVICE



Mosaic Intelligent Bidding Software

## 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.



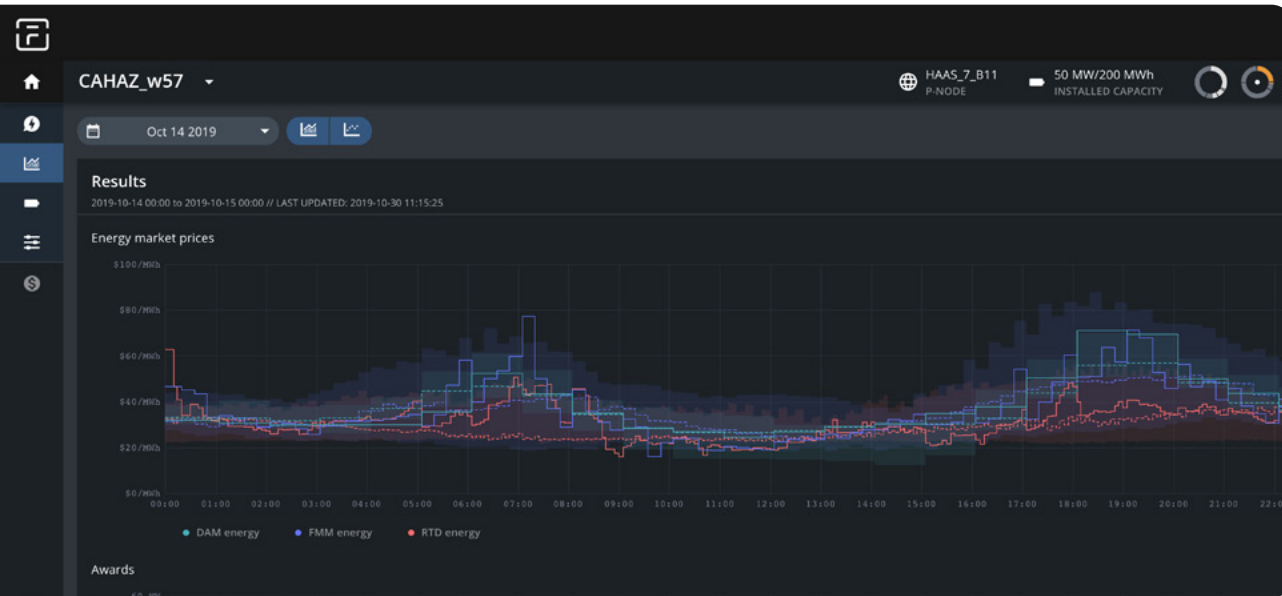
Nispera Asset Performance Management Software

## Fluence Nispera™

Nispera is a cloud-based Asset Performance Management (APM) software that optimizes 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.

\*LAUNCHED IN FY 2023



## Award-Winning SaaS Products



## Award-Winning Energy Storage Projects and Products





FLUENCE

# Sustainability



# Sustainability Vision

Our sustainability vision involves implementing digital solutions to further optimize the energy storage product supply chain and lifecycle. Utilizing digital solutions at various stages and links in our supply chain and product lifecycle will bring increased accountability through transparency and accelerate our progress toward greater change. The chart below highlights key parts of our multi-year plan to digitize our approach to sustainability.



Digital Sustainability in action:

**Upstream**

- Social and Environmental Compliance & Performance of:
- Mineral/Materials
  - Logistics
  - Manufacturing

**Lifecycle**

- Operational Environmental Compliance & Performance
- End of Life Strategy

**Downstream**

- Social and Environmental Compliance & Performance of:
- Mineral/Materials
  - Logistics
  - Manufacturing

# Key Highlights 2022

## ENVIRONMENTAL

Conducted GHG baseline analysis and created reporting boundaries

Developed Global Regulatory & Stewardship framework and governance

Stood up global facilities task force to develop program that supports employees and business growth

Launched Product Circular Economy Working Group

## SOCIAL

Announced our DEI goals and progress

Developed Global Social Compliance and Responsible Sourcing framework and governance

Conducted GHG analysis of key suppliers to gauge the maturity of their programs

Relocated and expanded team closer to supply chain partners

## GOVERNANCE

Established ESG Council and Steering Committees

Reported to Nominating and Corporate Governance Board Committee quarterly

Published our first sustainability report within 18 months of IPO

Fiscal year 2022 marked the launch of Fluence's ESG and Sustainability program. A key focus as we worked to build our program over the past year was on establishing processes, collecting baseline data, and embedding ESG as a priority across the company. Above are few notable tasks that our team accomplished this year as we worked to grow our ESG and Sustainability program.

# Sustainability Philosophies

Fluence is committed to continuously advancing our sustainability performance and setting the stewardship standard for our industry. The following stewardship philosophies guide our efforts so we can collectively achieve our sustainability goals.



## Diversity, Inclusion, and Belonging

We believe a workforce that is diverse in thought, industry experience, age, gender, and race is critical to our success.

Maintaining a diverse and inclusive culture helps attract talent and promotes collaboration and innovation. Enabling employees to perform at their best while being themselves is fundamental to achieving our mission.



## 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.



## 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 Board of Directors provides oversight and guidance. Empowering our ESG Council enables quick and efficient program implementation.



## 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.



## Human Rights & Responsible Sourcing

Our supply chain partners are extensions of our team.

We set stringent standards around 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 committed to minimizing the environmental impact of manufacturing and transporting our products.

We actively work to ensure our stewardship programs meet or exceed regulatory requirements and promote best environmental practices through our operations and value chain.

# Our ESG Accountability and Engagement

📌 We recognize that balancing our profit with our purpose requires a combination of passion, framework, data, vision, and accountability. We achieve this balance 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, we regularly meet with our Nominating and Corporate Governance Committee to ensure their alignment and gather feedback.

We strive to hold ourselves accountable through transparency with all stakeholders and that transparency begins with a well-structured program. At 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. We carry that accountability into our labs by having them externally validated through ISO certifications.

Our ESG Leader 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 ensure our responsible actions support our mission.

**We want to expand our accountability by becoming a Signatory Member of the UN Global Compact within the next two years.**

Also, to expand upon our accountability through transparency, we are incorporating the Task Force on Climate-Related Financial Disclosures (TCFD) framework into next year's report and will be submitting that report to CDP in 2024.

## 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

# Fluence Sustainability Governance

## Nominating and Corporate Governance Committee •

The entity that reports and engages with Fluence's board on a quarterly basis.

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

## ESG Steering Committee • ●

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

- CHIEF EXECUTIVE OFFICER
- CHIEF HR OFFICER
- GENERAL COUNSEL
- CHIEF SUPPLY CHAIN & MANUFACTURING OFFICER
- CHIEF FINANCIAL OFFICER ●

- DIRECTOR SUSTAINABILITY ●
  - Reporting & Stakeholder Engagement
  - Environmental Stewardship & Compliance
  - Responsible Sourcing & Social Compliance

## ESG Council • ● ●

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

- |                    |                      |
|--------------------|----------------------|
| EMEA REGION        | ENVIRONMENT          |
| HR/DEI             | RESPONSIBLE SOURCING |
| PRODUCT            | AUDIT & RISKS        |
| ETHICS             | LOGISTICS            |
| LEGAL              | HEALTH & SAFETY      |
| INVESTOR RELATIONS | MARKETING            |

# Sustainability Across Every Function



## ESG Corporate Team

The central team directly responsible for the development and execution of our ESG targets, strategies, roadmaps, policies, and programs. The department draws on multiple formal and informal touch points, including surveys and town halls, to incorporate the insights of current team members.



## Supply Chain and Sourcing

The group that manages vendor relations to ensure our ESG compliance 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.



## Product Quality & Safety and Research & Development

The teams responsible for ensuring products and services continue to promote sustainability and responsible end-of-life 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.



## ESG Steering

An executive leadership team responsible for prioritization and to ensure alignment across all internal stakeholders. We have regular briefing calls with our leadership to set strategic direction for our environmental stewardship.



## Communities and Civil Society

We ensure that we have measures in place to 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 minimize our GHG output 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 the topics that matter to them, 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.

### MATERIALITY ASSESSMENT

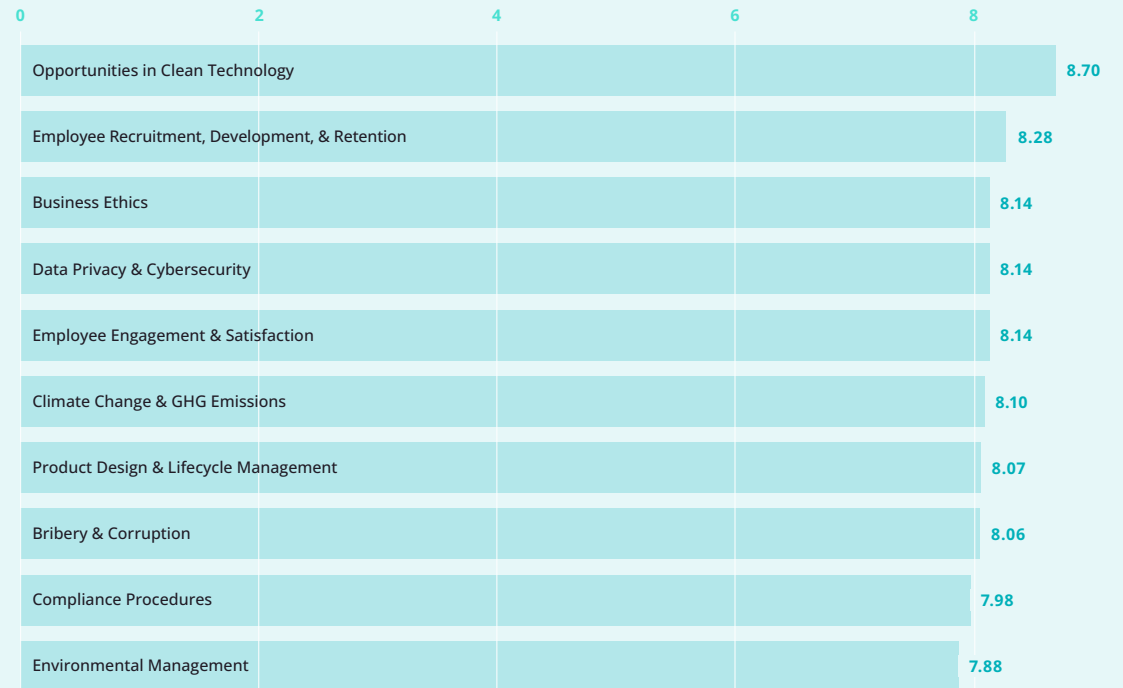
In 2022, we conducted a materiality assessment in the form of a company-wide survey across 12 departments globally ranking 20 topics. As part of our analysis, we wanted to understand how the importance placed on ESG internally at Fluence relates to external factors. This alignment ensures that we prioritize programs to best support our future success while reducing our environmental impact and promoting social compliance. The survey yielded a 34% response rate and was a crucial step in our plan to formalize our ESG strategy and enhance our ESG governance.

Through the survey, employees were asked to answer questions and rate Fluence’s current ESG priorities. Our ESG Steering Committee reviewed and analyzed the results to identify any potential gaps or needed refinements to our ESG priorities. We also held one-on-one interviews with our executive leaders to capture their views of how ESG relates to Fluence and our customers.

### INVESTOR PERCEPTION STUDY

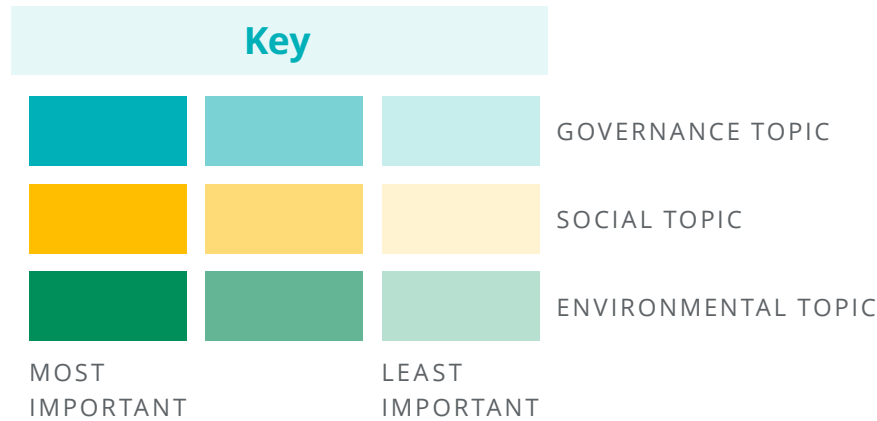
After conducting the material assessment with internal stakeholders, our next step involved learning how Fluence’s ESG priorities relate to our investors. To achieve this, we leveraged a third party to gather unbiased responses regarding how Fluence’s ESG practices compare to peers. The results were encouraging with Fluence scoring “Very Good” on governance, better than “Good” for environmental policies, and “Satisfactory” for social practices.

The ten most important ESG topics to Fluence employees:



The survey yielded a 34% response rate

Which ESG topics are most important when comparing internal and external stakeholders' opinions?



**External Stakeholder Perspective**  
(DEGREE OF STAKEHOLDER CONCERN)

Compliance Procedures	Diversity, Equity, & Inclusion	Employee Recruitment, Development & Retention	Climate Change & GHG Emissions	Business Ethics
Bribery & Corruption	Data Privacy & Cybersecurity	Supply Chain Management	Energy Management	Waste Management
Whistleblower Program & Policies	Board Oversight of ESG	Product Responsibility	Environmental Management	Product Design & Lifecycle Management
Executive Remuneration	Board Composition	Employee Engagement & Satisfaction	Water Management	Opportunities in Clean Technology

**Internal Business Perspective**  
(IMPACT ON BUSINESS)

Compliance Procedures	Diversity, Equity, & Inclusion	Employee Recruitment, Development & Retention	Climate Change & GHG Emissions	Business Ethics
Bribery & Corruption	Data Privacy & Cybersecurity	Supply Chain Management	Energy Management	Waste Management
Whistleblower Program & Policies	Board Oversight of ESG	Product Responsibility	Environmental Management	Product Design & Lifecycle Management
Executive Remuneration	Board Composition	Employee Engagement & Satisfaction	Water Management	Opportunities in Clean Technology

**Balancing Purpose with Profit**


Once we understood which ESG topics were important to our employees and leadership we wanted to view those results from an external perspective and how they could impact our business. This analysis is helping us shape our program and draft our roadmap for success. We are planning to conduct a material assessment and investor perceptions study every 3 years to ensure alignment and support.



# Our Impact

IMPACT FIGURES AS OF THE END OF FY 2022  
ON SEPTEMBER 30, 2022.

 **5.5+**  
GW of energy storage  
deployed and contracted  
mostly supporting renewables

 **17.3+**  
GW of AI-optimized  
renewables and storage

 **44**  
Markets worldwide

 **205+**  
Energy storage projects

” Climate change is at the core of what we aim to address at Fluence. There will be books written about what we’re doing today. People will write about how this industry decided to change the world. And we have an opportunity to be a protagonist in that.”

**JULIAN NEBRED A**  
President & Chief Executive Officer,  
Fluence



# Circular Economy

Our products play a crucial role in accelerating the clean energy transition and are expected to have a long service life. However, we lack visibility to what that service life or end of life entails. Therefore, 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.

We have already initiated our Material Recycling Framework by establishing internal policies that mandate battery recycling through partnerships with lithium battery recycling companies in North America and Europe. These companies will ensure that, when a battery module needs replacement, its materials can be reused in other products, contributing to a more sustainable supply chain. Over the next few years, we will expand our partnerships globally and develop a site decommissioning procedure to ensure responsible behavior and accountability when returning sites to a native state.

Our Responsive Design Framework will incorporate circular economy design principles into our products, enabling greater responsibility and lasting value. This will 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 have the potential for a second life. The Second Life Framework will combine aspects of the Material Recycling and Responsive Design Frameworks to create modularity and compatibility, providing our products with a second life before final deconstruction and recycling. 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.



Our greatest environmental opportunity lies within the lifecycle of our products.

# Fluence Circularity 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.

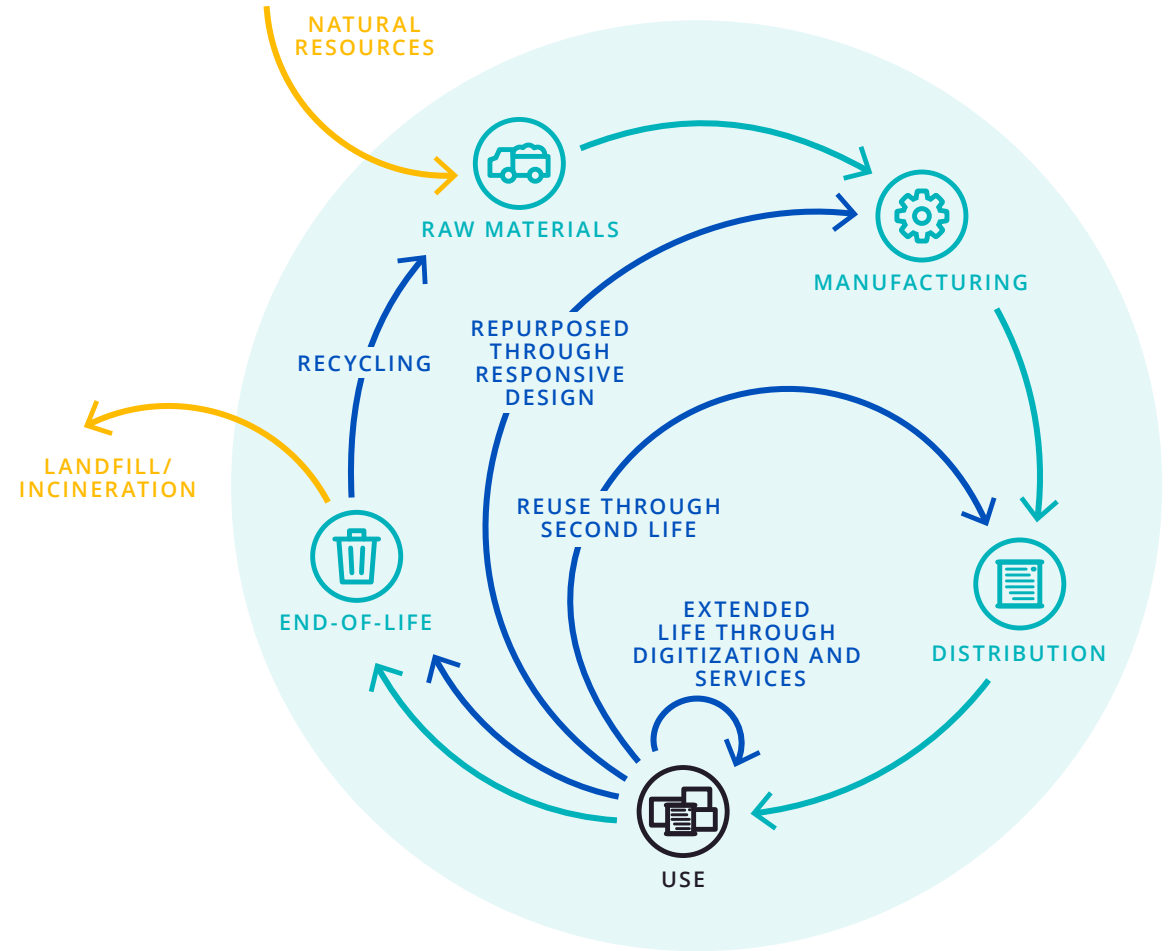
PRE-CUSTOMER TURNOVER | DURING LIFECYCLE | PROJECT DECOMMISSIONING



## 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 conceptual vision of the circular economy for battery-based energy storage

## OUR PRODUCT LIFECYCLE

Ensuring our products maintain the highest level of performance with a minimum environmental footprint requires innovation at all lifecycle stages. Earlier this year we partnered with key suppliers to assess the environmental footprint of our products. We wanted to understand the GHG emissions associated with our refrigerants, manufacturing, and support systems, and normalize them against the kWh of our products. The table below shows our findings and our efforts to embed lifecycle thinking into our design processes.

	 Refrigerant Gas GWP [KG CO <sub>2</sub> /kWh]	 Manufacturing Carbon Footprint [KG CO <sub>2</sub> /kWh]	 Battery Subsystem Carbon Footprint [KG CO <sub>2</sub> /kWh]	 Total GWP + Carbon Footprint [KG CO <sub>2</sub> /kWh]	 GWP + Carbon Footprint [TONS CO <sub>2</sub> ]
<b>EMEA</b>	12.3	0.6	13.2	26.1	17,364
<b>APAC</b>	13.4	0.6	13.2	27.2	9,566
<b>Americas</b>	7.8	0.6	13.2	21.6	89,332
<b>Global</b>	<b>8.8</b>	<b>0.6</b>	<b>13.2</b>	<b>22.6</b>	<b>116,263</b>

## The Takeaway

We consider sustainability throughout the product lifecycle and are taking steps to deliver more sustainable products. As the market and our customer needs evolve, we continue to innovate our hardware design, controls design, and software applications to maximize the value of our products to our customers and accelerate decarbonization. **We plan to complete a product lifecycle analysis within the next two years and incorporate its findings into our product circular economy program.**

Metric describes the Global Warming Potential (GWP) related to refrigerant gases used for thermal management of Fluence's energy storage.

Metric related to energy use for manufacturing of Fluence's enclosure systems and assumes the carbon intensity of energy production in country of manufacturing.

Metric describes emissions from battery subsystem production.

Metrics exclude logistics and transportation.

Metrics are related only to Fluence's energy storage products deployed during Fiscal Year 2022.

# UN Sustainable Development Alignment

## Reporting Standards

📄 This Report aligns with the Sustainability Accounting Standards (SASB): Fuel Cells & Industrial Batteries standard and the Global Reporting Initiative (GRI). Additionally, we incorporated the applicable United Nations (UN) Sustainable Development Goals that best align with our mission.

In 2015 the UN introduced the 17 Sustainable Development Goals (SDGs) that provide a blueprint for world prosperity, which can only be attained via a united international effort led by national governments and backed by nongovernmental organizations, civil society, and business companies. At Fluence, we believe we are uniquely positioned to bring together innovation, technology, people, and ideas to transform the way we power our world.

Our commitment to advancing the 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. So far, Fluence’s ESG strategy supports four SDGs, as illustrated to the right.



### FLUENCE'S ALIGNMENT



Fluence established a goal in 2021 of achieving a 33% female workforce by 2023 and we are on track to achieve that goal.



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



Fluence IQ Digital Platform provides a common platform for the creation of value-added software applications that 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 GHG impact of our product refrigerants.



Fluence offers and shall 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 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 are key to accelerating the clean energy transition.



FLUENCE  
Environment

# Environmental Stewardship

Fluence has a longstanding commitment to environmental stewardship. From our earliest efforts to establish an ISO 14001 certification program to developing a cutting-edge circular economy and supply chain for all our products and components, we are committed to continuously advancing our environmental performance and setting the environmental standard for our industry.

We see environmental stewardship as a collaborative exercise. Our executive leaders set the tone, engineering teams innovate solutions, and supply chain teams ensure we responsibly source our product components.

## Our Environmental Stewardship Strategy

Fluence's environmental stewardship strategy is outlined within our Environmental Stewardship Playbook. That strategy involves continually improving the environmental footprint of our operations, products, services, and value chain in a manner that is responsive to real-world conditions while meeting or exceeding pertinent regulations and standards. Fluence's environmentally impactful activities must align with the playbook's standards and practices, which lay out our approach to environmental management.

Our global and integrated approach to environmental stewardship while minimizing our contributions to climate change includes 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 our certification by demonstrating adherence to the site's EMS and continuous improvement goals.



The certification of our Erlangen Testfield has generated a proof of concept that the ISO 14001 EMS structure is an excellent fit for Fluence to continuously improve our environmental performance. While the Erlangen Testfield is currently our sole certified facility, over the next two years, we aim to certify all Fluence laboratories and ensure they meet the same environmental standard.

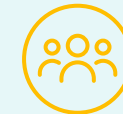
### TRANSPARENCY THROUGH DATA

Our environmental stewardship program is grounded in data that is validated and managed according to industry best practices. By understanding factors such as how much waste we produce and recycle, how much energy our facilities use, how many spill incidents we manage, and more, we will gain a better understanding of the goals we should pursue to improve our environmental performance.

In 2022, we conducted four environmental training sessions with more than a 90% attendance rate.



**4**  
TRAINING  
SESSIONS



**90%**  
ATTENDANCE



# Engagement & Accountability

📌 We leverage our regional Health, Safety, and Environmental (HSE) managers and various stakeholders to ensure we are stewards of the environment and are responsive to needs identified in the field. Fluence's Systems Engineering, Product Compliance, and HSE team ensure that our practices and products align with current and emerging environmental regulations.

We have a robust training program to equip all Fluence employees with the tools necessary to understand their role in environmental stewardship. We use our internal learning management system to train all Fluence employees on our environmental stewardship approach. In 2022, we conducted four training sessions with more than a 90% attendance rate.

## Governance Through Policies

To strengthen our environmental performance and accountability, all Fluence projects and facilities adhere to aggressive minimum environmental impact standards. In phase one of their development, we created a strategic roadmap that yielded a path to:

1. A systematic approach to understanding our operational impacts
2. Regional environmental stewardship standards
3. Developing verification and reporting tools to ensure success

## The next phase of this effort focused on developing global policies around our most operationally impactful areas:

### STORMWATER POLLUTION PREVENTION PLANNING

Fluence's Stormwater Pollution Prevention Planning policy describes best management practices to minimize operational stormwater pollution. It sets guidance to minimize stormwater runoff and erosion – mitigating our impact on the surrounding environment and communities.

### SPILL PREVENTION AND RESPONSE PLANNING

Our Spill Prevention and Response Planning policy describes our approach to ensure best management practices to prepare for and manage hazardous material spills. Our response plans include detailed measures to ensure personnel safety, total cleanup, and verification. We had 8 reportable spills and accounted for 5.8l with 2 events of materials being spilled on the soil.

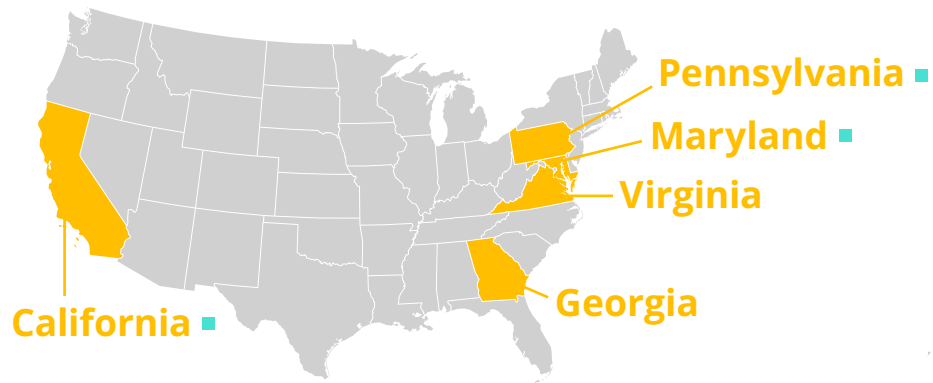
### WASTE MANAGEMENT

Fluence's Waste Management policy provides guidance and standards for responsible disposal of our spent materials. It maximizes landfill diversion tactics such as repurposing, reuse, or recycling to ensure minimal environmental impact.



# Our Facilities

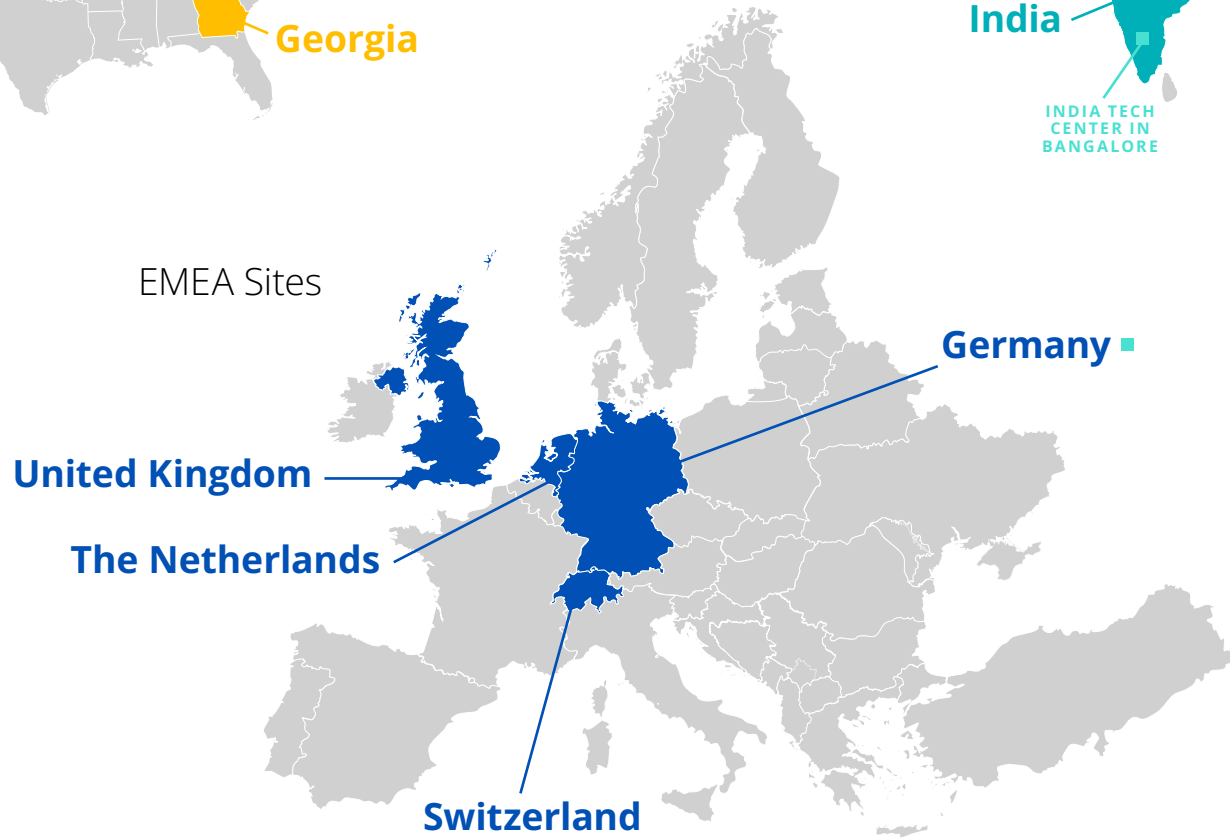
US Sites



APAC Sites



EMEA Sites



Australia



■ DENOTES LAB

# Greenhouse Gas Performance

Fluence is continuously enhancing how we collect data on our environmentally impactful activities. By setting and collecting sustainability key performance indicators (KPIs), we can develop informed strategies that minimize resource use, increase landfill diversion, and lower our greenhouse gas (GHG) emissions. In 2022, we conducted a deep analysis of our operational impacts and available data sets to better understand our baseline. This analysis helped us to effectively prioritize our strategies and roadmaps for reductions. Within the next two years we will be conducting a climate risk assessment to guide our program and increase our stewardship programs.

## GHG Baseline

A key element of transforming the way we power our world involves reducing GHG emissions. We have aligned our reporting framework to the GHG Protocol Corporate Standard to ensure transparency by separating scopes accordingly.

In 2022, we conducted a GHG data gap analysis to help us build our emissions baseline. The scope of this baseline includes our 12 leased facilities (labs and office spaces) and global travel. The analysis confirmed minimal Scope I & II emissions and revealed that our Scope III emissions present the greatest opportunity for emissions reduction. This opportunity will allow us to enact enhanced transformation throughout our value chain.

## Scope I & II Emissions

### OPERATIONAL CONTROLLED NON-OWNERSHIP ASSETS

Of our 12 sites, we have operational control of two, with access to utility data – our headquarters in Arlington, Virginia, United States and our administrative and laboratory facility in Erlangen, Germany. Where we have direct utility data access, we can implement positive change. Currently, our labs and larger offices provide the best opportunity for utility-use awareness and improvement. In 2023, we will conduct site sustainability assessments to prioritize localized improvements for reducing energy use and waste generation across our building portfolio. In the future we endeavor to partner with a green labs organization to help us develop a roadmap to certify our labs over the next two years.

**The learnings from our GHG baseline and future climate risk assessments will provide a holistic view of our emissions and enable us to create an action plan for announcing a carbon-related goal by 2026.**



## Scope III Emissions

### OPERATIONAL CONTROLLED NON-OWNERSHIP ASSETS

Fluence does not have access to detailed utility data in 10 of our 12 leased facilities. This limits our ability to enact positive change. 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.

### EMPLOYEE TRAVEL

As Fluence employees engage in necessary business travel, we leverage our travel partners to help us track and minimize our impact. In 2023, we are looking 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. **Part of that commitment is to offset our travel emissions through various programs beginning in 2023.**

## 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, fluorinated gases.

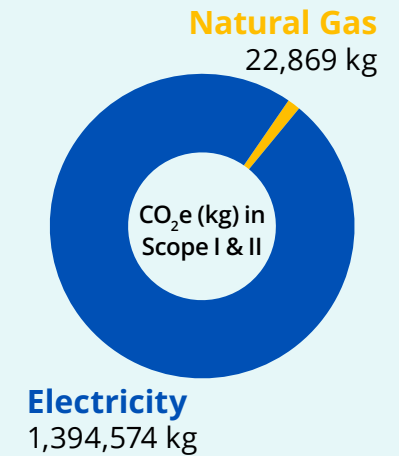
### LOGISTICS AND SUPPLIER GHG EMISSIONS

We are working with our shipping partners in areas with the highest transport volumes – Intra-Asia and Transpacific – to furnish detailed product transport and emissions data. We are also actively investigating our shipping impact in North America. With this data, we can determine the most efficient means to transport our products to minimize GHG output while maximizing efficiency and reliability. In 2022, we ran a pilot with a few suppliers leveraging the CDP reporting framework for GHG emissions. This exercise helped us better understand their impact and data awareness. We are taking the lessons learned from the pilot and are expanding it to more elements of our supply chain over the next few years. We look forward to incorporating the findings into our future Scope III reporting.

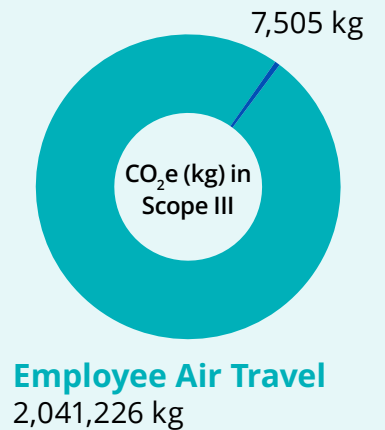
### FLUORINATED GASES

Fluence’s energy storage products are designed with critical refrigeration systems that allow the products to perform in a variety of environmental conditions. Industry-standard refrigeration systems – including ours – depend on fluorinated gases (f-gases). As part of our journey to lead the energy storage industry in environmental performance, we are actively working to eliminate our dependence on f-gases. Several Fluence teams are collaborating with refrigeration companies to pilot systems that achieve industry-standard cooling performance with little to none of the global warming effect of the status quo.

## CO<sub>2</sub>e (kg) Emissions in All Scopes



## Electricity for Cloud-Based Services



## Employee Air Travel

2,041,226 kg





FLUENCE  
Social

# Our Workplace Culture

## Equal Pay for Equal Work

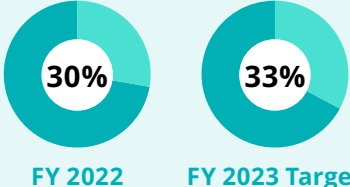
At Fluence, we are committed to practicing equal pay for equal work based upon results delivered by each employee. We believe that all employees deserve to be treated fairly and with respect, and we work to ensure everyone is paid fairly for their work and delivering results. We have instituted a process to review our pay practices to ensure that there is no discrimination based on factors such as gender, race, age, or any other personal characteristic. We also provide ongoing training to our managers and human resources team to ensure that they know the importance of equal pay and can identify and address any pay disparities that may exist. Overall, we believe that equal pay for equal work based upon results delivered is essential for creating a positive and inclusive work environment and ensuring our employees' success and satisfaction.

## Diversity

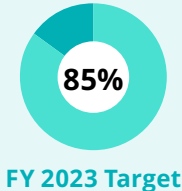
Our global workforce is our greatest asset, reflecting diverse skills, industry experience, background, race, ethnicity, gender, age, and other unique characteristics. Fluence remains committed to nurturing a culture that embraces this diversity, promotes equity, and fosters inclusion. Enabling employees to perform at their best while being themselves is fundamental to our success. We have successfully partnered with external experts to guide us in setting our diversity strategy and goals. We are also developing tools, like trainings and resources, to help our team succeed, igniting their creativity, promoting collaboration, and recognizing their contributions and achievements. Our approach supports a learning culture that helps shape each person's unique career path while creating a robust pipeline of talent to deliver on our company's long-term strategies.

## Global Gender Representation

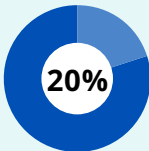
WOMEN HIRED IN WORKFORCE



WOMEN RETAINED IN WORKFORCE



## FY 2023 Target for Underrepresented Groups



” In looking at work talent from a sustainability perspective, we must attract, develop, and retain the best talent that brings diversity in all its forms, which drives diversity of thought, to achieve our strategic objectives and move the company forward.

We must also actively ensure Fluence provides an inclusive work culture where that diversity of thought is valued and utilized.”

**LARISSA CERQUEIRA**  
SVP & Chief Human Resources Officer, Fluence



## Employee Resource Groups

Fluence's Employee Resource Groups (ERGs) are voluntary, employee-led organizations that foster a diverse and inclusive workplace culture. These groups provide a platform for employees to connect and engage in activities and initiatives that promote diversity, equity, and inclusion within the company and the larger community.

ERGs also serve as valuable resources for employees, offering support and resources on topics related to diversity and inclusion. Our ERGs are open to all employees and welcome individuals from all backgrounds and experiences. They are an integral part of our company's commitment to creating a welcoming and inclusive environment for all.

### Turnover Rate in FY 2022



## Fluence ERGs



Fluence  
PRIDE



Women  
at Fluence



Hispanic  
and Latinx



Global  
VetConnect



Emerging Professionals  
of Fluence



ERGs at Fluence foster global communities that value and celebrate our differences. We support, empower, and inspire one another to advance personally and professionally."

**NICOLE WARE**

Product Manager, Fluence OS  
Women @ Fluence ERG Co-Lead



## Work-life Balance

At Fluence, we prioritize our employees' work-life balance. We believe in giving employees the flexibility to take time off as needed, whether for personal or medical reasons, to care for a family member, or simply to relax and recharge. Employees appreciate having the freedom to take time off when they need it, and this can lead to increased engagement and commitment to their work. As an employer, Fluence also benefits as it can help reduce absenteeism and turnover and can ultimately lead to a more positive and productive work environment.

### HEALTH & WELLNESS BENEFITS

All Fluence employees have access to health benefits. Health benefits are crucial to the wellbeing of our employees and their families as well as us 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. Some of the benefits employees have access to include medical, dental, and vision insurance,

as well as wellness programs, resources for mental health, and paid parental leave. There is domestic partner and same-sex medical benefits, short- and long-term disability, and a host of other benefits. By supporting the health and well-being of our employees, we believe we create a positive and supportive work environment that fosters engagement and loyalty.

### FUN AT FLUENCE

In 2022, Fluence employees took part in various company activities that promoted fun at work. We launched our Furry Friends of Fluence showcase, which encouraged team members to share pictures and details about their furry (and non-furry) pets. The showcase offered the chance for employees to gush over their co-workers' adorable companions and even compete in a most adorable pet contest. During our annual Fluence Spirit Week, employees hosted fun elective sessions for their team members to showcase their passions and hobbies. To further build comradery, Fluents across the globe hosted regional in-person gatherings during Spirit Week to connect with coworkers.



## 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 ensure 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.

# Our Safety Culture

📌 Safety is the number one priority at Fluence and is included in Fluence's core value of Responsible. Through responsible education, training, and lessons learned, we are empowered to uphold safety standards and convert risk to success. All stakeholders are educated about our world-class safety culture and understand that the goal is to provide a safe working environment for all.

Our workforce is required to attend monthly all hands safety meetings, which is one of the many ways we promote our culture of safety. During these meetings, Fluence staff and leadership present and discuss topics such as training, recent incidents, company safety trends, stop work authority, lessons learned, and environmental policies.

Fluence employs various systems to monitor and minimize personnel exposure to health and safety hazards. We consistently evaluate any possible exposure to risk for our projects. These systems apply to all personnel on all manner of job sites, including project sites, labs, corporate offices, and home offices.

Some examples of safety requirements include:



## Safety Walk

A process where project leaders systematically observe workplace activities associated with workers' behaviors and working conditions. The express intentions of a safety walk are to provide positive feedback when workers are exhibiting safe work practices and otherwise corrective feedback as necessary.



## Audits

Wherein Fluence employees, contractors, subcontractors, suppliers, and other involved parties are evaluated for compliance to 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

Where Fluence designated leaders conduct periodic (at least annual) reviews to evaluate the status and adequacy of our HSE Management System and associated processes. Any changes in objectives and requirements that are needed due to performance are identified and implemented.



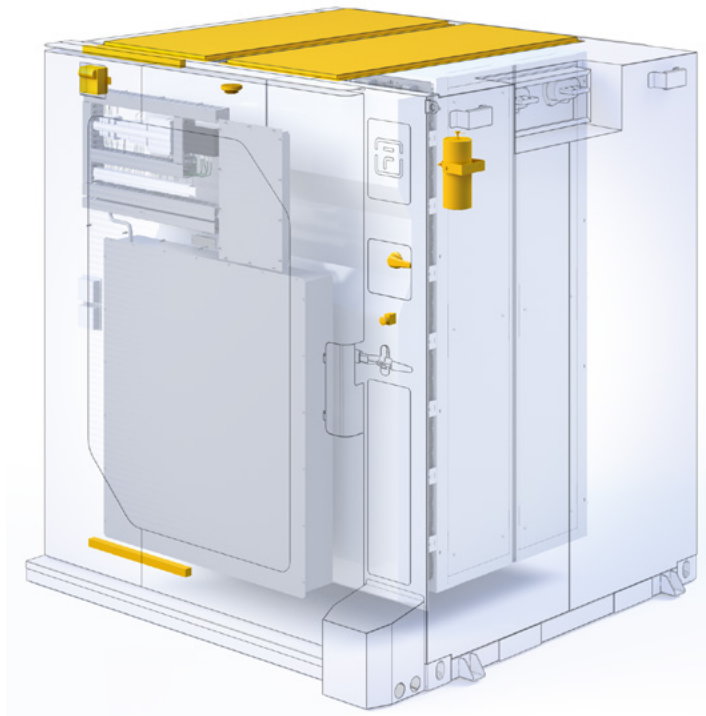
Safety Accredited by the  
Australian Government  
Federal Safety Commission



## Committed to Safety

We design energy storage solutions that operate as a single integrated system with safety embedded in every layer of controls and hardware. All systems are built with 24/7 remote monitoring and control capabilities. The Fluence Cube is 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 on all hardware components and subsystems.



## 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 26 trainings on essential topics, from safety to cyber security to legal. Our internal Learning Management System offers over 1300 courses and learnings. This training hub brings together the functional trainings and resources created by various Fluence teams into one place to streamline the learning experience. Our people leaders also work with their teams to provide training and development opportunities tailored to the goals and needs of employees.

Our employees receive **multiple training opportunities** on essential topics:



**19**

Safety  
trainings



**5**

Cyber security  
trainings



**2**

Legal  
trainings



**Fluence University**

Offering all Fluents the opportunity to learn and grow together regardless of location

## Safety Key Performance Indicators

Our safety teams work tirelessly to minimize risk and we hold ourselves accountable through global and regional documentation and data collection. All our safety program systems are grounded in data. This allows us to gauge our performance by verifying and quantifying the quality of programs and trainings, ensuring that incidents are reported and that lessons learned are articulated, and a safe working environment is maintained. We validate our compliance and progress internally via self-assessment and data integrity audits, and externally through various sources and standards such as OSHA, Bureau of Labor Statistics, 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 Total Reportable Incident Rate (TRIR), and Fatality Rate, and is documented and reported annually in the United States per OSHA regulations. **The Fluence expectation is to be below the North America Industry Classification Systems benchmark.**

## Fatality Rate

The scope of our Fatality Rate, which is 0, is focused on full-time employees (FTE). Although the scope is only FTEs, Fluence has zero fatalities across all personnel demographics, facilities, and geographies.

Our policy is to have every incident reported 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 ensure we 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.



## Our Safety Memo

Safety is paramount in everything Fluence does and is part of our company's core values.

World-class safety performance is a key strategic objective for all Fluence employees.



Fluence is enabling the global clean energy transition with market-leading energy storage products and services, and digital applications for renewables and storage. Our mission is to transform the way we power our world. We believe in solving problems, building lasting partnerships with our customers and the importance of the entire power ecosystem in forging a path to making a sustainable future certain.

Our Integrated Management System meets the highest global standards and ensures our compliance with all relevant legislation, regulations and other legal and industry requirements.

- We promote Quality, Health, Safety and Environment transparency and maintain Integrated Management System (IMS) that drives the continuous improvement cycle process (Plan-Do-Check-Act targeted in ISO 9001).
- We prioritize the prevention of problems by investing in our technical and human resources and promoting the Quality culture of both "doing things right first time" and "Doing the right thing".
- Safety is a business principle and a foundational element of our corporate value of Responsibility — rooted in our heritage of power generation and industrial systems design.
- We foster a culture of health, safety, environmental awareness and quality across the organization, ensuring all employees and managers understand their roles and responsibilities.
- Compliance with the ISO 45001 standard demonstrates our commitment to preventing occupational injuries, protecting the health, safety and welfare of all people at the workplace and actively encourage safe working practices.
- Our ISO 14001 compliance is reflected in the commitment to minimize and prevent adverse environmental impacts of our projects via conservation of resources, prevention of pollution, reduction, re-use and recycling of all waste matter and construction materials and improving water and energy efficiency already at the planning and purchasing stages, climate change mitigation and reducing our carbon footprint, and the protection of biodiversity and ecosystems.
- We establish a partnership with suppliers and subcontractors, encouraging them to adopt quality, safety and environmental objectives in their products and services.
- We deliver projects and maintain facilities throughout the world with adherence to sustainable standards and best safety practices, effective accident analysis and hazard reporting systems.
- We monitor and listen to customer feedback and conduct audits to maintain the quality of our services. We assure our performance using concrete targets and indicators and analyze results over time to identify areas for improvement.
- We continue to strengthen our policies and promote socially acceptable practices in the workplace in accordance with the SA8000 ethical standard.

Our policies and actions are rooted from its core values of Responsibility, Agility, Leadership and Fun. We enhance our staff's capabilities to tackle the challenges of sustainability, both in their personal and professional workplace. By promoting sustainability and innovation in our operations, products and systems, we aim to remain competitive and continue providing excellent solutions to our customers.

Arlington, VA, USA, 05. January 2023

# Responsible Sourcing

Fluence is continually entering new markets and growing our ecosystem of offerings through strategic, trust-worthy partnerships with suppliers who share our commitment to sustainable growth. We recognize that our extended supply chain is a critical link between Fluence and our customers, ensuring that goods and services are delivered at the highest quality and ethical standards. Fluence is proactively establishing ESG standards throughout our supply chain to drive accountability and further our commitment to ethical operational practice.

Transparency is a core element to ensuring supply chain sustainability. The Fluence responsible sourcing mission is to seize opportunities and mitigate risks within our supply chain. To further our commitment to a sustainable future, we are working to minimize the societal impact of our sourcing and operations. We value human life and rights and work diligently with our international suppliers to combat forced and child labor practices. We recently published our Forced Labor Commitment Letter that clearly states our stance and the mechanisms we use to ensure our products do not contribute to child or slave labor. We are also working to manage modern risks associated with globalization and climate change, among other market megatrends. We aim to exceed our current procurement targets without compromising future growth and long-term business sustainability.

Fluence's Responsible Sourcing team and Procurement team collaborate to support supplier risk management and implement supply chain sustainability programs. Our governance structure allows for this cross-functional collaboration and ensures all internal stakeholders are aligned.



To succeed, Fluence must be able to fulfill our mission through our supply chain. This involves ensuring that our suppliers understand our sustainability initiatives, align with them, and can walk in step with us in fulfilling them.”

**CAROL COUCH**

**SVP & Chief Supply Chain and Manufacturing Officer  
Fluence**



OUR BATTERY RECYCLING PARTNER, LI CYCLE.

# Forced Labor Commitment Letter

Fluence takes responsibility for ensuring ethical business practices in its supply chain, which entails human rights as a fundamental value. We strive to ensure ethical sourcing and Fluence already has a strict human rights policy in place, included in our Supplier Code of Conduct.

Our [Code of Conduct](#) states Fluence’s expectations with respect to responsible sourcing, including our commitments to human rights, environmental efforts, health and safety, ethical business practices, and the development of a diverse and resilient supply chain. The Code of Conduct is aligned with the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights (UNGPs). Fluence neither uses nor tolerates any form of abusive or illegal labor such as forced labor or human trafficking. All labor must be voluntary, and workers must be allowed freedom of movement. **All forms of forced labor and human trafficking are prohibited**, including but not limited to, any form of prison, slave, bonded, or forced indentured labor.

As we are concerned about the allegations regarding the treatment and forced labor found in certain parts of the world, Fluence wants to emphasize its **zero tolerance** towards the violation of basic human rights of employees,

including but not limited to, forced labor in its supply chain. We take any allegations of improper labor practices very seriously and will investigate. If true, we will take appropriate action, including **terminating** the agreement.

We are dedicated to governing our supply chain in accordance with our Code of Conduct to ensure everyone in our supply chain is treated with dignity and respect. Specific compliance clauses are included in the contractual documentation between Fluence and its suppliers. We expect adherence to those requirements. This includes cooperation with our representative as well as incident driven audits. In case these requirements are not fulfilled, this can have consequences up to a termination of the contractual relationship.

As always, Fluence reserves the right to further update our Supplier Code of Conduct at any time, in our sole discretion. We thank you for your collaboration and your continued support.



**JULIAN NEBREDA**  
President & CEO



**MANAVENDRA SIAL**  
SVP & Chief Financial Officer



**CAROL COUCH**  
SVP & Chief Supply Chain & Manufacturing Officer

## Our Responsible Sourcing Strategy

Fluence's Code of Conduct for our suppliers and third-party intermediaries reflects fair and respectful treatment of employees, healthy and safe working environments, a strict surveillance system to minimize the risk of child labor or forced labor, environmental sustainability, and other ethical and responsible business practices.

The Supplier Code of Conduct outlines our expectations of supplier business conduct. It helps us select suppliers who operate in a manner consistent with these expectations and helps our suppliers understand and comply with these expectations.

Supplemental to our Supplier Code of Conduct, our Responsible Sourcing Playbook identifies areas of compliance and governance and outlines best practices for our suppliers and stakeholders. All procurement practices must align with the Playbook's guiding principles.



### What is in Fluence's Supplier Code of Conduct?

The Code covers the following topics:

- Compliance with applicable laws and regulations
- Ethical behavior and integrity in operating practices
- Respect for human and employment rights
- Embracing sustainability and operating in an environmentally responsible manner
- Promoting the safety, health, and well-being of employees
- Implementing management systems to maintain business continuity, performance, governance, and continuous improvement

# Conflict Minerals Policy

■ As a global company, Fluence aims to conduct its business in a way that upholds human rights, including the work that we do with external partners throughout our supply chain. To ensure responsible actions in our supply chain, we leverage our “Code of Conduct for Fluence’s Suppliers and Third-Party Intermediaries”. We contractually commit our suppliers to this Code of Conduct and, in turn, expect them to promote these standards to their own suppliers. In recognition of the link between the global minerals trade and the financing of armed groups in the Democratic Republic of Congo and adjoining countries (DRC region) we seek to ensure our actions do not contribute to the armed conflicts causing extreme violence and other human rights violations.

We strive to operate in an ethical manner and this policy supports our greater Code of Conduct that guides our actions with respect to upholding human rights throughout our value chain. Specifically, regarding conflict minerals 3TG (Tin, Tantalum, Tungsten, and Gold) we support government and industry efforts to eliminate human rights abuses in the sourcing of these conflict minerals. We recognize that, as an energy storage solution, we must also include Cobalt and Lithium as minerals that might promote human rights violations during their mining and refining. We maintain an enterprise-wide Supply Chain Due Diligence Process to determine the use, source, and origin of the relevant minerals in our supply chain. This overall process is comprised of the Responsible Minerals

Assurance Process (RMAP) as part of the Responsible Minerals Initiative. We work closely with our suppliers to support us in carrying out these steps.

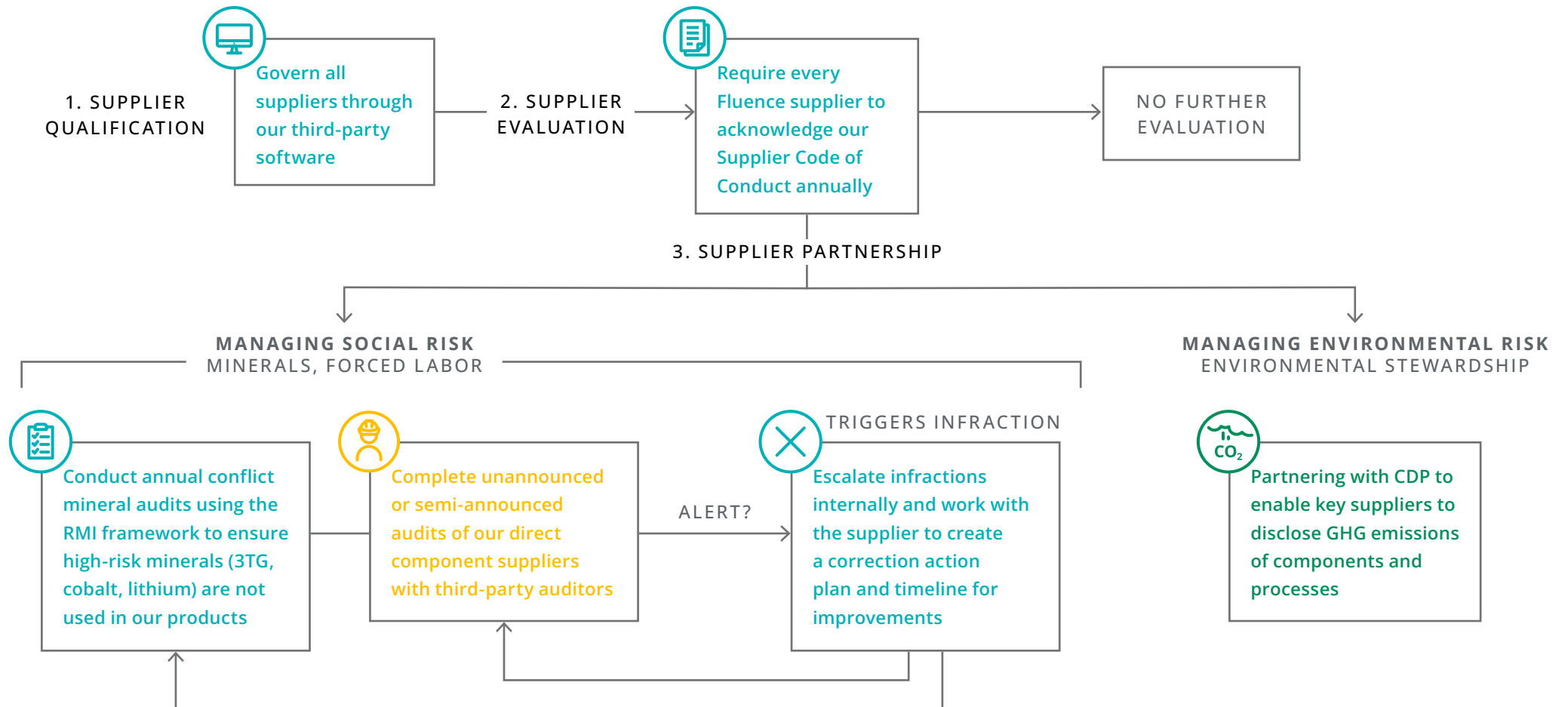
## Our engagement of suppliers includes the following:

- We instruct our suppliers to source materials from suppliers who also source responsibly, including from legitimate, conflict-free mines in the DRC region.
- We require all our 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 working toward avoiding the use of minerals within our supply chain from conflict-affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance. Please send any questions to [conflictminerals@fluenceenergy.com](mailto:conflictminerals@fluenceenergy.com).

## Supplier Onboarding & Validation Process

We embed Sustainability and ESG Principles into our multi-step approach to deliver on our commitment to ethical procurement. That approach includes three systematic processes to govern our suppliers:





## 1. SUPPLIER QUALIFICATION

The supplier qualification program is built on our Supplier Code of Conduct. The supplier qualification program also identifies legal and compliance tools that are used to pre-qualify suppliers. Prior to onboarding, we run thorough checks on all potential partners for any business transactions. Fluence leverages our supplier relationship management system to qualify and onboard new suppliers. This supplier relationship management tool has clearly defined objectives and serves as a foundation to our business partnerships. While onboarding suppliers, the procurement team vets and approves Supplier Code of Conduct declarations, legal compliance documentation, and ESG disclosures (in particular, social accountability standards).

Fluence ties third-party intermediaries to our ethical standards in the same manner as any other supplier. We perform our due diligence prior to onboarding a potential third-party intermediary, including a risk assessment of publicly available information, internally as well as through independent sources. We also request relevant social compliance certifications as part of the qualification process.

Specific compliance clauses are included in the contractual documentation between Fluence and our third-party intermediaries and we expect adherence to those legal requirements which are monitored over the course of our partnerships. This includes cooperation with our preventative as well as incident-driven audits.







## 2. SUPPLIER EVALUATION

Fluence's Supplier Evaluation Process features regular collaboration with our suppliers for annual ESG disclosures. This process entails multiple areas of risk management initiatives and we have established a strong base through our Supplier Code of Conduct declaration. We recognize that it is vital to maintain a vigilant checks and balances system to uphold human rights and minimize our environmental impacts throughout our supply base.

## 3. SUPPLIER DEVELOPMENT

With our diverse and widespread supplier base, we insist on stringent standard setting for social compliance. We identify social compliance risk by our vendor spend, vendor location, and the industry in which the vendor operates.

After developing our risk assessment process, we implemented an auditing program that focuses on high-risk vendors and created an annual schedule to govern social compliance by risk association. Unannounced and semi-announced audits are conducted through our third-party auditing partners to eliminate the chance for any bias or overlook. We use a trusted third-party system to conduct workplace conditions assessments to govern social issues such as child labor, forced labor, and slavery in the supply chain. We also assess the vendor's working conditions for its employees, wages, and all accounts of possible over-time and leave.



FLUENCE  
Governance

# Corporate Accountability

Fluence was founded on the belief that sound corporate governance practices promote long-term value for internal and external stakeholders, and 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 supports the management team by overseeing and directing the management of our business and is elected annually by our stockholders. The Board conducts its business through meetings of the Board of Directors and its standing committees. The Board consists of three standing committees: the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation & Human Resources Committee. Each standing committee is governed by a written charter which is available on our website at [fluenceenergy.com](http://fluenceenergy.com).

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, director responsibilities, etc.

## 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 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. 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, and Nominating and Corporate Governance Committee. Each committee regularly reports to the Board.

There were 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. For information relating to material legal proceedings of the company, please see [Fluence’s Annual Report](#) on Form 10-K filed with the Securities and Exchange Commission on December 14, 2022, and available on [www.sec.gov](http://www.sec.gov).

### BOARD COMMITTEES

Name	Function	Year Joined	Audit Committee	Compensation and Human Resources Committee	Nominating and Corporate Governance Committee
Axel Meier	Director	2021			X
Barbara Humpton	Director	2021		X	
Cynthia Arnold	Independent Director	2021	X	X	X
Elizabeth Fessenden	Independent Director	2021	X	X	
Emma Falck	Director	2021			
Harald von Heynitz	Independent Director	2021	X	X	X
Herman Bulls	Independent Board Chairperson	2021	X		X
John Christopher Shelton	Director	2021			
Julian Nebreda	Director, President and CEO	2021			
Ricardo Falu	Director	2022			
Simon James Smith	Director	2021			
Tish Mendoza	Director	2022		X	X

# Compliance & Ethics

Fluence maintains a well-established Code of Conduct and Ethics that all Fluence employees, suppliers, and vendors are expected to follow. Any escalations or concerns are escalated as warranted. 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. Fluence personnel receive ongoing training and guidance, which include instructions on how to report any material issues which may include non-compliance involving issues relating to bribery or anti-competitive behavior. Various compliance reporting tools are made available to anyone who wishes to anonymously report any potential compliance violations (consistent with local laws). 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 miscellaneous counterparties are subject to due diligence processes, which include screening against sanctioned or restricted party lists.



## Standardization & Certifications

Fluence leverages various globally recognized ISO standards. We began in 2019 by certifying our Erlangen Testfield in Germany to ISO 9001, 14001, and OHSAS 18001. We have continued to expand our certifications to some of our USA and Australia sites and have laid out a roadmap to hold ourselves accountable.



2019	2020	2021	2022	2023
Germany	Germany	Germany	Germany	Germany
ISO 9001	ISO 9001	ISO 9001 <i>Added Lab</i>	ISO 9001	ISO 9001
ISO 14001	ISO 14001	ISO 14001	ISO 14001	ISO 14001
OHSAS 18001	OHSAS 18001	ISO 45001	ISO 45001	ISO 45001
		OHSAS 18001		
	Australia	Australia	Australia	Australia
	ISO 9001	ISO 9001	ISO 9001	ISO 9001
				ISO 45001
		USA	USA	USA
		SA8000	SA8000	SA8000
			ISO 9001	ISO 9001
				ISO 45001

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



# In Closing

📌 We wanted to pass along our gratitude to everyone within Fluence who contributed to this report's publication and success. We undertook a monumental task to publish a report so soon in our maturity. It was a collaborative effort by many passionate people who shared ideas, thoughts, data, and stories. We're excited about the future we are creating and how our sustainability digital solutions will create greater trust, value, and reduce risk for our customers. Our vision is to be the embodiment of accountability through transparency and digitizing our approach is how we're going to do it. Below are a few milestones towards that vision:

## 2022

- Established Fluence's Sustainability & ESG Foundation
- Some progress on goals, reporting and compliance, more in future years

## 2023

- Publish first Sustainability Report
- Mitigate employee travel GHG
- 33% of new hires are women
- Incorporate TCFD into annual reports and create CDP Report

## 2024-2025

- Conduct Product Lifecycle Analysis
- Execute Climate Risk Assessment
- Become a signatory member of the UN Global Compact
- Launch Philanthropy Program or Foundation

## 2026-2028

- Develop and evolve our Decarbonization strategy
- Set the Energy Storage Circular Economy standard

## By 2030

- Lead the energy storage industry in accountability and transparency through Digital Sustainability

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. You are important to that mission. If you have any questions about our sustainability program, please drop us a note at [esg@fluenceenergy.com](mailto:esg@fluenceenergy.com).

### MIKE HEROD

Director, ESG & Sustainability  
Fluence





# Appendix

# 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 Pages <a href="#">11</a> , <a href="#">12</a>
		3.b	3.b. Average energy efficiency of fuel cells Page <a href="#">12</a>
		3.c	3.c. Average battery efficiency as coulomb efficiency, by product application and technology type Page <a href="#">12</a>
Environmental Stewardship	Energy Management	1.a	1.a. Total energy consumed
		1.b	1.b. Percentage grid electricity Both on page <a href="#">35</a>
	Hazardous Waste Management	8.c	8.c. Number and aggregate quantity of reportable spills, quantity recovered Page <a href="#">32</a>
	Greenhouse Gas Emissions	10.a	10.a. Percentage covered under emissions-limiting regulations Page <a href="#">34</a> , <a href="#">35</a>
Ethics	Business Ethics	7.a	7.a. Description of policies and practices for prevention of (1) corruption and bribery and (2) anti-competitive behavior Pages <a href="#">51</a> , <a href="#">52</a>
End of Life	Product End of Life Management	4.c	4.c. Description of approach to manage use, reclamation, and disposal of hazardous materials Both on pages <a href="#">26</a>



IMPACT AREA	DISCLOSURE	SASB METRIC #	SECTION REFERENCE
<b>Finance</b>	Activity Metrics	9.a	9.a. Number of units sold
		9.b	9.b. Total Storage capacity of batteries sold
		9.c	9.c. Total energy production capacity of fuel cells sold <i>All on page 10</i>
<b>General Counsel</b>	Legal-Compliance	7.b	7.b. Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption
		7.c	7.c. Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations. <i>Both on page 51</i>
<b>Global Safety &amp; Quality</b>	Workforce Health & Safety	2.a	2.a. Total recordable incident rate (TRIR) <i>Page 42</i>
		2.b	2.b. Fatality rate <i>Page 42</i>
		2.c	2.c. Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards <i>Pages 40</i>
<b>Responsible Sourcing</b>	Materials Sourcing	5.a	5.a. Description of the management of risks associated with the use of critical materials <i>Page 45, 46</i>

# GRI Crosswalk

IMPACT AREA	DISCLOSURE	GRI#	SECTION REFERENCE
Architecture & System Engineering	Product Efficiency	302-5	302-5. Reduction in energy requirements of products and services Pages <a href="#">34</a> , <a href="#">35</a>
	Energy Emissions	302 305	302. Energy consumption Pages <a href="#">34</a> , <a href="#">35</a> 305. SCOPE 1, 2, 3 Emissions Page <a href="#">35</a>
Environmental	Effluents and Waste	306-1 306-2 306-4	306-1. Waste generation and significant waste-related impacts 306-2. Actions including circularity measure taken to prevent waste generation in the organization's own activities 306-4. Waste diverted from disposal All on page <a href="#">32</a>
	GHG Emissions	305-1 305-2 305-3 305-6	305-1. SCOPE 1 305-2. SCOPE 2 305-3. SCOPE 3 All on pages <a href="#">34</a> - <a href="#">35</a> 305-6. Ozone depleting substances Page <a href="#">34</a>
	GHG Emissions	305-7	305-7. NOx, SOx and other significant air emissions Both on page <a href="#">34</a>
	Anti-Corruption	205	205. Anti-corruption Page <a href="#">52</a>
Ethics	Economic Performance	201-1 201-2	201-1. Direct economic value generated and distributed 201-2. Financial implications and other risks and opportunities due to climate change Both on page <a href="#">7</a>

IMPACT AREA	DISCLOSURE	GRI#	SECTION REFERENCE
<b>Human Resources</b>	Employment/Benefits	401-1 401-2	401-1. New employee hires and employee turnover Page <a href="#">38</a>
	Diversity, Equity & Inclusion	405-1	401-2. Benefits provided to full-time employees Page <a href="#">37</a>  405-1. Percentage of individuals within the org's governance bodies according to gender age, minority representation Pages <a href="#">7</a> , <a href="#">37</a>
<b>Global Safety &amp; Quality</b>	Occupational Health & Safety	403	403. OSHA Page <a href="#">42</a>
<b>Responsible Sourcing</b>	Supplier Environmental Assessment	308	308. Supplier environmental assessment Page <a href="#">47</a>
	Human Rights Assessment	412	412. Employee training on human right policies and assessment of actions taken against violation of human rights Page <a href="#">39</a> , <a href="#">41</a> , <a href="#">44</a>
	Supplier Social Assessment	414	414. New suppliers screened using social criteria and negative social impacts on supply chain and actions taken Page <a href="#">48</a> , <a href="#">49</a>

# Validation Statement



At the start of 2023, Sustaining Supply Chains validated the greenhouse gas (GHG) emissions numbers of Fluence over Fiscal Year 2022. 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. Most reported GHG sources fall within scope 3. Not for all GHG sources emission numbers are reported, with being logistics as an important source currently missing. However, Fluence plans to incorporate these numbers within the next ESG report over Fiscal Year 2023. All other reported GHG emissions numbers are reasonable and follow the approach of measure where you can, estimate if needed. Finally, emissions are reported in CO<sub>2</sub>-equivalents and report on full well-to-wheel scope in case of fuels combustion.

## Conclusions

Publishing its first ESG report, Fluence takes a significant step in transparency on GHG emissions. The FY 2022 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.

A handwritten signature in black ink, appearing to read "Wiger Aantjes", written over a circular stamp or seal.

**WIGER AANTJES, MSC**

**Partner | Sustainable Supply Chain Expert**

**16th of February 2023**

# 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. All forward-looking statements in this report are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

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