

2023
***SUSTAINABILITY
REPORT***



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CIRCULARITY: WHAT'S OLD IS NEW AND WHAT'S NEW IS POWERFUL

A Message from Our CEO



MARK
WALLACE

CLARIOS PRESIDENT & CEO

The automotive industry will change more in the next 10 years than it has in the last 100. This transformation isn't just about the vehicles themselves; it extends to low-voltage batteries found in every internal combustion, hybrid, or battery electric vehicle.

As the world leader in low-voltage batteries, we have a unique view of this rapid transformation. We also recognize we have a responsibility to facilitate and support the auto industry's drive toward an all-electric future.

Setting the Stage for Our Business

Our efforts begin with our commitment to our customers. We are collaborating daily with leading automakers, helping them to enhance fuel economy and reduce CO₂ emissions, supporting the automotive industry's environmental goals and affirming our commitment to a sustainable future through [advanced battery technology](#). In 2023, our Research and Development (R&D) teams took steps to deepen our commitment to developing sustainable battery solutions, by launching a [sodium-ion battery program](#) that will use abundantly available and sustainable materials.

Clarios plant leaders and teams are leveraging new technologies to further advance our longstanding commitment to sustainability within our facilities. We're using [cutting-edge generative artificial intelligence to make old equipment more efficient](#), and we're expanding our award-winning circular economy to recycle old batteries every day. Our investments and focus on operational efficiency allow us to do more with less as we meet the increased demands for our products.

Designing With a Circular Mindset

As we develop new products, we are focused on designing

them with a circular mindset. Today, our products are designed so that up to 99% of the battery materials can be responsibly recovered, recycled, and reused to make new batteries or other products. This means more to us than reusing materials. By using recycled materials in our batteries, Clarios uses 90% less energy and generates 90% fewer life cycle greenhouse gas emissions than those made with virgin materials.

In 2023, we introduced our new [Sustainability Blueprint 2030](#) to serve as a guide for our approach to sustainability in all its forms and our support of global commitments like the United Nations Sustainable Development Goals. Following this, Ethisphere named Clarios one of the [World's Most Ethical Companies](#)[®], underscoring the integrity, ethics, and sustainability efforts demonstrated by our 17,000 employees. Their commitment keeps our practices at the forefront of the industry, and I'm pleased to say we've received the same recognition again in 2024 thanks to our teams.

Extending Our Commitment to Communities

Clarios is proud to continue our commitment to the United Nations Global Compact. We are committed to aligning our operations and strategies with the Compact's Ten Principles that cover the topics of human rights, labor, health and safety, the environment, and anti-corruption. We also recognize we must extend our leadership commitment beyond our own operations.

It drives us to share our knowledge with partners around the world. In 2017, Clarios founded the [Responsible Battery Coalition](#) and partnered with the World Economic Forum to create the [Global Battery Alliance](#) to expand and accelerate the circular economy for the batteries of today and tomorrow. Through these

organizations, we continue to bring together governments, Non-Governmental Organizations (NGOs), companies and academics to advance the development of an increasingly sustainable and circular battery economy.

We're also investing more than expertise into making the world safer and more sustainable. We're pleased to see our ongoing global humanitarian efforts making an impact. In 2022, we launched a four-year partnership with UNICEF. The Clarios Foundation's \$20-million commitment supports the organization's Healthy Environments for Healthy Children program, an ongoing initiative to reduce environmental hazards that impact children's health. [In 2023, we began to see the positive outcomes of that donation.](#)

Taking the Lead

As a team, we're proud of what we've achieved together. Especially last year's [recognition with a World Sustainability Award](#). This honor acknowledged many decades of work to establish a global system wherein every hour of every day, Clarios recycles 8,000 used batteries. The celebration was sweet, but short. We recognize the opportunities ahead and the role we have to play in our industry's transformation – and we plan to lead from the front.

Mark Wallace, President & CEO

SECTION

02



COMPANY BACKGROUND

Clarios is a global leader in advanced, low-voltage battery technologies essential for the future of transportation. We are in business to power tomorrow's world through better low-voltage battery systems and solutions for virtually every kind of vehicle, from internal combustion to hybrid and full electric (EV). Additionally, the shift from mechanical to electrical systems has heightened the significance of the low-voltage network and its batteries, leading to the emergence of software-defined low-voltage architecture.

Today, there is a Clarios battery in one in every three vehicles worldwide. Why? Because we apply deep knowledge to create the most insightful applications for our customers. We're evolving Absorbent Glass Mat (AGM), Lithium-ion (Li-ion), Sodium-ion (Na-ion) and other advanced chemistries for the road ahead.

We strive to continue setting the industry standard with customer-focused solutions, a strong family of brands, best-practice operations, as well as a rigorous sustainability focus including an unmatched circular supply chain. We have a unique view of the rapidly transforming mobility industry. As a world leader in low-voltage battery solutions, we are well positioned to facilitate and support the industry's drive toward decarbonization.

STRONG FAMILY OF BRANDS



OUR COMMITMENTS

In our 2022 Report, we set four strategic enterprise commitments following extensive stakeholder engagement, analysis of material topics and global trends, and evaluation of evolving business expectations. Throughout this report we've highlighted our continued progress on these commitments.

1 IN 3 CARS

Today, there is a Clarios battery in one in every three vehicles worldwide¹.

¹Based on Clarios passenger vehicle serviceable addressable market

ADVANCED CHEMISTRIES FOR THE ROAD AHEAD

We're evolving Absorbent Glass Mat (AGM), Lithium-ion (Li-ion), Sodium-ion (Na-ion) and other advanced chemistries for the road ahead.

UNMATCHED CIRCULAR SUPPLY CHAIN

What's Next:

OUR TRANSITION TO SUSTAINABILITY BLUEPRINT 2030

In 2020, the Clarios Sustainability Blueprint set a course for how we will leave the world better than we found it. This future-focused, intentional, comprehensive, and integrated strategy enabled us to embed in our company a quest for **value, operational excellence, life-cycle stewardship, transparency and advocacy.**

As a result of our implementation efforts, the Blueprint's six foundational objectives have been achieved. We have:

- 1/ Established enterprise governance, cross-functional accountability, and clear compliance expectations.
- 2/ Integrated sustainability into our business strategy that is central to our growth initiatives.
- 3/ Identified, prioritized, and aligned our efforts to address material risks and new opportunities.
- 4/ Defined company commitments, corporate policies, and taken clear industry leadership positions.
- 5/ Developed customer, stakeholder, community and employee engagement and partnerships.
- 6/ Established key performance indicators, committed to a science-based target and transparent reporting.

Building on this internal foundation, we are now looking outward. We are not only essential to today's world, but essential to a sustainable tomorrow. Our aspiration remains to build a company and a world that is able "to sustain and grow indefinitely." To guide our next steps, we've developed our **Blueprint 2030**. It begins with our responsibility to continuously improve and accelerate solutions. It builds on our unique circular economy expertise and sets clear expectations for how we operate and report our progress. Each of our Blueprint 2030

priorities align with a specific UN Sustainable Development Goal (UN SDGs) our business can directly advance. This enables us to be intentional in our efforts while we also impact a broader set of UN SDGs.

RECOGNITION WE VALUE



CLARIOS BLUEPRINT 2030



SUSTAINABLE DEVELOPMENT GOALS



MATERIALITY

This report is aligned with the results of the materiality assessment performed in 2022 identifying material topics relevant for Clarios. These material topics will continue to support the prioritization of our sustainability strategy, programs and disclosure efforts.

By considering both financial and non-financial impacts of identified sustainability factors, we will continue to be well positioned to effectively manage risk and opportunities that may have short- and long-term sustainability implications for business performance, reputation and anticipated regulatory reporting.

Clarios follows a formal process that identifies and prioritizes risks and opportunities that are most likely to impact the business and stakeholder relationships. As a result, we are better able to understand our stakeholders' needs and expectations. This process included peer and industry research, integrated its research findings with previous materiality assessments, and compiled a list of material topics.

The materiality assessment was provided to a representative group of internal and external stakeholders to validate the results. The final materiality assessment and map were approved by the company's Sustainability Council and Executive Leadership Team, and subsequently reviewed by the Sustainability and Risk Management Committee of the Board of Directors.

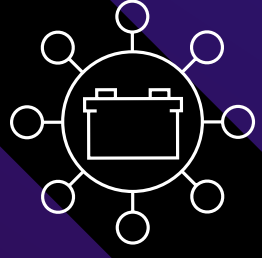
CLARIOS MATERIALITY ASSESSMENT

H	<ul style="list-style-type: none"> Public Policy & Advocacy Community Engagement Philanthropy Water Stress 	<ul style="list-style-type: none"> Electrification of Mobility & Decarbonization of Transport Climate Change Operational Sustainability (Energy, Water, Waste & Emissions) Human Capital* <ul style="list-style-type: none"> Workplace Health & Safety Human Rights Inclusion & Diversity Employee Development and Retention Labor Practices Responsible Sourcing and Supply Chain Transparency* Sector Performance and Standards* 	
	<ul style="list-style-type: none"> Biodiversity Ecosystem Services Deforestation 	<ul style="list-style-type: none"> Governance & Transparency Ethics & Compliance Circular Economy Enterprise Risk Management & Business Continuity Product Development & Innovation* Product Stewardship (Life-Cycle Accountability) Capital Allocation* Fair Competition & Anti-trust Cybersecurity & Data Privacy* 	
L	BUSINESS VALUE		H

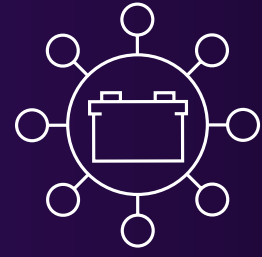
*Generally representative of 2022 ERM Clarios Leadership top risks

SECTION

03



DRIVING INNOVATION

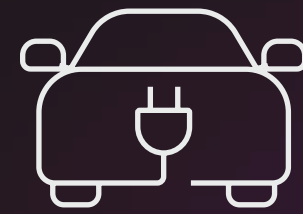


The automotive industry is undergoing a monumental transformation, driven by the development of software-defined vehicles (SDVs). SDVs represent a palpable shift in the industry, with the potential to significantly impact how we use vehicles.

Every vehicle, including hybrid and electric, requires a low-voltage energy source to power critical systems and functions. As hybrid and electric vehicles continue to evolve, the low-voltage network will support an increased number of critical safety demands and software-based functions such as steer-by-wire, break-by-wire, and autonomous functions, as well as enhanced in-cabin experiences.

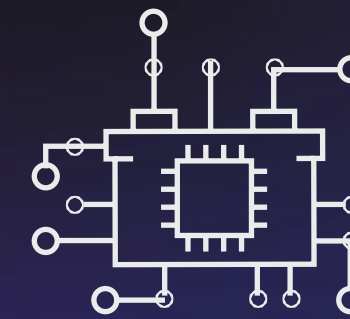
At Clarios, we're not just bringing customers the right solutions today, but also partnering with them for the future.

AS WE LOOK TO THE FUTURE, OUR INDUSTRY IS BEING TRANSFORMED BY THREE KEY TRENDS:



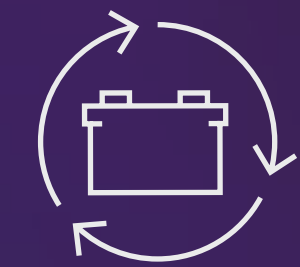
ELECTRIFICATION

Nearly all automakers are electrifying their vehicles, empowering them to enhance the driving experience, introducing new functionalities and enabling autonomy.



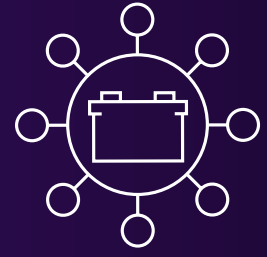
DIGITALIZATION

Automakers are shifting to a zonal architecture, increasing accessibility, scalability and overall systems efficiency. We're partnering with our customers to navigate this shift with advanced low-voltage battery solutions.



CIRCULARITY

Circularity is not new for Clarios; in fact, we've created a closed-loop system that makes automotive batteries one of the most recycled consumer products in the world. We envision a future where all batteries are recycled, regardless of chemistry.



HOW ARE WE PREPARING FOR THIS FUTURE? IN 2023, WE TOOK STEPS TOWARD THREE CRITICAL PARTNERSHIPS:

1/

We acquired the power business unit of Paragon GmbH & Co. KGaA, which expanded our systems, software integration and lithium-ion (Li-ion) capabilities. This acquisition strengthens our resources in Europe and globally as we develop a systems-based approach to low-voltage networks.


2/

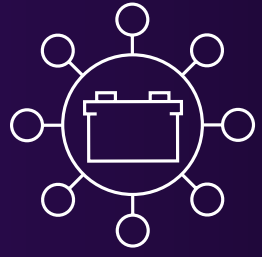
We defined a collaboration agreement with Altris, a pioneer in sustainable sodium-ion (Na-ion) battery technologies, to support low-voltage mobility applications. This set in motion the creation of a detailed production plan for low-voltage vehicle batteries utilizing sodium-ion cells.

3/

We established a joint development agreement with a global automaker to bring to market low-voltage sodium-ion battery technology for automotive applications by the end of the decade.

The vehicles of the future will require multidimensional battery systems. We integrate chemistry, electronics, software, and diagnostics to provide the best solutions, irrespective of voltage (12-48V) requirements, for our customers. Our vision is to continue to grow in this area, creating an ecosystem in which we support our customers with safe, adaptable, sustainable, and efficient solutions.





OPENING NEW OPPORTUNITIES FOR CUSTOMERS – SUPERCAPACITORS

Vehicles are evolving rapidly and are demanding more electrical power. Clarios and our engineering teams are focused on a future that is more electric, digital and circular. Our focused Research and Development (R&D) leadership is helping develop technologies to increase vehicle performance and open new possibilities for our customers.

A key initiative is to integrate supercapacitors (Super Caps) with lithium-ion batteries to deliver very high bursts of power within a millisecond. These Super Caps will empower vehicle designers to make significant improvements impacting safety, performance, and durability. For example, Super Cap technology allows designers to create an active chassis that handles better at speed. We've assembled some of the best in the business in Hannover, Germany to accelerate development of new products to share with customers, expected in 2025.



OPTIMA LAUNCHES SIX LITHIUM-ION POWERSPORT BATTERIES

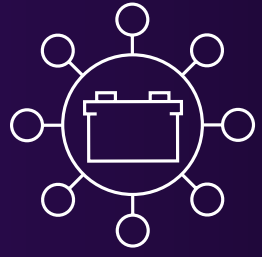
Our team of dedicated engineers based in China, and our OPTIMA U.S. team, collaborated to revolutionize powersport batteries. Using our advanced understanding of power and performance, engineers designed six models of powersport Lithium-ion (Li-ion) batteries with integrated software management systems. The small team began the project in January 2022, launching in July of 2023. These innovations balance the life, performance and usage of the battery, reducing the risk and occurrence of battery failure and gradual performance degradation seen in the market.

Understanding how the new technology interacted with the variety of motorcycles in the aftermarket in the U.S. allowed us to test the battery in some seriously tough conditions. "There is no better feeling than a powersport vehicle successfully cranking with an OPTIMA ORANGETOP Li-ion battery under extreme conditions, like six-month parking and -30-degree Celsius testing," said Eric Michielutti, Director of Li-ion Product Technology.



PARTNERING WITH ALTRIS TO ADVANCE LOW-VOLTAGE SYSTEMS

Our partnership with Altris, a pioneer in sustainable sodium-ion battery technologies, focuses on developing the sodium-ion cell technology for low-voltage mobility applications leveraging Clarios expertise in Battery Management Systems (BMS), software, and system integration to design the battery system. Sodium-ion (Na-ion) batteries are well suited to meet these increased power demands, and at the same time are inherently sustainable and easy to recycle. Na-ion technology offers an energy density on par with Lithium Iron Phosphate (LFP) battery technologies and is particularly sustainable thanks to its environmentally friendly and easily recyclable materials. The materials used to produce Na-ion cells – **salt, wood, iron and air** – are abundant and free from conflict minerals and toxic elements. Developing Na-ion batteries for vehicles would represent an important advancement in automotive battery technology and advance the circularity goals of the automotive industry.



TARGET AGREEMENT PROCESS

Enhancing Operational Efficiency

At Clarios, we distinguish and innovate our brand, products and systems by empowering our teams while listening to and heeding customer feedback. We demonstrated our commitment to continuous improvement in this arena by creating a new cross-functional Target Agreement Process (TAP), conducted in-person in the Americas, Europe and Asia.

Overall, teams evaluated over 70 initiatives, with most advancing to approval and execution. Importantly, this wasn't a one-off process. TAP will continue to serve as the foundation for our annual Customer & Technology strategic planning process.

OUR GOAL IS TO:

Develop a connection between the sales, engineering and regional cross-functional teams to drive commitment to resource alignment and business development.

Ensure product development is connected to our long-term sales plan.

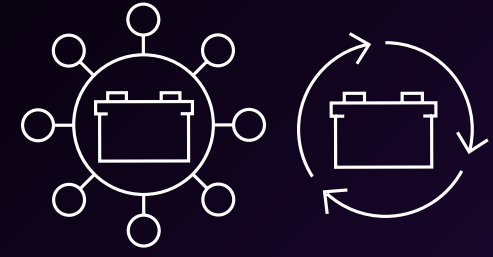
Enhance clarity and confidence in our engineering budget and capital allocations.

Develop a customer-centric engagement plan and roadmap.

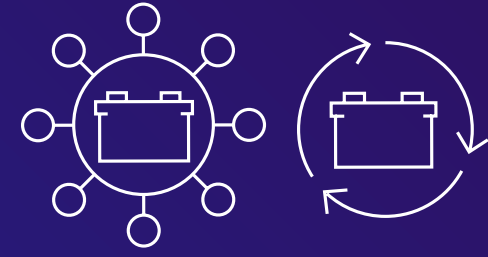
Identify product gaps and innovation opportunities through customer insights and collaboration.

Embed TAP into our annual financial strategic planning process.

As noted by one attendee, "TAP was a great start – and exactly what we need, ensuring clarity, alignment and commitment to our agreed-upon scope."



CIRCULAR ECONOMY LEADERSHIP



CIRCULAR ECONOMY LEADERSHIP



At Clarios, end-of-life batteries are a critical resource, not waste. We operate one of the world’s most successful examples of a circular economy – recycling 8,000 used batteries every hour of every day across our network. In 2023, we were awarded the Circular Economy award at the 2023 World Sustainability Awards in recognition of our world-class commitment to building a circular economy at scale that can serve as an inspiration for others.

Our circular supply chain starts and ends at the same point: when we deliver new batteries to our customers, we get used batteries in return. Our batteries are designed so that up to 99% of the materials can be responsibly recovered, recycled and repurposed to make new batteries or other products. Our closed-loop system and reverse logistics network reduce the need for hundreds of thousands of additional transportation miles each year. The recycled materials in our batteries require approximately 90% less energy to process and generate approximately 90% fewer life cycle greenhouse gas emissions than virgin materials.

Circularity is in our DNA and embedded in our business. It drives our commitment to the safe and responsible management of all batteries, regardless of chemistry. It is how we evaluate smarter, more sustainable material choices, design new products for durability, and use our expertise to close the loop for next-generation technologies.

8,000

recycling 8,000 used batteries every hour in our network.

99%

99% of the materials can be responsibly recovered, recycled and repurposed to make new batteries or other products.

<90%

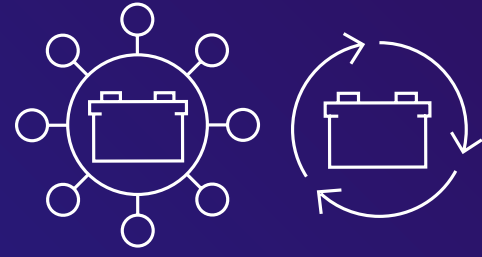
The recycled materials in our batteries require approximately 90% less energy to process and generate approximately 90% fewer life cycle greenhouse gas emissions than virgin materials.

RESPONSIBLE LEADERSHIP THROUGH THE RESPONSIBLE BATTERY COALITION AND GLOBAL BATTERY ALLIANCE

Clarios worked with leading organizations to form the Responsible Battery Coalition (RBC) and was a founding member of the Global Battery Alliance (GBA) in 2017. The RBC is a nonprofit focused on improving the sustainability of all types of transportation, industrial and stationary batteries. The coalition exists to ensure that batteries, regardless of chemistry, are properly managed across their life cycle and reused when possible – then ultimately recycled.

The GBA aims to help drive global standards and responsible practices to ensure the battery value chain is socially, environmentally and economically sustainable. It is currently working to eliminate child labor and forced labor from the cobalt value chain and to contribute to the sustainable development of communities.





CIRCULAR ECONOMY LEADERSHIP

RECOGNITION OF OUR CIRCULAR ECONOMY LEADERSHIP

World Sustainability Awards – Circular Economy Award

In 2023, Clarios received the prestigious Circular Economy Award at the World Sustainability Awards. This honor acknowledges our leadership in redesigning operations to foster a sustainable future. At Clarios, circularity is not just a concept; it's woven into our DNA.

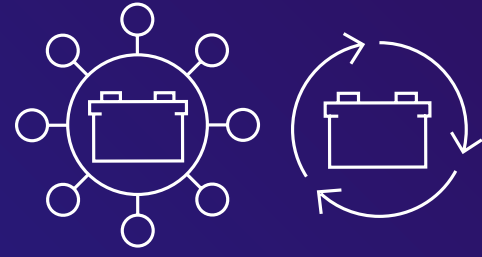
Clarios was one of 15 companies shortlisted for the award and the only automotive company to make the final round of consideration.

“We are proud of this recognition from the World Sustainability Awards and honored to be among many other industry-leading companies striving to operate sustainably,” said Clarios President and CEO Mark Wallace. “We look forward to continued collaboration with our customers, partners, suppliers, policymakers and other stakeholders to meet the ongoing challenge of building a sustainable future.”

Christian Rosenkranz, Clarios Vice President Corporate Affairs and Sustainability EMEA, accepted the award in Amsterdam, stating, “This recognition underscores our commitment to sustainability and inspires our continued efforts towards a circular economy.”

Our circular approach is world-class – not only recycling product but redefining product life cycles, significantly reducing energy use and emissions. This award follows previous accolades. The U.S. Department of Energy recognized Clarios in 2021 as a Phase II winner of its Lithium-Ion Battery Recycling Prize, affirming our role in advancing sustainable practices within the automotive industry.





OPTIMA UNPLUGGED: PAVING THE WAY FOR OFF-ROAD EVs

In 2023, OPTIMA hosted its inaugural Unplugged Event, with the goal of embracing hybrid and electric vehicles (EVs) in the rugged world of off-roading. Over 40 electric vehicles participated in this electrifying rally in Johnson Valley, CA. The event aims to prove that, with the necessary infrastructure, EVs can offer ruggedness, durability and thrills.

Cam Douglass, Director of Marketing at OPTIMA Batteries, shared the inspiring origins of the OPTIMA Unplugged Event, powered by Clarios. It all began with a back of the napkin sketch and a passionate community of off-roading enthusiasts. The King of Hammers event, which started as a modest gathering in the California desert, has now blossomed into a massive annual gathering with over 70,000 attendees.

The event followed a “poker run” format, allowing participants to explore Johnson Valley’s challenging terrain in their battery-powered rides. The only requirement for vehicles was all-wheel drive – no other modifications necessary. Guided by professional drivers like Tanner Foust, Christopher Polvorde, Chris Forsberg and Vaughn Gittin Jr., attendees experienced the thrill of off-roading without emissions.

Douglass summed it up perfectly: “Bringing like-minded individuals together and helping the electrified community navigate the off-road world was our goal for this event, and that’s what being an enthusiast is all about.” As the off-road community embraces electric mobility, OPTIMA Unplugged paves the way for a thrilling, sustainable future.



VARTA'S ELECTRIFYING PARTNERSHIP WITH NXT GEN CUP

Paving the Way for Young Talent

In June 2023, VARTA joined forces with the NXT Gen Cup, the world’s pioneering fully electric youth touring car cup. This groundbreaking partnership is more than just a collaboration – it’s a commitment to sustainable racing and nurturing the next generation of drivers.

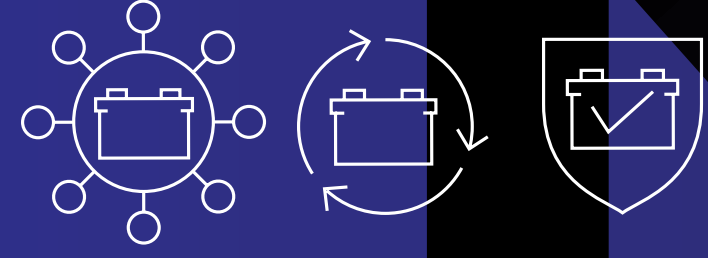
The NXT Gen Cup introduces a fresh concept to the motorsport arena. Young drivers take the wheel of the all-new LRT NXT1 – a fully electric race car based on the MINI Cooper SE road car. With 190-230 horsepower (depending on the circuit), instant torque, and “push to pass” functionality, the LRT NXT1 delivers high performance while keeping sustainability a top priority.

The Cup operates on an “arrive and drive” model, giving all drivers equal machinery and keeping the costs down for the drivers, allowing them to concentrate solely on racing. No distractions, no worries – just pure adrenaline as they lay the groundwork for their professional racing careers. But the NXT Gen Cup goes beyond the track; it’s a comprehensive education program. Drivers learn not only the racing and engineering aspects of the car, but also the financial side of the sport. From sponsor meetings to budget calculations, they gain valuable insights into the business of racing.

Partnering with NXT Gen Cup aligns with VARTA’s vision by championing electric mobility and emphasizing fairness, education, and the development of young talent.

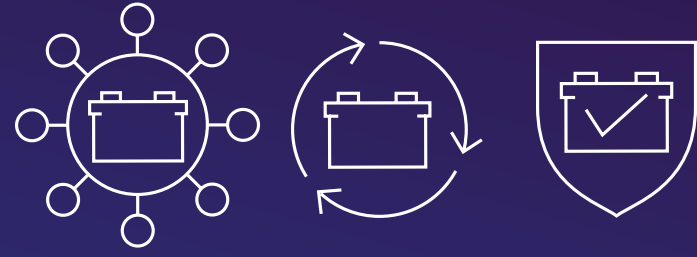
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ENVIRONMENTAL STEWARDSHIP

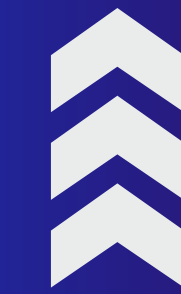




ENERGY & GREENHOUSE GAS EMISSIONS

Our circular supply chain significantly lowers our energy and greenhouse gas (GHG) footprint by using recycled materials versus virgin materials. The reuse of the metals from used batteries results in 90% lower GHG emissions than processing primary ore from a mine. **The ability to recycle the plastic from used battery cases decreases the energy required by 90%, compared with virgin plastic made from oil or natural gas.** In addition, innovative PowerFrame® technology embedded in Clarios batteries uses 20% less energy and releases **25% fewer GHG emissions than traditional plate making manufacturing methods.**

We monitor our energy consumption and seek opportunities to further reduce net energy consumption, and by extension, mitigate GHG emissions across our operations. Our efforts in 2023 have resulted in being listed as committed on the public SBTi Dashboard and we look forward to submitting our targets to SBTi for validation in 2025. Through our “Energy Hunt” program, we identify and apply energy savings at our manufacturing facilities such as repairing compressed-air leaks, installing heat-recovery systems, improving lighting efficiency, and making our processes more energy efficient. Our European facilities are certified to the ISO 50001 Energy Management Standard.



**PROGRESS ON:
OUR COMMITMENT
TO ENERGY AND
EMISSIONS**

Commit to a Science-Based Target Initiative Scope 1 & 2 greenhouse gas reduction.

LISTED AS COMMITTED ON SBTi TARGET DASHBOARD

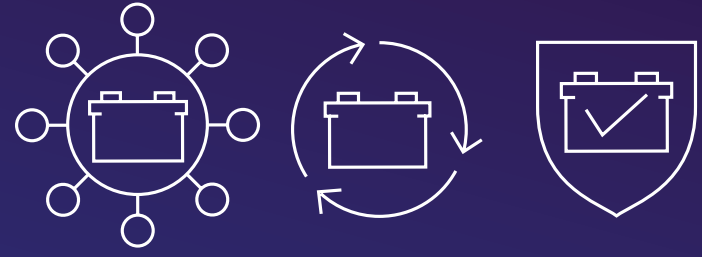
REINVIGORATED OUR ENERGY HUNT PROGRAM TO IDENTIFY AND APPLY ENERGY SAVINGS

REDUCTION OF SCOPE 2 EMISSIONS THROUGH CARBON-FREE ELECTRICITY AGREEMENTS

METRIC	FY21	FY22	FY23
GHG EMISSIONS — CO ₂ e SCOPE 1 (UTILITIES: NATURAL GAS, PROPANE, DIESEL) ¹	219,302 MT	205,899 MT	205,981 MT
GHG EMISSIONS — CO ₂ e SCOPE 1 (RECYCLING PROCESS GHGs: ANTHRACITE COAL, COKE, SODIUM CARBONATE, POLYPROPYLENE, POLYETHYLENE) ¹	329,621 MT	322,335 MT	328,333 MT
GHG EMISSIONS — CO ₂ e SCOPE 2 (UTILITIES: ELECTRICITY AND STEAM) ¹	793,374 MT	773,336 MT	715,990 MT
TOTAL ENERGY CONSUMED ¹	11,140,952 GJ (3,094,709 MWh)	10,687,300 GJ (2,968,695 MWh)	10,859,331 GJ (3,016,481 MWh)
PERCENTAGE GRID ELECTRICITY ¹	64%	65%	65%
PERCENTAGE RENEWABLE ¹	0.02%	0.11%	0.14%
PERCENTAGE OF PLANTS CERTIFIED ISO 50001	22% <small>(100% OF PLANTS IN EUROPE, THE MIDDLE EAST & AFRICA)</small>	22% <small>(100% OF PLANTS IN EUROPE, THE MIDDLE EAST & AFRICA)</small>	29%
REVENUE FROM CLEAN TECH PROJECTS AND PRODUCTS (I.E., FUEL EFFICIENT OR EMISSIONS REDUCING) ²	\$2.6Bn	\$2.8Bn	\$3.4Bn

¹Historical data restated to reflect additional locations in Europe, Middle East & Africa (EMEA) region and increased data fidelity where applicable

²AGM and Enhanced Flooded Battery (EFB) Revenue



WASTE

Clarios plays an integral role in ensuring used batteries are responsibly recycled and not abandoned in garages, on the side of the road, or in landfills. Lead-acid batteries are designed and built to provide power throughout their useful life, and be collected, recycled, and converted back into new batteries – avoiding their disposal at end of life.

We use a cradle-to-grave approach that has helped make these batteries the most recycled consumer product in most countries while minimizing, recovering, and safely disposing of waste in a manner that complies with regulations and protects human health and the environment.

We continuously improve the use and reuse of materials for better batteries while challenging ourselves to find new ways to further reduce waste and reintroduce additional recycled materials into our plants.

Our circular supply chain begins when used batteries are safely collected and transported by our licensed and insured logistics partners and delivered to our network of lead-acid recycling facilities across the globe. Once received, the process begins with the physical separation of the primary components that

make up a battery – plastic, electrolyte and lead – enabling the recovery of lead and plastics to make new batteries.

Polypropylene plastic is washed and pelletized for use in new battery cases. The electrolyte is chemically processed to capture residual lead then neutralized for disposal or converted into sodium sulphate, which can be sold for use in other sectors. Solid lead is segregated, cleaned and used to make new battery alloys. Lead compounds in paste-form require a process known as smelting to recover battery-grade material.

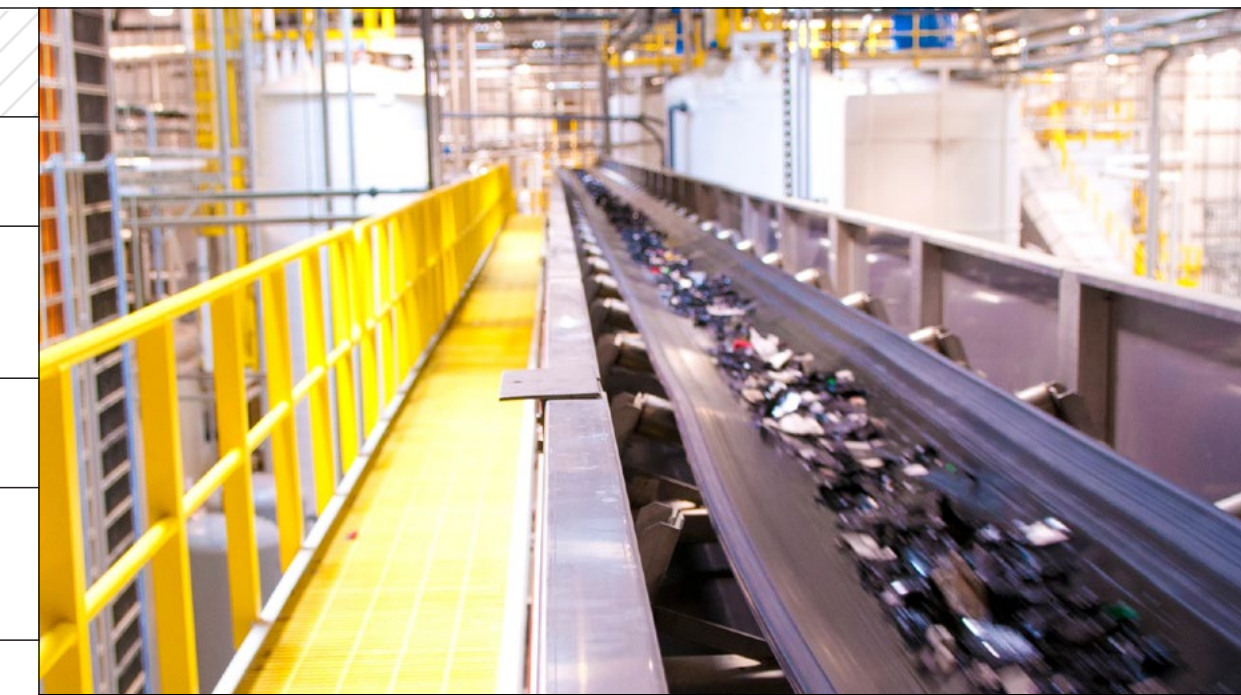
Smelting removes sulfur and oxygen from lead compounds using a thermochemical process, which adds iron, sodium and a carbon source at temperatures approximately 1,000°F. Results are high-purity lead and a mineral-like byproduct comprised of sodium, iron, and phosphate called slag.

The more batteries recycled, the more slag produced from smelting. In many countries, slag may be considered non-hazardous based on its chemical characteristics while in other countries, most notably Mexico, it is regulated as a hazardous waste, regardless of its chemical characteristics, and legal requirements

dictate disposal in a hazardous waste landfill. Though there are no viable alternatives to the current lead smelting process available at scale, we continue to explore alternative methods and their potential to improve environmental outcomes.

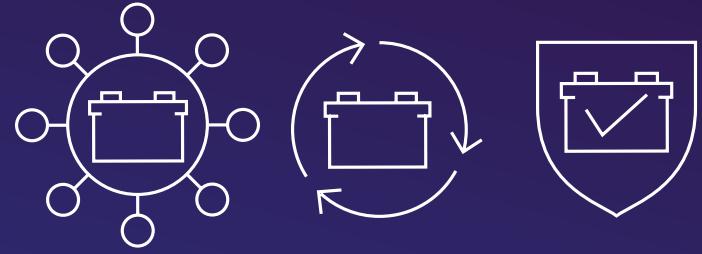
The lead-acid closed-loop recycling process represents the world's most effective recycling system. It achieves this through a combination of critical factors including the inherent recyclability of the component raw materials, namely lead and polypropylene, a mature and well-understood set of recycling processes, complementary Environmental, Health and Safety (EHS) regulations that are protective of human health and the environment while providing certainty to process operators, and a regulatory scheme that incentivizes responsible recycling. Our focus is to continue to promote responsible recycling of lead-acid batteries while also promoting equivalent systems to support responsible collection, transportation, handling, storage, and true end-to-end recycling of newer battery chemistries such as lithium, sodium, and other advanced battery chemistries.

METRIC	FY21	FY22	FY23
TOTAL AMOUNT OF WASTE FROM MANUFACTURING ¹	286,344 MT	267,041 MT	272,978 MT
PERCENTAGE OF WASTE GENERATED FROM MANUFACTURING OPERATIONS THAT IS HAZARDOUS ¹	80%	75%	80%
WASTE DIVERTED FROM LANDFILL ¹	80,448 MT	93,873 MT	99,410 MT
PERCENTAGE OF WASTE GENERATED FROM MANUFACTURING OPERATIONS THAT IS RECYCLED ¹	28%	35%	35%
AMOUNT OF HAZARDOUS WASTE GENERATED ¹	230,419 MT	200,465 MT	219,738 MT
PERCENTAGE OF HAZARDOUS WASTE RECYCLED ¹	12%	14%	15%
PERCENTAGE OF PLANTS CERTIFIED TO ISO 14001 ²	100%	98%	96%
AVERAGE RECYCLABILITY OF AUTO PARTS SOLD	100%	100%	100%



¹Historical data restated to reflect additional locations in Europe, Middle East & Africa (EMEA) region and increased data fidelity where applicable

²Clarios is reviewing options regarding ISO certifications but currently is not certifying small operations. One manufacturing location in process of certification and 3rd party auditing scheduled for June 2024



MEXICO'S NEW ZERO-EMISSION POWER AGREEMENT

Progress on Our Decarbonization Pathway

We are dedicated to continuously improving our greenhouse gas emissions performance. We reduced our fiscal year 2023 Scope 1 and 2 emissions by nearly 7% from our fiscal year 2021 baseline emissions level. For example, from fiscal 2022 to fiscal 2023 we reduced our Scope 2 emissions by over 55,000 MT/CO₂e as a result of our efforts.

One way we are driving these reductions is through a new, zero-emission nuclear agreement in Mexico. Our Mexico leadership team, working with our U.S. Procurement and EHS teams, reached an agreement with Mexico's Comisión Federal de Electricidad-CALIFICADOS to allow Clarios to become one of the first private companies in Mexico to receive 100% of our baseload electricity from nuclear power.

By eliminating natural gas and electricity price volatility, this agreement is a win-win that reduces CO₂ emissions and ensures stability for our operations.

The long-term contract supplies 100% of baseload electricity to all manufacturing plants in Mexico, including expansion projects.

USING AI TO OPTIMIZE RESOURCES

How Cross-Functional Partnership and Innovative Tech Made Existing Machines More Efficient Than Ever

Lead oxide is the single largest material component required for battery manufacturing, and demand for the metal is outpacing supply.

At Clarios, we meet this demand in two ways: producing our own oxide using our oxide mill equipment in our facilities, and purchasing it from third-party vendors. While making our own oxide is the most cost-effective choice, our production couldn't keep pace with increasing demand, forcing us to rely on outsourced material. Normally, the solution to this would be to increase our capacity by installing more mills, but instead our team committed themselves to finding a sustainable solution using the power of generative machine learning, also known as artificial intelligence (AI).

Our Operations and IT teams partnered to use automated learning to comb through billions of data points from our oxide mills at our St. Joseph, Missouri and Winston-Salem, North Carolina facilities. Using this advanced analytics tool, the team uncovered previously inaccurate feedback data used by plant operators and existing machine controls to optimize throughput.

"It was like magic to me," said Steve Turner, Director of Process Excellence. "The new AI and machine learning capabilities that our IT partners brought to the team opened a new world of analytics we couldn't access before. In the past, we might have had 50 input variables, each with hundreds of thousands of data points, and

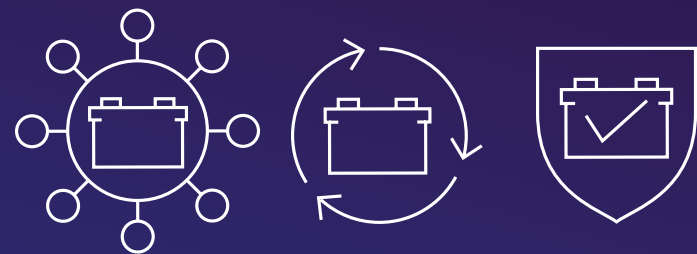
we'd use our intuition to pick three to five to analyze, which would take weeks. Now we're able to process all of it. We wouldn't have come to the conclusions we did without it."

After validating the new controls with more reliable feedback on one mill, the approach was deployed to other mills, improving process stability. The project broke throughput records and achieved an annual savings rate of more than \$3 million by reducing our reliance on third-party lead oxide.

The changes implemented by the team made the decades-old equipment more efficient than when it was originally installed 20-25 years ago. In addition to rolling out the process to other plants, these changes have revealed opportunities to unlock design performance for more efficient and sustainable use of materials.

This project supported our sustainability goals in multiple ways: making our process more efficient to stretch our raw materials further and improving our process rather than needlessly replacing equipment.

For their efforts, the team was recognized by the Manufacturing Leadership Council as a Finalist in the AI and Machine Learning category of the 2023 Manufacturing Leadership Awards.



WATER

Most of the water we consume goes directly into our manufacturing processes and comes from local water utility companies. Stringent procedures to prevent accidental discharges and spills are in place as part of our global operating discipline.

To inform our water conservation initiatives, we have updated our water risk evaluations for our facilities using the World Resources Institute Aqueduct™ tool following its baseline (current), 2030 and 2050 scenarios. This tool uses a comprehensive dataset to identify and evaluate water risks around the world.

At our manufacturing facilities, we contain, recycle and continuously reuse battery wash water within that process or reuse it for acid mixing. For example, our water conservation efforts include closed-loop acid recycling systems in which acid is reused to achieve the desired acid concentration, as well as pasting recycling systems where acid and oxide form a paste within a closed-loop system, minimizing releases into the wastewater treatment system. In addition to this innovative water reclamation and reuse, our corporate headquarters is supplied through a 30,000-gallon rooftop cistern to capture and reuse rainwater.

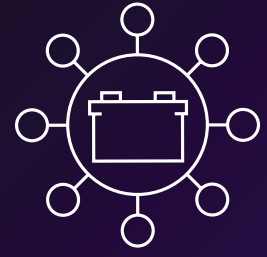
METRIC	FY21	FY22	FY23
WATER CONSUMED ¹	3,241,833 m ³	3,240,480 m ³	3,295,710 m ³
NUMBER OF REPORTABLE WATER SPILLS OR POLLUTANTS	1	1	0
WATER RISK PERCENTAGE (CURRENT AND PROJECTED) ²	2022 27% 2030 41% 2040 43%	2023 24% 2030 40% 2040 40%	2024 16% 2030 39% 2050 45%

¹Historical data restated to reflect additional locations in Europe, Middle East & Africa (EMEA) region
²WRI Aqueduct Tool used to generate analysis updated 2040 projections to 2050 projections



SOCIAL IMPACT





OCCUPATIONAL HEALTH AND SAFETY

We're committed to ensuring our employees can work safely and effectively.

Clarios facilities are governed by a global Environmental, Health and Safety (EHS) policy that establishes operating principles for our company and all our employees, contractors and visitors.

This governance includes the documentation, implementation and maintenance of our EHS policies, procedures, and data collection to support consistent delivery of our initiatives. Our plants are incentivized based on the level of achievement in a variety of different health and safety topics.

Our total recordable incident rate (TRIR) adheres to the U.S. Occupational Safety and Health Administration's (OSHA)

guidelines and is measured by the ratio of total number of recordable incidents to total number of hours worked by all employees.

In May 2019, in addition to TRIR, we made Serious Safety Incidents (SSI) a key area of focus. SSIs are defined as any incident that results in a fatality or permanent disability. In 2021, we began to transition to Serious Potential Incidents (SPI) as a proactive key performance indicator across our operations, and in 2022, we accelerated those efforts based upon positive improvements. SPIs are incidents that, under slightly different circumstances, could have resulted in a fatality or permanent disability.

To fuel this transition, we made the decision to shift time, energy, and resources away from the traditional focus on Recordable Incidents and instead focus those resources on high-risk activities. As a result, we've seen our TRIR rates rise while continuing to realize substantial reductions in SPI case rates in 2023.

METRIC	FY21	FY22	FY23
PERCENTAGE OF PLANTS CERTIFIED TO ISO 45001 ¹	100%	98%	94%
LOST TIME INCIDENT RATE	0.29	0.41	0.66
TOTAL RECORDABLE INCIDENT RATE	0.65	0.85	0.96
NUMBER OF INCIDENTS ²	115	147	165
NUMBER OF FATALITIES	0	0	0
SERIOUS POTENTIAL INCIDENT RATE	0.17	0.12	0.07

¹Clarios is reviewing options regarding ISO certifications but currently is not certifying small operations. One manufacturing location in process of certification and 3rd party auditing scheduled for June 2024
²Clarios defines number of incidents to be number of incidents that meet the OSHA recordable definition



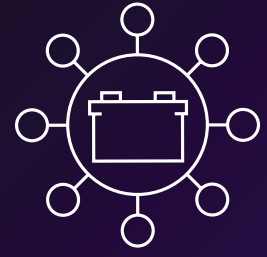
**PROGRESS ON:
OUR COMMITMENT
TO HEALTH & SAFETY**

Set the bar for workplace safety through prevention and proactive engagement.

TRIR REMAINS BELOW 1.0

ZERO SSIs IN THE LAST THREE YEARS

YEAR OVER YEAR REDUCTION OF SPI RATE



PRODUCT SAFETY AND QUALITY

We focus on delivering the highest value to our customers through safe, innovative products and services.

We prioritize the safety and well-being of our employees as well as our customers and the environment across our value chain. Our batteries are designed with safety in mind, with power-critical safety features for vehicles, and we work to help our customers understand how to safely use our products.

Our products are developed and manufactured to meet the desired high expectations. The Clarios product development and launch process incorporates advanced product and quality planning to address the full spectrum of supplier requirements, including product and process design, as well as quality and operations. Once launched into serial production, our products undergo rigorous quality control processes, with sustained continuous improvement.

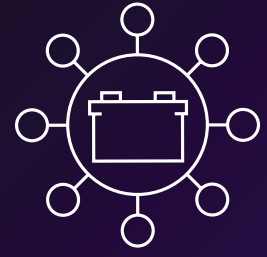
We certify our manufacturing facilities to ISO 9001 or IATF 16949 Quality Management System standards to demonstrate our global compliance with industry standards and customers' requirements.



METRIC	FY21	FY22	FY23
PERCENTAGE OF PLANTS CERTIFIED TO ISO 9001 OR IATF 16949 QUALITY MANAGEMENT SYSTEMS ^{1, 2}	--	--	98%
NUMBER OF RECALLS ISSUED	0	0	0
TOTAL UNITS RECALLED	0	0	0

¹New data point for FY23 report, historical data not available

²Clarios is reviewing options regarding ISO certifications but currently is not certifying small operations



INCLUSION AND DIVERSITY

Inclusion and diversity (I&D) are foundational pillars that shape our culture and drive our performance.

In 2023, we executed regional employee engagement surveys to better understand our workforce. Following feedback from those surveys, we developed a global employee survey for release in 2024. This focused effort will help us better understand employee needs across the business.

Our approach to performance is rooted in creating a workplace where every individual is valued for their unique contributions, ensuring that our hiring and promotion decisions are free from bias. We continue to educate our leadership teams on the importance of self-knowledge and respecting others' differences

as we continue on our journey to harness the power of an increasingly diverse, broad, and highly skilled talent pool.

Discrimination in any form, including race, color, religion, national origin, gender, pregnancy, age, disability, sexual orientation, gender identity, marital status, military service, or any other protected status, is strictly prohibited at Clarios.

Incorporating inclusion and diversity into our company culture enables us to leverage the full spectrum of talent, fostering an environment where everyone can contribute meaningfully to our shared success, benefiting employees, customers, and investors alike.



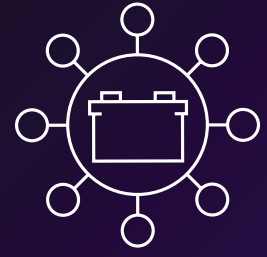
PROGRESS ON:
OUR COMMITMENT TO INCLUSION AND DIVERSITY

Harness the power of an increasingly diverse, broad and highly skilled talent pool.

INTRODUCTION OF CLARIOS FOR TOMORROW LEADERSHIP DEVELOPMENT PROGRAMS

ROLLOUT OF INSIGHTS TRAINING

METRIC	FY21	FY22	FY23
PERCENTAGE OF WOMEN IN POSITIONS OF SENIOR MANAGEMENT (VP) AND ABOVE	26%	23%	23%
NUMBER OF WOMEN IN POSITIONS OF SENIOR MANAGEMENT (VP) AND ABOVE	13	11	11
TOTAL NUMBER OF POSITIONS OF SENIOR MANAGEMENT (VP) AND ABOVE	50	47	48
PERCENTAGE OF WOMEN ON BOARD OF DIRECTORS	18%	20%	18%
NUMBER OF WOMEN ON BOARD OF DIRECTORS	2	2	2
TOTAL NUMBER ON BOARD OF DIRECTORS	11	10	11



EMPOWERING WOMEN IN ENERGY – CLARIOS AND WOMEN IN THE GLOBAL BATTERY INDUSTRY

At Clarios, we recognize that diversity helps us drive innovation. Our partnership with Women in the Global Battery Industry (WGBI) continues to expand our female employees' professional networks and expertise. Through educational initiatives, mentorship and networking, Clarios and WGBI foster professional growth.

Battery Council International will celebrate a century of progress in 2024 and Clarios has committed to sponsoring employees' WGBI memberships in celebration of the milestone. It's a strategic step forward, enabling future leaders to engage with international energy champions. Of course, the value of mentorship goes both ways, and our leaders are providing mentorship across the industry to young female professionals.

"Engaging with Women in the Global Battery Industry has given me the opportunity to meet many women in our industry and has provided me with both personal and professional growth opportunities. With WGBI's mentorship opportunities, I've had a chance to mentor an emerging talent in our industry. My role as a mentor has been a rewarding and reciprocal journey – a chance to learn from each other and foster growth," said Rebecca Conway, Vice President of Marketing Aftermarket.

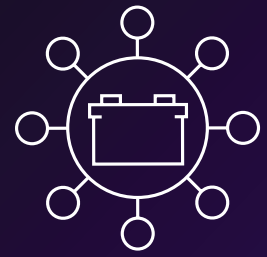
Within WGBI's vibrant community, Clarios employees actively participate in conferences, workshops and initiatives that promote career advancement and gender equality.

The effort to make sure women have a seat at the table goes beyond corporate boundaries. Clarios also sponsors scholarships, internships and science, technology, engineering and mathematics (STEM) programs that encourage women to explore battery technology careers.



Women in the
Global Battery Industry

SUSTAINING SPONSOR



TALENT DEVELOPMENT AND TRAINING

At Clarios, we are committed to attracting, developing, and retaining talent. We believe success goes beyond the execution of goals and tasks; it lies in understanding and embracing the purpose behind our work. Guided by our core values of being Principled, Committed, and Customer-Centric, as well as Challenging the Status Quo and Winning Together, we strive to create an inclusive, collaborative, and innovative work culture.

Comprehensive attraction and development actions across different levels of the organization allow us to build the right capabilities to consistently deliver great value by investing in talent attraction, learning and development, performance management, and succession planning.

We connect the aspirations of our people with the right opportunities to grow, in an environment where individuals can thrive, reach their full potential, and be inspired to connect their personal purpose with the Clarios mission.

We value our employees and know our success is a direct result of their efforts, ideas and dedication. Our performance-based compensation enhances our ability to attract, retain and recognize our people for their contributions.

We believe great leaders emerge when our people build their personal, organizational, and functional capabilities while living our Values. To fuel this journey, we provide a range of development programs, known collectively as Clarios for Tomorrow, crafted to empower every individual to transform themselves, transform with others, and ultimately, transform our business.

Clarios for Tomorrow is about developing leadership for today and into the future – it’s about investing in the sustainable growth of our people, building skills and empowering employees to thrive and contribute to our organizational success.



FROM INTERN TO MODEL LEADER – OUR RED OAK PLANT MANAGER’S JOURNEY

We celebrated two decades of excellence at our Red Oak, Iowa facility in 2023. At Red Oak’s helm is Plant Manager Jason Goltz, a remarkable leader whose journey embodies our value of commitment.

“At Clarios, I have been given the keys for leadership growth that has enabled my advancement from an engineering intern to plant manager,” Jason said. “While I have put a lot of time and effort into learning and growing personally and professionally, Clarios has been invested in me and given me a clear path to success.”

Jason’s story began in 2011 as an intern at the Red Oak plant. He transitioned into a full-time engineering role in 2012 upon graduation. With the mentorship of former Red Oak Plant Managers Todd Treybal and Jeramie Carson, his high potential became clear as he continued to grow in his role. In 2014, Jason was promoted to manufacturing supervisor at Red Oak. Then in 2017, Jason took the next big step and moved to another plant for the first time in his career, taking the role of Area Manager in the Oconee plant in West Union, South Carolina. Only 8 years after first stepping foot in the Red Oak plant as an intern, Jason returned as plant manager in 2019.

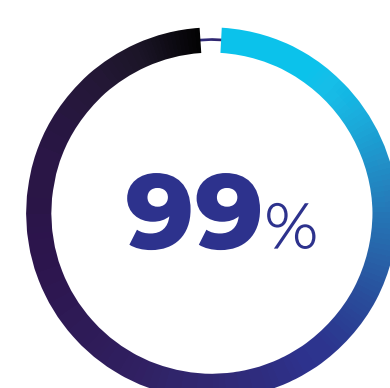
“I’ve enjoyed watching Jason’s career grow over time from being an intern to a seasoned leader for our plant,” said Lana McMann, Red Oak Human Resources Manager. “He is inspiring because of the path he chose. Not every plant manager has that hands-on experience of being a production supervisor first. He still, to this day, will step in and assist on the lines. Our employees see Jason on the plant floor several times a day. Jason is well-respected, well-liked, and displays all the core values of a great leader.”

As we commemorate 20 years of Red Oak, we are pleased to acknowledge Jason’s role in shaping the plant over the last 13 years as he and the plant grew together.

% OF EMPLOYEES RECEIVING ETHICS TRAINING¹



FY21

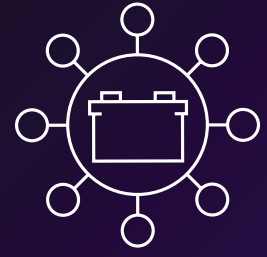


FY22



FY23

¹Based on online employees



EMPOWERING A NEW GENERATION OF CLARIOS LEADERS

Clarios Launches Operations Bootcamp

As Clarios strategically moves through a U.S. operational transformation, we understand just how pivotal investing in our people is. That's why we launched Operations Bootcamp in 2023, a transformative initiative that equips our plant leadership – from frontline supervisors to Operations Directors – with the skills and mindset they need for future leadership.

Operations Bootcamp is a comprehensive series of courses designed to build future Clarios Leaders. The curriculum goes beyond traditional training, taking best-in-class leadership concepts and turning them into actionable practicum. By the end of their course, employees gain understanding and experience in topics, including:

Servant Leadership:

We delve into the core tenets of servant leadership, emphasizing empathy, collaboration, and putting others first. Our leaders learn that true strength lies in lifting others up.

Root Cause Analyses:

Armed with analytical tools, our participants dissect complex challenges. They learn to identify underlying issues, fostering a culture of continuous improvement.

Operations Bootcamp isn't just about individual growth; it's about elevating Clarios as a whole. By nurturing leadership capabilities, we empower our teams to thrive at every level. Whether it's a frontline supervisor making real-time decisions or an operations director shaping strategic vision, our bootcamp alumni lead with purpose.

DEVELOPING STRATEGIC GLOBAL LEADERS

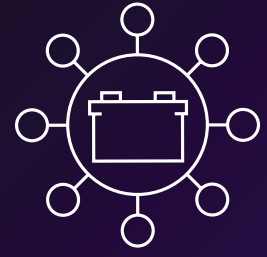
Clarios Launches Global Leadership Program

As part of Clarios for Tomorrow, we recently launched the Global Leadership Development Program (GLDP) designed to help our leaders transform themselves, their teams and our business.

"The GLDP demonstrates Clarios' commitment to its people and their growth," said Eric Thiele, Director of Customer Engagement at Clarios and member of the inaugural GLDP class. "Through this initiative, I've connected with peers to exchange leadership insights, enhancing my self-awareness and equipping me with the skills to lead more effectively."

This transformational leadership program is directly aligned with our Values of Principled, Committed, Customer-Centric, Challenge the Status Quo and Win Together.

The program combines live online and in-person learning to bring together high-potential leaders from across functions and regions to not only build participants' skill sets, but also to expand their global networks of similarly motivated company peers. The multidisciplinary curriculum is delivered by Insights Practitioners, an outside leadership consultancy, with the participation and support of Clarios Leaders.



CELEBRATING LONG-STANDING EMPLOYEES

On January 22, Victor Elizaldi, Demand Planning Manager based in Monterrey, Mexico, celebrated his 45th anniversary at Clarios.

Throughout his career, Victor has held many important roles that reflect both his and the organization's growth. He began his career in 1979 in printing, then moving through sales, distribution, and logistics throughout his career.

"When I joined, I didn't visualize myself lasting 45 years...I feel happy," Elizaldi said. "I feel that every experience I have had has been very rewarding and it feels like it was yesterday when I joined. Time flies by."

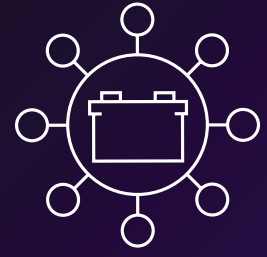
While Victor's career has spanned many different stages of the organization, he mentioned that teamwork and challenging the status quo are the common themes that have always characterized his experience at the company.

His team has a lot to say about working with Victor.

"Throughout my 18-year career at Clarios I have been able to learn a lot about the virtues that stand out in him: perseverance, responsibility for a job well done, honesty, friendship, gratitude and, of course, love for his family," shared Manuel Macias, Director of After-market Sales for Mexico and Central America.

"Victor always told me: 'If you do something right, the glory and recognition will be yours. If you do something wrong or make a mistake, then it's my fault as your boss.' And he really meant it; it wasn't just a phrase, but a style of work," said Luis Gerardo Chapa, Manager Strategic Planning & Market Intelligence LATAM.





COMMUNITY ENGAGEMENT AND INVESTMENT

At Clarios, we have a responsibility and an opportunity to support the communities in which we work, live and play. Our community engagement and investment goal is to protect children's health and the environment, advance circular economy innovation and entrepreneurship, and build sustainable communities where we live and work. Our employees engage alongside community members in the places we call home and donate to charitable organizations that matter most to them.

Given our global presence and scale, we recognize the important role we play in addressing causes that impact our global community. Through our enterprise commitment to philanthropy, we will continue to catalyze strategic contributions to multiply impact.

The Clarios Foundation continues to focus on delivering on its commitment to UNICEF's Healthy Environments for Healthy Children program. In the second year of our four-year pledge, the funding from the Clarios Foundation has enabled UNICEF teams to accelerate their efforts to provide a better future for children around the world. Clarios Foundation's contributions to the Healthy Environments for Healthy Children program have helped Clarios reach several philanthropy commitments, including supporting UNICEF to engage at least 700 youth activists in 2023. UNICEF also made substantial progress equipping over 1.5 million caregivers with awareness programs on children's health.

In 2023, we commenced a review of our global charitable giving program to explore ways to improve and enhance our community engagement and investment. Our revitalized program better positions Clarios as a trusted partner and advocate in the communities in which we operate.



PROGRESS ON: OUR COMMITMENT TO PHILANTHROPY

Catalyze strategic contributions to multiply impact

UNICEF EFFORTS UNLOCK AN ADDITIONAL \$5 MILLION FUNDING

>3,000

Trained more than 3,000 health care workers

>700

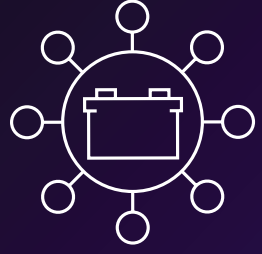
Surpassed our 2026 goal of engaging 700 youth activists

1.5M

Reached over 1.5 million caregivers with awareness programs



**Healthy Environments
for Healthy Children**

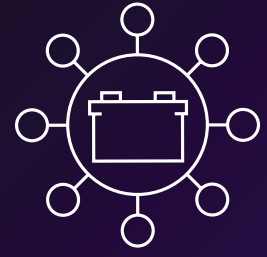


EQUIPPING COMMUNITIES, SAVING LIVES – CLARIOS FOUNDATION’S LONG-TERM PARTNERSHIP WITH UNICEF

Every child has the right to a clean, healthy and sustainable environment. UNICEF is implementing the Healthy Environments for Healthy Children program in 14 low- and middle-income countries (Azerbaijan, Bangladesh, Belize, Bhutan, Cambodia, Ecuador, Georgia, Ghana, India, Indonesia, Kazakhstan, Kyrgyzstan, Mongolia, and Vietnam) in partnership with Clarios to protect children from environmental threats and hazards, including climate change. Through this partnership, UNICEF has reached over **1.5 million caregivers** with awareness programs on environmental threats affecting children and how to protect them, and has engaged at least 700 youth activists. Over **3,000 health care workers** have received orientations on different aspects of the program. In March 2024, UNICEF rolled out a global e-learning course for healthcare workers on children’s environmental health. The online course reached more than **1,300 registrations in under 2 months**. The overwhelming need to prioritize children’s environmental health is motivating an **additional 10 countries** to start working on these issues with UNICEF’s support.

Image credit: © UNICEF/UN0152882/Noorani
UNICEF does not endorse any company, brand, product or service.





HUMAN RIGHTS

In addition to promoting responsible sourcing, we recognize the need to focus our efforts on mitigating risks associated with conventions from the United Nations Global Compact (UNGC) and the International Labour Organization (ILO). Clarios' Human Rights Policy aligns with the Modern Slavery Act 2015 and complies with all national and local laws and regulations of the countries in which we operate.

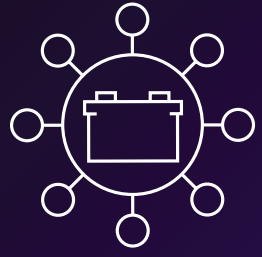
In addition to our workers' safety, Clarios respects freedom of association and our employees' right to collective bargaining. Approximately 67% of our employees are covered by collective bargaining agreements or works councils, which requires working together on health and safety topics to ensure a safe place to work no matter their location or union association.

Clarios communicates that support through its Code of Ethics, which applies to all employees and our suppliers. In the European Union, Clarios' health and safety programs are subject to Works Council review and approval, and to collective bargaining agreements in certain countries.

In addition, Clarios offers competitive benefits packages for our employees in compliance with national and subnational laws, including those governing vacation, childcare, and parental leave, and remains competitive with peers based on geography.

WE ARE COMMITTED TO RESPECTING AND PROTECTING HUMAN RIGHTS THROUGHOUT OUR OPERATIONS AND SUPPLY CHAIN BY OPERATING BY THESE PRINCIPLES:

- 1/ We do not engage in child labor and employ only workers who are at least 16 years old.
- 2/ We prohibit the use of forced, bonded, indentured or involuntary prison labor.
- 3/ We prohibit the engagement in slavery or human trafficking or practices that support human trafficking, including transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.
- 4/ We comply with all applicable wage laws, regulations, and relevant collective bargaining agreements, including those relating to minimum wages, hours, overtime hours and legally mandated benefits.
- 5/ We prohibit the withholding of any part of any person's salary, benefits, property or documents to force such personnel to continue working for the organization.
- 6/ We respect our employees' voluntary freedom of association, including their right to organize and bargain collectively in a manner that is legally compliant; legally recognized workers' representatives will have access to facilities necessary to carry out their required functions; and we will not discriminate against such workers' representatives.
- 7/ We encourage open communication and direct contact between workers and management in situations in which representation and collective bargaining are restricted by law.
- 8/ We maintain workplaces free of physical or mental harassment and abuse.
- 9/ We maintain workplaces free of unlawful discrimination and harassment in all of its forms, including related to race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious beliefs or any other factors protected by law.
- 10/ We respect the special needs of individual employees, including those who are pregnant or are returning to work after childbirth.
- 11/ We respect our employees' rights to privacy of their personal information.



CULTIVATING ENVIRONMENTAL AWARENESS IN KAZAKHSTAN

Clarios Foundation's support to UNICEF in Kazakhstan has enabled the prioritization of children's environmental health agenda in the country.

The Ministry of Health has started enhancing its sanitary and epidemiological surveillance system to better monitor and identify children's diseases and conditions associated with environmental risks. The goal is to better understand pollution and climate change's impact on children's health and strengthen frontline health service capacities and parental awareness. UNICEF is also working with the Ministry of Education to review its information management system to better track the impact of pollutants and climate change on schools' environmental quality.

The support from Clarios Foundation is also contributing to the UNICEF-supported #BeSafe and #Volunteers4Climate programs, which have enabled more than 3 million people to access Climate Action and Disaster Risk Reduction information. Additionally, the capacities of 28,000 children and 3,600 teachers have been enhanced. Here is the story of 16-year-old Alina Kochetova, who knows Temirtau's air all too well. It's a city where the stink of pollution hangs heavy, making every breath a struggle. Driven by this reality, Alina, a Grade 10 student, has become a passionate environmental leader. Through UNICEF's "Volunteers4Climate" program, she's learning about being environmentally conscious, and she is helping to instill this in in Temirtau's schoolchildren. Alina isn't just teaching about climate change and pollution; she's empowering other young minds to become the solution. Thanks to environmental activism, she managed to improve her health and that of her family and friends, too.

UNICEF does not endorse any company, brand, product or service



ONE MIDWIFE'S JOURNEY: CLARIOS PARTNERS WITH UNICEF

UNICEF, Clarios Foundation's partner, supports programs that strengthen local health systems to effectively address childhood lead poisoning in Bangladesh. Midwife Razia is a trained midwife through a UNICEF-sponsored program.

Beyond delivering newborns, she's part of a training program through the Ministry of Health and Family Welfare and the Directorate General of Health Services. The program teaches health providers like Razia about lead poisoning prevention.

In 2023, 414 health and education staff were trained just like Razia. Clarios Foundation supports UNICEF's work to protect child survival, health and well-being from the impact of climate change and environmental degradation. Together, we believe every child has the right to a healthy environment.

Photo credit: © UNICEF/UNI515827/
UNICEF does not endorse any company, brand, product or service
You can read more about Razia's story [here](#)



GOVERNANCE AND OVERSIGHT



OUR SUSTAINABILITY DISCIPLINE

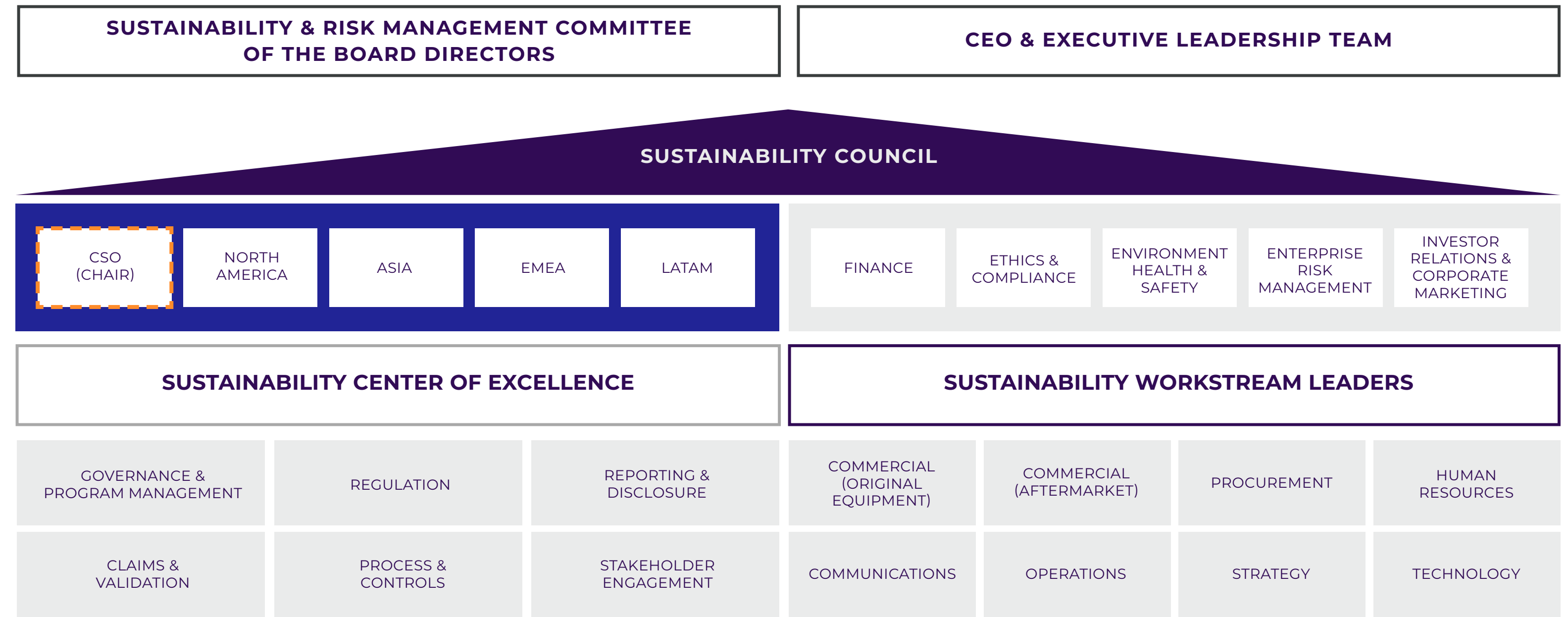
Our Sustainability Council sets and executes our Sustainability strategy. Chaired by our Chief Sustainability Officer (CSO), the council reports to the Clarios Executive Leadership Team and the Sustainability and Risk Management Committee of the Board of Directors on matters related to:

Identification of material topics and company strategies to address them.

Developing, implementing, and monitoring initiatives, policies, key performance indicators and targets, as well as long-horizon enterprise commitments.

Monitoring, assessing developments relating to and implementing best practices as well as increasing regulatory requirements, stakeholder and customer expectations.

Clarios established a sustainability program office in 2023 with the support of the Sustainability Center of Excellence and designated Workstream Leaders to drive implementation.



 SUSTAINABILITY COUNCIL CHAIR
 SUSTAINABILITY LEADERSHIP TEAM



ENTERPRISE RISK MANAGEMENT

Linked to the strategic planning process, compliance and internal audit, Clarios Enterprise Risk Management (ERM) provides a formal process to identify and document key risks and opportunities perceived by a variety of stakeholders. This discipline establishes a common framework and terminology to ensure consistency in identification, reporting, analysis and management of key risks and opportunities. A Sustainability and Risk Management Committee of the Board of Directors oversees the ERM program by providing feedback, guidance and direction on the process, procedures and results, and will escalate any new risks that should be elevated to the executive committee. Identified risk and action plans are reviewed quarterly with leadership and the Board of Directors. In coordination with ERM, the Board of Directors meetings regularly include strategic overviews that describe the most significant issues affecting our company, including risks associated with our financial forecasts, business plan and operations. In addition, the Board of Directors regularly receives updates from our business unit leaders, the general counsel, and other functional leaders.



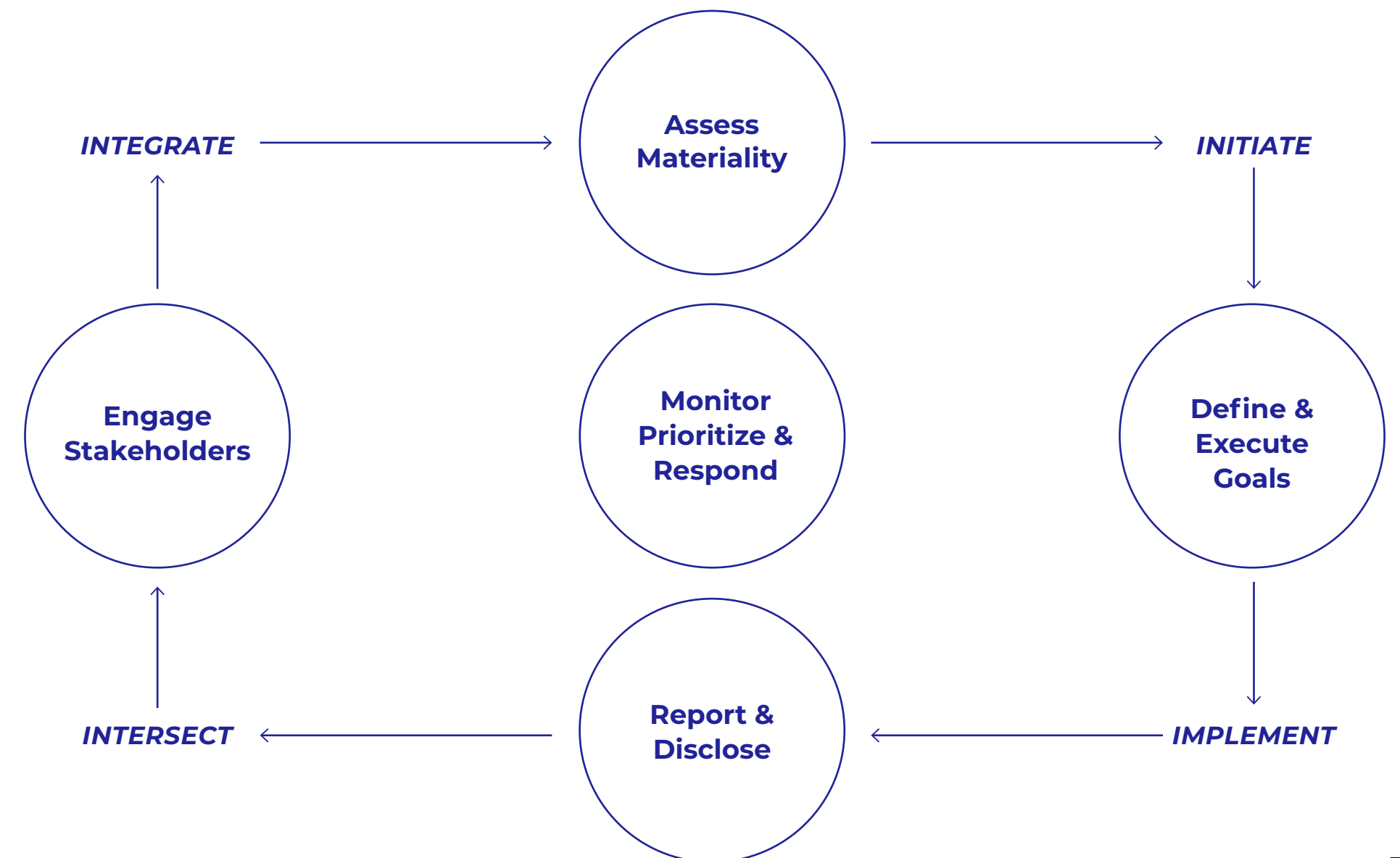
MANAGEMENT DISCIPLINE

Our sustainability management discipline consists of five distinct work-processes that enable us to effectively deliver and implement our strategy:

- Assess Materiality
- Define & Execute Goals
- Monitor, Prioritize & Respond
- Report & Disclose
- Engage Stakeholders

These processes empower the team to initiate, implement, interact and integrate sustainability across our business and continue to deliver value while meeting increasing expectations and demands. This structured approach enables us to effectively navigate the evolving sustainability landscape and respond to new priorities. Our discipline builds upon established policies and procedures covering Ethics and Compliance; Finance; Environmental, Health and Safety; Risk Management; Human Rights and Labor; Quality; and Supplier Sustainability; as well as the handling of mergers, divestitures or other material changes to our business.

Sustainability Management Discipline





THE CLARIOS CODE OF ETHICS

The Clarios Code of Ethics guides how we conduct our business. It sets our policies across a wide array of areas and provides specific guidance on the behaviors that allow us to implement our culture globally. Our Code of Ethics encompasses:

Speaking up and getting help

Health and safety

Respectful treatment, preventing harassment and workplace bullying

Diversity and inclusion

Equal opportunity and preventing discrimination

Employee data privacy

Product quality and safety

Honest marketing and sales practices

Customer data privacy

International trade compliance

Fair competition and antitrust

Research integrity and ethically sourcing competitive intelligence

Bribery and other forms of corruption

Third-party intellectual property and commercial rights

Conflicts of interest

Record keeping and disclosure

Physical property and assets, our reputation, and our confidential and proprietary information

Insider trading and securities market abuse

Responsible communications

Procurement

Preventing abuses in the supply chain

Supplier expectations

Sustainability and environmental responsibilities

Community engagement and investment

Political activity and lobbying

Compliance with our Code of Ethics and our Anti-Corruption Policy is a condition of employment. Clarios trains employees on a variety of topics including anti-competitive behavior, trade compliance, data privacy, records management and anti-corruption, further covering items such as the Foreign Corrupt Practices Act, anti-bribery statements from our Code of Ethics, and our Code of Ethics more broadly.

Significant ethical matters are raised by the Chief Ethics & Compliance Officer to the Chief Legal Officer and the Chair of either the Risk Management Committee or the Audit Committee of the Board of Directors.

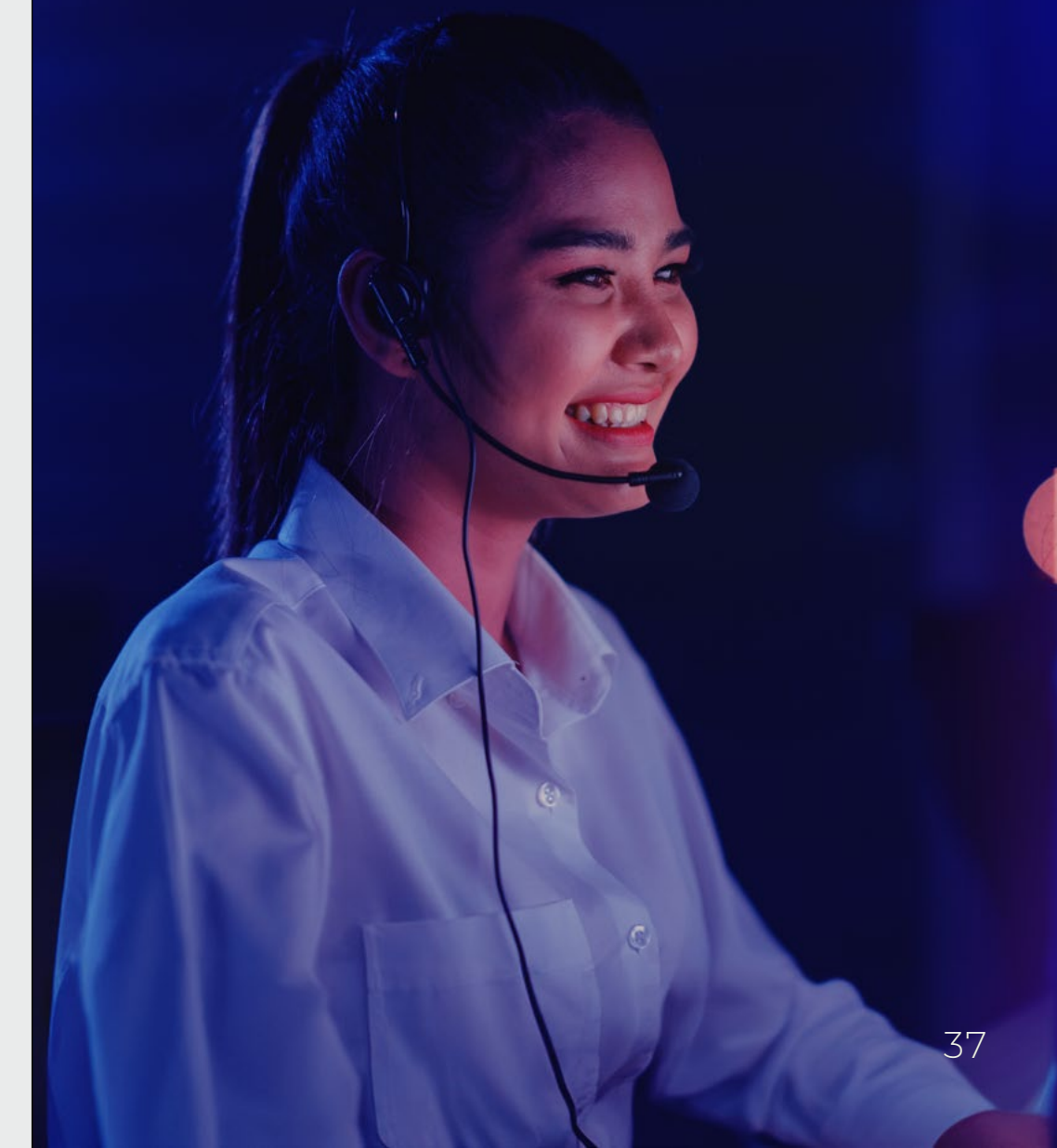
All online employees must complete an ethics certification. Employees for whom certification is not required, such as plant employees, must demonstrate that they know and understand the Code of Ethics as part of their orientation and as part of their annual job appraisals.

In 2023, 100% of our employees through our e-learning platform are in compliance with the training and certification requirements. We have standalone policies that cover these topics including conflicts of interest, anti-bribery and corruption, antitrust, and gifts & entertainment. These policies are reviewed and updated as needed according to a formal schedule.

INTEGRITY HELPLINE

A 24-hour Integrity Helpline and online portal is managed by the Ethics & Compliance department and is available to anyone who wishes to raise an ethics or compliance-related concern to the company. The Helpline is available in 16 languages, is operated by an independent third-party vendor, and allows callers to log concerns anonymously.

Concerns are routed to the appropriate function for review and investigation. Statistics are collected quarterly and are reviewed with the global compliance leadership team and presented to the Audit Committee of the Board of Directors.





GLOBAL RECOGNITION OF OUR ETHICAL CULTURE

Clarios Named to 2023-24 World's Most Ethical Companies® Lists

In March, Clarios was recognized as one of the 2024 World's Most Ethical Companies® by Ethisphere, marking the second consecutive year we have received this prestigious honor. This achievement underscores our unwavering commitment to upholding the highest standards of ethics, compliance, and governance in all aspects of our operations. As a company, we take immense pride in this recognition, which reflects our steadfast dedication to promoting integrity and sustainability while driving positive change in the world.

"Being named among the World's Most Ethical Companies for the second time is a testament to the dedication and hard work of our 17,000 team members worldwide," said Clarios President and CEO Mark Wallace. "I am immensely proud of our team's efforts in embodying our core values, particularly our commitment to principled conduct, as we continue to prioritize the well-being of our employees, customers, communities, and the environment."

To celebrate our 2023 win, we sent our World's Most Ethical Companies trophy on tour so that employees in our facilities around the world could share in the accolade they deserved. This year, the trophy will go on tour once again.





SUPPLIERS AND VALUE CHAIN

Clarios understands the influence we have with our suppliers and the industry as a whole to ensure that raw materials are secured safely and sourced responsibly.

We procure our raw materials from a variety of suppliers around the world. The most significant raw materials we use to manufacture our products include lead, polypropylene, separators and sulfuric acid. Generally, we seek to obtain materials in the region in which our products are manufactured to minimize transportation and other costs.

We champion supply chain material stewardship and sustainable value chain initiatives.

This includes the Global Battery Alliance's efforts to ensure essential battery materials "are produced, sourced, processed, transported, manufactured and recycled in a responsible and sustainable manner which minimizes environmental harm, respects human rights and creates benefits for stakeholders along the supply chain."

We actively support the work of industry associations to drive continuous improvement across the battery supply chain, such as the Metal Alliance for Responsible Sourcing of the Wirtschaftsvereinigung Metalle, also known as the German Non-Ferrous Metals Association.

Clarios played a leading role driving the formation of the global alliance of international and regional industry associations to improve standards in lead battery manufacturing and recycling worldwide, including the [Lead Battery 360°](#) initiative.

This industry alliance has committed to support the efforts of Protecting Every Child's Potential to advocate for standards of lead battery recycling in low- and middle-income countries by reducing the influence of the informal sector.

Since our products contain tin, we complete a conflict minerals assessment every year in accordance with the Responsible Minerals Initiative (RMI) to ensure our suppliers are conflict-free.

As we are committed to upholding a traceable, transparent, ethical, and sustainable supply chain, we furthermore expect our Suppliers to have a process in place which verifies that these regulations and standards are met along their supply chain accordingly. We have asked our suppliers to confirm their understanding and adherence to our CSR-Code (Corporate Social Responsibility Code).

This Code includes expectations around Human Rights, Labor, Environment, Anti-Corruption, and Conflict Minerals.

CONFLICT MINERALS

We are committed to the responsible sourcing of conflict minerals throughout our supply chain and are guided by our conflict minerals policy. We follow the recommendations of the RMI requiring annual RMI-compliant Conflict Minerals Reports from all our smelter partners.

During the 2023 reporting period, Clarios commenced a reasonable country of origin process with the preparation of a conflict minerals questionnaire using the RMI Conflict Minerals Reporting Template, which was distributed to all smelter partners.

We reviewed the responses and, when warranted, further evidence was requested to clarify or validate the response. As a result, we believe that Clarios products contain conflict minerals that have been confirmed to be sourced from conflict-free smelters.

While setting industry-leading standards in responsible sourcing, we are also investing in future technologies like Sodium-ion (Na-ion) batteries for mobility applications. With our recent partnership with [Altris](#), we are collaborating toward a long-term goal of producing low-voltage battery systems using Na-ion cells that are inherently more sustainable, made from naturally abundant, conflict-free materials.



SASB INDEX

METRIC	FY21	FY22	FY23
TOTAL ENERGY CONSUMED ¹	11,140,952 GJ (3,094,709 MWh)	10,687,300 GJ (2,968,695 MWh)	10,859,331 GJ (3,016,481 MWh)
PERCENTAGE GRID ELECTRICITY ¹	64%	65%	65%
PERCENTAGE RENEWABLE ¹	0.02%	0.11%	0.14%
TOTAL AMOUNT OF WASTE FROM MANUFACTURING ¹	286,344 MT	267,041 MT	272,978 MT
PERCENTAGE OF WASTE GENERATED FROM MANUFACTURING OPERATIONS THAT IS HAZARDOUS ¹	80%	75%	80%
PERCENTAGE OF WASTE GENERATED FROM MANUFACTURING OPERATIONS THAT IS RECYCLED ¹	28%	35%	35%
NUMBER OF RECALLS ISSUED	0	0	0
TOTAL UNITS RECALLED	0	0	0
REVENUE FROM PRODUCTS DESIGNED TO INCREASE FUEL EFFICIENCY OR REDUCE EMISSIONS ²	\$2.6Bn	\$2.8Bn	\$3.4Bn
DESCRIPTION OF THE MANAGEMENT OF RISKS ASSOCIATED WITH THE USE OF CRITICAL MATERIALS	SEE CONFLICT MINERALS - CONFLICT FREE IN FY21	SEE CONFLICT MINERALS - CONFLICT FREE IN 2022	SEE CONFLICT MINERALS - CONFLICT FREE IN 2023
PERCENTAGE OF PRODUCTS SOLD THAT ARE RECYCLABLE	100%	100%	100%
PERCENTAGE OF LEAD FROM RECYCLED OR REMANUFACTURED CONTENT ³	78%	75%	76%
PERCENTAGE OF POLY FROM RECYCLED OR REMANUFACTURED CONTENT ⁴	--	53%	54%
TOTAL AMOUNT OF MONETARY LOSSES BECAUSE OF LEGAL PROCEEDINGS ASSOCIATED WITH ANTI-COMPETITIVE BEHAVIOR	\$0	\$0	\$0
NUMBER OF PARTS PRODUCED ⁵	153,951,631	150,033,180	153,071,150
WEIGHT OF PARTS PRODUCED ⁶	2,800,627 MT	2,729,656 MT	2,784,166 MT
AREA OF MANUFACTURING PLANTS	1,368,933.78 m ²	1,374,355.97 m ²	1,480,576.58 m ²

¹ Historical data restated to reflect additional locations in Europe, Middle East & Africa (EMEA) region and increased data fidelity where applicable

² AGM and EFB Revenue

³ Calculated as batteries produced by Clarios

⁴ Calculated as poly components molded by Clarios

⁵ Calculated as number of unites sold

⁶ Calculated as weight of unites sold



ABOUT CLARIOS

Clarios is the global leader in advanced, low-voltage battery technologies for mobility. We power progress through ever-smarter solutions for virtually every kind of vehicle. With 17,000 employees in over 100 countries, we bring deep expertise to our Aftermarket and OEM partners, and reliability, safety and comfort to everyday lives. We answer to the planet with a rigorous sustainability focus – advancing best-in-class sustainability practices and advocating for them across our industry. Clarios is committed to sustainability and operational efficiency. We work to ensure up to 99% of battery materials are recovered, recycled and reused. Clarios is a Brookfield portfolio company.

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