

Environmental, Social, Governance Report

A Review of Stem's 2023 Corporate Sustainability

stem

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A Message from Our CEO

I am incredibly proud to reflect on the remarkable journey we have undertaken at Stem over the years, especially in doing our part to accelerate the clean energy transition. The current landscape of the global energy industry is rapidly evolving, with renewables emerging as a focal point for sustainable growth and development. As we witness the increasing demand for solar and storage and the pivotal role that advanced software technologies play in driving this shift, it is clear that Stem's mission to maximize the economic, environmental, and resiliency value of energy assets through our leading AI / digital platform is more vital than ever.

Stem stands at the intersection of AI and decarbonization. Our dedicated efforts have positioned us as industry leaders and allowed us to drive economic growth, resilience, and sustainability across various markets. Through the collaborative work of our passionate employees, partners, and shareholders, we have deployed and managed billions of dollars' worth of energy assets worldwide, making significant strides towards our shared mission.

As energy buyers seek to decarbonize around-the-clock operations, Stem's strategic industry alliances will be crucial to deliver the most innovative products, enabling renewable energy at scale. The recent alliances with companies like SB Energy, Mercuria Energy Trading, and community choice aggregators (CCAs) in California signify the trust and impact we are cultivating across sectors and diverse markets. Furthermore, third-party recognition of Stem's Athena®, our AI-driven clean energy platform, reaffirms our commitment to sustainability and helping customers progress towards their decarbonization goals.

As we look ahead, there is still much work to be done. With our unwavering dedication to environmental, social, and governance best practices, I am confident that Stem will continue to lead the way in bringing innovative, collaborative, and equitable solutions to navigate the complex landscape of renewable energy challenges, seize new opportunities, unlock the full potential of energy assets, and accelerate the clean energy transition.

Many thanks to our Stem employees, customers, partners, and shareholders for their collective impact, efforts, and commitment to sustainability. Let us continue to strive for excellence and drive positive change in the energy sector and beyond.



John Carrington
Stem CEO



About Stem

About this Report

In our first annual Environmental, Social, and Governance (ESG) Report (“Report”), we are proud to showcase the progress we have made toward our sustainability goals. This Report reflects data collected throughout the 2023 fiscal year (January 1, 2023 to December 31, 2023) and discusses our impact across areas like greenhouse gas emissions, employee work-life balance, responsible sourcing, data security and privacy, and much more.

This Report aligns with established ESG frameworks and standards, including Sustainability Accounting Standards Board (SASB) standards and Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This Report is also informed by Global Reporting Initiative (GRI) standards and United Nations Sustainable Development Goals (UN SDGs). Several industry-trusted third parties validated our data integrity and quality throughout to ensure accountability. We engaged Green Project as our carbon accounting partner, which utilized the globally accepted Greenhouse Gas (GHG) Protocol standard to perform our emissions calculations. We also engaged Novisto as our sustainability metrics partner to help align our data with SASB industry-specific standards and the TCFD framework. Our stakeholders – including employees, partners, customers, and suppliers – all contributed to this Report by providing important feedback.

This inaugural Report marks a foundational milestone in our journey to become a more sustainable company. As we continue to grow, we intend to expand and enhance this Report annually as part of our long-standing commitment to our society, industry, and planet.

To learn more about Stem, visit stem.com.

For questions about this report, contact investors@stem.com.

Our Corporate Culture

Our Mission

Our mission is to maximize the economic, environmental, and resiliency value of energy assets through our leading AI / digital platform.

Our Values

Our Values are the intersection of who we are within the organization and in what we offer our customers. These values act as guiding principles that drive our business and our culture.

Customer Value

We help our customers win.

Excellence

We are data-driven, leveraging our domain expertise.

Execution

We exceed commitments at every level of the company.

Innovation

We accelerate the energy transition.

Inclusion

We value, include, and hear everyone. We are one team.

Ownership

We debate, decide, and do.



Our Solutions & Services

In 2023, Stem provided clean energy solutions and services designed to maximize the economic, environmental, and resiliency value of behind-the-meter (BTM) and front-of-the-meter (FTM) projects. Our partners and customers included Fortune 500 corporate energy users, project developers, installers, asset owners, electric cooperatives, utilities, independent power producers, and solar engineering, procurement, and construction (EPC) firms. Through our leading AI-driven enterprise platform, Athena®, and powerful applications, including PowerBidder™ Pro and PowerTrack™ APM, we helped improve returns across solar, storage, and hybrid projects.

As markets, technologies, policies, and vendor landscapes evolve, our offerings continue to match our customers’ needs. Today, Stem is focused on delivering the following solutions and services to unlock more value for the clean energy portfolios of utility-scale developers, owners, operators, and energy traders.

PowerBidder™ Pro

Stem empowers energy traders, asset owners, community choice aggregators, and independent power producers with the most advanced tools and insights for effective battery asset optimization. For those who are looking to maintain direct control over battery optimization operations, Stem’s PowerBidder™ Pro provides the freedom to strategize and the flexibility to adapt to evolving energy market conditions. Users can break open the ‘black box’ of merchant battery storage asset operations – whether standalone, co-located, or hybrid.

PowerTrack™ APM

Stem enables owners, operators, and asset managers to centralize and streamline the management of storage, solar, and hybrid asset portfolios. Stem’s PowerTrack™ Asset Performance Management (APM) software suite includes highly configurable, user-specified dashboards, allowing users to create and customize workflows and surface relevant data that matters most to them. From portfolio-level technical and commercial performance monitoring to site-level information and granular device-level data, PowerTrack™ APM is the one solution for gigawatt-scale storage and solar portfolios that enables teams to collaborate across technical and commercial operations.



3-5%
reduction in
operating expenses



1 daily
software release within
our Athena platform



3rd Generation
software built on more than a
decade of experience



85+
patents across storage &
solar asset performance



500,000+
IoT integrations for
monitoring and controls

Energy Management Systems

Stem’s Energy Management Systems (EMS) are built on industry-recognized technology to achieve maximum value across site operations and controls for developers and asset owners. This edge solution enables remote monitoring and analytics, allowing for proactive evaluation of operational condition and effective control of customers’ equipment. Field tested and proven over gigawatts of operation, our EMS is designed to be easily integrated into Stem’s suite of software and services so customers can create greater clarity into site operations and control of energy performance. Plus, Stem’s energy experts, operating from our 24/7 Remote Operations Center, help to ensure high system availability and minimize risk through effective warranty management and support through the full lifecycle.

Integrated Energy Storage

Stem’s Integrated Energy Storage solution combines sophisticated edge-to-cloud capabilities that simplify project lifecycles, reduce risk, and enhance asset performance. Whether customers prefer to leverage Stem’s extensive expertise and procure hardware from our thoroughly vetted, top-tier OEMs or opt for the flexibility to source their own, we can accommodate any project needs. Our hardware-agnostic Modular Energy Controller (MEC) ensures seamless integration with various energy storage system hardware and technologies due to its modular software stack. Additionally, our advanced energy services support customers from design through commissioning, backed by our market-leading Long Term Service Agreement.

Services

Stem’s Services support customers across the project lifecycle – from the early stages of project development, to navigating the critical phase of project delivery, or optimizing operations after the commercial operation date. Our team of experts provides a range of advanced energy services all aimed at enhancing the performance and profitability of solar, storage, and hybrid assets. Our Project Development and Interconnection Services are designed to guide customers through the early planning stages, ensuring informed decision-making and setting the stage for success. Our Project Deployment Services are tailored to guide customers through the post-notice to proceed phase to ensure long-term operational readiness. Our Asset Operations and Asset Performance Services are designed to support the operational phase and get the most value out of projects post-commercial operation date.

Expertise Excellence

99%

storage and solar customer retention rate as of the end of 2023

Proven Experience

700 MWh

of assets under management expected under Stem in New York

Higher Production

1-5%

increase in total energy production

Improved Performance

30%

increase in performance for 345 MWh portfolio in first 6 months in California

Better Returns

28%

revenue improvement average of benchmarked energy storage assets in Texas ERCOT

Awards



New Product Innovation for Energy
Asset Performance Optimization
Frost & Sullivan
November 2023

Frost & Sullivan cites Stem’s innovation, market alignment, and PowerBidder™ Pro as key differentiators that “take energy asset optimization one step further than any competing solution.” Frost & Sullivan’s independent evaluation credits Stem’s continued research and development, innovative software solutions, and strong commitment to proactively support customers as key differentiators in selecting the Company for the recognition.

<https://investors.stem.com/news/news-details/2023/Stem-Wins-2023-New-Product-Innovation-Award-for-Energy-Asset-Performance-Optimization/default.aspx>



2023 Sustainability Product
of the Year
Business Intelligence Group
August 2023

Stem’s Athena® platform was named a Sustainability Product of the Year as part of the Business Intelligence Group’s 2023 Sustainability Awards. The awards honor products designed to help companies improve their sustainability efforts, as well as the people, initiatives, and organizations that have made sustainability an integral part of their business practices.

<https://investors.stem.com/news/news-details/2023/Stems-Athena-Named-a-2023-Sustainability-Product-of-the-Year-by-Business-Intelligence-Group/default.aspx>



2023 Top Product of
the Year Award
Environment + Energy Leader
July 2023

Stem’s Athena® platform received the Top Product of the Year Award in the Environment + Energy Leader Awards program, which recognizes excellence in products and projects that deliver significant energy and environmental benefits. The award cited Athena’s outstanding capabilities and achievements helping maximize the revenue and savings of energy storage, solar, EV charging stations, grid systems and other renewable energy assets. The award further recognized Athena’s analytic sophistication in providing real value for customers and helping to scale renewable and clean technologies.

<https://investors.stem.com/news/news-details/2023/Stems-Athena-Receives-2023-Top-Product-of-the-Year-Award-from-Environment--Energy-Leader/default.aspx>



Best Predictive
Analytics Platform
AI Breakthrough Awards
June 2023

Stem’s Athena® platform was a winner of the “Best Predictive Analytics Platform” award conducted by AI Breakthrough, a leading market intelligence organization. The award recognizes the top companies, technologies, and products in the global AI market today. Specifically, “Athena’s footprint and the myriad data points that constantly hone its machine learning algorithms result in a vast and growing repository of real-world data that simply can’t be replicated.”

<https://investors.stem.com/news/news-details/2023/Stems-Athena-Named-Best-Predictive-Analytics-Platform-by-AI-Breakthrough/default.aspx>



Largest Storage Virtual Power Plant
Operator in North America
Wood Mackenzie
March 2023

Stem was recognized as the largest energy storage virtual power plant (VPP) operator in North America by Wood Mackenzie, the leading provider of intelligence for the world’s natural resources sector. Wood Mackenzie’s Virtual Power Plant Market report pointed to Stem’s 2.5 gigawatt hours (GWh) of contracted storage assets under management (as of Q4 2022) across 14 different VPPs as the most among VPP operators. Athena® is at the heart of Stem’s VPPs and provides granular, actionable energy asset insights coupled with automated intelligent dispatch capabilities that help maximize the value of renewable energy assets.

<https://investors.stem.com/news/news-details/2023/Wood-Mackenzie-Recognizes-Stem-as-Largest-Storage-Virtual-Power-Plant-Operator-in-North-America/default.aspx>

Our Approach

Materiality Assessment

We have taken a holistic approach to determining which ESG topics are material to us. We used the materiality templates provided by SASB and GRI, two globally accepted ESG standard frameworks. Our initial review and analysis of the industry-agnostic topics deemed appropriate for reporting ESG topics yielded 26 topics from the SASB library and 31 topics from the GRI library.

Through internal deliberation - including engagement with our ESG Steering Committee, key stakeholders, and subject matter experts - we further refined the combined list of ESG topics to 21 topics deemed most material to our business and strategy. These topics were further reviewed and ranked using the materiality screen by our senior leaders responsible for every aspect of our operations.

We then used the ranked ESG topics to determine which industry specific SASB standards were most appropriate for us to report. Each SASB standard, in turn, entails certain standardized quantitative and qualitative metrics, which we measure and report. Those metrics attest to our performance in relation to a given ESG topic. We determined that given our business model with technology, software, and service offerings, more than one SASB standard is pertinent for communicating how we track as well as how we strive towards a more sustainable operational footprint.

- 1. GHG Emissions
- 2. Energy Management
- 3. Customer Privacy
- 4. Data Security
- 5. Employee Health & Safety
- 6. Business Ethics
- 7. Supply Chain Management
- 8. Management of the Legal & Regulatory Environment
- 9. Materials Sourcing & Efficiency
- 10. Business Model Resilience

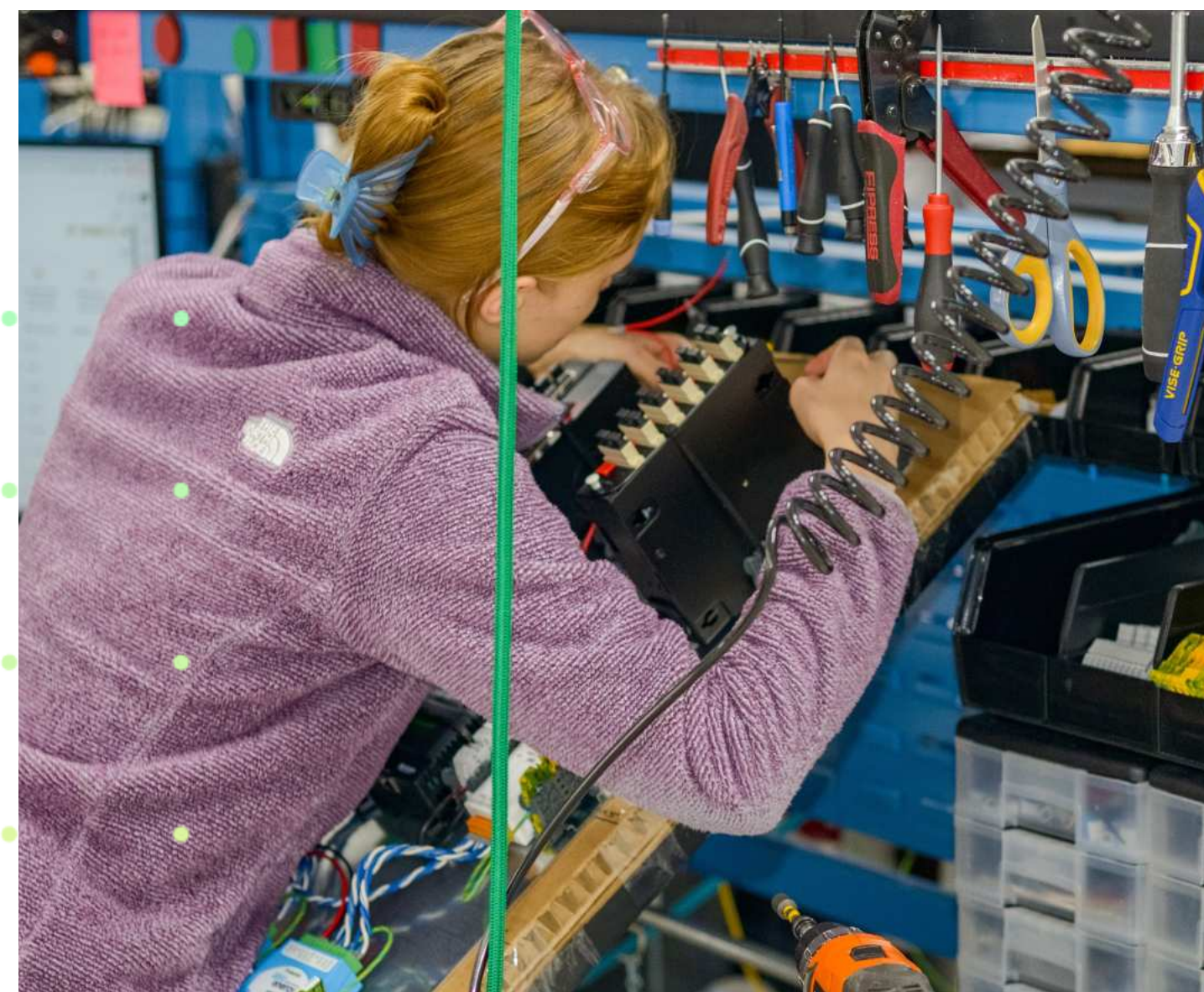
Note: Even though we used a GRI-provided list of ESG topics to determine which topics were most pertinent to Stem, we deemed it most appropriate not to report using the GRI standard. We believe that we are best aligned with SASB industry-specific standards for this Report.

Organizational Boundary

Per the GHG Protocol standard, organizational boundaries identify which entities and assets are to be included in the GHG emissions inventory and further define the control approach used to determine the energy and emissions reported for the portfolio.

We use an operational control approach in which we have full control over our daily operational policies. This approach entails accounting for our Scope 1 and 2 GHG emissions. The facilities included are our globally leased corporate offices, warehouses, and fabrication facilities. Emissions associated with these leased facilities that we inventoried are considered operational during the full reporting fiscal year. Excluded from this inventory were facilities either no longer under our operational control or those only designated as either temporary offices/facilities or shared co-working facilities.

In addition to Scope 1 and 2 previously identified, we identified several Scope 3 categories material to us. These categories are pertinent to better understanding our carbon footprint and helping us plan more effective opportunities for further decarbonizing our operations.



UN SDG Alignment

As a leader in the solar and storage industry, we have been actively engaged in aligning our operational activities with the UN SDGs. We assessed the UN’s 17 SDGs and selected goals that are material to our business model and efforts to help with global decarbonization.



SDG 3: Good Health and Well-being

We care about the mental health and wellbeing of our employees. We carefully reviewed the feedback of our employees provided in response to our employee sentiment survey about what is important to them and what they need to succeed in the workplace. To enhance flexibility for work/life balance, we implemented Flexible Paid Time Off (PTO) for salaried employees in 2023. We also implemented access to a holistic wellness app for all employees to access on their own terms.

In 2024, we expanded our parental leave policy to employees in Canada and our PTO policy to European employees to better align with market. We have also enabled a medical insurance plan for business travel coverage and expanded access to benefits internationally. We continue to look for ways to improve work/life balance for our employees and are committed to continued health and wellness improvements based on our employee feedback.



SDG 4: Education

Stem has invested in Udemy Business, an online education hub that allows curated learnings and certifications to be built around our strategic goals as well as professional and personal development. Our employees have access to 22,000 Udemy courses. In addition, we added additional courses to Stem University, our internal training platform designed to educate employees on industry and product development. This was made available to all of our employees in 2023.

Stem is a sponsor of Colorado Agrivoltaics Learning Center at Jack’s Solar Garden. Their mission is to showcase clean energy generation with local food production, while educating and inspiring communities to improve land stewardship within solar arrays. The Learning Center helps foster solar-related knowledge and skills to promote sustainable development in their community.



SDG 5: Gender Equality

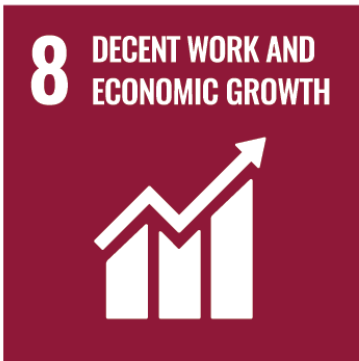
Stem aims to maintain a female representation of 30% or greater in our workforce, which stood at 27% in 2023. We are committed to providing a diverse talent pipeline for open positions. We aim to remove bias from application and interview processes with value-based behavioral questions. We require annual Diversity and Inclusion training for our managers, focusing on equality and equity best practices.

We have also provided our managers and senior leaders with access to a People Analytics tool, which provides them with visibility into gender representation among our teams, with the goal of enhancing advancement opportunities for our female employees and driving conversations about maximizing their career development opportunities.



SDG 7: Affordable and Clean Energy

Affordable and clean energy is critical for developing a sustainable future. By designing, deploying, integrating, optimizing solar and storage systems, Stem is contributing to this SDG by creating a more resilient, stable, and clean energy grid. Specifically, Stem’s Athena® platform optimizes solar and storage projects, making energy cleaner, more reliable, and more affordable. Additionally, our Services for the management and optimization of solar and storage – including performance analytics and diagnostics – leverage our energy experts to enhance the efficiency and success of our customers’ projects. We are also engaged with several initiatives to specifically advanced affordable and clean energy including through our (1) Inflation Reduction Act (IRA) Energy Communities initiatives for Low Income Communities and (2) low-income community projects aligned to the California Self-Generation Incentive Program.



SDG 8: Decent Work

Stem is committed to providing a living wage for all our global employees. We are continually assessing compensation packages against market competitors and aligning to industry benchmarks to provide decent work and economic growth worldwide. We regularly adjust our equity awards based on market data. We harmonized to one global equitable annual incentive plan based on company results to all of our employees so that our employees there can participate in a similar incentive structures. Additionally, Stem is streamlining and simplifying our job architecture to further provide meaningful, sustainable roles and providing clear career paths across the globe.



SDG 9: Industry, Innovation and Infrastructure

Stem is contributing to building a more resilient grid infrastructure. We promote inclusive and sustainable industrialization and foster technological innovation. As a clean energy market leader, Stem designs, develops, integrates, operates, and optimizes solar and storage projects with AI-powered software capabilities. Examples through 2023 included smart charging for electric passenger cars as well as medium- and heavy-duty trucks, electrification of buildings, and grid services to allow users to match consumption with clean energy generation.



SDG 10: Reduced Inequalities

Under-resourced communities and communities of color disproportionately bear the burden of economic and environmental injustice, including unequal access to energy. Stem is helping to build the foundation for energy equity through solutions that deliver affordable, reliable, clean, and healthy energy to underserved communities. For example, Stem has been awarded several projects through California’s equity and resiliency programs, which benefit lower income, medically vulnerable, and fire-risk communities.



SDG 12: Responsible Consumption and Production

Stem is actively improving efficiency in our use of materials and reducing waste throughout our operations, including the following initiatives to:

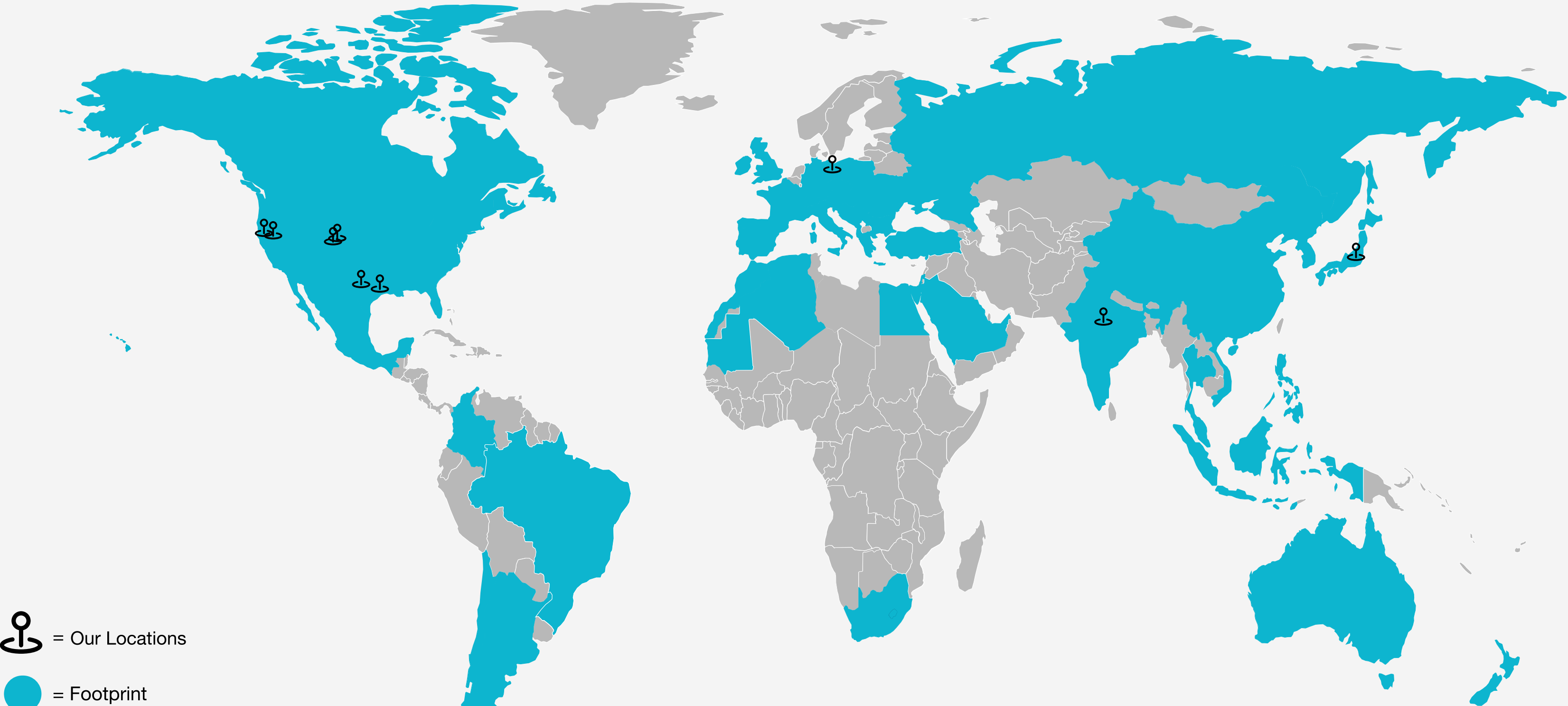
- develop a standardized measurement of and processes to improve the environmental impact of our offerings, including engagement with our supply chain and original equipment manufacturing partners
- divert landfill and implementing solutions to increase reuse and recycling programs
- recycle and refurbish equipment, particularly electronic equipment used by our customers



SDG 13: Climate Action

With a goal to deliver a more sustainable future for our society, industry, and planet, Stem is a crucial participant in global climate action efforts. Our technology, software, and services aim to create a more resilient and stable electric grid. And by creating, maintaining, and expanding clean energy solutions, we are assisting grid system operators to reduce fossil generation impact with distributed energy resources like solar and storage.

Our Impact



= Our Locations
 = Footprint

Headquarters

San Francisco, CA

Office Locations

- | | |
|--------------|------------------------|
| Fremont, CA | Tokyo, Japan |
| Austin, TX | Gurgaon Haryana, India |
| Houston, TX | Berlin, Germany |
| Boulder, CO | |
| Longmont, CO | |



\$40+ Billion

worth of assets in contract with Stem



5+ GWh

storage AUM across 1,000+ sites operating or contracted



25+ GW

solar AUM across 200,000 sites



30.6 Million Metric Tons of CO₂

avoided by solar AUM using Stem's solutions*



11.8 Metric Tons/MWh of CO₂

reduced for customers that have opted to participate in Stem's GHG reduction optimization offering via California's Self-Generation Incentive Program



50+

countries with Stem customers



600+

Employees

*Calculated using the estimated energy generated from Stem's 25+ GW of solar AUM with the EPA Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Customer Spotlights

In 2023, we successfully launched projects that we featured as case studies highlighting the efficacy of our solutions and services. These customer spotlights demonstrated the breadth and depth of Stem’s customer-centric expertise across energy markets. In 2024, we are continuing to expand our customer spotlights to showcase how our innovative approach helps drive more sustainable results.

EDP Renewables & Mohave Electric Cooperative

Mohave Electric Cooperative (MEC) is a not-for-profit distribution cooperative in Arizona with a heritage dating back nearly eight decades. Committed to supplying safe, reliable, reasonably priced electricity, and excellent customer service, MEC is investing in renewable energy to tap into innumerable economic and environmental benefits for its members and communities.

In 2023, EDP Renewables announced partnering with Stem on a 23.27 MWdc ground-mount solar array system coupled with a 15 MW / 60 MWh energy storage system for MEC. Together, the solar + storage system is providing MEC with renewable power, mitigating peak period energy use, and ultimately, helping stabilize energy costs for MEC members.

Stem’s Athena® clean energy optimization software is operating the project’s energy storage system. Strategically integrated with the renewable energy resource and MEC’s grid control systems, Athena is assisting the co-op deliver reliable, clean electricity to its members. MEC through Athena operates and monitors the storage system 24/7, schedules dispatches, and dispatches on command into high-demand time periods. In addition, MEC uses Stem’s PowerTrack™ solar management application within Athena for AI-driven solar forecasting, and advanced modeling to help streamline solar optimization for added value for MEC and its members.

The solar + storage project is expected to help provide surrounding residents and local governments in MEC’s service territory with new potential sources of revenue, support clean energy job creation and workforce development opportunities that come with increased reliability for the area. And by supporting solar + storage, MEC is increasing its local generation resources that can help isolate the co-op from potential transmission issues and delays and avoid unstable price points in the generation market.

Overall, we expect that the project will help MEC offset 36,247 metric tons of carbon dioxide, which is the equivalent of carbon emissions from 7,053 homes’ electricity use in one year or the carbon sequestered by 43,225 acres of U.S. forests in one year.



“This solar + storage project is a prime example of how MEC - and cooperatives in general - have the power to provide equitable access to clean energy for its members and communities all while providing the framework for a more resilient grid. EDPR NA DG’s collaboration with Stem assured the energy storage system would be optimally configured to supply an end-to-end solution to MEC in our first project together.”

- **Gustavo Monteiro**
Chief Executive Officer at EDPR NA DG

“This project demonstrates MEC’s proactive planning to increase reliability, meet renewable energy mandates, and support the overall electrical grid.”

- **Tyler Carlson**
Chief Executive Officer at Mohave Electric Cooperative

18
communities
served

1,571
miles of line spanning
portions of three
counties

37,683
members

44,492
meters

Arizona Electric Power Cooperative

Arizona Electric Power Cooperative (AEPCO) is on a mission to leverage clean energy to provide affordable, reliable services to customers across Arizona, California, and Nevada. As a not-for-profit part of the Arizona Generation & Transmission (G&T) Cooperation, they turn to battery energy storage and Stem to do more with their distributed energy resources across their diverse portfolio.

Stem’s energy storage technology plays a crucial role for G&T, electric cooperatives, municipal power, public power, and their customers as it is a flexible asset that can be used to reduce costs during high peak times and to help stabilize the grid. Stem’s single, integrated software platform allows AEPCO to seamlessly integrate with utility communication protocols, schedule dispatches with a simple user interface, provide real-time operating visibility into many system statuses, and accurately forecast and control available capacity.

Today, AEPCO is embarking on a Reliable Energy Plan to transition to a cleaner energy future. This unique subscription model will allow its members to participate in the energy storage systems that AEPCO builds while also receiving meaningful value like improved reliability, reduced capacity and transmission charges, deferred grid upgrades, greater energy resilience, increased voltage support, more frequency regulation, and additional revenue opportunity through wholesale market participation.



20 MW
 capacity –
 Apache Solar Project

625
 gross MW capacity –
 Apache Generating Station

855 miles
 of transmission line owned
 all or in part by AEPCO



Image Source: AzGT

“As part of our Reliable Energy Plan, AEPCO is focused on strategic investments in renewable energy assets and battery energy storage systems to help fundamentally improve, diversify, and strengthen the AEPCO portfolio. With Stem’s proven solar and storage solutions and expertise, we can ensure economies of scale on larger projects so our member co-ops can benefit from the flexibility of new battery resources, substantially reduced costs and continuous, reliable clean energy for the communities we serve.”

- **Patrick Ledger**
 Executive Vice President & CEO at AEPCO

Circular Economy

Stem's software and services aim to accelerate the global clean energy transition. They are designed with endurance in mind, as they are often expected to remain a critical and resilient component of the world's electrical grid infrastructure for many years to come. As a result, we view total asset lifecycle management and responsible stewardship important considerations for our customers and stakeholders. We help to reduce GHG emissions and support the circular economy with our offerings across multiple vectors:

1. **Supply Chain Management:** We engage our original equipment manufacturing partners to identify opportunities to reduce the inputs needed to produce high quality, reliable products while integrating recycled materials where possible. We are also developing strategies with our supplier partners to repurpose and recycle certain components to contribute to a more sustainable supply chain.
2. **Asset Management:** Our industry-leading asset management software enhances the operational lifetime value of our customers' storage and solar projects by using our extensive data on operational performance to predict hardware issues, dispatch maintenance, and repair systems to extend their useful life.
3. **Second life:** We use best practices to architect and select systems for use after their end-of-life. We train our employees, educate our customers, and engage our partners with system respect to decommissioning, end-of-life considerations, and second life options that include reusing and recycling hardware.
4. **Recycling:** We promote recycling and preventing waste from our business operations through active compliance with applicable federal, state, and local regulations. We work with Battery Recyclers of America to certify that applicable material – including Lithium-Ion and Polymer batteries - are appropriately recycled in compliance with local, state, and federal regulations.



Environmental

Climate Change

Our Sustainability Vision

We believe that AI-driven energy optimization is the key to rapidly scaling to a low-carbon economy and, in doing so, avoiding the most damaging impacts of climate change and ensuring our ability to thrive on this planet. Our solutions and services meaningfully enhance climate resilience by supporting and optimizing the increased penetration of renewable energy into the electric grid.

In addition to advancing our core solutions for our customers, we are also seeking to evaluate and continually improve the carbon footprint of our own operations. Our sustainability vision extends across our global organization and encompasses a wide range of practices. A central pillar of our vision is proactive engagement with our customers, suppliers, partners, and employees to quantify, improve, and communicate progress toward our shared environmental priorities using best practices for standardized measurement and reporting. To accomplish our vision, we have developed a comprehensive strategy to accelerate decarbonization and to build a more sustainable future.

We are focused on several initiatives aligned with improving our operational sustainability practices as well as impacting the environmental footprint from our activities with our stakeholders:

Environment and Climate

- Engaging with our carbon accounting partner to assess materiality and quantification of Scope 3 emissions categories not currently addressed.
- Engaging with our suppliers to assess and improve their sustainability practices, including assessing conflict minerals compliance and human rights compliance, in line with our own aspirational goals.
- Engaging with our customers to develop and enhance their climate change adaptation strategies.
- Engaging with and reporting through the Carbon Disclosure Project (CDP), which we believe to be a comprehensive and efficient platform for communicating our sustainability practices.

Social

- Becoming a UN Global Compact (UNGC) signatory to align our own principles and values with UNGC’s principles.
- As we expand our global operational footprint, we are actively considering key partnerships with industry associations that support sustainable practices and supply chain transparency, such as Responsible Business Alliance (RBA) and the United Nations Environmental Program (UNEP).

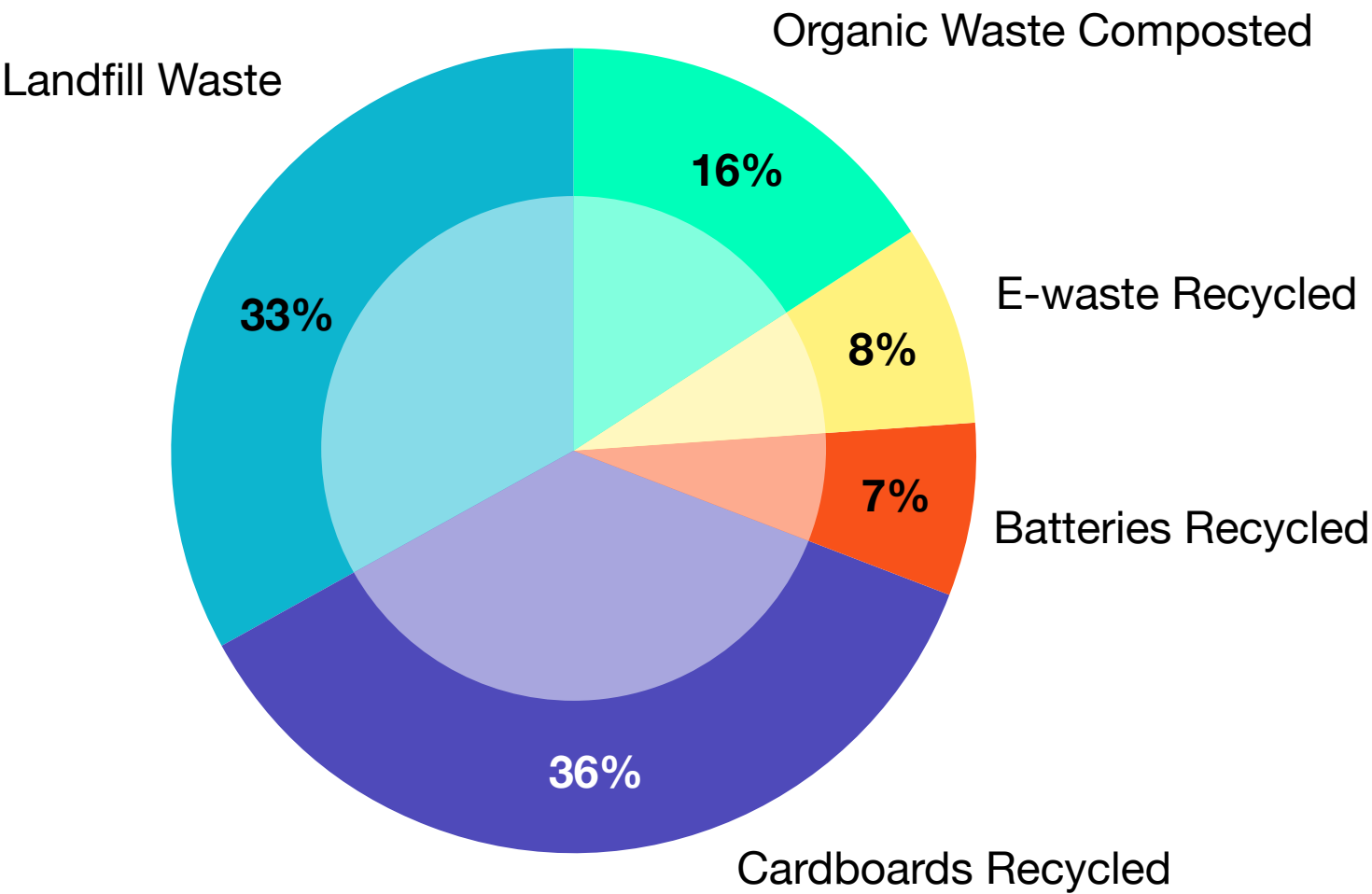
Governance and Strategy

- Integrating considerations of ESG risks and impact across our business through the systematic evaluation of relevant activities or decisions along with engagement from the ESG Steering Committee on identifying the highest impact opportunities for improvements to these processes.
- As part of our efforts to develop a low-carbon transition plan, we are actively reviewing our operational carbon footprint and, where appropriate, we are consolidating or moving to smaller facilities.



Waste and Water Management

We recognize that waste management is a key contributing factor to our corporate operational emissions. Stem has been actively participating in diverting waste from landfills by recycling batteries, electronics and actively diverting office waste through locally sponsored recycling and composting efforts. For fiscal year 2023, Stem has diverted 67% of waste generated from our global operations.



In addition to waste management, Stem has been collecting and analyzing our water consumption impact. We have determined that based on our operational model, which is primarily comprised of our global offices, our water consumption is not material to Stem’s operational footprint. However, we will continue to track and assess our impact of water in regions that are identified as high or extremely high baseline water stress, as defined by World Resource Institute (WRI) Water Risk Atlas tool and make adjustment on our reporting accordingly.

GHG Emissions

We collect and report our GHG emissions utilizing best practices aligned with the TCFD. In 2023, we evaluated our GHG emissions across our global operations using primary data where available. We used secondary data where necessary and when no data was available. Estimates were made based on comparable measurements or as a proportion of our spending.



TCFD was created by the Financial Stability Board in 2015, to promote international financial stability. Its purpose is to create a framework whereby companies can provide climate-related information in a consistent, uniform, and comparable format to interested stakeholders. It is designed to provide decision-useful, forward-looking information on financial impacts with a strong emphasis on risks and opportunities associated with transitioning to a low carbon economy. The disclosures are organized in four core elements: Governance, Strategy, Risk Management, and Metrics & Targets. Below you will find Stem’s first efforts to assess and articulate where the company is with regards to the four elements of the TCFD framework. The following responses to the TCFD recommendations do not represent an exhaustive list of all climate-related issues and risks impacting our business. Reference is made to the risk factors set forth in our most recent Form 10-K and Form 10-Q filings.



I. Governance

A: Describe the board’s oversight of climate-related risks and opportunities.

Our Board of Directors is responsible for overseeing the assessment of major risks facing the Company, determining the extent to which such risks are appropriate and, to the extent the Board deems appropriate, evaluating options for their mitigation. Our Board’s Nominating, Governance. and Sustainability (NGS) Committee has primary responsibility for oversight and guidance on ESG initiatives, including climate and other sustainability-related matters, and regularly reports to the full Board on these matters.

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

We maintain a global risk matrix developed by our Chief Executive Officer (CEO), Chief Legal Officer (CLO), and Chief Strategy Officer (CSO) to identify and evaluate business risks including climate-related risks, as well as plans for their mitigation. Each quarter, our CEO presents the risk matrix to the Board, highlighting progress made against those risks, among other things. Our Director of ESG, along with the CSO and CLO, have formed an ESG Steering Committee that engages the Company and our partners and stakeholders to evaluate, execute, and communicate our strategy for oversight of climate-related risks and opportunities. Our executive leadership team is responsible for prioritization and alignment of these initiatives across internal stakeholders.



THE HUNTINGTON
Library, Art Museum, and Botanical Gardens

“The Huntington has partnered with Stem in our goal to be leaders for a sustainable world by reducing our GHG emissions. Sustainability and energy reduction is something that the Huntington takes seriously, we are making large strides towards a more sustainable future and Stem has been vital in helping us achieve that through the load reduction via battery storage.”

- Joseph Valles
Associate Director of Facilities



II. Strategy

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

In the short-term, we believe efforts to reduce climate-related impacts are positive for Stem. We believe increased deployment of solar and storage can reduce the reliance on traditional fossil fuel for generation, which would reduce carbon emissions. Such increased deployment is expected to drive increased demand for our solutions and services as well as improve our opportunities for revenue and profitability. In the medium- and long-term, increased weather volatility could drive increased demand for our solutions and services, since developers, operators, asset owners, and energy traders would require sophisticated, artificial-intelligence driven software to predict energy demand and prices to maximize revenues or minimize costs. Increased climate-related physical risks (e.g. flooding, hail) to clean energy assets could negatively impact our customers, impairing their ability to pay for our solutions and services.

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

Stem's growth is directly tied to the continued adoption of storage and solar by our customers. The market for clean energy is dynamic with uncertain factors that may impact growth. Market-continued growth is also subject to a number of risks: if renewable energy proves unsuitable for widespread commercial adoption or if demand for our storage and solar hardware, software, and services fails to develop as currently anticipated, then our revenue, margins, market share, and ability to achieve and/or sustain profitability may be adversely affected.

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

We believe that a scenario in which there is a globally coordinated effort to reduce the effects of climate change would benefit us, due to accelerating deployments of storage and solar assets. In that scenario, we expect increased demand for our existing hardware, software, and services and could deploy new solutions, all of which would improve our revenues and profitability. However, that increased demand could also lead to increased competition, which could put pressure on our pricing and profitability. Higher demand for solar and storage hardware could also increase prices of those goods or decrease their availability, which could negatively impact our financial position. Accelerated deployments of solar and storage assets could also extend interconnection queues and permitting timelines as more projects seek approvals, which could negatively impact our ability to realize revenue.

In a scenario in which there is less effort to reduce the effects of climate change, slower deployments of solar and storage could negatively impact demand for our solutions and services, which could negatively impact our financial position. This could be partially offset by faster interconnection and permitting timelines which would accelerate realization of revenue and gross margin and less competition.

III. Risk Management

A: Describe the organization’s processes for identifying and assessing climate-related risks.

Our CEO, CLO, and CSO have developed a global risk matrix to identify and evaluate business risks including climate-related risks, as well as plans for their mitigation.

To support our evaluation of climate-related risks, we use a third-party partner to support us in developing and executing our qualitative climate risk assessment and TCFD alignment effort. We conduct ongoing analysis and discussion of potential future impacts of climate change on our business. This initiative is led by the ESG Steering Committee who engages with leaders from across the business’s various functions and geographic locations.

B: Describe the organization’s processes for managing climate-related risks.

Our Board is responsible for overseeing the assessment of major risks facing the Company, determining the extent to which such risks are appropriate and, to the extent the Board deems it appropriate, evaluating options for their mitigation. Our Board’s Nominating, Governance and Sustainability (NGS) Committee has primary responsibility for oversight and guidance for environmental, social and governance initiatives, including certain climate-related matters, and regularly reports to the full Board on these matters.

Our CEO, CLO, and CSO have developed a global risk matrix to identify and evaluate business risks, including climate-related risks, as well as plans for their mitigation. Each quarter, our CEO presents the risk matrix to the Board, highlighting progress made against those risks, among other things. Our executive leadership team is responsible for developing strategies to manage these risks and for prioritization and alignment of these initiatives across internal stakeholders.

C: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

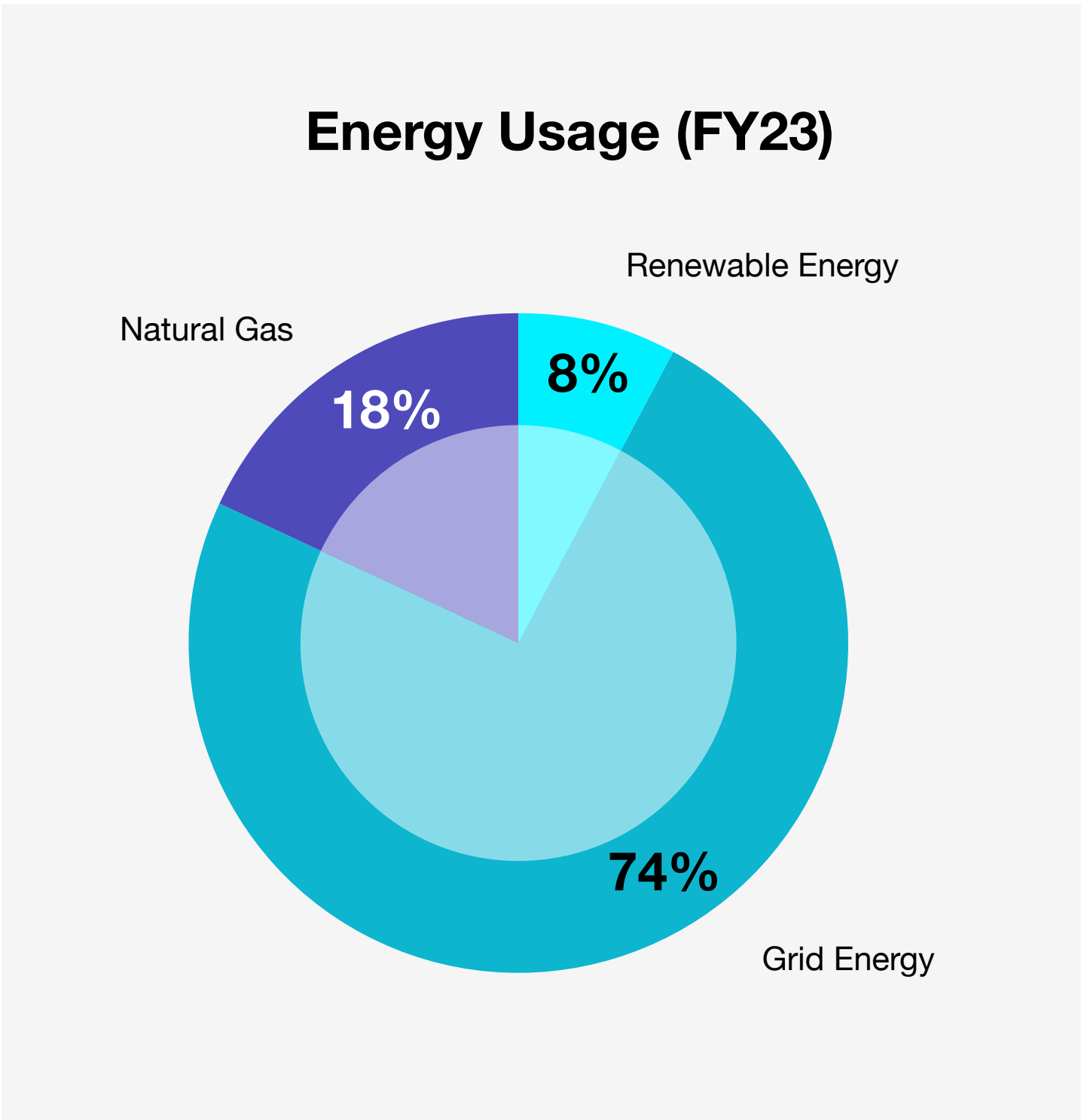
We have not yet integrated climate-related risk management into Stem’s overall Risk Management Program, though we plan to do so in the future.






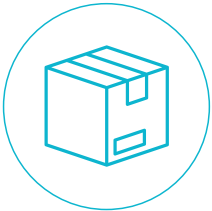






IV. Metrics and Targets

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

We currently track certain energy consumption, carbon emissions, water, and waste metrics. Additional details on these initiatives are provided in the previous Climate Change section.



B: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

Scope 1 (MTCO2e)	Scope 2 (MTCO2e)	Scope 3 Upstream Emissions (MTCO2e)
<div><div><div>36</div><div>Stationary Combustion</div></div></div>	<div><div><div><div><div>248</div><div>Purchased Electricity Location-based</div></div></div><div><div><div><div>224</div><div>Purchased Electricity Market-based</div></div></div></div></div></div>	<div><div><div><div><div>49,179</div><div>Purchased Goods and Services</div></div></div><div><div><div><div>367</div><div>Capital Goods</div></div></div><div><div><div><div>755</div><div>Upstream Transportation & Distribution</div></div></div><div><div><div><div>133</div><div>Upstream Leased Assets</div></div></div></div><div><div><div><div><div>33</div><div>Waste Generated in Operations</div></div></div><div><div><div><div>728</div><div>Business Travel</div></div></div><div><div><div><div>581</div><div>Employee Commuting</div></div></div></div></div></div></div></div></div></div></div>
Total GHG Emissions		Location-based: 52,060 Market-based: 52,037

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

Stem has not yet established any climate-related targets, though we may develop such targets in the future.

Social

Our People and Culture

Employee Value Proposition Framework

Working at Stem means being a part of a dynamic, inclusive, and innovative team that has come together in a fast-paced environment to lead global AI-driven clean energy solutions and services. Employees are deeply connected to our collective mission passionate about the clean energy industry. This is a place where we are challenged, trusted, and able to make an impact together, as One Team.

Culture	Opportunity	Work
<ul style="list-style-type: none">• Diverse• Collaborative• Fast paced• Growth oriented	<ul style="list-style-type: none">• Career pathing• Promotions• Challenge• Recognition	<ul style="list-style-type: none">• Innovative• Impactful• Stimulating
People	Compensation	Benefits
<ul style="list-style-type: none">• Mission driven• Subject matter experts• Customer focused• Intelligent	<ul style="list-style-type: none">• Competitive pay• Merit increases• Bonus potential• Long term incentives• Variable PTO offerings	<ul style="list-style-type: none">• Competitive insurance provided globally• Comprehensive support for health and wellness

Our People

Our mission is embodied by diverse professionals collaborating in innovative ways. We employ 600+ people in the United States, Canada, Germany, India, Japan, and more. We hire, develop, and challenge individuals who are passionate, eager to make an impact, and enjoy operating in a cutting-edge environment. Our team members come from many disciplines and backgrounds which has led to a highly diverse employee population. This diversity goes beyond the traditional facets of gender, ethnicity, age, disabilities, and sexual orientation to include experience, personality, communication, workstyle, and others. Stem strives to maintain a workplace where employees operate in an inclusive environment where we work, debate, innovate, and deliver together, as one team.

Core Values

Customer Value

We help our customers win. We understand our customer’s goals and challenges and focus on delivering solutions that maximize customer value. Customers choose us because we create a differentiated experience and only claim victory when we collectively win.

Excellence

We are data-driven, leveraging our domain expertise. We aspire to nothing less than excellence, striving for exceptional performance and superior results for our customers, our shareholders, and our communities. We understand the importance of domain expertise, and we work hard to bring unique insights and deep industry knowledge to inform every decision. We do this all with unyielding integrity.

Execution

We exceed commitments at every level of the company. We believe that execution is our key to success, and we encourage a culture of accountability and responsibility where every employee is encouraged to take ownership of their work to deliver results.

Innovation

We accelerate the energy transition. We’re pioneers with purpose: we innovate sustainable solutions providing solutions and services that optimize energy usage, enabling the energy transition. We focus our domain expertise on products, markets, and solutions, making continuous learning a priority. As a “first mover,” we embrace being misunderstood and take pride in proving our value to our customers through our innovative and unexpected solutions.

Inclusion

We value, include, and hear everyone. We are one team. We know that diversity of people and thought is a source of competitive advantage. We work tirelessly to create a culture of inclusion - fueled by respect, empathy, appreciation, and trust - where every employee is inspired.

Ownership

We debate, decide, and do. We bring our diverse opinions backed by data, creativity, and professional experience to discussions about business problems, knowing that the best decisions are realized through respectful but pointed debates. We then promptly transform those decisions into reality through well-crafted action plans.

Stem fosters a unique global company culture that allows employees to be their best selves.

One Team

- Working together to accelerate the energy transition
- Helping our customers win by making data driven decisions and exceeding expectations



“Evolving into a process-driven mindset requires time and mentorship – the unflinching support and motivation from the leadership team at Stem has been such a joy. I do not know of many companies where executives make the herculean effort to present themselves to teams across the globe. Along the way, we have celebrated small wins, played cricket matches, and outgrew our original office space – all while growing as One Team.”

Sushain Sharma
Managing Director, India

“Providing great service and going the extra mile is embedded in the culture here at Stem, and it’s gratifying to know that our partners and customers recognize this. Clean energy solutions are always evolving, and Stem’s role is to be an expert software and service provider leading the way.”

Julie Steury
Sr VP of Energy Services and Operations Programs



Fast paced

- Working in a dynamic environment where employees can leverage individual strengths and skills
- Collaborating and challenging each other to generate innovative ideas and make an impact

Diverse

- Celebrating the different segments of our workplace population via our Culture Coalition
- Fostering collaboration under shared interests via our employee Resource Groups



“As a woman and a person of color, I continue to be motivated by wanting to see a more inclusive industry that is more diverse. There are active organizations and companies that foster a more diverse population, and we see the benefits of that across industries. I want to be able to continue to provide that representation because I think it’s important, and I can do that at Stem.”

Sharifa Dunn

Director of Product Marketing

“Stem embraces a mindset of continuous learning and adaptation. As an organization, we are evolving as the clean energy industry evolves. By continually seeking opportunities for professional development and staying connected with fellow industry leaders, we’re staying ahead of the curve.”

Anton Raic

Head of Sales EMEA



Employee Oriented

- Operating in onsite, hybrid, and fully remote environments for work/life balance
- Building community with stocked office kitchens, social activities, and team-building events

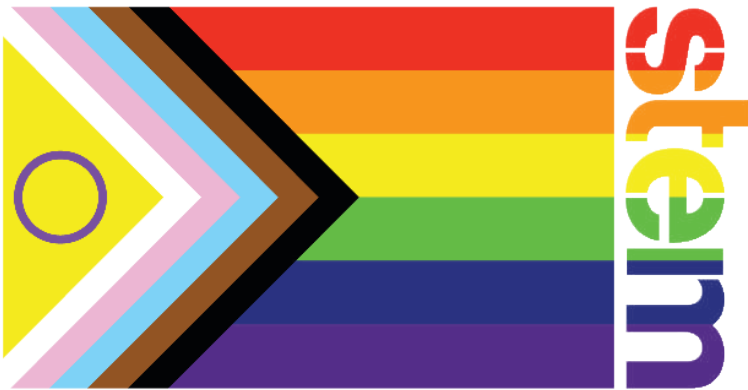


Diversity & Inclusion

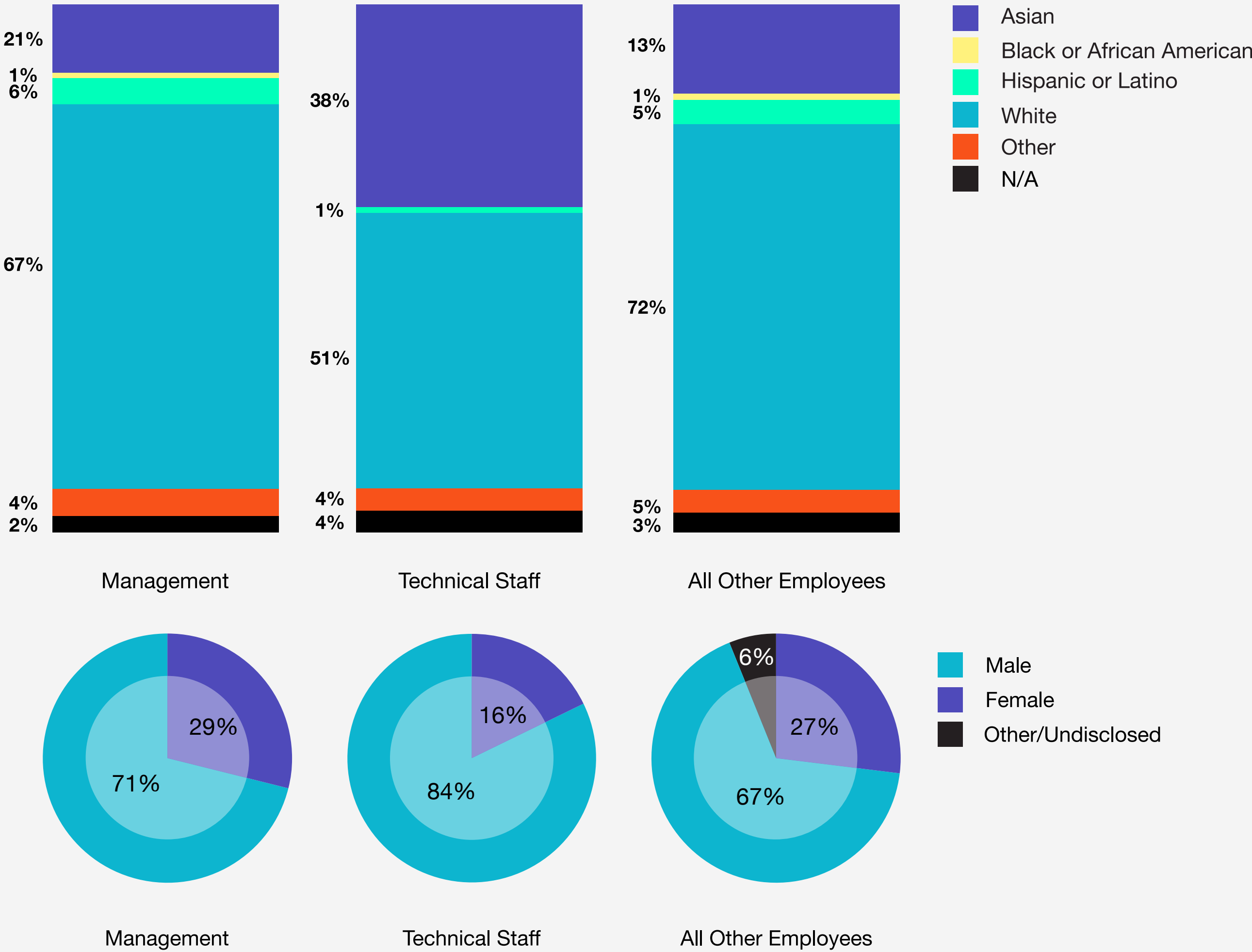
Stem seeks to foster a workplace culture that embraces Diversity & Inclusion for all. As our core value of inclusion reflects, we know that diversity of people and thought is a source of competitive advantage. We believe this notion enriches our workplace and upholds an environment where everyone can be their authentic selves. Through options such as our Employee Assistance Program (EAP), health benefits, LBGTQIA+ Employee Resource Group (ERG), mental health and physical wellness programs, and Diversity & Inclusion training, Stem aims to ensure that our employees have access to resources to enable them to live their best lives. We want the community here to be a place where everyone can thrive.

Over the last few years, Stem has implemented various initiatives to promote our commitment to Diversity & Inclusion for all remains a critical element of our culture. Stem’s Culture Coalition leads the Diversity & Inclusion efforts of the organization and regularly coordinates communications, events, and announcements related to special holidays and days or months of recognition as a way to bring connection to one another and celebrate the diversity of our global workforce.

Over the last year, some of the various events and initiatives have included a Diversity & Inclusion Training Series, Women’s Roundtable discussions, the launch of the LBGTQIA+ ERG, guest speakers in honor of Pride month, and more.



Ethnic and Gender Composition of Stem’s Global Employees/Staff
(U.S. Only)



Note: Not all metrics may add up to 100% due to rounding of calculated values. “Other” includes the classifications of Native American or Alaska Native, Native Hawaiian or Pacific Islander, and Two or More Races. “N/A” is defined as not available or not disclosed.



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Employee Networks

Stem is committed to building a diverse and inclusive workplace where every employee feels valued, respected, and empowered to bring their authentic selves to work. ERGs play a vital role in advancing this commitment by providing a supportive community and a platform for employees to connect, learn, and grow together.

Our ERGs are voluntary, employee-led groups that bring together individuals with shared identities, interests, or backgrounds. These groups provide a space for employees to network, share experiences, and access resources. By fostering a sense of belonging and community, ERGs help us celebrate the unique perspectives and contributions of our diverse workforce.

Stem has LGBTQIA+ and Women’s ERGs which launched in summer 2023 and is in the process of establishing additional ERGs.



Work-Life Balance

Stem recognizes that our employees are our most valuable asset, and we are committed to fostering a culture that promotes work-life balance and supports the overall well-being of our employees globally.

We understand that maintaining a healthy balance between work and personal life is essential for employee happiness, productivity, and overall success. That’s why we offer flexible work arrangements, such as hybrid and remote work options and flexible and paid time off to accommodate the diverse needs and lifestyles of our employees.

We encourage our team members to prioritize self-care, family time, and personal interests outside of work. We believe that by fostering a supportive environment that respects employees’ time and boundaries, we can enhance job satisfaction, reduce burnout, and promote long-term employee engagement and retention.

In addition to flexible work arrangements, we provide resources and programs to support employee well-being, including mental health resources and employee assistance programs which include work-life balance resources. We also encourage open communication and feedback and offer a quarterly engagement survey to better ensure that our policies and practices move in alignment and continue to meet the needs and preferences of our global workforce.

Work-life balance is a fundamental aspect of our commitment to our employees’ success and happiness. We strive to create a culture where everyone can thrive both personally and professionally.



Responsible Sourcing

Supplier Code of Conduct

Stem is a values-based company that is dedicated to fostering ethical and transparent business practices and expects the same from our partners and suppliers. As part of our dedication to this cause, Stem has established the following Supplier Code of Conduct to promote compliance with our values and principles:

1. Elimination of Forced and Child Labor

Stem vehemently opposes all forms of forced or compulsory labor, including bonded labor and the exploitation of child labor. We adhere to the principles outlined in the International Labour Organization (ILO) Minimum Age Convention, the ILO Forced Labor Convention, and the ILO Abolition of Forced Labor Convention, as well as the UN Declaration of Human Rights Article 4, which prohibits slavery and the slave trade in all their forms.

2. Respect for Human Rights

Stem expects all partners and suppliers to uphold and respect fundamental human rights as outlined in internationally recognized standards, including the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and the ILO’s Fundamental Conventions. This includes the prohibition of forced labor, child labor, human trafficking, discrimination, and harassment.

3. Promotion of Diversity and Inclusion

Stem encourages diversity, inclusion, and equal opportunities within our supply chain. We expect our partners to promote diversity and inclusion practices and provide a safe and healthy work environment for all employees.

4. Compliance with Labor Regulations

Stem expects our partners to comply with all applicable labor regulations, including minimum wage and working hours regulations. We also expect our partners to uphold fair labor practices and promote the well-being of their workforce.

5. Ethical Business Conduct

Stem expects our partners to conduct business with the highest standards of honesty, integrity, and ethical behavior. Stem’s Code of Business Conduct and Ethics Policy outlines these expectations for all employees and individuals acting on our behalf.

6. Training and Awareness

Stem provides training on our Code of Business Conduct and Ethics to all employees and individuals involved in supplier engagement. We emphasize ongoing education to promote understanding and adherence to ethical standards.

7. Responsible Supply Chain Management

Stem has engaged Source Intelligence, a third-party due diligence provider, to manage our supplier engagement using the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains, which provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. We track and manage this process as appropriate with our key suppliers.

8. Sustainability

Stem is committed to sustainability and reducing our carbon footprint throughout our supply chain. We communicate our sustainability policies to our key suppliers and work with them to track carbon emissions data relating to our supply chain.

We reserve the right to audit compliance with the requirements outlined in our Supplier Code of Conduct. Non-compliance may result in termination of the business relationship. By partnering with us, suppliers acknowledge and agree to abide by these principles and standards. We believe that, together, we can create a supply chain ecosystem that respects human rights, fosters ethical business practices, and promotes sustainability.



Conflict Minerals Policy

Stem acknowledges the serious human rights abuses associated with mineral extraction in conflict-affected regions. We are committed to responsible sourcing practices and aim to avoid contributing to conflict through our procurement activities. We prioritize purchasing parts and products containing minerals procured through validated conflict-free supply chains and expect our suppliers to adhere to the same standard. We support initiatives aligned with the OECD’s due diligence framework and encourage our suppliers to conduct similar due diligence in their supply chains.

We take a variety of actions designed to assist in compliance with the conflict minerals rules:

- We have identified, and will continue to identify, conflict minerals necessary for the production or the functionality of covered products that we sell.
- We have performed - and intend to continue to perform -, supply chain due diligence in general accordance with the OECD internationally recognized and established due diligence framework.
- We expect our direct suppliers to perform similar due diligence on the sources of conflict minerals in their supply chains and expect them to require their own suppliers to do the same.
- Once a robust and validated conflict-free supply chain is established or a robust mineral tracing program is developed, we will expect our direct suppliers to procure minerals using only that validated supply chain so as to avoid the use of minerals that have financed conflict in the covered countries.
- In the event that a direct supplier is found to supply us with necessary conflict minerals that have not been procured through a validated supply chain or that are otherwise found to have financed conflict, we will take action, such as recommending that such supplier seek alternative means of sourcing, or failing that, we will reassess the supplier relationship.

We periodically review our Conflict Minerals Policy to promote ongoing compliance, and our material direct suppliers are asked to acknowledge our Partner Code of Conduct, which covers conflict minerals compliance, as part of their contractual obligations.

Human Rights Policy

Stem is committed to upholding human rights across all facets of our operations, guided by international frameworks such as the UN Universal Declaration of Human Rights and the ILO’s conventions. We enforce a zero-tolerance policy against discrimination, harassment, and retaliation, safeguarding the rights of all individuals regardless of race, gender, age, or other protected characteristics. Our dedication extends to fostering diversity, ensuring equal opportunities, and respecting labor rights including freedom of association and fair wages.

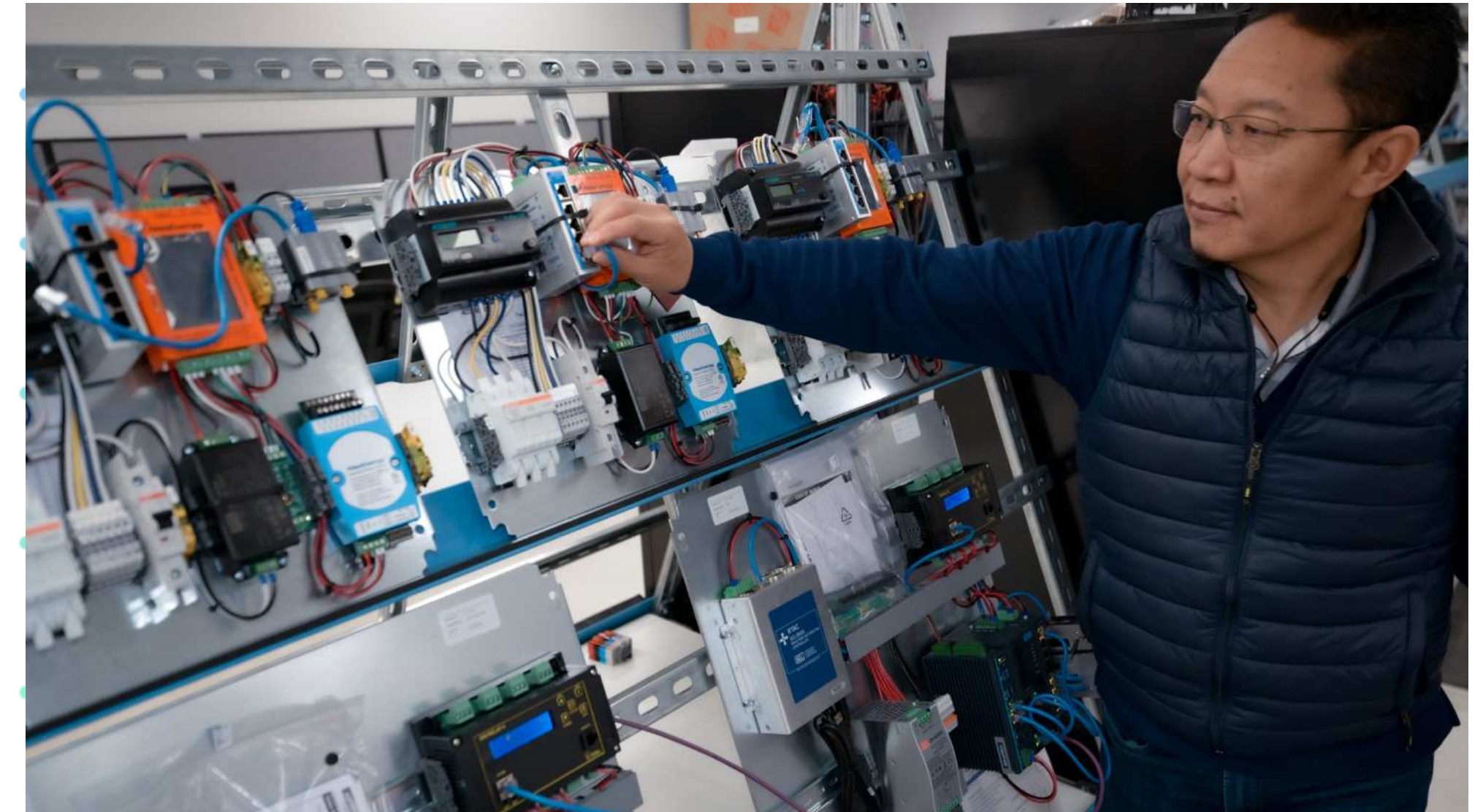
Stem recognizes the transformative potential of our solutions and services in empowering underserved communities and advocating for equality. We strive to provide safe working environments, prohibit forced and child labor, and promote transparency and responsibility in our supply chain, including the prevention of conflict mineral use. Stem’s commitment to human rights is upheld by ongoing training, governance oversight, and stakeholder consultation, underscoring our pledge to mitigate risks and drive positive impact. Furthermore, we expect our partners to align with these principles, upholding and respecting human rights throughout their operations and supply chains.

Modern Slavery Statement

Stem is opposed to modern slavery and committed to ensuring fundamental human rights are upheld across our operations and supply chain. Aligned with international standards such as the UN Universal Declaration of Human Rights and the ILO’s Fundamental Conventions, we expect our partners to strictly prohibit forced labor, child labor, human trafficking, and discrimination. Through our Human Rights Policy and Partner Code of Conduct, we set clear expectations for suppliers and may audit their compliance with these standards.

To enforce these principles, we conduct risk-based due diligence, surveying suppliers annually to identify potential red flags related to modern slavery and forced labor. We foster a culture of ethical behavior and provide channels for reporting concerns, including an anonymous whistleblower hotline. We evaluate supplier information to prioritize engagement with high-risk suppliers and ensure alignment with our modern slavery and human trafficking policies.

Our due diligence controls processes require that material direct suppliers acknowledge and adhere to our Partner Code of Conduct, thereby reinforcing our stance against forced labor, child labor, slavery, and human trafficking throughout our supply chain.



					About Stem	Our Approach	Environmental	Social	<u>Governance</u>	Closing Remarks	Appendix

Ethics and Compliance

Stem strives to conduct our business with the highest ethics, integrity, and compliance standards. Our dedication to sustainability extends beyond environmental stewardship to encompass ethical business practices and adherence to regulatory requirements.

Code of Business Conduct and Ethics

We maintain a comprehensive Code of Business Conduct and Ethics (our “Code of Conduct”) that sets out our expectations for all employees, executives, directors, and other stakeholders. Our Code of Conduct outlines honesty, integrity, respect, and accountability principles in all business dealings. It promotes personal responsibility and integrity, anti-corruption measures, financial integrity, the protection of confidential information and provides guidelines for the consideration of actual and potential conflicts of interest.

Employee Training

We educate our employees on compliance risks, our policies and procedures, and key topics within our Code of Conduct. Training may take the form of computer-based or live training. In 2023, 100% of our employees completed and certified their compliance with the Code of Conduct training. We require all new employees to complete training on our Code of Conduct and Compliance Trainings – Sexual Harassment Prevention, Fire Safety, Emergency and Crisis Management, Diversity & Inclusion, Insider Trading Training, Office Ergonomics, and Workplace Assailant Awareness within 30 days of hire.

Whistleblower Protection

We provide an external channel for employees, contractors, and other stakeholders to report concerns or suspected violations of our Code of Conduct without fear of retaliation. Our whistleblower protection program is hosted by an independent third party, allowing reporters to remain anonymous. We encourage open communication and accountability throughout our organization. We prohibit retaliation against anyone who reports any actual or suspected violations of the law, our Code of Conduct, or policies or who cooperates in an investigation.

Data Security and Privacy

We respect the privacy of our customers, employees, and business partners and comply with data protection and privacy laws applicable to our business.

We are subject to global, federal, and state laws, regulations and rules relating to the collection, processing, storage, and retention of personal information including the California Privacy Rights Act (CPRA) and European General Data Protection Regulation (GDPR) requirements.

We stay abreast of evolving data security and privacy regulatory frameworks, and we regularly update our relevant internal policies and awareness materials.

Stem establishes minimum standards with which our employees and subsidiaries must apply to the treatment of personally identifiable information. All employees and subsidiaries are required to complete annual requisite training and policy reviews.

Our associates receive training related to data protection, including our Information Security Awareness training and our Code of Business Conduct and Ethics.

Stem conducts periodic and as-needed training regarding the lawful and intended purposes of processing personal data, the need to protect and keep information accurate and up-to-date, and the need to maintain the confidentiality of the data to which employees have access.

Additional information on the personal information we collect, use, and protect can be found in our Privacy Statement.

Stem has implemented a Cybersecurity Risk Management Program that’s grounded in the National Institute of Standards and Technology (NIST) 800-53 Security and Privacy Controls standards and overseen by our board and executive team.

We continually evaluate our information security processes and identify potential areas of improvement to mitigate cyber threats to the reliability and availability of our systems.

In addition, quarterly Cyber Security training is required for Stem’s employees.

Our cyber communications cadence provides topical awareness on a quarterly or more frequent basis. Non-compliance with the policy may lead to disciplinary action, up to and including dismissal or contract termination.

We regularly update our internal applications to install the latest security updates as appropriate.



Stem conducts annual audits and testing of our information security and data privacy programs. Our systems are certified by external auditors to the American Institute of Certified Public Accountants (AICPA) Systems and Organization Controls (SOC2) standards.

Note: Stem’s Privacy Statement is available at stem.com/privacy

Closing Remarks

We are proud and extremely grateful for the continued support of our customers, suppliers, partners, and employees in helping to advance our sustainability vision and the many important initiatives across our ESG program. We believe our efforts to accelerate decarbonization through solutions and offerings anchored in AI-driven energy optimization will become a critical component of the energy infrastructure of the future. This vision would not be possible without the sustained effort of our stakeholders oriented around our goal of remaining at the forefront of the clean energy transition.

Throughout this inaugural Report, we have sought to set a high bar for transparency and ambitious goals for integrating a more expansive view of risk considerations throughout our organization. By adopting and committing to globally recognized standards, we ensure that our strategy and decision-making processes are well-informed and aligned with best practices. We are actively engaged in dialogue to continuously improve these processes and to propagate them across the communities in which we operate. Additionally, this approach extends across our global operations and supply chain, underscoring our dedication to responsible sourcing, human rights, and ethical business conduct.

Looking ahead, we remain dedicated to leading the way in sustainability by continuing to innovate and collaborate. Our robust governance structures and ongoing stakeholder engagement will support us in navigating the complexities of the renewable energy landscape, seizing new opportunities, and mitigating risk. We look forward to building on this foundation to drive positive change and achieving our sustainability vision.

Appendix

TCFD References

TCFD was created by the Financial Stability Board in 2015 to promote international financial stability. Its purpose is to create a framework whereby companies can provide climate-related information in a consistent, uniform and comparable format, to interested stakeholders. It is designed to provide decision-useful, forward-looking information on financial impacts with a strong emphasis on risks and opportunities associated with transitioning to a low carbon economy. The disclosures are organized in four core elements: Governance, Strategy, Risk Management, and Metrics & Targets. The following table presents our first efforts to assess and articulate where we are with regards to the four elements of the TCFD framework.

Stem’s responses to the TCFD recommendations do not represent an exhaustive list of all climate-related issues and risks impacting our business. We refer you to the risk factors set forth in our most recent Form 10-K and Form 10-Q filings.

TCFD Core Elements	Recommended Disclose	Disclose Reference
Governance Disclose the organization’s governance around climate-related risks and opportunities.	A: Describe the board’s oversight of climate-related risks and opportunities.	Page 20
	B: Describe management’s role in assessing and managing climate-related risks and opportunities.	Page 20
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	A: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 21
	B: Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Page 21
	C: Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios. including a 2°C or lower scenario.	Page 21

TCFD Core Elements	Recommended Disclose	Disclose Reference
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	A: Describe the organization’s processes for identifying and assessing climate-related risks.	Page 22
	B: Describe the organization’s processes for managing climate-related risks.	Page 22
	C: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Page 22
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A: Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 23
	B: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 23
	C: Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 23

SASB References

Sustainability Accounting Standards Board (SASB) was founded as a nonprofit organization to help investors and businesses develop a common language of the financial impact of sustainability practices. SASB subsequently developed 77 industry specific standards, utilizing subset of topics from a library of 26 material topics also referred to as general issues categories. For each industry standard SASB issues metrics material for operating sustainably for that industry. Given the complex nature of Stem’s business Stem has selected several industry standards to report under that we deemed materials to us. These standards are Software & IT Services; Electrical & Electronic Equipment; and Fuel Cells & Industrial Batteries.

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Business Ethics	Description of policies and practices for prevention of anti-competitive behavior	RT-EE-510a.1		We conduct our business in a manner that upholds fair competition and compliance with all relevant antitrust laws and regulations. We regularly train our employees on ethical conduct, including the importance of fair competition. We work closely with legal advisors and experts to stay informed about changes in competition laws and regulations that apply to our business. Through all these efforts, we aim to raise awareness and promote a culture of compliance throughout the organization.
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TC-SI-520a.1; RT-EE-510a.3	USD	0
	Description of policies and practices for prevention of bribery and corruption	RT-EE-510a.1		<p>At Stem, our Code of Business Conduct and Ethics (the “Code”) serves as a guiding framework for every employee, outlining our commitment to preventing corruption and bribery. The Code contains, among other things, a zero-tolerance policy towards corruption and bribery in any form, gifts and entertainment guidelines, reporting mechanisms (including anonymous reporting), and consequences for violations.</p> <p>We provide regular training and education to all employees to raise awareness about the risks of corruption and bribery and to equip them with the knowledge and skills to identify and prevent such behaviors.</p> <p>Stem maintains accurate and transparent accounting practices to document all financial transactions, and as a public company, these are subject to external auditors and must comply with securities exchange reporting obligations.</p> <p>The Code may be found here: https://s27.q4cdn.com/138752898/files/doc_downloads/gov/Employee-Code-of-Conduct.pdf</p>
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-AE-510a.1; RT-EE-510a.2	USD	0

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Energy Management	Total energy consumed	RR-FC-130a.1; RT-EE-130a.1; TC-SI-130a.1	GJ	3943 (GJ)
	Amount of total energy consumed that is renewable	TC-SI-130a.1	GJ	312 (GJ)
	Percentage of total energy consumed that is renewable	TC-SI-130a.1	%	8%
	Total energy consumed from grid electricity	RR-FC-130a.1; RT-EE-130a.1; TC-SI-130a.1	GJ	2916 (GJ)
	Percentage of total energy consumed that is grid electricity	RR-FC-130a.1; RT-EE-130a.1; TC-SI-130a.1	%	74%

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Product Quality & Safety	Number of recalls issued	RT-EE-250a.1		0
	Total units recalled	RT-EE-250a.1		0
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	USD	0
Customer Privacy	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	USD	0
	Number of law enforcement requests for user information	TC-SI-220a.4		0
	Number of users whose information was requested	TC-SI-220a.4		0
	Percentage of requests that resulted in disclosure to the requesting party	TC-SI-220a.4	%	0%
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5		None
	Number of users whose information is used for secondary purposes	TC-SI-220a.2		0
	Number of users whose information is used for secondary purposes	TC-SI-220a.2		0

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Customer Privacy	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1		Stem is committed to protecting the security and privacy of personal data collected through its websites and services. We gather personal information such as names, addresses, and email addresses from website visitors to enhance their experience and follow up as needed. For customers using power monitoring services, additional data such as billing information and technical details about their energy systems is collected. This information is used for service provision, quality assurance, and product improvement. Stem deploys industry-standard security measures to protect personal data. Customers have the right to access, know, and request the deletion of their personal information, with special provisions for California residents under the CCPA.
	Number of data breaches	TC-SI-230a.1		None
	Percentage of data breaches involving personally identifiable information (PII)	TC-SI-230a.1	%	0%
Data security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2		We have active monitoring with our IDS, Intruder.io, and CrowdStrike services with communication via Slack channels for critical and high-risk items. Our security best practices are built out in alignment with NIST 800-53 with an annual audit to COSO requirements via an external auditor. Security incidents are tracked within our security Jira repository. Access is restricted to members of Security, DevOps, IT, Legal, and Executive Teams. Upon identification of an incident, a notice is delivered to the Chief Legal Officer and Sr. Corporate Legal Counsel for review. Stem’s Legal Team determines whether the incident meets the materiality criteria established by the SEC rules.
Employee Engagement, Diversity and Inclusion	Percent of female management employees	TC-SI-330a.3	%	29%
	Percent of male management employees	TC-SI-330a.3	%	71%
	Percent of female technical staff	TC-SI-330a.3	%	16%

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Employee Engagement, Diversity and Inclusion	Percent of male technical staff	TC-SI-330a.3	%	84%
	Percent of female all other employees	TC-SI-330a.3	%	27%
	Percent of male all other employees	TC-SI-330a.3	%	67%
	Percent of other/undisclosed all other employees	TC-SI-330a.3	%	6%
	Percent of management employees self-identified as Asian	TC-SI-330a.3	%	21%
	Percent of management employees self-identified as Black or African American	TC-SI-330a.3	%	1%
	Percent of management employees self-identified as Hispanic or Latino	TC-SI-330a.3	%	6%
	Percent of management employees self-identified as White	TC-SI-330a.3	%	67%
	Percent of management employees - Other	TC-SI-330a.3	%	2%
	Percent of management employees - N/A	TC-SI-330a.3	%	4%
	Percent of technical staff self-identified as Asian	TC-SI-330a.3	%	38%

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Employee Engagement, Diversity and Inclusion	Percent of technical staff self-identified as Black or African American	TC-SI-330a.3	%	0%
	Percent of technical staff self-identified as Hispanic or Latino	TC-SI-330a.3	%	1%
	Percent of technical staff self-identified as White	TC-SI-330a.3	%	51%
	Percent of technical staff - Other	TC-SI-330a.3	%	4%
	Percent of technical staff - N/A	TC-SI-330a.3	%	4%
	Percent of all other employees self-identified as Asian	TC-SI-330a.3	%	13%
	Percent of all other employees self-identified as Black or African American	TC-SI-330a.3	%	1%
	Percent of all other employees self-identified as Hispanic or Latino	TC-SI-330a.3	%	5%
	Percent of all other employees self-identified as White	TC-SI-330a.3	%	72%
	Percent of all other employees - Other	TC-SI-330a.3	%	5%
	Percent of all other employees - N/A	TC-SI-330a.3	%	3%





Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Employee Engagement, Diversity and Inclusion	Number of employees that are foreign nationals	TC-SI-330a.1		15
	Percentage of employees that are foreign nationals	TC-SI-330a.1	%	1%
	Percentage of employees that are located offshore	TC-SI-330a.1	%	33%
	Number of employees who are actively engaged	TC-SI-330a.2		619
	Employee engagement as a percentage	TC-SI-330a.2	%	71%
	Percentage of employees who completed the survey	TC-SI-330a.2	%	63%
Product design and lifecycle management	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	%	0%
	Revenue from renewable energy-related products	RT-EE-410a.3	USD	\$461,500,000
	Revenue from energy efficiency-related products	RT-EE-410a.3	USD	\$461,500,000
	Certification of eligible products, by revenue, that meet ENERGY STAR® criteria	RT-EE-410a.2		Stem does not have any eligible products certified.
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	RT-EE-410a.2	%	0%

Disclosure Topics	Metric Description	Industry Codes	Unit Of Measure	Disclosures (FY 2023)
Materials Sourcing & Efficiency	Description of the management of risks associated with the use of critical materials	RR-FC-440a.1; RT-EE-440a.1		<p>Stem is committed to purchase parts and products containing minerals that have been procured through a validated conflict-free supply chain to avoid the use of minerals that have financed conflict in the covered countries, and we expect our suppliers to abide by the same standard. Stem is taking a variety of actions designed to assist in compliance with the conflict minerals rules:</p> <ul style="list-style-type: none">• We identify conflict minerals necessary for the production or the functionality of covered products that we sell;• We perform supply chain due diligence in accordance with the Organization for OECD’s internationally recognized due diligence framework;• We expect our direct suppliers to perform similar due diligence on the sources of conflict minerals in their supply chains and expect them to require their own suppliers to do the same;• Once a robust and validated conflict-free supply chain is established or a robust mineral tracing program is developed, we expect our direct suppliers to procure minerals using only that validated supply chain so as to avoid the use of minerals that have financed conflict in the covered countries; and• If a direct supplier is found to supply us with necessary conflict minerals that have not been procured through a validated supply chain or that are otherwise found to have financed conflict, we take action, such as recommending that such supplier seek alternative means of sourcing, or failing that, we will reassess the supplier relationship.
	Product category	RR-FC-000.A		Battery
	Number of units sold by product category	RR-FC-000.A		56 units
	Total storage capacity of batteries sold	RR-FC-000.B	MWh	846 (MWh)

“Other” includes the classifications of Native American or Alaska Native, Native Hawaiian or Pacific Islander, and Two or More Races.
“N/A” is defined as not available or not disclosed.

UN SDG References

Stem supports UN SDGs and has aligned with 9 of the 17 goals that we believe we are best suited to have a positive impact, as we mature our sustainability function throughout our operations.

UN SDG	Title	Goal	Reference
	Good Health and Well-being	Achieve gender equality and empower all women and girls	Page 11
	Quality Education	Ensure access to affordable, reliable, sustainable and modern energy for all	Page 11
	Gender Equality	Ensure access to affordable, reliable, sustainable and modern energy for all	Page 11
	Affordable & Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Page 11

UN SDG	Title	Goal	Reference
	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Page 12
	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Page 12
	Reduced Inequalities	Reduce inequality within and among countries	Page 12
	Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Page 12
	Climate Action	Take urgent action to combat climate change and its impacts	Page 12

Green Bonds Annual Review

In November 2021, we issued green convertible notes with aggregate principal amount of \$460 million (the “2021 green notes”), followed by another issuance of green convertible notes with aggregate principal amount of \$240 million in April 2023 (the “2023 green notes”, and together with the 2021 green notes, the “green notes”). The green notes were issued pursuant to our Green Finance Framework (the “Framework”), The Framework aligns our ESG and sustainability priorities with our funding and financial strategy, and it permits us to issue financial instruments to support our commitment to achieve a broad range of sustainability outcomes. We developed the Framework in alignment with the Green Bond Principles (2021), published by the International Capital Markets Association and the Green Loan Principles (2021), published by the Loan Market Association and the Loan Syndications and Trading Association. The Framework is available on our website at <https://www.stem.com/about/esg/>.

In July 2023, we engaged Sustainalytics, a leading provider of ESG research and ratings, to review the projects funded through our 2021 green notes and provide an assessment of whether the funded projects (1) meet the use of proceeds and eligibility criteria set out in the Framework, and (2) reported on at least one of the Key Performance Indicators (KPIs) for each use of proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria and Associated KPIs

Use of Proceeds	Eligibility Criteria	Key Performance Indicators
Renewable Energy & Energy Efficiency	<div>Investments and/or expenditures that are designed to create a more resilient, stable and clean energy system, including software and solutions for:</div> <ul style="list-style-type: none">• Creating, maintaining, and expanding energy optimization and virtual power plant solutions• Improving and expanding the operation and efficiency of the power grid and energy storage solutions• Measuring and optimizing energy use and related offerings that enhance the economics and help accelerate the adoption of renewable energy solutions to support displacement of conventional energy generation assets and accelerate the clean energy transition• Management and optimization of distributed energy resources including analytics and diagnostic services to enhance the efficiency and profitability of renewable energy projects.	Impact reporting will focus on quantitative or qualitative assessments of sustainability impacts of Stem’s Green Eligible Projects, such as case study examples that demonstrate beneficial environmental outcomes of Stem software solutions and estimated annual GHG emissions avoided or reduced (absolute and/or intensity).
Eco-efficient products, production technologies and processes	<div>Investments and/or expenditures to develop, improve and optimize software and/or AI-powered software capabilities and solutions to energy- related systems and applications, including but not limited to:</div> <ul style="list-style-type: none">• Smart charging for electric passenger cars as well as medium- and heavy-duty trucks• Electrification of buildings and grid services to allow users to match consumption with clean energy generation	

Use of Proceeds	Eligibility Criteria	Key Performance Indicators
Pollution prevention and control	<div>Investments and/or expenditures related to improving Stem’s materials use efficiency and reducing waste throughout our operations, including:</div> <ul style="list-style-type: none">• Initiatives to develop a standardized measurement of and processes to improve the environmental impact of the Company’s offerings, including engagement with the Company’s supply chain and original equipment manufacturing partners• Initiatives for landfill diversion and implementing solutions to increase reuse and recycling programs• Initiatives to recycle and refurbish equipment, particularly electronic equipment used by Stem’s customers	Impact reporting will focus on quantitative or qualitative assessments of sustainability impacts of Stem’s Green Eligible Projects, such as case study examples that demonstrate beneficial environmental outcomes of Stem software solutions and estimated annual GHG emissions avoided or reduced (absolute and/or intensity).

Sustainalytics conducted the verification of the use of proceeds from our 2021 green notes. The work undertaken as part of this engagement included collection and review of documentation to assess conformity with the Framework. The following table summarizes their findings.

Table 2: Detailed Findings Eligibility Criteria Procedure Performed

Eligibility Criteria	Procedure Performed	Factual Findings	Errors or Exceptions Identified
Use of Proceeds Criteria	Verification of the project funded by the 2021 green issuance to determine if the project aligned with the use of proceeds criteria outlined in the Framework.	The project reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the project funded by the 2021 green issuance to determine if impact of the project was reported in line with the KPIs outlined in the Framework.	The project reviewed reported on at least one KPI per use of proceeds category.	None

We plan to engage Sustainalytics to conduct a similar assessment of our use of proceeds from the 2023 green notes relative to the reporting commitments outlined in the Framework.

Disclaimer

This sustainability Report, as well as other statements that we make, contain “forward-looking statements” within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as “expect,” “may,” “can,” “believe,” “predict,” “plan,” “potential,” “projected,” “projections,” “forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “target,” “think,” “should,” “could,” “would,” “will,” “hope,” “see,” “likely,” and other similar words. The forward-looking statements in this Report and the materials or websites cross-referenced herein relate to our goals, progress, or expectations with respect to sustainability, corporate responsibility, employment, social, environmental, regulatory, and other matters that involve business risks and opportunities. These forward-looking statements inherently involve uncertainties and risks that may cause actual results to differ materially from those predicted in such statements. These statements are based on assumptions that we currently believe are reasonable but are subject to various uncertainties and risks. In addition, historical, current, and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, controls and processes that continue to evolve, and assumptions that are subject to change in the future. Consequently, actual results may vary materially from what is contained in a forward-looking statement.

For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to our business in general, see our Annual Report on Form 10-K filed with the SEC on February 29, 2024 and our subsequent periodic reports filed with the SEC from time to time. Copies of these filings are available on our website at <https://investors.stem.com/stock-and-financials/sec-filings/default.aspx>, or on the SEC website at www.sec.gov. 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.

Forward-looking statements are aspirational. They are not guarantees or promises that goals or targets will be met. Forward-looking and other statements in this Report regarding our environmental, social and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the SEC. The forward-looking statements in this Report speak only as of July 1, 2024, and Stem disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Website references and hyperlinks throughout this document are provided for convenience only, and the contents of referenced third-party websites are not incorporated by reference into this Report. We assume no liability for the content contained in the referenced third-party websites.

About Stem, Inc.

**Stem is a global leader in AI-driven
clean energy solutions and services.**

As a global leader in AI-driven clean energy solutions and services, Stem is dedicated to accelerating the energy transition and transforming the grid. We offer flexible, integrated solutions to improve returns and maximize the economic, environmental, and resiliency value across energy assets. Our trusted energy optimization platform empowers our customers to deploy and unlock the full potential of clean energy assets at scale.

Learn more at stem.com.

