Sustainability Policy Statement

I. INTRODUCTION

As a smart energy storage company, Stem delivers and operates AI-driven energy storage solutions that maximize renewable energy generation and help build a cleaner, more resilient grid. Our solutions directly support the global commitment to decarbonization and the transition to a low-carbon economy. Through our operating practices, we aim effectively manage the use of natural resources, identify and mitigate environmental risks that may affect our business and communities, increase resiliency, and reduce our own environmental impact.

This includes achieving continuous improvement and through monitoring, managing, and reporting on our performance using ISO 14001 management principles. We also aim to comply with all applicable environmental laws, regulations, and industry best practices, including those that may affect emissions, hazardous waste disposal, and water quality.

II. CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

Through our AI-driven energy storage solutions, Stem is committed to making meaningful contribution to address climate-related risks for our customers and partners. Specifically, we are committed to supporting renewable energy adoption, stabilizing the grid, and networking distributed energy resources. Our solutions align with ambitions of the Paris Agreement, and also support climate-related goals of our corporate clients, utilities, and asset owners related to increasing renewable electricity consumption and supporting grid resiliency.

Stem is also committed to reducing our Company's own direct energy usage and greenhouse gas emissions. This includes continuously monitoring and reporting on our environmental footprint and implementing energy efficiency and low-carbon solutions throughout our own operations.

III. WASTE

Stem aims to responsibly manage and dispose of waste throughout our operations, including hazardous waste and e-waste. This also includes reducing waste sent to landfill and implementing solutions to increase reuse and recycling programs.

We are also committed to responsibly managing waste associated with the electronic equipment used by our customers. This includes implementing solutions to recycle and refurbish equipment, when possible.

IV. WATER

Stem aims to manage our Company's water footprint and finite water resources by implementing water efficiency measures throughout our operations. We also believe access to clean, potable water is a fundamental human right that should be protected.

V. BIODIVERSITY

Stem is committed to protecting and preserving natural resources and habitats, including those designated under the International Union for Conservation of Nature (IUCN) designation I-IV, UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, Key Biodiversity Areas, and/or wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).

VI. SUPPLY CHAIN

Stem expects our supply chain partners to also operate in a manner that reduces their environmental footprint and manages climate change-related risks, including those related to distribution and logistics for product delivery. All of Stem's partners are also expected to comply with all environmental federal, state, and local laws, as outlined in our Partner Code of Conduct.

VII. MANAGEMENT, GOVERNANCE AND IMPLEMENTATION

Our Sustainability Policy Statement applies to all of our operations, and we expect our employees and other partners to comply with all aspects of the policy. Stem employees are also expected to be aware of environmental issues and maintain compliance with all internal environmental policies.

Stem is committed to providing our employees with sustainability awareness training including on any applicable environmental federal, state, and local laws. Should Stem enter into new partnerships, including but not limited to acquisitions, we commit to ensuring alignment with our sustainability objectives as part of our due diligence processes.

The execution of this policy is overseen by Stem's executive management team.

Stem reserves the right to update this policy, and will consult our stakeholders, including our employees and partners, to evaluate opportunities and implement procedures to support its implementation. Through our due diligence and monitoring processes, we also aim to ensure the effectiveness of this policy and identify and mitigate any sustainability-related risks.

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