

EnerSys[®]

Power/Full Solutions

2021 Sustainability Update
July 2021



Powering the Future

Everywhere for Everyone



FORWARD LOOKING STATEMENT

This Report includes forward-looking statements and/or information, which are based on the Company's current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual results to materially differ from those anticipated. A forward-looking statement predicts, projects, or uses future events as expectations or possibilities. Forward-looking statements may be based on expectations concerning future events and are subject to risks and uncertainties relating to operations and the economic environment, all of which are difficult to predict and many of which are beyond our control. For a discussion of such risks and uncertainties that could cause actual results to differ materially from those matters expressed in or implied by forward-looking statements, please see our risk factors as disclosed in the "Risk Factors" section of our Annual Report on Form 10-K filed with the SEC on May 26, 2021, along with other unforeseen risks. The statements in this Report are made as of the date of this Report, even if subsequently made available by the Company on its website or otherwise. The Company does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this Report.



2021 SUSTAINABILITY UPDATE

COMPANY SNAPSHOT

With over 100 years of manufacturing energy storage and energy systems, EnerSys is the global leader in stored energy solutions for industrial applications. Some of the many recognizable brands that fall under the EnerSys® umbrella include PowerSafe®, DataSafe®, Hawker®, Genesis®, ODYSSEY® and CYCLON® batteries for reserve power applications; IRONCLAD®, NexSys®, General Battery®, Hawker®, Fiamm Motive Power®, Oldham® and Express® batteries for motive power applications; OutBack Power™ power electronics and EnergyCell® batteries for the renewable energy market; and Alpha®, Cordex, AlphaCell®, and Purcell Systems for power conversion, energy storage and enclosures for broadband, communication networks and industrial applications.

Our portfolio of solutions includes the production and distribution of industrial batteries, complemented by a full range of integrated energy services and solutions.



10,800

EMPLOYEES

MANUFACTURING LOCATIONS
ON 4 CONTINENTS


10,000 CUSTOMERS
IN MORE THAN 100 COUNTRIES

OUR LINES OF BUSINESS

» **Energy Systems** - uninterruptible power systems, or “UPS” applications for computer and computer-controlled systems, as well as telecommunications systems, switchgear and electrical control systems used in industrial facilities and electric utilities, large-scale energy storage and energy pipelines. Energy Systems also includes highly integrated power solutions and services to broadband, telecom, renewable and industrial customers, as well as thermally managed cabinets and enclosures for electronic equipment and batteries.

» **Motive Power** - power for electric industrial forklifts used in manufacturing, warehousing and other material handling applications, as well as mining equipment, diesel locomotive starting and other rail equipment.

» **Specialty** - premium starting, lighting and ignition applications in transportation, energy solutions for satellites, military aircraft, submarines, ships and other tactical vehicles, as well as medical and security systems.

OUR MISSION:

At EnerSys®, our purpose is more than simply building batteries and energy systems.

We are driven by a passion to keep the world working—developing and delivering power systems and solutions that keep people connected across their town and across the globe.

We are dedicated to building a world where everyone can count on reliable power, allowing them to accomplish what matters most in their lives.

EnerSys
Powering the Future - Everywhere for Everyone.

Based on EnerSys Fiscal Year, April 1-March 31st, unless otherwise noted.

*AS OF Q2, FY 2021

OUR CORE VALUES

ACCOUNTABILITY

We meet our commitments; it is integral to who we are. All of our team members strive to promote the highest ethical principles through honest, fair, and transparent behavior. We demonstrate our integrity every day by being personally accountable for our individual actions. Complying with all laws, company policies, and procedures is non-negotiable.

CUSTOMER EXPERIENCE

Our never-ending focus on innovation and adaptability ensures our customers receive exceptional value from our solutions. These solutions extend beyond our customer's expectations unlocking new and unique ways to lower their total cost of ownership.

ENERGY

We are proud to be EnerSys. EnerSys team members bring positive energy by influencing others through their enthusiasm, inspiration, commitment, and pride. Our environment drives engagement and rewards proactive self-starters who accomplish great things. This energy creates exceptional experiences for our customers, employees, suppliers, shareholders, and the communities we live in.



ENERSYS OPERATING SYSTEM

We have an unquenchable thirst for improvement in everything we do. Our drive for perfection is supported by continually improving our knowledge and use of EnerSys Operating System tools and techniques. These principles define who we are and drive our future success.

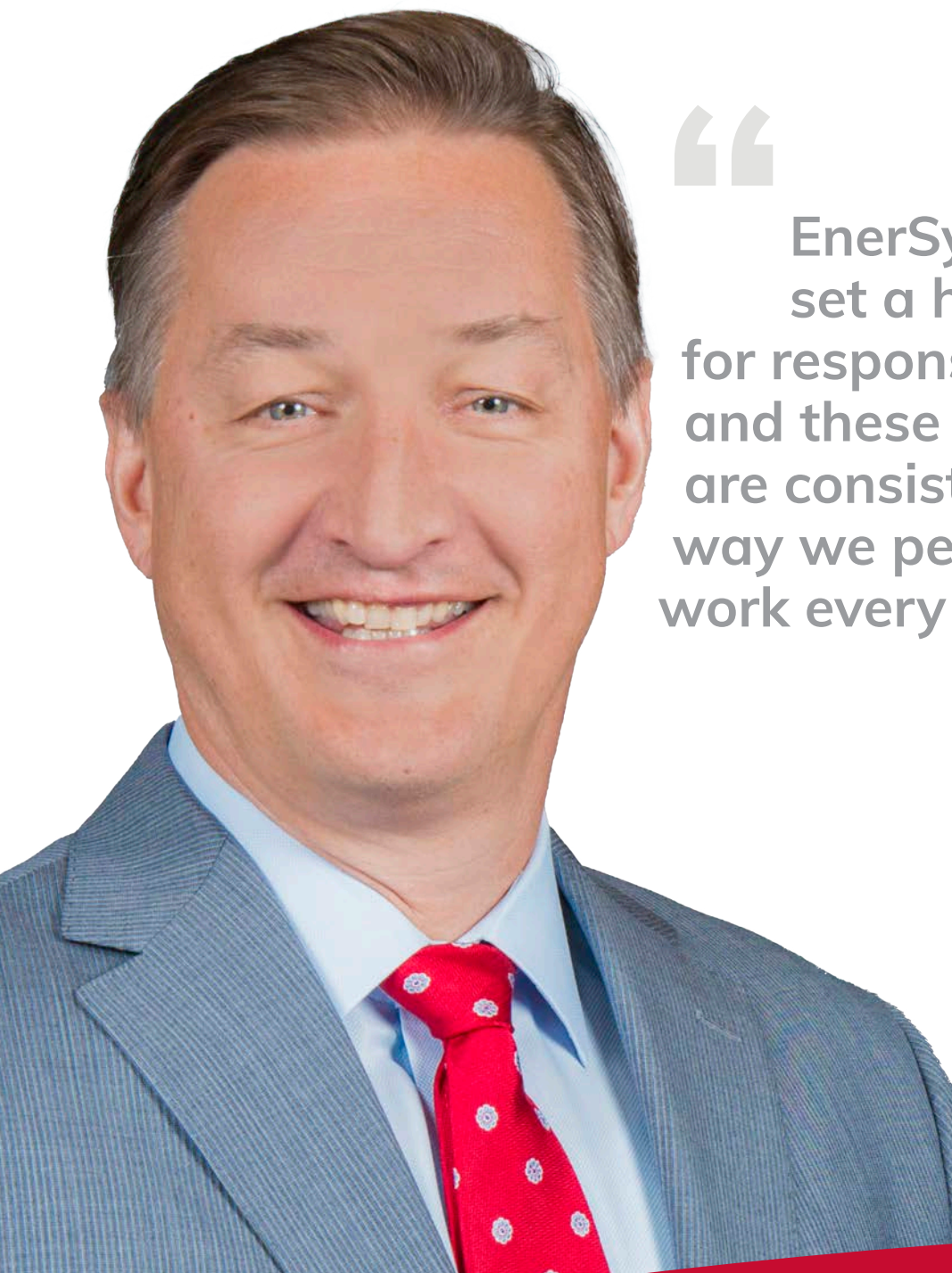
SAFETY & OUR ENVIRONMENT

We recognize the importance of human life and the importance of being leaders in protecting the environment. Everything we do must always be done with a clear focus on ensuring our actions improve the safety and quality of life of our customers, employees, suppliers, shareholders, and communities. We will never compromise on this value to ensure we do all we can to improve the world we all live in.

TEAMWORK

The greatest successes are always achieved when teams of individuals work together. Communicating truthfully, listening actively, listening objectively, and valuing diverse opinions are the foundation we all use to demonstrate respect for each other. Assisting and supporting other team members to resolve issues and achieve organization and team related goals is core to our collective success.

LETTER FROM THE CEO



“EnerSys has always set a high standard for responsible behavior and these new efforts are consistent with the way we perform our work every day.”

The last 18 months have been like no other in our history, and it continues. A global pandemic challenged every human being on earth. The impacts of climate change came into sharper focus, becoming more relevant to all individuals and companies. Social unrest highlighted the work left undone on equity and inclusivity. The result was the acceleration of Environmental, Social and Governance or ESG, as a fundamental platform for evaluating and assessing corporate performance on environmental and social issues. But while the past year brought immense challenges, societies and surviving businesses around the globe have the opportunity to emerge stronger, enacting positive change for a brighter future.

At EnerSys, we help drive purposeful change. We provide critical energy services and equipment for some of society's most influential companies. Whether helping customers reduce greenhouse gas emissions, ensuring the stability and reliability of telecommunications, or safeguarding the distribution of life-saving medicines and food supplies, EnerSys products and systems enable progress. Whether it is supporting grid decarbonization, electrification, mitigating the challenges of the intermittency of renewables, or the physical impacts of climate change, our power systems and energy storage solutions provide reliable and resilient energy to enable a more sustainable present and future.

Our stakeholders expect us to engage in responsible and sustainable business practices. At the end of 2020, we established a full-time Sustainability team.

This team is responsible for further accelerating our sustainability strategy that enables EnerSys to take the steps needed to further embed responsible behaviors into all aspects of our business. Proactively addressing issues like climate change, diversity, equity and inclusion, and investing in our communities are becoming expectations for companies like ours. This approach helps us meet these expectations.

EnerSys has always set a high standard for responsible behavior and these new efforts are consistent with the way that we perform our work every day. Our efforts reflect the high standards we have for our suppliers and vendors and are aligned with how we are shaping our business for the future.

We know that our products have an important role to play in tackling a wide range of global challenges. We are excited to be on the front lines, developing and providing those solutions to our customers everywhere and anywhere.

We endeavor to be an open, inclusive, fair and safe workplace, where all employees are valued and inspired to achieve their best. Our commitment to human rights is clear and we will continue to work to support all of our employees to embrace our core values. Looking to the future, this report highlights the important work we're doing to meet our environmental and social responsibilities – everywhere, for everyone.

Sincerely,
David M. Shaffer
President & CEO

WHY SUSTAINABILITY IS IMPORTANT TO ENERSYS

At EnerSys, reliability, resilience, and sustainability are at the core of who we are and what we do every day. Our products help address some of our world's largest challenges, be it efficient and affordable distribution of goods, grid reliability, telecommunications, medical safety and even climate change. Our batteries and energy storage solutions are part of building a resilient, low-carbon future.

Sustainability at EnerSys, however, is about more than just the benefits and impacts of our products. Our commitment to sustainability encompasses many important environmental, social and governance issues. Sustainability is central to how we manage our own operations. Minimizing our environmental footprint is a priority. Sustainability is our commitment to our employees, our customers and the communities we serve. Our products facilitate positive environmental, social and economic impacts around the world.

GOVERNANCE HIGHLIGHTS

To operate as a sustainable and ethical company, our [Code of Business Conduct and Ethics](#) sets forth the legal and ethical standards of conduct for all of our employees, Board members, suppliers, and business partners. Stakeholders may report violations of this Code on a confidential or anonymous basis by contacting the Business and Ethics Oversight Committee by fax, mail or e-mail or, directly to an external and independent third party administrator by web submission or by telephone to the [Ethics and Compliance Hotline](#).

BOARD OVERSIGHT OF SUSTAINABILITY

Our Board is comprised of 10 directors, including people of color and women. There are four committees on our board – Audit, Compensation, Technology and Nominating & Corporate Governance (NCGC). The Board of Directors, along with our CEO, are responsible for administering our Sustainability Program, by which EnerSys communicates and monitors our information regarding compliance with our various policies. This includes oversight over our policies and programs including conflict minerals, environmental responsibility, climate change, supply chain, human rights, battery recycling and all other sustainability topics. Our Board considers sustainability issues on a quarterly basis.



GRID RESILIENCE AND RELIABILITY

The electrical grid – a keystone of everyday modern life and prosperity - is changing rapidly. Electrification of heating and transportation is replacing the direct burning of fossil fuels. The result will be a significant increase in demand for electricity. When produced by renewable sources, like wind and solar, there is a positive environmental impact. However, renewable energy is often intermittent, placing yet more stress on an already strained grid. At the same time, aging infrastructure and changing weather patterns resulting in more frequent and severe weather are threatening the reliability and resiliency of the grid across the United States and around the world.

Our products provide our customers and the communities they serve with the means to manage their power demands while also providing the security and stability of a consistent and available power supply.

EnerSys provides reliable power to cell towers, hospitals, data centers and even reinforces electrical grids. What this means is that we are vital to the infrastructure that delivers power anytime it is needed and especially at the times it is needed most. This was particularly apparent during the Texas power outages in February of this year. Our energy storage products supplied back-up power to cell towers, ensuring that vital communications services were uninterrupted throughout the emergency.

During natural disasters, Mobile Nanogrid Trailers equipped with Outback Inverters, PV panels and Energy storage are used to provide emergency power for residents and first responders. Our battery storage products can also help make grids more efficient, reducing the stress and demand during peak generation.



MOBILITY

EnerSys keeps the global economy moving. Our batteries, chargers, and monitoring services ensure the reliability and reduced environmental impact of essential vehicles that enable vital materials and goods to get where they need to be when they need to be there. Whether it is cold chain trucks transporting vaccines or forklifts moving edibles from apples to zucchini, our customers rely on EnerSys to power their mobility needs. And it doesn't stop there. Trains, airplanes, boats, and even submarines feature EnerSys batteries to ensure critical functions always have the power they need to keep passengers and crew safe. Our reputation for top quality also extends to governments looking to procure the energy back-up and storage solutions they need.

HEALTHCARE

Around the world, physicians and patients rely on EnerSys batteries to power critical medical devices. We provide long-lasting, reliable batteries for life-enhancing medical devices, like cochlear implants and spinal cord stimulators. Our batteries also power life-critical diagnostic equipment like mobile defibrillators and maneuverable x-ray machines.



RENEWABLES

For the world to reach net-zero carbon emissions by 2050 and address the worst impacts of the climate crisis, the zero-carbon electricity provided by renewable energy will need to be more accessible and reliable. For this to happen, it is critical to have scalable and distributed energy storage solutions - after all, the sun does not always shine and the wind is not always blowing. At EnerSys, through both our current portfolio and our ongoing work developing solutions to these challenges, we aim to advance and accelerate the viability of a low-carbon economy. Our products provide the storage solutions needed to maximize the reliability of energy generated from renewable sources, even during peak demand.

Our batteries and energy storage solutions also help our customers achieve their own carbon reduction and renewable energy goals. In fact, at least 20 of our top customers have committed to [RE100](#), a global corporate renewable energy initiative bringing together the world’s most influential businesses committed to 100% renewable energy – and we are helping them achieve this goal.



ACCESS TO ENERGY

In the world’s most remote places, some of the most impoverished communities could significantly benefit from access to electricity. [Goal 7](#) of the United Nations Sustainable Development Goals is to “ensure universal access to affordable, reliable, sustainable, and modern energy for all.”



Our products help deliver the reliable power generation needed for safety, security, and economic progress in these regions.

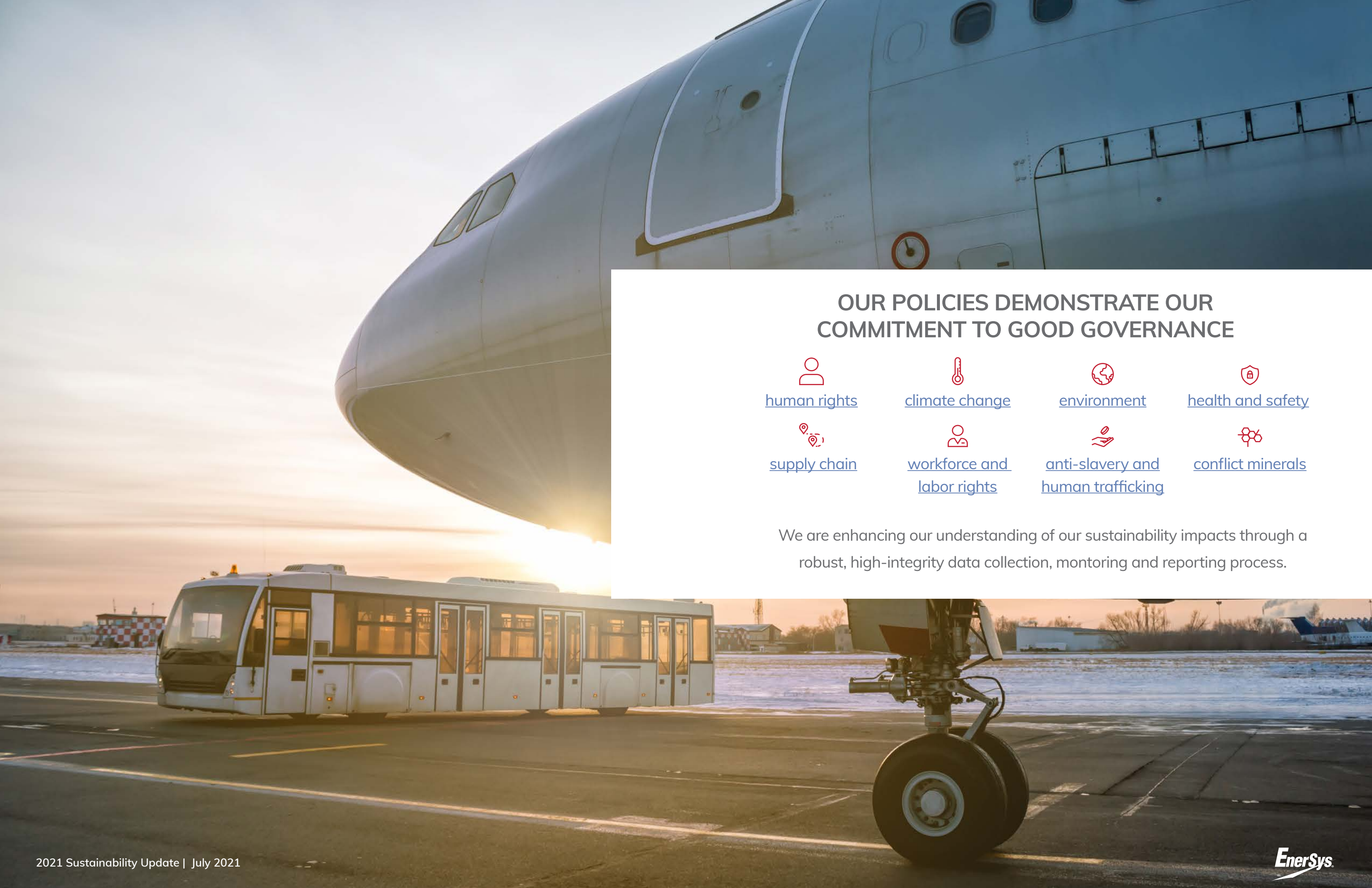
For example, in South Sudan, our batteries support an off-grid solar and energy storage system, providing clean and reliable electricity to power mobile communication in this new nation. In Senegal, our OutBack Power supports an initiative to improve access to solar energy and storage systems by training local women as solar photovoltaic technicians. Other solutions have been used to provide access to energy in places ranging from the remote Amazon to rural Africa to the Outback of Australia.

SETTING SUSTAINABILITY GOALS

At EnerSys, we understand that what gets measured gets managed. Therefore, we are working to align our internal operations with investor, customer, and other stakeholder expectations for sustainability. This includes developing forward-looking sustainability goals. Over the past year, we have worked to analyze our operations, governance, customer expectations, and supply chain performance to better understand our sustainability impacts and opportunities. Our analysis included working to assess our performance and our strategy with global sustainability frameworks like the United Nations Sustainable Development Goals (SDGs), the Taskforce on Climate Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and others.



We engaged internal and external stakeholders to better understand the specific sustainability issues that are most important for EnerSys to manage. We strengthened our internal governance and the management of sustainability across our enterprise. We created a steering committee to oversee the integration of sustainability throughout our business and will be leveraging this committee to ensure executive support and direction.



OUR POLICIES DEMONSTRATE OUR COMMITMENT TO GOOD GOVERNANCE

- 
[human rights](#)
- 
[climate change](#)
- 
[environment](#)
- 
[health and safety](#)
- 
[supply chain](#)
- 
[workforce and labor rights](#)
- 
[anti-slavery and human trafficking](#)
- 
[conflict minerals](#)

We are enhancing our understanding of our sustainability impacts through a robust, high-integrity data collection, monitoring and reporting process.

Materiality Assessment:

We assessed our most salient Environmental, Social and Governance (ESG), risks, and opportunities by completing a Materiality Analysis. Using SASB and other sustainability reporting frameworks, we identified the highest priority sustainability topics for EnerSys. We conducted internal and external stakeholder interviews to understand and integrate key stakeholder perspectives. Based on this input, we identified a list of nine topics that are the highest priorities for EnerSys to manage moving forward.

ESG Attribute	EnerSys Risks and Opportunities
Climate Change	Climate change has the potential to disrupt the global economy. We work to address the potential negative impacts of climate change on our business while providing products that can help mitigate the effects associated with climate change.
Customer Use of Products	Our customers demand reliable products that address their sustainability goals and enhance resiliency. They rely on EnerSys to provide efficient, effective and innovative products to meet their needs in addressing important challenges in motive, medical, scientific exploration, and energy distribution applications.
Diversity, Equity and Inclusion (DEI)	Building an inclusive, diverse, and equitable workforce is a priority for our business. By enhancing our focus on DEI, we improve our workforce engagement and ultimately the products and services we provide to our customers.
Energy Management	Energy management is the core of our business. We seek to use energy efficiently and to decarbonize our operational energy use to deliver the best energy solutions to our customers.

ESG Attribute	EnerSys Risks and Opportunities
Materials Sourcing	Manufacturing our products requires a supply of critical materials. Limited supply of these materials, as well as their concentration in countries that are subject to geopolitical risk, exposes us to supply chain disruptions, price volatility and possible human rights or environmental risks. EnerSys has policies in place to manage these impacts throughout our supply chain.
Product Efficiency	Our customers seek energy solutions to ensure reliable, consistent, low-carbon solutions for their operations. With growing customer demand for better energy storage solutions as well as increasing competition in the energy storage market, we must strive to achieve technological advances to make our products the most efficient in the market.
Product End-of-Life (Use) Management	As battery use increases and more products reach the end of their lifecycle, we recognize that the environmental impact of their disposal could be substantial. Lead batteries are one of the best examples of a circular economy with more than 99% of batteries being recycled – frequently into batteries again. EnerSys battery recycling programs and consumer education efforts aim to reduce our products’ end-of-use impacts. As we develop new products and services, including for lithium-ion batteries, we must continue to enhance and implement circular economy principles, developing innovative ways to further reduce environmental risk and impact.
Talent Attraction and Retention	Maintaining a workforce of talented, diverse, driven employees dedicated to our mission drives the success of our business. We aim to provide our employees with competitive pay and benefits, equitable development opportunities, and a safe, engaging workplace to maintain our high-quality outputs.
Workforce Health & Safety	Ensuring the safety of our employees is critical to our ability to deliver reliable, quality products to our customers. We meet or exceed all applicable safety and health requirements.

CLIMATE CHANGE MANAGEMENT

At EnerSys, we recognize that our products and our services can be a fundamental part of delivering a net-zero carbon future, and we continue to look for ways to innovate and advance energy storage technology with that in mind. We are also working to address the risks we face as a company by integrating climate change considerations into our risk assessments and decision-making. As we continue our sustainability journey, we will use the TCFD framework to enhance our management and communications for our approach to identifying and mitigating climate risk. To do this we will focus on the following.

GOVERNANCE

As an organization, EnerSys is dedicated to mitigating the climate impact of our operations and those of our customers. Our commitment is codified in our [Climate Change Policy](#), which sets forth how we, as an organization, plan to address emissions reduction and the mitigation of climate risk across our enterprise. Our Climate Change Policy is administered and governed by our CEO. Our management team is charged with monitoring, developing, implementing, and improving the environmental programs and procedures at our facilities worldwide. Each employee at EnerSys is ultimately responsible for the success of supporting our climate policy.

METRICS AND TARGETS

To chart the course for our own efforts to reduce our Scope 1, 2, and 3 emissions, it is essential that we first understand the impact associated with the production, distribution, and use of our products. This will help us communicate the full lifecycle carbon footprint of our products and ensure we are able to develop ambitious but achievable carbon reduction goals that are aligned with the accepted science on the issues.

STRATEGY

We understand that the battery industry has an essential role in driving innovation and advancing new technologies to address customers' climate challenges. Batteries and energy storage systems are essential to expanding the use of EV charging, smart grid technologies and renewable energy installation. Our corporate strategy hinges on our continued investment in products and services that enable low-carbon energy solutions.

RISK MANAGEMENT

Climate change is both a risk and an opportunity for EnerSys. Our climate risk assessment is embedded in our company-wide risk management process. In evaluating our risk, we believe that our business may be most impacted by acute and chronic physical climate risks and emerging regulatory risks related to climate change. As discussed in our [Annual Report](#), our operating results are significantly influenced by weather, and changes in historical weather patterns could significantly impact our future operating results. New regulations, regulatory actions, or requirements to fund energy efficiency activities could result in increased costs associated with our operations.

Concurrently, EnerSys products and services have a significant role to play in the transition to a low-carbon economy. We see potential opportunities for our company in the provision of products and services to customers seeking tools that enable greater use of renewable energy, irrespective of time or location as well as low-to-no-carbon off-grid solutions. As companies of all types begin to address climate change, we anticipate that there could be an increased demand for EnerSys energy storage products. Our products can help customers achieve their ambitious climate goals by expanding the use of smart grid technologies, enabling renewable energy, and reducing carbon emissions. As climate physical risks become more severe, our products can help our customers and communities adapt.



ENVIRONMENTAL HIGHLIGHTS

Our [Environmental Policy](#) necessitates that our operations and products comply with all legal requirements and regulations and mitigate any impacts.

We recognize that there are environmental risks to our operations. We focus on our material topics, including but not limited to product efficiency, end-of-life management, and energy and natural resource management for our operations. We are also focused on confirming environmental compliance and responsible sourcing in our supply chain. We help customers reduce the impact of battery end-of-life by offering recycling services and education on the sustainable recycling of our products.

PRODUCT SUSTAINABILITY FEATURES

Our products provide numerous sustainability benefits for our customers. We are committed to constantly innovating, whether to enhance performance, enable new technologies, or improve quality and safety. Over the past decade, EnerSys has received dozens of patents for our innovative products.

Our customers rely on us to create reliable and resilient products. From the moment we begin developing a new product, we incorporate the highest safety standards into our design. We know that our products are used in critical applications, and the stakes for failure are potentially significant.

The benefits of our products go beyond just energy. For instance, our NexSys next-generation thin plate pure lead (TPPL) batteries reduce our customers' water use, displacing as much as 50 liters distilled per week, saving time, water, and often energy for water distillation. TPPL also offer charging efficiencies that reduce electricity use, save money, and lower emissions.

We invest significant resources into research and development, testing and certification to make sure that our products remain safe for customers and consumers, no matter what.

Our energy solutions enable customers to increase their use of renewable energy and achieve their sustainability goals. In FY21 EnerSys produced more than 11 GWh of energy storage capacity. We also offer a range of advanced battery and charger solutions and services that enable reduced emissions and improved performance.

BATTERY RECYCLING

As the world's leading industrial battery manufacturer, EnerSys is committed to providing the personnel, facilities, and documentation needed to operate a worldwide recycling collection program. Our program not only reduces the environmental impact of improper disposal but also reduces the need for new raw materials.

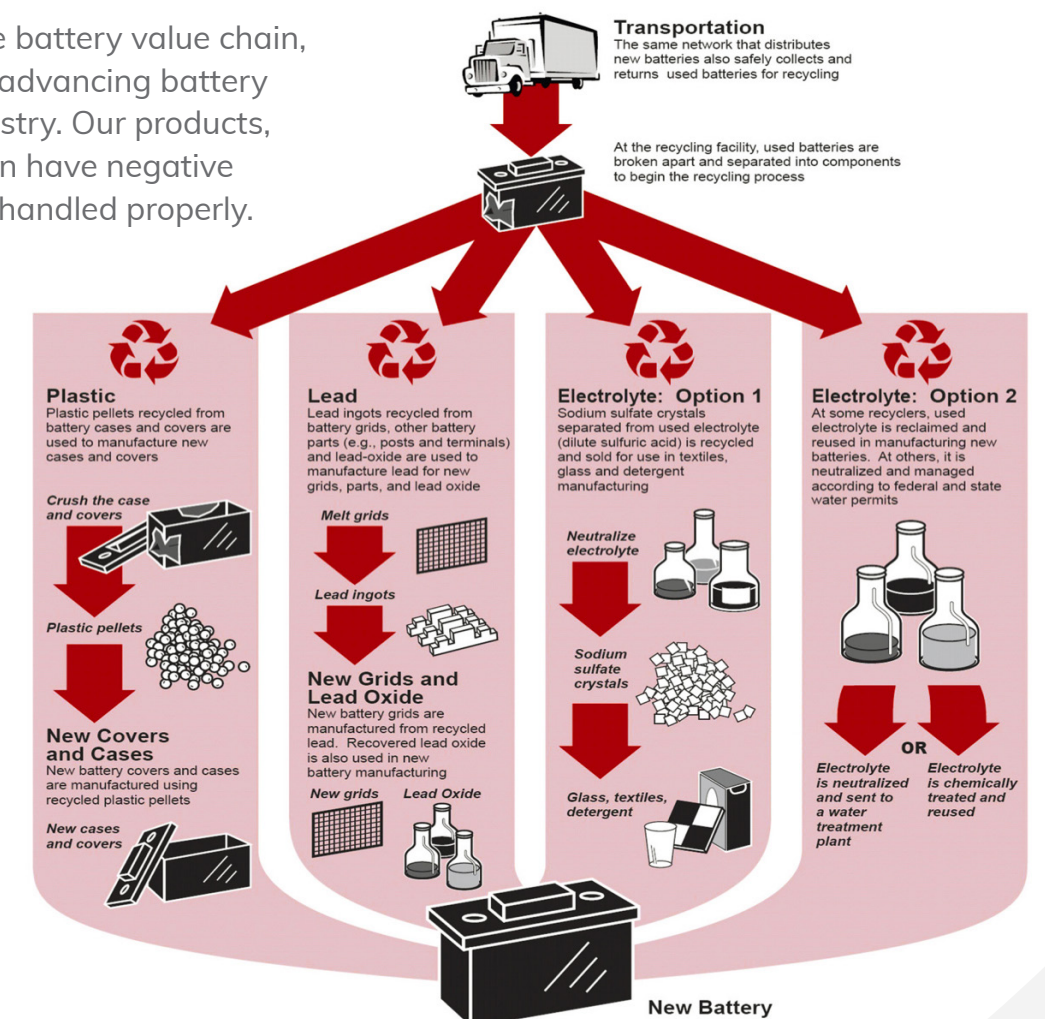
Lead battery recycling services are a key component of how we support our customers' sustainability efforts and contribute to the circular economy.

We are also working in partnership with trade associations and industry experts to develop a similarly circular lithium-ion battery recycling process. We know that lithium-ion batteries bring different challenges at end-of-use and we aim to ensure that solutions are developed to recover, recycle and re-use those batteries, just as we have done for lead batteries.

Recycling is not just for industrial batteries. We also aim to educate consumers on consumer battery recyclability. Our rechargeable batteries have a Call2Recycle certification label, showcasing how to safely recycle them at the end of their useful life.

Circularity is embedded in the battery value chain, and EnerSys is committed to advancing battery recycling throughout the industry. Our products, specifically, lead batteries, can have negative environmental impacts if not handled properly.

Fortunately, thanks to decades of work by EnerSys and the industry as a whole, lead batteries are now one of the most recycled products in the world, with more than **95% of the lead, plastic and other materials in each battery being recoverable. Once reclaimed, they can account for up to 80% of the lead and plastic in a new battery.**



Recycling is an opportunity to not only deal with the potential negative end-of-life impacts of batteries but also a great example of the circular economy in practice.

Graphic courtesy of Battery Council International and accessed June 8, 2008

We advocate for renewable energy, both in our operations and for the industry broadly.

Our Bellingham, Washington, facility uses clean energy generated by a 32.4kW solar array. Since installation in 2015, it has generated over 120,000 kWh. We are exploring similar opportunities to generate renewable energy at other EnerSys facilities. Because of the critical role we play in the energy storage business, we participate in organizations that advance renewable energy across the world.

As a member of the [SunSpec Alliance](#), we collaborate with more than 100 other renewable energy industry participants to advance operational aspects of solar power and energy storage across the grid. Through our work with the [Sustainable Energy Action Committee \(SEAC\)](#), we work to develop collaborative solutions to issues affecting sustainable energy systems.

We monitor and manage our water use, and we look for opportunities to create efficiencies and recycle water as appropriate in our operations.

We have conducted a water risk assessment of our manufacturing facilities, using the [WRI Aqueduct Water Risk Atlas](#). Through this assessment, we identified seven facilities that are located in regions categorized as “High” or “Extremely High” baseline water quantity risk.

As good environmental stewards, we are working to better understand the specific risks at these facilities and consistently reduce potential impacts.

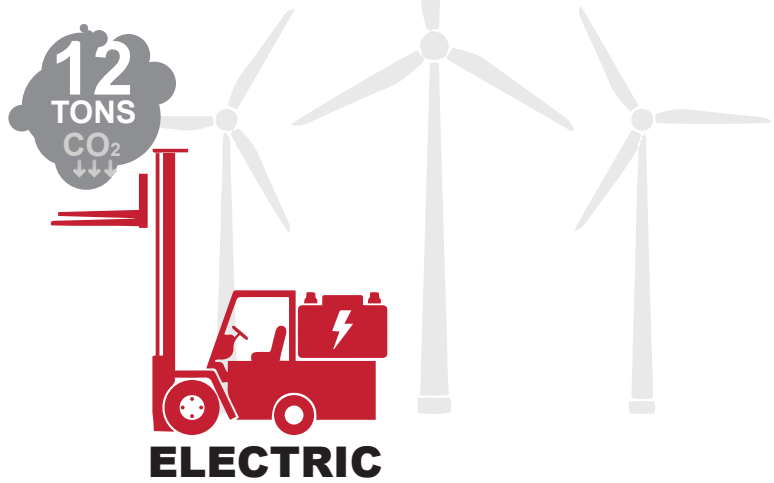


BATTERY-POWERED LIFT TRUCKS

We know the environmental impact of forklifts powered by batteries is significantly smaller than those using fossil fuels. EnerSys provides solutions that can help transform customers' energy use and help meet climate targets.

When our battery-powered solutions are used to transform lift truck operations at our customers' facilities, the reduction in CO2 emissions help deliver on these commitments:

- ◆ Eliminate on-site CO2, CO and NOx emissions – on Day 1.
- ◆ Stop on-site exhaust soot and fumes.
- ◆ Eliminate the need to dispose of used oil, transmission fluid, and filters.
- ◆ Provide employees with cleaner air and customers with cleaner products.
- ◆ Significantly reduce well-to-pump CO2 compared to combustion engine lift trucks.
- ◆ Prevent up to 12 tons of CO2 from entering the atmosphere per truck per year.



OPERATIONS

Our commitment to operating sustainability is governed by our Environmental Policy and supported by our environmental management systems. We aim to reduce our energy use from non-renewable sources. We utilize a systemic approach to drive energy efficiency within our operations, led by trained EHS personnel at each plant. We are also evaluating the emissions impacts of our fleet and exploring opportunities to improve fleet efficiency.

CERTIFICATIONS AND MANAGEMENT SYSTEMS

We deliver high-quality products and manage compliance through our management systems. Where possible, we seek to certify our facilities and corresponding management systems to the highest possible international standards. Sixteen of our facilities in the Americas, EMEA, and Asia are certified to ISO 14001 environmental management standard.

We also have an ISO 50001 certification for energy management systems. Eight facilities are certified to the ISO 45001 occupational health and safety standard. We pursue quality management system certifications for the industries we operate in, including the AS9100 for aerospace, the ISO 13485 for medical devices and the TL9000 certification for telecom devices. For social compliance, we have received the SA8000 Standard accreditation, recognizing our management system for social and labor standards.

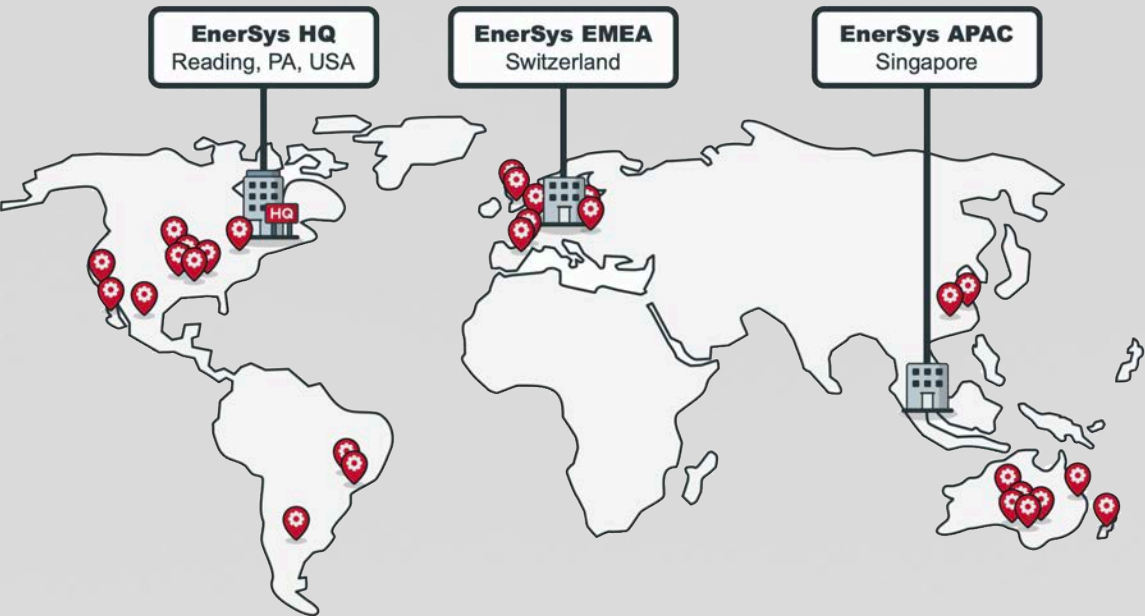
ACHIEVING IATF CERTIFICATION

In January 2021, our Arras Facility received an International Automotive Task Force (IATF) 16949 letter of conformance, qualifying the plant to supply to any automotive customer.

The IATF 16949 is one of the automotive industry's most widely used international standards for quality management systems.

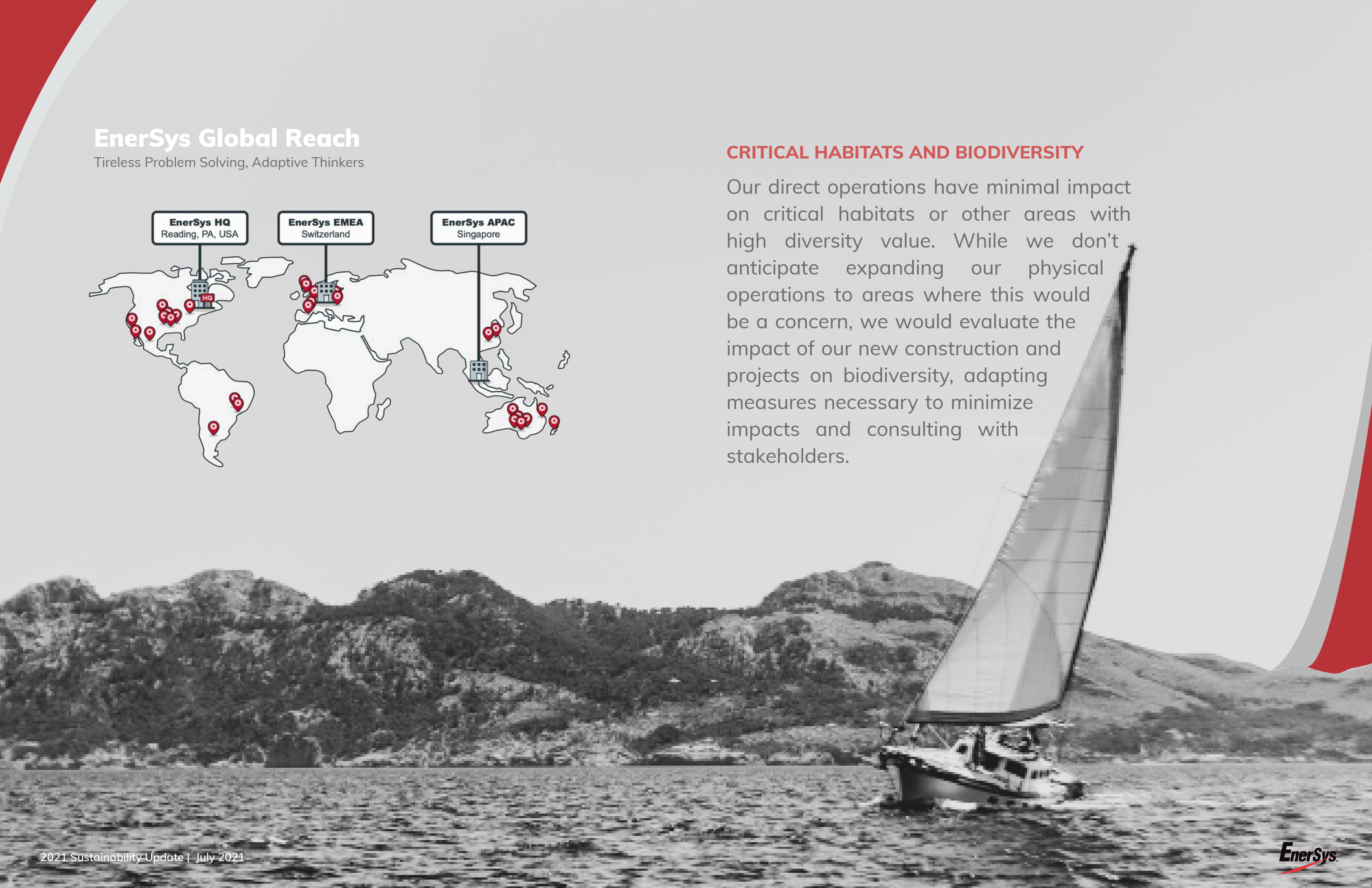
EnerSys Global Reach

Tireless Problem Solving, Adaptive Thinkers

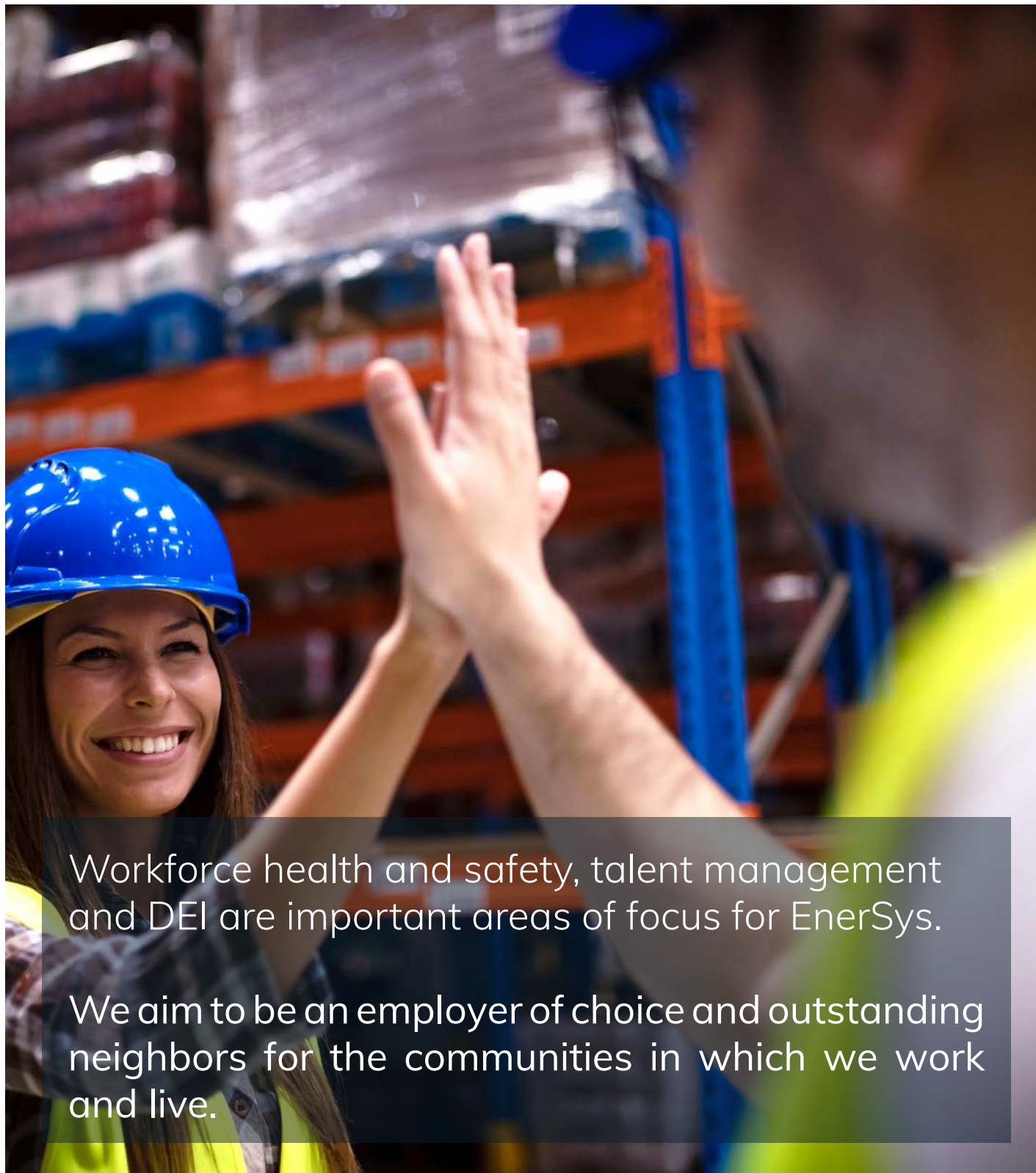


CRITICAL HABITATS AND BIODIVERSITY

Our direct operations have minimal impact on critical habitats or other areas with high diversity value. While we don't anticipate expanding our physical operations to areas where this would be a concern, we would evaluate the impact of our new construction and projects on biodiversity, adapting measures necessary to minimize impacts and consulting with stakeholders.

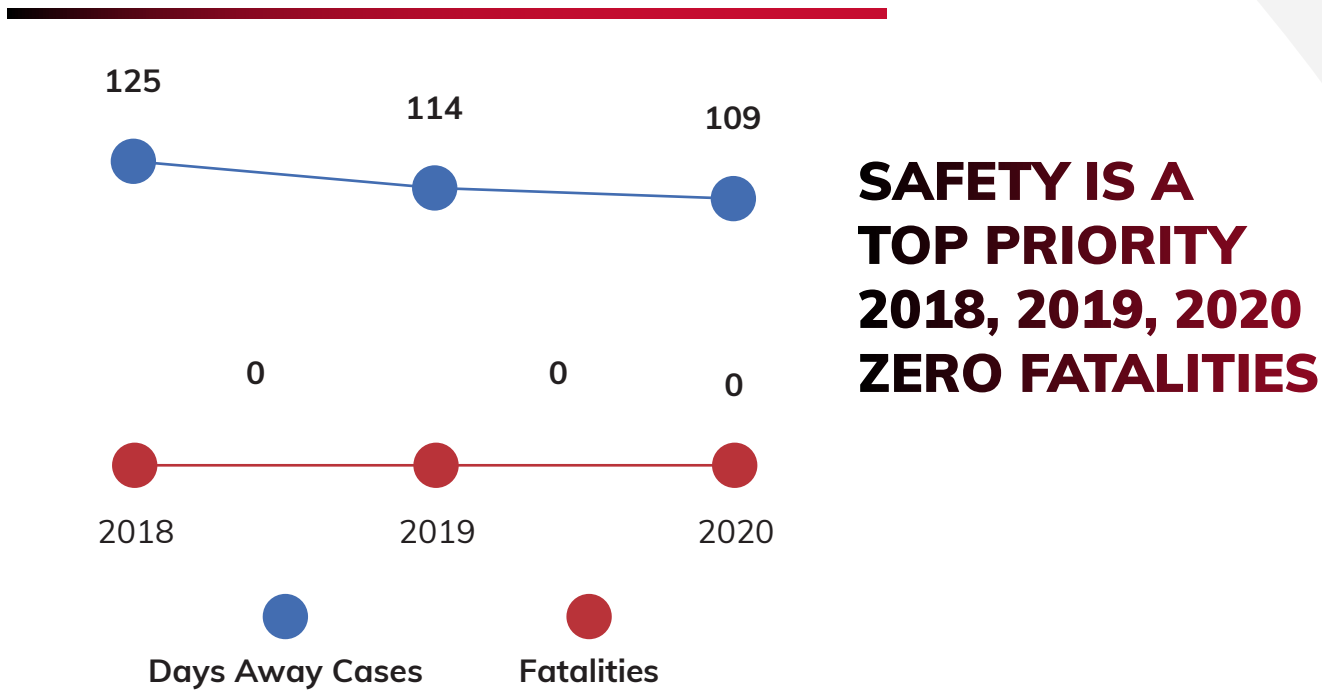


OUR PEOPLE



Workforce health and safety, talent management and DEI are important areas of focus for EnerSys.

We aim to be an employer of choice and outstanding neighbors for the communities in which we work and live.



WORKFORCE HEALTH AND SAFETY

EnerSys believes that to deliver innovation, high-quality production, customer satisfaction, and business success for our company, we must first ensure we are providing the best possible work environment and professional development opportunities for our people. We foster safe and inclusive workplaces based on internationally recognized human rights, as outlined in our [Workforce and Labor Rights policy](#).

Our commitment to employee health and safety is outlined in our [Safety and Health Policy](#). We work to prevent injuries and illnesses through cooperative efforts with our employees. This includes extensive training to help our employees understand and mitigate risks associated with our operations. Management oversees the implementation of all necessary safeguards to protect the safety and health of our employees. These safeguards include the development, promotion, implementation, coordination, and monitoring of safety and health programs. Each location is responsible for ensuring these safeguards are in place and for working with employees to protect them from injury and illness. The EnerSys Corporate Environmental Health and Safety team is responsible for providing counsel and guidance to management in establishing their safety and health program.

**CULTURE, EMPLOYEE ENGAGEMENT AND DIVERSITY,
EQUITY & INCLUSION (DEI)**

Employee engagement is critical to our success as a business. We manage employee engagement by periodically surveying our employees and acting on the results of these surveys.

We believe that investing in our employees’ training and development is an investment in our business. In addition to our employee health and safety

training, we provide our employees with learning and development opportunities to advance their skills and careers at EnerSys. We offer our employees numerous trainings to improve their skillsets. Trainings, like anti-bribery and corruption, safety, and GDPR, are compulsory. For our non-compulsory trainings, the completion rate increased from 69.6 percent in 2019 to 89 percent in 2020. All of our employees are given an annual performance review.

Employees have a variety of opportunities to grow their skills. Some, like the innovative Communications and Collaboration Learning Campaign, are available only to high-performing



EMPLOYEE WELLNESS

Employee wellness is an important facet of our health and safety program. For instance, for our Reading, PA-based employees, we work with [Wellness Coaches USA](#) to provide wellness information and counseling to our employees in the United States. This engagement includes weekly emails detailing important wellness tips and personalized, confidential video conferencing with a wellness expert.

employees. Others, such as our award-winning Opt-In Manager Training program are open to all employees. Less formal opportunities are available as well. Our Teams Chat Channels - available to all employees globally - provides access to curated, topical information which posted and discussed weekly.



We have established development programs to provide opportunities to foster the leadership skills of our talented employees, deepen their sense of purpose, and help to build intra-organizational relationships. The Leadership Development Program is a year-long program run by the EnerSys Academy that includes graduate-level course work, leadership and management skills training, an overview EnerSys products/processes, as well as development in general business acumen. The 2020-2021 cohort includes 27 participants globally, up significantly from 15 in 2019-2020.

Our Mentoring Program was established in 2020 with an inaugural class of 10 women based out of Corporate Headquarters. This year the program has expanded globally and all inclusively to 35 participants.



The mentoring program provides an avenue for employees to take ownership of their professional and personal development through mentoring partnerships as well as networking opportunities. Participants are paired with a mentor for a 10 month-long mentoring engagement and are encouraged to participate in a variety of development activities such as regular ongoing 1:1 meetings, workshops, conferences and practical exercises.



All of our non-production employees are given an annual performance review. Employees complete a self-assessment while managers evaluate their employees based on progress towards goals as well as performance alignment with EnerSys' core values (Teamwork, Energy, EOS, Safety

and Our Environment, Accountability, and Customer Experience). Additionally, the company has embraced Continuous Performance Management (CPM) as an ongoing and holistic performance approach (with a 95+% utilization rate). Employees and managers hold regular one-on-one meetings each quarter which allows real-time feedback, ongoing support and alignment on near-term progress towards goals. Our goal management approach is TOP – DOWN meaning that goals are cascaded down through the organization based on company initiatives routed in EnerSys' vision, key objectives, and value metrics. Goals are set within three pre-set categories People, Customer, and Shareholder and all are aligned with EOS (EnerSys Operating System).

DIVERSITY EQUITY AND INCLUSION (DEI)

This past year included a particular focus on DEI practices across our company. The company conducted our first-ever virtual employee listening session that included 700+ participants from the Americas and EMEA regions. The session focused on engagement questions to assess our present performance and to identify areas for improvement relating to DEI, development opportunities, etc. EnerSys has developed a DEI multi-cultural steering committee and created a vision to drive our efforts of diversity, equity, and inclusion throughout the culture of the organization.

As part of our gender diversity strategy, we launched a business resource group (BRG) for women at EnerSys, reaching more than 500 women across the organization. Women in Leadership (WiL) has pioneered the landscape for future BRGs at EnerSys by offering leadership development opportunities, networking, volunteerism, and more. In the upcoming year, WiL will host a week-long symposium and will expand their network globally to include regional chapters. In the future, we plan to expand the focus of our BRGs to other underrepresented groups to develop the future leaders of our company. Like WiL, these networks will share a similar mission: alignment to our DEI initiatives and structural support backed by executive sponsorship.

Like our other sustainability priorities, we recognize that to successfully manage DEI, we must also measure our impact. We are committed to providing equal employment opportunities to all applicants and employees without regard to sex, race, color, religion, national origin, age, disability, covered veteran status, or any other characteristic protected by law. In our most recent review of our Affirmative Action measurements in 2020, EnerSys tracked over 360 Job Groups with 97% of those groups have results that were in line with or greater than the expected targets.

We also review hiring rates, termination rates, promotion rates and performance/potential scores for women and people of color. In our latest review, seven of the eight key measures met or exceeded our expected results. These results have been achieved by a consistent and ongoing effort to ensure our policies and practices support our commitment to inclusion, diversity and equity. Similarly, EnerSys uses a variety of internal and external resources to ensure appropriate pay equity across the organization. This includes a formal set of pay grades that are reviewed against external data sources and adjusted to maintain competitive in the market for talent.





RECRUITING

We have also continuously focused on our recruiting marketing efforts to increase our ability to attract diverse candidates for our open positions. Some of these efforts have included:

Enabling a Job Analyzer feature in our HR information system that provides language and hire-ability recommendations for a better job description with fewer gender biases; creating an Underutilization Recruiter Toolkit that provides guidance and resources to the recruiters on how to attract a diverse applicant pool (e.g., leveraging LinkedIn, diverse job boards, diverse organizations, and partnering with colleges and universities); partnering with Penn State Women in Engineering Program; utilizing the Women in Leadership BRG to promote our Employee Referral Program and advertise featured jobs; contracting with Circa, which offers a spectrum of diversity recruitment and inclusion solutions through a network of 15,500+ community organizations; and our LinkedIn contract offers a Talent Insight feature that provides information around gender diversity within a specific industry/job/university.

Finally, over the next year, we will develop a strategic recruiting plan that includes partnering with historically black colleges and universities along with utilizing artificial intelligence technology to remove biases from recruiting practices.

UNITED WAY BLUEPRINT FOR LEADERSHIP PROGRAM

Every year, we nominate employees to participate in the United Way Blueprint for Leadership program in Berks County, PA. Through the course, participants engage in leadership training sessions, learn about cultural awareness and put leadership skills into practice through volunteer work with an organization. In 2019, the Blueprint for Leadership Program graduated 12 participants including three from EnerSys. These graduates plan to advance their development and serve in leadership roles with varied community organizations. Due to the COVID-19 pandemic, the program was postponed in 2020 but will return in the fall of 2021 with EnerSys employees again represented and engaged.



COMMUNITY ENGAGEMENT

EnerSys is dedicated to being an active member of the communities in which we work and live. We support our employees in their efforts to volunteer their time in their communities. In 2020, we gave approximately \$1.4 million to charities focused on the following priorities:

- Community and economic development
- Education and workforce development
- Health and human services

We put our strongest emphasis on educational programs in schools and colleges, community activities, and on supporting employees who give freely of their own time to serve on boards or committees in many organizations. A core underlying principle to all of our efforts is to encourage diversity, equality, and inclusion within the communities we operate in.

Around the world, EnerSys employees have volunteered with organizations in their communities. We participate in United Way's Day of Caring, a yearly community-wide volunteer event that takes place throughout Berks County, Pennsylvania, the location of our global headquarters. While we were not able to host this event in 2020, we plan to continue our Day of Caring once it is safe to do so. Other examples of volunteer opportunities include Ready.Set.READ! a program focused on improving literacy skills for children, managed by United Way of Berks County. Additionally, numerous EnerSys employees and family members have participated in United Way's The Big Cheese, which is the largest United Way-Driven meal packing event in the country. More than 1,000 volunteers in the community come together to package 500,000 nutrient-fortified mac and cheese meals for local families in need. Our employees are also on the boards of numerous charitable organizations and consistently contribute to their communities through volunteering.



TACKLING THE COVID-19 CHALLENGE

In 2020 and into 2021, all EnerSys workforce operations were carefully adapted with COVID-19 precautions in mind. We developed return-to-work protocols for our manufacturing and non-manufacturing operations globally, with amended safety requirements and restructured roles.

EnerSys is very proud of our employees taking extreme care to follow our amended safety practices to keep themselves and each other safe without any EnerSys operation having to close during the pandemic. In addition to keeping the facilities open, EnerSys is very proud of our scorecard for keeping our employees safe. These actions allowed EnerSys to ensure that our essential products and services continued to support critical medical and infrastructure organizations in a great time of need. EnerSys continues to maintain a tracking system for all COVID suspected and/or confirmed infections for our operations globally. Since the start of the pandemic, we had a low number of cases where an employee contracted COVID from another employee while working for EnerSys.

This means that for well over a year 99.95% of our employees were kept COVID free while performing their work for EnerSys. Over 96% of employees we surveyed in January of 2021 indicated satisfaction with management’s communication and direction during this crisis. Measurements matter and our success on these key indicators demonstrate the extreme focus we put on our employees’ wellbeing.

EnerSys products are playing a critical role in vaccine distribution. Our batteries supply back-up power to ensure that vaccines being transported to clinics remain properly refrigerated, as well as powering forklifts that move pallets onto those trucks.



Schellsy Rosario, a medical office assistant with Penn State Health St. Joseph- Downtown Campus, helps check in Marjorie Caltagirone of Reading for her COVID-19 vaccination on Monday, March 1, 2021.

EnerSys Supports Our Communities: Donating Space for COVID-19 Vaccinations

When St. Joseph Medical Center, which is part of the Penn State Health network in Bern Township, was looking for a central, easily accessible, and safe location to provide the community with COVID-19 vaccinations, they called upon EnerSys.

EnerSys recently acquired its new Technology Center in Bern Township and has been working to upgrade the facility throughout the last year.

“As a result of COVID, our new Technology Center is not currently fully occupied”, explained CEO Dave Shaffer, “so when St. Joe’s let us know they were looking for space to administer vaccines, we were happy to support this important effort that benefits the community and our own people who live and work in the Reading area.”

“We are pleased to partner with EnerSys to make this vital service more easily accessible to our community. By making the space in the EnerSys Technology Center available, Berks county residents have a convenient and spacious place to safely receive their vaccinations” said Trisha Cobian, BSN, RN, Director Ambulatory Clinical Care at Penn State Health. Through this partnership, we helped the Medical Center vaccinate thousands of community members and EnerSys employees.

SUPPLY CHAIN MANAGEMENT

EnerSys is committed to only sourcing from suppliers that meet our standards for environmental, social and quality performance. We recognize that there are potential environmental and social risks within our supply chain, and we enact strong policies to manage these risks with our suppliers. Our various policies cover Human Rights, Anti-Slavery and Human Trafficking, Workforce Labor Rights, Conflict Minerals, Business Conduct and Ethics, Environmental Management, Safety and Health, Supplier Diversity and Climate Change. We expect our suppliers to uphold these policies. We conduct audits to make sure our suppliers maintain compliance with these policies. These audits may take the form of questionnaires, site evaluations, discussions, or use of third-party databases. Failure to comply may result in the discontinuation of our business relationship with the supplier.



OUR PATH FORWARD

EnerSys is dedicated to continuous improvement with our broad sustainability efforts over the coming years. In 2021, we are focused on measuring our impacts and setting goals for the future. Recognizing the trends and opportunities we face as an energy systems company, we plan to continue to integrate sustainability throughout our business units, ensuring that we offer the best clean, reliable energy systems to our customers who are working to decarbonize their energy use. We will also work to quantify and understand the potential impacts that climate change has on our business, and more fully disclose our climate and other sustainability risks and opportunities.

As the world emerges from a year of challenges, EnerSys is diligently working towards a prosperous and more sustainable future. From how we run our business to the impact our products have in helping customers around the world, our company is more committed than ever to a future that benefits people and the planet. As we work to create shared value and success, we look forward to engaging with all our stakeholders as we progress along this journey.

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