

# ENERSYS SUSTAINABILITY REPORT 2023

*POWERING THE FUTURE  
EVERYWHERE FOR EVERYONE*

The EnerSys logo is located in the bottom right corner. It features the word "EnerSys" in a white, sans-serif font, with a red diagonal line element under the "y".

**EnerSys**



## A Word From Our CEO<sup>1</sup>



As we reflect on the past year and look ahead to the opportunities and challenges on the horizon, it is clear that the corporate sustainability landscape is rapidly evolving as companies are being called upon to help combat the effects of climate change and protect the equalities and livelihoods of all people around the globe. Not only has EnerSys begun to answer that calling, but we are also well-poised to help our customers and other stakeholders transition to a low-carbon economy through the positive impact of our products and services. Sustainability is increasingly integrated into our overall message because it is a core part of who we are and what we do.

Our commitment to sustainability is ingrained in our core values. By prioritizing continuous improvement, we seek to remain an industry leader, driving positive, sustainable and profitable change in our operations. Our increasingly energy-efficient products meet the demands of our customers' energy needs and storage challenges while concurrently reducing electricity costs and carbon emissions, they also have a net positive impact on the climate. This impact, which we now quantify at the product level and plan to detail at the enterprise level in the coming months, is a testament to our dedication to sustainable practices and integration of environmental stewardship throughout our operations.

In 2023, EnerSys reached a significant milestone. According to the preliminary findings from our 2023 Scope 1, 2 & 3 emissions inventory, the avoided emissions associated with the use of our batteries in electric forklifts (replacing diesel and propane forklifts) on average range between five to ten times the emissions from mining, manufacturing and shipping our batteries, depending on battery model and how clean the electric grid is where the forklifts are used. In some locations, the avoided emissions from using EnerSys batteries reach a 20x net benefit. As we continue to reduce our operational and supply chain emissions footprint, these values improve even more. The findings from this past year emphasize the transformative impact our products have on mitigating the carbon footprints across the various industries our 10,000+ customers represent.

At EnerSys, we are committed to improving the sustainability, resiliency, and efficiency of our products, tailoring our services to help our customers reach their sustainability goals, and reducing our operational impact on the environment. As we advance solutions that contribute to a more sustainable future, we remain steadfast in our commitment to minimizing the impact of our manufacturing, transporting, and distribution processes.

I am proud of the progress EnerSys has made in 2023. Together, we will continue to champion sustainability for the betterment of our company, our stakeholders, and the planet. Thank you for reading our 2023 Sustainability Report. I welcome your feedback and ongoing interest in EnerSys.

Sincerely,

A handwritten signature in blue ink that reads "David M. Shaffer". The signature is fluid and cursive, written over a light blue horizontal line.

David M. Shaffer  
*President & CEO*

<sup>1</sup> GRI 2-22 Statement on sustainable development strategy

## A Word From the Chair of the EnerSys Nominating and Corporate Governance Board Committee



In an era marked by urgent global challenges, the EnerSys Board of Directors reaffirms its unwavering commitment to sustainability. As stewards of our company's mission, this commitment is not just a part of our business strategy; it's woven into the fabric of our organizational culture and governance practices.

The Board's oversight role in environmental, social and governance matters is fundamental to our governance structure. Our Nominating and Corporate Governance Committee is fully engaged in shaping robust ESG practices, leveraging our board members' collective wisdom and experience.

In just a few short years since the inception of our sustainability department, we have witnessed remarkable growth and transformation. For instance, we have cut our Scope 1 emissions by over a quarter since 2019 and reduced our water use intensity per kWh of storage by nearly 7%. Our management team's tireless efforts have yielded these tangible results, demonstrating our commitment and capacity to positively drive demonstrable progress and meaningful impact both in our own operations, for our customers, our employees, our investors, and our communities.

What sets EnerSys apart is not only that we employ sustainability practices throughout our operations, but we also see sustainability as integral to our product offerings and our bottom line. Our products are not only solutions for customer needs, but also a testament to our commitment to creating a more sustainable future. By aligning our sustainability initiatives with our broader brand strategy, we differentiate ourselves in the market and reaffirm our role as a leader for positive change.

We firmly believe that through our actions, EnerSys can lead industry change, serve our shareholders, customers, employees and communities, while also contributing to the transformation of our energy economy.

Looking ahead, I am filled with excitement and optimism for the future of sustainability at EnerSys. Together, we have achieved remarkable progress, and we will continue to power the future – everywhere for everyone.

Sincerely,

A handwritten signature in black ink that reads "Rudolph Wynter". The signature is fluid and cursive, with a prominent 'W'.

Rudolph Wynter  
*Chair of the EnerSys Nominating  
& Corporate Governance Committee*

# About this Report

## CONTACT INFORMATION

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Global Sustainability  
[Samuel.Shiroff@enersys.com](mailto:Samuel.Shiroff@enersys.com)

## REPORTING PERIOD<sup>2</sup>

This Sustainability Report covers EnerSys operations from January 1, 2023, through December 31, 2023, unless otherwise noted.

## SUSTAINABILITY FRAMEWORKS

The disclosures in this report are aligned to the following frameworks, with specific disclosures indicated throughout the report:



European Sustainability Reporting Standards (ESRS) as required by the Corporate Sustainability Reporting Directive (CSRD)



Global Reporting Initiative (GRI) and International Sustainability Standards Board (ISSB) disclosures



International Financial Reporting Standards Foundation (IFRS) Sustainability Accounting Standards Board (SASB) Renewable Resources and Alternative Energy (RR-FC) Fuel Cells & Industrial Batteries Sustainability Accounting Standard



United Nations Sustainable Development Goals (SDGs)

This report also addresses data and other disclosures adhering to the Greenhouse Gas Protocol, ISO 14000, and Task Force on Climate-Related Financial Disclosures (TCFD) guidance. See Appendices for details on where to find specific disclosures in this report.

<sup>2</sup> GRI 2-3 Reporting period and point of contact



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# About EnerSys<sup>3</sup>

EnerSys has been a global leader in stored energy solutions for industrial applications for over 100 years. EnerSys is a publicly traded company with over 11,000 employees across four continents. Headquartered in Reading, PA, with additional regional headquarters in Europe, Middle East and Africa, and Asia, our manufacturing and operations serve over 10,000 customers worldwide and bring stored energy solutions and systems to over 100 countries.

At EnerSys, our purpose is more than simply building batteries and energy systems. We are driven by a passion to keep the world working by developing and delivering power systems and solutions that keep people connected across their communities and the globe. We are dedicated to building a world where everyone can count on reliable power to allow them to work and live better.

## WE ARE CLIMATE TECHNOLOGY<sup>4</sup>

Our technologies play a critical role in the fight against climate change; both in mitigating climate change and helping our world become more resilient to climate impacts. EnerSys views 'climate technology' as a product that can reduce CO2 emissions more than the emissions required to produce it. Many of our products meet this definition, and we are energized by their positive worldwide impact.

Our energy storage (batteries) and energy systems allow for more effective and rapid decarbonization by bridging the gap between intermittent renewable energy generation (like wind and solar) and power demand by ensuring seamless connectivity between production and consumption periods.

Our solutions enable customers across the globe to meet their energy and carbon emission reduction goals while providing reliable and affordable energy access. In 2023, EnerSys produced around 13 gigawatt hours of energy storage capacity, which is used to ensure safe, affordable and clean power for industries and people worldwide.



Our products and services enable the widespread adoption of renewable energy, supporting global greenhouse gas emissions reduction goals and helping to slow the impacts of climate change. And, as climate impacts interrupt power supplies, our technology supports communities when they need it most by providing reliable and affordable access to energy.

We invest significant resources into research and development, testing and certification to ensure that our products remain safe for our customers and consumers. As such, we pursue quality management system certifications for the industries in which we operate, including the AS9100 for aerospace, the ISO 13485 for medical devices, the ISO 26262 for Lithium-ion Batteries (LiBs) in Motive Power applications and the TL9000 certification for telecom devices.

<sup>3</sup> GRI 2-1 Organizational details, GRI 2-2 Entities included in reporting, GRI 2-7 Employees

<sup>4</sup> GRI 2-6 Activities, value chain and other business relationships

## OUR BUSINESS



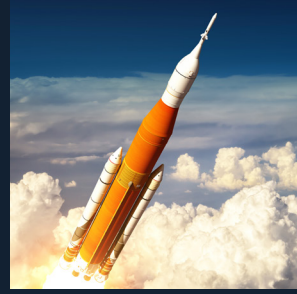
### 1 ENERGY SYSTEMS

EnerSys delivers uninterrupted power systems applications for computer and computer-controlled systems used in data centers, as well as telecoms, switchgear and electrical control systems used in industrial facilities and electric utilities, large-scale energy storage and energy pipelines. It also includes highly integrated power solutions for broadband, telecom, renewable and industrial customers, and thermally managed enclosures for electronic equipment and batteries.



### 2 MOTIVE POWER

EnerSys delivers power for electric industrial forklifts used in manufacturing, warehousing, and other material handling applications, automated guided vehicles, mining equipment, diesel locomotive starting, and other rail equipment. Our technology supports pathways to lower emissions in motive power.



### 3 SPECIALTY ENERGY STORAGE

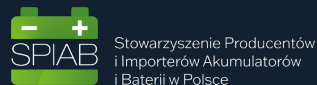
EnerSys delivers premium starting, lighting and ignition applications in transportation, energy solutions for satellites and other spacecraft, military aircraft, submarines, ships and other tactical vehicles, medical systems and security systems.



### 4 NEW VENTURES

New Ventures – our newest line of business – provides energy storage and management systems for various applications including demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles.

## TRADE ASSOCIATIONS<sup>5</sup>



<sup>5</sup> GRI 2-28 Membership associations



# OUR MANUFACTURING LOCATIONS



Since FY'20, we reduced our global manufacturing footprint by 18.75% to optimize fixed costs.

## OUR PORTFOLIO OF SOLUTIONS

### ENERGY SYSTEMS



### MOTIVE POWER



### NEW VENTURES



### SPECIALITY





EnerSys products and service solutions **ensure that modern life keeps moving**, even if the power is out.

## ENERGY SYSTEMS FOR GRID RESILIENCE

Extreme storms and catastrophic fires are becoming the “new normal,” with massive impacts on power grid reliability. Our products provide our customers and the communities they serve with the means to manage power demands while providing the security and stability of a consistent power supply. EnerSys delivers dependable backup power for essential services such as cell towers, data centers, electrical grids and hospitals, ensuring power availability, especially when it’s needed most.

SPOTLIGHT

### **EnerSys Energy Systems play a key role in building California’s resilience to wildfires**

To mitigate wildfires and protect public safety, the [California Public Utilities Commission](#) authorized electric utility providers to shut off electric power at certain times if weather and fuel conditions increase the risk of equipment failure and wildfire.

During these shutdowns, telecommunications providers are required to provide backup power for their networks and communications to remain up and running. This ensures that individuals and organizations have access to vital emergency services, 911 access, high-speed data, news and more. In recent years, the required backup power time increased

from 8 hours to 72 hours, obliging telecommunications companies to find new ways to generate power to keep communications and networks up and running when the power is shut off.

Rather than relying on diesel fuel generators, multiple telecommunications companies are utilizing custom EnerSys batteries to power over 5,000 power modules in neighborhoods across California to support communications networks regardless of if grid power goes out. EnerSys was uniquely qualified to design, build and install these integrated systems with intelligent, reliable and clean energy storage for each specific use case.

Read more [here](#) or [watch](#).







EnerSys is the **world's largest manufacturer** of industrial forklift batteries and chargers.

## MOTIVE POWER FOR CLEAN MOBILITY

EnerSys propels the global economy by supplying batteries, chargers, and monitoring services, enhancing the reliability and sustainability of a variety of vehicles, including power forklifts, AGVs and trains. Our solutions ensure the timely delivery of critical materials and goods, from vaccines in cold chain trucks to groceries on forklifts. EnerSys storage solutions support decarbonization goals in warehousing and logistics sectors by eliminating the emissions produced by combustion engines, especially if the batteries are charged by renewable electric sources.

### SPOTLIGHT

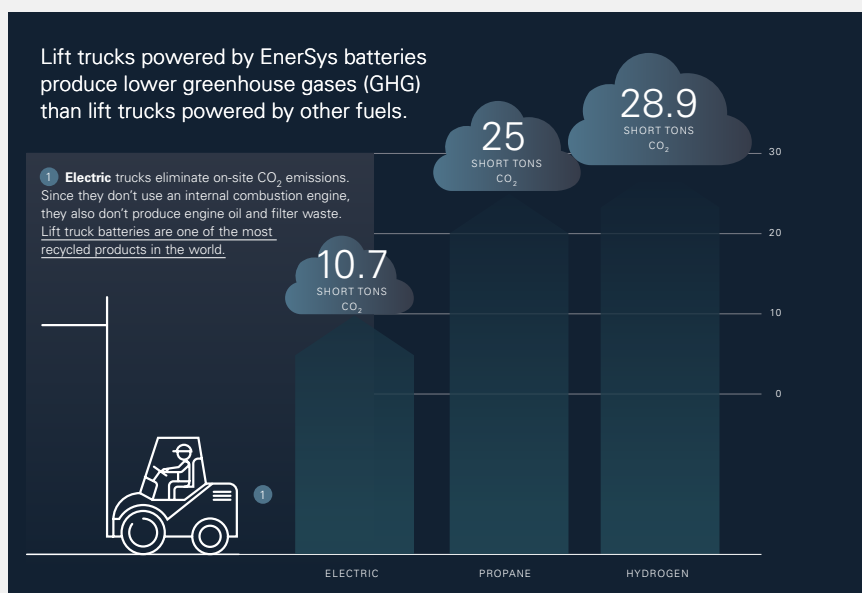
#### Zero-emissions forklifts save money and reduce emissions

Our batteries make electric forklifts more affordable to operate than fossil fuel alternatives.

Replacing a diesel or propane forklift with an electric one is also estimated to reduce more than 50% of the emissions (even with electricity fueled by coal).<sup>6</sup>

Added to the savings, some companies can even get paid to switch to electric forklifts. The California Air Resources Board (CARB) issues Low Carbon Fuel Standard credits for the use of electric forklifts. **Based on calculations provided by CARB, a large fleet with 20+ forklifts could receive an estimated \$100k in credits per year or more!**

Based on initial estimates from our 2023 Scope 1, 2, & 3 emissions inventory, the avoided emissions (i.e., the net benefit to the climate) associated with the use of our batteries in electric forklifts (replacing diesel and propane forklifts) on average range between five to ten times the emissions from mining, manufacturing and shipping our batteries, depending on battery model and how clean the electric grid is where the forklifts are used. In some locations, the avoided emissions from using EnerSys batteries reach a 20x net benefit.



"When our customers prioritize their carbon reduction goals by utilizing EnerSys products, we're also helping them realize other efficiencies and savings in many cases."

**Andi Funk**  
CFO

<sup>6</sup> California Air Resources Board. Methodology for Determining Electricity Consumption of Electric Forklifts for Reporting in the LCFS. May 28, 2021.



EnerSys batteries have accumulated **over 6.8 billion operational cell hours in space**, all without a single mission failure, proving out of this world reliability.

01

## SPECIALTY SYSTEMS FOR COMPLEX CHALLENGES

When readiness and reliability are paramount, EnerSys® batteries are hard at work in the world's most critical and demanding applications. High performance, low maintenance and long life are the hallmarks of EnerSys products.

Customers worldwide rely on EnerSys batteries for specialized electronic devices, valuing their proven safety and reliability as power sources. The Specialty line of business includes specialty batteries for aerospace and defense applications, premium automotive, security systems, large over-the-road trucks, and medical applications.

Since building the first Lithium-ion (Li-ion) battery to power a satellite, technological breakthroughs from EnerSys have extended satellite operational life and have lengthened the life of space missions to benefit our scientific communities.

SPOTLIGHT

### To the moon and beyond

An EnerSys battery will be trusted to power the Roman Space Telescope, poised to uncover the secrets of dark energy and dark matter when it launches in the mid-2020s. This telescope is set to follow in the footsteps of the James Webb Space Telescope and aims to measure light from a billion galaxies throughout the

mission lifetime in while also performing a microlensing survey of the inner Milky Way to find ~2,600 exoplanets – planets outside of our solar system.

EnerSys batteries powered NASA's Space Launch System on its inaugural launch of Artemis 1 in 2022 (pictured above). This is the first unmanned Crew Module

launch around the moon since the Apollo era. Artemis 1 made history when at its maximum was nearly 270,000 miles away from earth, breaking the Apollo 13 distance record. EnerSys is proud to be supporting the Artemis program and powering the critical systems enabling the U.S. to return to the moon and beyond.





By coupling fast charging with **robust battery storage**, EnerSys offers a complete energy system to power an evolving world.

## NEW VENTURES SOLUTIONS FOR ENERGY MANAGEMENT

In the first quarter of fiscal year 2024, EnerSys introduced a new line of business called New Ventures, which includes energy storage and management systems for electric vehicle fast charging, utility back-up power, and demand charge reduction.

To combat climate change and achieve net-zero emissions by 2050 globally, it is crucial to make renewable energy more available and reliable. A reliable grid requires electricity from sources like wind and solar to be consistent, despite their natural variability. Our energy storage solutions ensure that power remains dependable, with batteries storing energy when there is excess and making up the difference during high demand.

More than 25 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. We are proud to support the ambitious goals of our customers. Demand for energy storage keeps growing and having a secure domestic source for batteries is critical. As such, we are looking to expand our lithium-ion cell production capacity in the United States.

"One of our top priorities, in addition to the health and safety of our people, is ensuring that our current factories are as efficient as possible. We only choose to build a new factory when it's a must; and when we do, we are making sure we are designing everything with safety and efficiency in mind."

**Patrice Baumann**  
Chief Integrated Supply Chain Officer

### SPOTLIGHT

#### **New Lithium Gigafactory in Greenville, South Carolina**

On Feb 14, 2024, EnerSys announced that it selected Greenville, South Carolina to develop a lithium-ion cell gigafactory to advance battery production in the United States. This new factory represents a long-term opportunity that will enable growth and allow EnerSys to optimize cell sizing in battery solutions for its customers, reducing reliance on non-domestic cell suppliers.

EnerSys recently secured a comprehensive incentive package through South Carolina and Greenville County valued at approximately \$200 million, which includes a combination of short-term and long-term incentives. The company intends to use a portion of these proceeds, along with the Inflation Reduction Act IRC 45X tax benefits and potential additional federal funding, to make a \$500 million investment with the potential to create 500 high-quality new jobs.

The proposed 500,000-square-foot manufacturing plant at the Augusta Grove business park on about 140 acres will focus on producing various lithium-ion cell types for commercial, industrial, and defense uses, targeting an annual output of four-gigawatt hours.

[Read press release here.](#)

Our Approach to Sustainability

# Our Approach to Sustainability

## OUR VALUES DRIVE OUR APPROACH

At EnerSys, sustainability, reliability, and resilience are core to our values and embodied in our daily operations. Our products address global challenges such as climate change, decarbonization, efficient goods distribution, grid reliability, telecommunications, and innovation. Our batteries and energy storage solutions contribute to a resilient, low-carbon future.

“Sustainability is part of who we are at EnerSys, it’s something that all of our stakeholders – investors, customers and employees – care about and want to see more of.”

**Lisa Hartman**  
VP Investor Relations and  
Corporate Communications

## OUR POLICIES GUIDE OUR ACTIONS<sup>7</sup>

Our sustainability policies underscore our unwavering dedication to excellence in managing environmental, social and governance (ESG) issues, encompassing not only our internal operations but also extending throughout our supply chain. These standards apply to every employee, contractor, operating unit, vendor and supplier within the organization, and the Board and senior executive team oversee compliance.

Our policies serve as the compass for shaping our strategy and programs, ensuring a perpetual cycle of monitoring and enhancing our performance. Our policies undergo thorough annual reviews conducted by subject matter experts (SMEs), ensuring relevance and accuracy, and updates are implemented as necessary. Our sustainability policies are detailed on page 5.2 of this report and can be accessed on our website for reference.

## OUR SUSTAINABILITY GOALS & COMMITMENTS

### ENERGY

Reduce energy intensity per kWh of storage produced by 25% by 2030.\*



### WATER

Reduce water intensity per kWh of storage produced by 25% by 2030.\*



### WASTE

We are working to establish a measurable waste goal aligned with stakeholders expectations.



### FEMALE REPRESENTATION

Improve our female representation at the leadership level from 9% to 20% by 2025.\*



### MULTICULTURAL TALENT

Improve our multicultural talent representation at the leadership level from 16% to 25% in the U.S. by 2025.\*



### EMPLOYER OF CHOICE

Become recognized by at least three global indexes as a leading employer.



<sup>7</sup> GRI 2-23 Policy commitments, GRI 2-24 Embedding policy commitments

\*Compared to 2020



## ALIGNMENT WITH SDGS



**United Nations**  
Global Compact

The United Nations Global Compact (UNGC) is a call to companies to align their business strategies and operations with ten universal principles on human rights, labor, the environment and more, and to take actions to advance societal goals. More than 20,000 companies in 167 countries participate in the Compact, including EnerSys. Our corporate policies adhere to the UNGC. Our corporate policies and actions adhere to the [UNGC's 10 Principles](#).



**HUMAN RIGHTS  
PRINCIPLES 1-2**



**LABOUR  
PRINCIPLES 3-6**



**ENVIRONMENT  
PRINCIPLES 7-9**



**ANTI-CORRUPTION  
PRINCIPLE 10**

## SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, embraced by United Nations (UN) member states in 2015, outlines a global plan for peace, prosperity, and sustainability for current and future generations. Central to this agenda are the 17 SDGs, urging global action across developed and developing nations to address climate change, eliminate poverty, enhance health and education, reduce inequalities, and promote economic growth.

EnerSys is dedicated to advancing the SDGs, aiming to make a positive impact through our products, operations, community involvement, and workplace. We are focused on contributing significantly to the top three SDGs where we believe our impact is most substantial:

**SDG 7:** Affordable and Clean Energy

**SDG 10:** Reduced Inequalities

**SDG 13:** Climate Action

We aim to leverage the UNGC and the SDGs to further the transition to a low-carbon, clean energy future everywhere, for everyone. Throughout this report, we have indicated where our actions and metrics align with specific SDG targets.



## SUSTAINABILITY INITIATIVES



CEO Water Mandate is a CEO-led commitment platform for business leaders and learners to advance water stewardship and reduce water stress worldwide by 2050. Committed companies identify and reduce critical water risks to their businesses, seize water-related opportunities and contribute to water security and the SDGs. As of 2022, the Mandate has been endorsed by more than 200 companies from various industry sectors and regions worldwide. Endorsing companies commit to action across **six key elements** and report annually on progress:

- 1 Direct Operations
- 2 Supply Chain & Watershed Management
- 3 Collective Action
- 4 Public Policy
- 5 Community Engagement
- 6 Transparency



Founded in 1977 by two U.S. senators who recognized the enormous opportunity of energy efficiency, the Alliance to Save Energy is a bipartisan, nonprofit coalition of business, government, environmental and consumer leaders advocating to advance federal energy efficiency policy. As part of the Alliance to Save Energy, EnerSys is committed to advocating for federal policies that accelerate energy efficiency across industries and sectors.

### CEO **ACT!ON** FOR DIVERSITY & INCLUSION

EnerSys is proud to be a part of the CEO Action for Diversity & Inclusion, a collaborative of nearly 2,000 Chief Executive Officers (CEO) from the world's leading companies and organizations committed to advancing diversity and inclusion within the workforce. Member companies agree to take action to create workplace environments where diverse experiences and perspectives are welcomed and where employees feel safe, comfortable and empowered to discuss diversity and inclusion. All signatories are leaders of their companies who agree to implement the pledge and support other companies in doing the same.



The U.S. Department of Energy's Better Plants Program helps leading manufacturers boost their resilience and economic competitiveness by supporting improvements in energy efficiency. As part of the program, EnerSys has committed to reducing our energy intensity by 25% over the next ten years with 2020 as our baseline year.

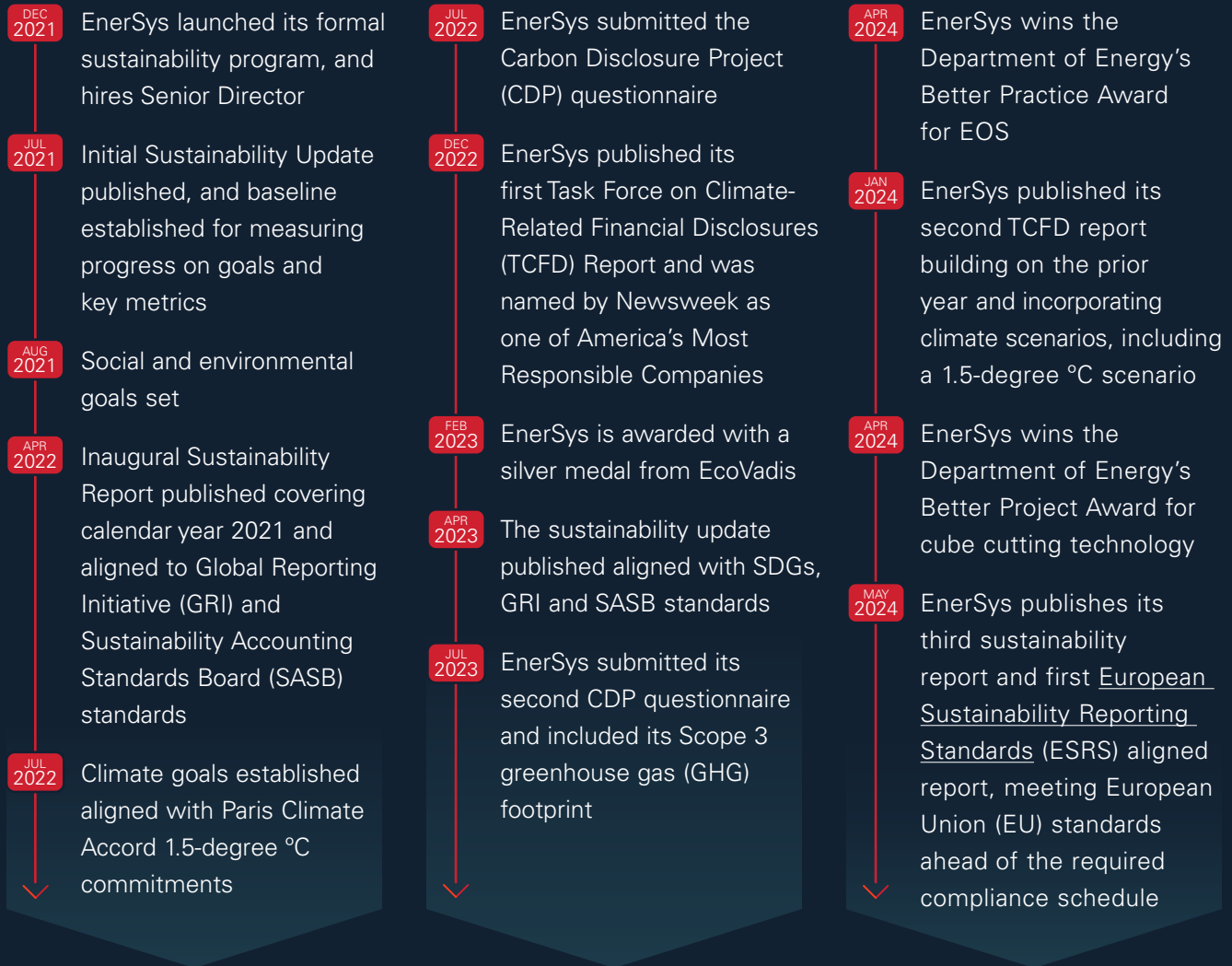
In 2023, EnerSys won the Better Practice Award for the implementation of the EnerSys Operating System (EOS). EnerSys won the Better Project Award in 2024 for implementation of the cold-cube cutting process which significantly reduces emissions and lead exposure.



The Award-winning EnerSys Operating System: In 2023, EnerSys won the distinguished Energy Efficiency Initiative of the Year award as part of Environmental Finance's Sustainable Company Awards. The recognition was given specifically for the implementation of the EOS, a lean management program designed to identify, reduce, or eliminate excess waste and associated costs across its operations. [View our press release to learn more.](#)

# OUR SUSTAINABILITY JOURNEY

This report builds on our commitment to labor and human rights, sound governance and accountability, environmental stewardship, and social responsibility. The timeline below illustrates the steps we have taken since the launch of our sustainability program, and our adherence to internationally recognized frameworks, and demonstrates our commitment to rigorous and transparent disclosures.





## OUR STAKEHOLDERS<sup>8</sup>



### CUSTOMERS & PARTNERS

As our customers and partners heighten their focus on sustainability, they are expressing a clear desire for their suppliers to follow suit. We understand that our products and services play a crucial role in helping our customers achieve their sustainability objectives, and we are committed to ensuring that our own operations reflect and support these goals.



### EMPLOYEES

Employees are also deeply invested in the practices of their employers. Attracting and retaining top talent necessitates aligning with employees' values and addressing their concerns regarding ESG matters. Similarly, we must extend the same consideration to the families, friends and neighbors within the communities where we operate and reside.



### INVESTORS

Investors increasingly recognize companies that excel in ESG metrics as effectively managed and better equipped to navigate future operational, financial and regulatory landscapes. This includes addressing both short and long-term challenges related to climate change and the global shift towards a low-carbon economy.



### SUPPLIERS

EnerSys works with more than seven thousand suppliers, sourcing goods and services from all over the world. In 2023, we sent out our first supplier ESG survey, working with our supply chain to begin the process of measuring and reporting on supply chain ESG topics.



### REGULATORS

Regulators worldwide are also looking at new corporate requirements around ESG. As a New York Stock Exchange (NYSE) listed company, EnerSys complies with all corresponding U.S. Securities and Exchange Commission (SEC) requirements. [The SEC announced its "Enhancement and Standardization of Climate-Related Disclosures for Investors" plan in 2022.](#) While still a few years from required compliance for EnerSys, we are already preparing for this new regulation by aligning a portion of this 2023 Sustainability report with the [EU Corporate Sustainability Reporting Directive \(CSRD\)](#) and [ESRS](#).

## MATERIALITY ASSESSMENT

In alignment with the EnerSys corporate sustainability strategy, we updated our materiality assessment in 2023 to meet double materiality standards, in which we identify and prioritize material risks, opportunities and potential external impacts. The assessment informs our sustainability reporting and disclosure efforts, ensuring that EnerSys reports on the issues most relevant to our stakeholders and the business. EnerSys designed the 2023 assessment to engage the company’s internal subject matter experts (SMEs) and delve into the environmental, social and governance topics that have the most significant bearing on our operations, stakeholders and the world.

### MATERIAL TOPICS

As a result of our assessment, we identified 11 recurring themes related to impacts, risks and opportunities. The themes fall under multiple materiality topics. If new themes emerged, we incorporated them into the materiality topics covered in our [2021 Sustainability Report](#).<sup>9</sup> We employed the following three-part process below.<sup>10</sup>

#### 1 INPUT

In addition to meetings with external SMEs and researching industry issues trends, we interviewed fifteen internal stakeholders in leadership positions including the Chief Executive Officer and Presidents and individuals from Finance, Legal and Investor Relations, and Operations and Engineering.

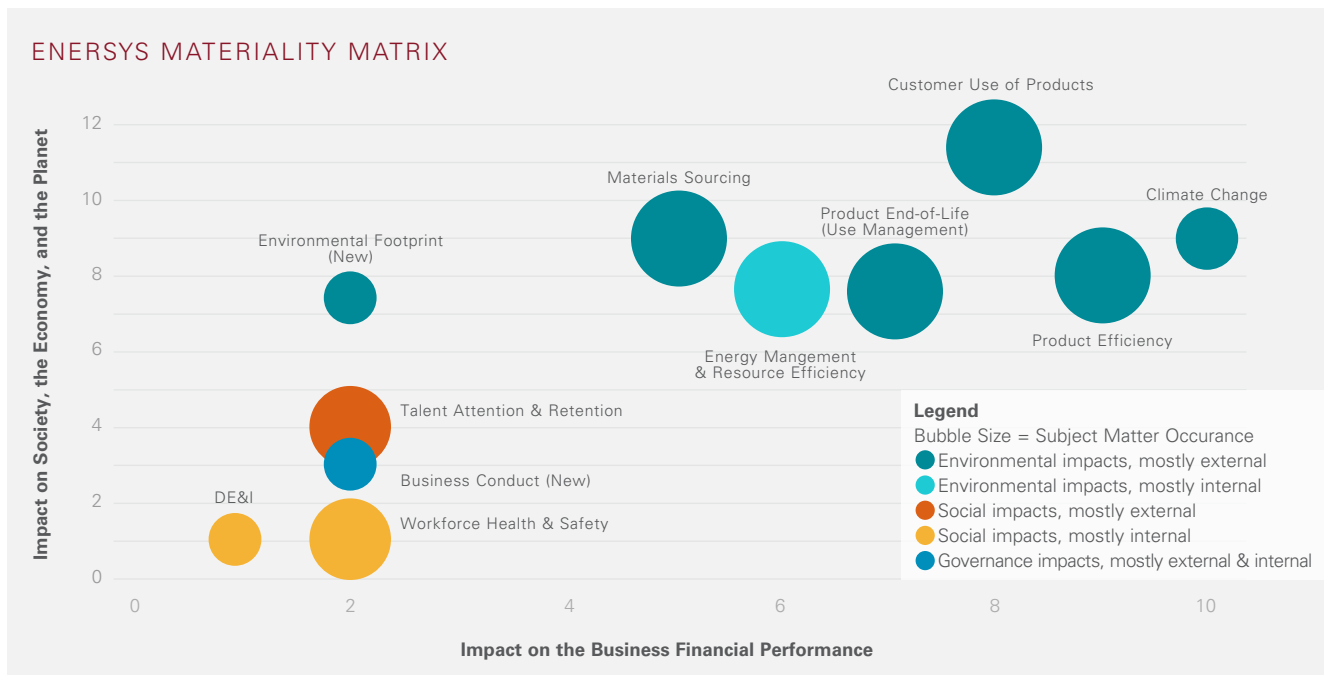
#### 2 ANALYSIS

We aggregated the interview data and sorted it into themes, analyzed the theme frequency\* and then narrowed them into key topics. These topics were then cross-referenced against topics identified as material by key sustainability reporting frameworks such as ESRS, GRI, and SASB.

#### 3 ASSESSMENT

A comprehensive assessment of each topic’s relative impact on our financial performance, including potential financial implications, was conducted, utilizing a scoring system that categorized impacts.\* A similar scoring system was employed to assess the relative impacts on society, the economy and the environment.\*

Chart 1.1 EnerSys Materiality Matrix



<sup>9</sup> GRI 3-2 List of material topics

<sup>10</sup> GRI 3-1 Process to determine material topics

\*See Appendix A for how we define and score these topics.

Environment  
*Stewardship of Planet & Resources*

03



# Environment: *Stewardship of Planet & Resources*

As a top energy storage manufacturer, we understand our operational impact on the environment and climate. We take our responsibility seriously, striving to minimize our ecological footprint while assisting our customers in reaching their climate objectives through high-quality energy storage products and services. To that end, we are committed to improving the efficiency of our operations, reducing waste, managing water responsibly, and investigating the use of renewable energy as we strive to reduce our environmental impact and protect valuable natural resources.

## CLIMATE & GREENHOUSE GAS EMISSIONS<sup>11</sup>


We are actively seeking to reduce our direct and indirect GHG emissions by increasing the efficiency of our operations and exploring renewable energy sources for our facilities. In 2023, we continued to measure and report our energy consumption and the associated Scope 1 & 2 emissions.

In 2023, we decreased our Scope 1 emissions 4.2% from 2022, showing a 25% reduction since 2019. Our Scope 2 emissions increased by 2.1% from 2022 to 2023, as a result of increased electrification. Nevertheless, we expect a long term decrease as


the grid decarbonizes with support from renewables and energy storage – in part, produced by EnerSys. Additionally, we completed our first Scope 3 emissions inventory, providing insights into our supply chain and overall carbon footprint.

**GHG EMISSIONS SCOPE 1**   
CO2 neutral by 2040

Emissions down 4.2% since 2022, and down 25% since 2019.

**GHG EMISSIONS SCOPE 2**   
CO2 neutral by 2050

Emissions up 2.1% since 2022, and down 3.4% since 2021. We expect a long term decrease as the grid decarbonizes.

**GHG EMISSIONS SCOPE 3**   
Develop full scope 3 GHG inventory. Disclose CDP and TCFD.

We have disclosed Scope 3 emissions for 2022 and 2023.

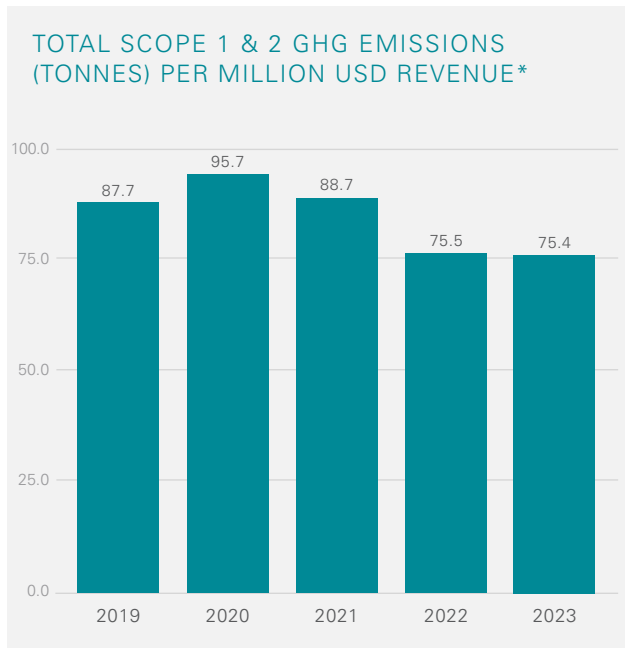
“All of us want to leave behind a world for our children and grandchildren that is better than the one we inherited.”

**Troy Baxter**  
VP of Operations, Global Motive Power

<sup>11</sup> GRI 305-1 Direct (Scope 1) GHG emissions, GRI 305-2 Energy indirect (Scope 2) GHG emissions, GRI 305-3 Other indirect (Scope 3) GHG emissions, GRI 305-4 GHG emissions intensity, GRI 305-5 Reduction of GHG emissions

### Employee-powered Sustainability Improvements in Newport, United Kingdom

Through the award-winning EOS lean management program, EnerSys employees across the globe are implementing sustainability improvements at our manufacturing facilities. At the Newport, United Kingdom (UK) plant, small improvements add up to create a significant impact with lighting upgrades, equipment optimization and solar, saving EnerSys an estimated \$17k (USD) annually. [Read more about our Newport, UK plant.](#)



“CO2 is a leading indicator for operational performance and cost. Lower emissions equals higher operational efficiency, and ultimately lower costs.”

**Sean Hendrix**  
VP Lithium Technology

\* Please note: Our reported numbers have been updated to reflect more complete and accurate data than disclosed in prior years.

### Supply Chain GHG Reduction Commitment with FRET 21

EnerSys joined an innovative French initiative called FRET 21, which is working to encourage companies to better integrate the impact of transport into their sustainable development strategy. Over 300 companies have signed this voluntary pledge to reduce transport emissions. EnerSys has committed to reducing the GHG emissions of its French supply chain operations by 12.5% by 2025 with a 2022 baseline as part of the initiative. [Read more here.](#)



In 2023 EnerSys took the next step in our sustainability journey by quantifying Scope 3 emissions associated with our upstream and downstream activities, establishing 2022 as the baseline year. Scope 3 GHG emissions account for the footprint from activities associated with our business, but over which we don't have direct control, such as sourcing materials, product shipping, business travel, employee commute, and the emissions associated

with the use of our products – which vary greatly depending on how clean the electricity is where a battery gets used. Like many manufacturing companies, Scope 3 emissions far surpass our direct Scope 1 and Scope 2 emissions. Between 2022 and 2023 our total Scope 3 emissions decreased by 4%. Over the next few years, we will continue to explore strategic and cost-effective ways to reduce emissions throughout our supply chain.



### 2023 TCFD REPORT WITH QUANTITATIVE CLIMATE SCENARIO ANALYSIS

In January 2024, EnerSys published its second Task Force on Climate-related Financial Disclosures (TCFD) report, building on our first set of climate risk disclosures and adding quantitative climate scenario analysis. [Read more about this report here.](#)

\* Please note: Our reported numbers have been updated to reflect more complete and accurate data than disclosed in prior years.



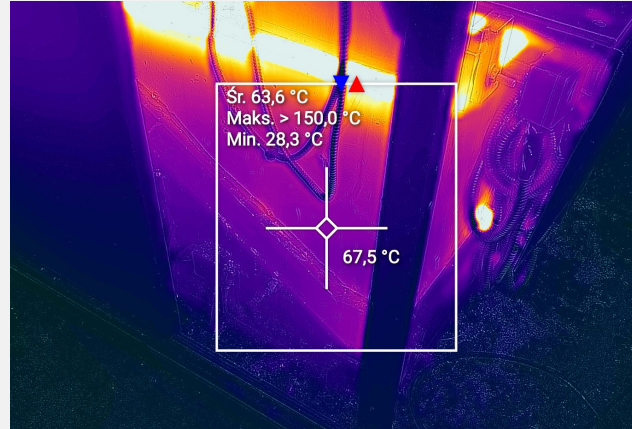
## ENERGY<sup>12</sup>

While energy is a fundamental input for our products, we are constantly evaluating ways to make our operations more efficient and reduce our energy usage. By maximizing the efficiency of our operations, we not only reduce our environmental footprint but also enhance our bottom line. We prioritize energy-efficient technologies and processes throughout our manufacturing facilities and supply chain, continually seeking innovative solutions to minimize energy consumption.

SPOTLIGHT

### New Technologies Improve Energy Efficiency in Bielsko, Poland<sup>13</sup>

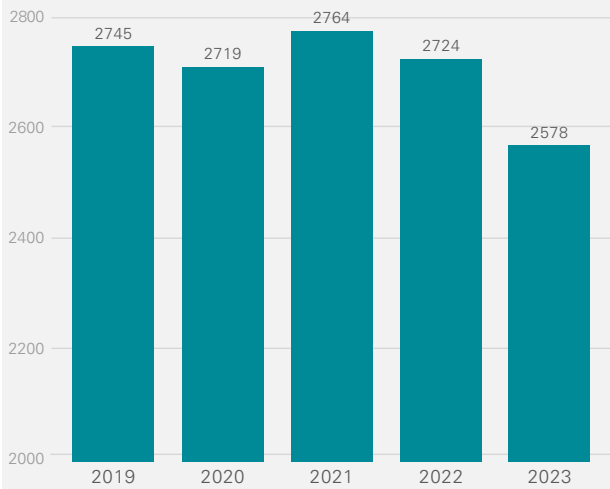
The EnerSys Bielsko-Biala factory is one of Europe's largest traction battery plants producing over 2.2 million 2V cells per year for the European, Asian and Australian markets. Capitalizing on the emergence of new technologies, the operations team in Bielsko-Biala upgraded the insulation in lead pots in the manufacturing process, saving the factory an estimated 367 megawatt hours (MWh) per year. The savings from this efficiency upgrade is roughly equivalent to running an average American home for over 36 years. Teams across all EnerSys facilities are consistently looking to make improvements and find efficiency opportunities. [Read more here.](#)



Thermal camera captures and measures heat loss reductions after insulation replacement.

03

### ANNUAL ENERGY CONSUMPTION (THOUSAND GJ)\*



### 2030 ENERGY GOAL & PROGRESS

We are committed to reducing our energy intensity per kWh produced by 25% by 2030 compared to 2020. \*\*

We have achieved a 15% improvement since 2020.



\*\*Per U.S. Department of Energy guidelines, this goal is focused on 5 U.S. plants: Richmond, Warrensburg, Hays, Springfield 1 and Springfield 2. It does not include all EnerSys sites.

\* Please note: Our reported numbers have been updated to reflect more complete and accurate data than disclosed in prior years.

<sup>12</sup> GRI 302-1 Energy consumption within the organization, GRI 302-4 Reduction of energy consumption

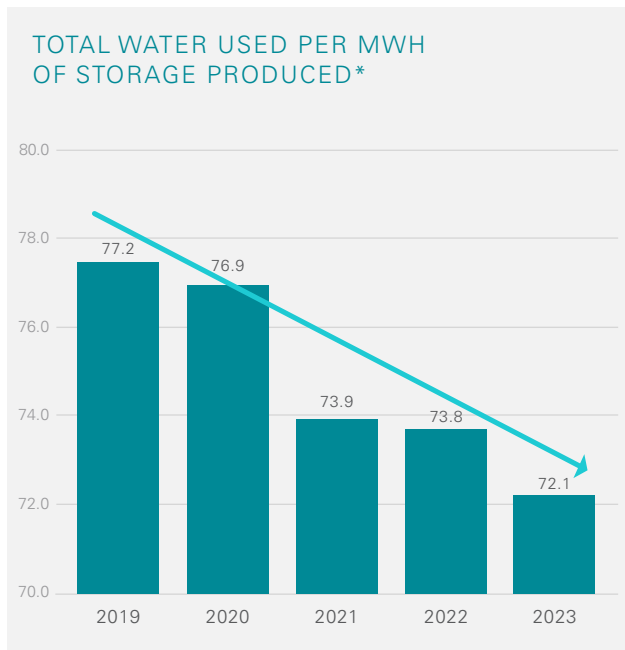
<sup>13</sup> GRI 302-5 Reductions of products and services

## WATER<sup>14</sup>

Water is a vital resource to all life, and EnerSys is committed to being a good water steward everywhere we do business. Water plays a crucial role in our manufacturing operations and is used for multiple processes, including preparing electrolytes, plate manufacturing, battery formation and washing finished production equipment and manufacturing areas. It is imperative that we drive efficiency in our operations, reduce our freshwater usage and reuse water wherever possible to minimize our impact on the environment.

In 2023, we continued to monitor and disclose the quantity of water withdrawn from our manufacturing facilities. In 2023, our operations utilized 892 megaliters, marking an absolute reduction of 9.7% from 2022. We prioritize using recycled water over fresh water whenever feasible, with our recycled water usage

at 12% in 2023. Furthermore, we are committed to minimizing wastewater discharge from our operations, and we consistently maintain chemical and total dissolved solids levels well below regulatory requirements.



### 2030 WATER GOAL & PROGRESS

We are committed to reducing our water intensity per kWh of storage produced by 25% by 2030.

We have achieved a 7% improvement since 2020.

\* Please note: Our reported numbers have been updated to reflect more complete and accurate data than disclosed in prior years.

<sup>14</sup> GRI 303-1 Interactions with water as a shared resource, GRI 303-3 Water withdrawal, GRI 303-4 Water discharge, GRI 303-5 Water consumption



### Tijuana Mexico Plant

As part of our commitment to the UN CEO Water Mandate, EnerSys is engaging in water reduction and reuse projects in water-stressed regions, like in Tijuana, and we are logging our progress in the UNGC's [Water Action Hub](#). Tijuana is a state where water resources are often strained as water shutoffs are increasingly common and key reservoirs are nearing all-time lows.<sup>15</sup> The team in Tijuana implemented a water reuse project at the plant which is estimated to have reduced the plant's city water usage by about 4,400 gallons of water per day. That's enough water to provide more than 5,200 people with the recommended amount of daily drinking water, 3.2 Liters per day. [Read more here](#).



“This is an important and impactful initiative in a water-stressed state like Tijuana. We’re taking necessary actions to address water scarcity in the communities we operate in and make progress towards our company-wide water intensity goal.”

**German Fernandez**  
*Environmental Health and Safety Manager, Tijuana Plant*

<sup>15</sup> In Mexico's dry north, Colorado River adds to uncertainty ([sltrib.com](#))

## WASTE<sup>16</sup>

As a global leader in manufacturing energy storage and energy systems, we have an obligation to manage and reduce the waste materials we produce responsibly. Non-hazardous and hazardous waste must be handled carefully across our products' value chain to promote safe operations and protect human health and the environment. This focus on reducing and eliminating waste also makes good business sense, as it allows us to identify opportunities for reusing products and reducing waste disposal costs.

Waste generation, handling and disposal are managed at the facility levels based on the type of operation and applicable regulatory requirements. We track all waste materials with the documentation required by regulation to appropriately account for our impact. Where appropriate, we employ expert third-party contractors to manage our waste responsibly.

In 2023, we began the process of performing waste characterization analysis at a select number of facilities. This analysis will allow us to better understand the waste we produce and how it is managed. We will set a waste reduction target when these studies are complete and we have sufficient data to set an appropriate and achievable target.

03

SPOTLIGHT

### Plants use EOS (Energy Operating System) to Reduce Waste

In our Brazil factory, wooden boxes used to transport larger batteries were swapped for wooden crates, which use **32% less wood and are 26% less expensive to produce**. This lighter weight has reduced shipping costs and lowered the firm's carbon footprint.

"EOS is a process that has helped create a culture of efficiency throughout the entire company," said Clovis Tanganelli, plant manager of Guarulhos, São Paulo, Brazil. "When employees feel empowered to suggest and implement changes, there are endless opportunities to seize." [See details here.](#)

The EOS process has also led to additional waste reduction projects, such as a cardboard reuse initiative in [Richmond](#), and a packaging reuse project in [Tijuana](#).



<sup>16</sup> GRI 306-1 Waste generation and significant waste-related impacts, GRI 306-2 Management and significant waste-related impacts





## LEAD BATTERIES

**99%** RECYCLING RATE

Lead batteries are the most recycled consumer product in industrialized countries, with a recycling rate of over 99%

**95%** OF PARTS RECYCLABLE

More than 95% of lead battery parts are recyclable – most frequently back into a lead battery

**85%** WORLD'S LEAD

More than 85% of the world's lead is used in the production of lead batteries

**50%** OF LEAD RECYCLED

More than 50% of lead used in the production of new lead products around the world is sourced from recycled lead

**75%** LESS ENERGY

Recycled lead uses 75% less energy than new lead

## END OF USE MANAGEMENT

We do not view end-of-life batteries as waste but as future inputs for our products. Our recycling initiatives aim to recover every single battery we sell and return their materials to the battery supply chain, contributing to the circular economy. EnerSys is committed to providing the resources needed to operate a worldwide recycling collection program. Our program reduces the environmental impact of improper disposal and the need for new raw materials.

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 cycle.



## BIODIVERSITY

EnerSys recognizes the role of biodiversity,<sup>17</sup> High Conservation Value areas, and critical habitats in maintaining the health of local ecosystems. After a comprehensive analysis, we have concluded that our direct operations have minimal effects on critical habitats or areas with high biodiversity value. Although we have no plans to extend our physical operations into areas of concern, we are committed to thoroughly evaluating the impact of any new construction or projects on biodiversity. We will implement necessary measures to mitigate these impacts and engage with stakeholders throughout the process. Our commitment to safeguarding land and biodiversity is outlined in our [Biodiversity and Critical Habitats Policy](#).



<sup>17</sup> GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, GRI 304-2 Significant impacts of activities, products and services on biodiversity.

Social  
*Our People Our Communities*

04

# Social: *Our People Our Communities*

Our employees are the cornerstone of our organization. Their unwavering dedication, expertise, and commitment enable us to produce thousands of premium, dependable energy storage products daily. We value each team member and actively promote their personal and professional growth within a supportive and collaborative team environment.

## DIVERSITY, EQUITY & INCLUSION<sup>18</sup>

At EnerSys, we value our employees' varied talents and ideas. Whether that is identified by their background, culture, perspective or skill set, we strive to foster a workplace where everyone can bring their whole selves to work. Diverse organizations are more successful and diversity is key to our long term success for access to top talent, fostering creative solutions and building strong customer relationships. We believe everyone should be empowered to be their authentic selves at work and are energized by the excitement our employees have for diversity, equity and inclusion (DEI). We are determined to cultivate a DEI journey at EnerSys that is both authentic and sustainable.



TOGETHER, WE ARE COMMITTED TO POWERING AN ORGANIZATION WHERE DEI IS EMBEDDED IN OUR BUSINESS STRATEGY AND WHERE:

- Talented people of all backgrounds are welcome, and differences embraced
- Everyone has an equal opportunity to progress and develop
- Our working environment supports people bringing their whole selves to work and performing at their best

## DEI GOVERNANCE

Our commitment to DEI extends to all layers of our organization, starting with our Board of Directors and leadership team. Our DEI Steering Committee is comprised of our most senior business and functional leaders, as well as a mix of diverse influential colleagues from around our business. The committee meets semi-annually to remain informed of the needs, progress and impact of our DEI strategies that are centered on four pillars of Commerce, Community, Culture and Talent.

Our dedication to diversity, equity, and inclusion has grown considerably in recent years, driven by the unwavering commitment and passion of our senior

leadership team. This accountability extends beyond just senior leaders to all levels of our organization, who are tasked with shaping the future of our company and implementing our DEI initiatives. Our employees play a critical role in this journey by promoting inclusion, asking questions, and continuously learning and growing in their understanding of diversity and inclusion. Our aim is to foster a genuine and sustainable DEI culture at EnerSys.

In our 2021 report, we recorded aspirational targets aimed at fostering an inclusive and diverse workplace.

<sup>18</sup> GRI 405-1 Diversity of governance bodies and employees



### FEMALE REPRESENTATION



Improve our female representation at the leadership level from 9% to 20%.\*

We continue to trend positively toward our aspirations, increasing to 15% for female representation at the leadership level. We are also focused on ensuring a solid pipeline of gender-diverse talent at all levels of our organization.

\*Compared to 2020

### MULTICULTURAL TALENT



Improve our multicultural talent representation at the leadership level from 16% to 25% in the U.S. by 2025.\*

In 2023 we implemented several measures to attract and retain talent. A diverse employee base is a key part of our success. However, our multicultural talent representation declined by 2%.

### EMPLOYER OF CHOICE



Become recognized by at least three global indexes as a leading employer.

In 2023, we achieved additional certifications as a Great Place to Work, totaling 18 country recognitions for the year. Our locations in Poland were awarded a Top Employer certification for 2023-2024. Additionally, EnerSys earned the 2024 Military Friendly Employer Designation for our comprehensive and impactful military initiatives.

## EMPLOYEE ENGAGEMENT

We recognize that employee engagement is critical to our success as a business. In 2021 and 2022, we measured employee engagement with the Net Promoter Score,<sup>19</sup> with 45% employee participation and a score of +4 in 2021 and then increased participation to 51% with a score of +14 in 2022. In 2023, EnerSys implemented a new survey platform using the Great Place to Work® Trust Index Model to survey our entire employee population. Employees were given a platform to voice their opinions, concerns, and suggestions, empowering them to actively participate in shaping the company's culture and practices.

Our first-year survey results showed a 65% participation rate and 66% positive feedback, with high scores in Justice and Personal Job satisfaction, but noted opportunities for improvement in Collaboration and Impartiality. These insights have allowed EnerSys leaders to pinpoint improvement areas and strategize for better employee satisfaction and engagement. Consequently, EnerSys is reinforcing

its status as an employer of choice, dedicated to fostering a supportive and inclusive workplace where employees feel valued and inspired to excel.

As we continue to emphasize the importance of our employee experience, we anticipate an increase in survey participation rates over time.



### SURVEY HIGHLIGHTS

65%

65% of our employees worldwide participated; we will aim for higher participation in future surveys.

66%

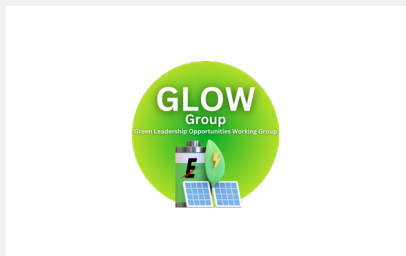
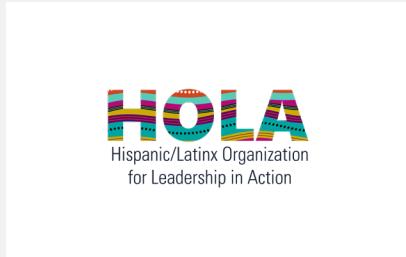
Our scores were positive overall (66% or higher).

<sup>19</sup> An NPS score measures the likelihood that someone would recommend a company, product, or a service to a friend or colleague.

## ENERSYS DEI BUSINESS RESOURCE GROUPS

Our Business Resource Groups (BRGs) are voluntary and employee-led. They aim to unite our teams and give employees a voice and a sense of belonging. Each BRG has an executive sponsor that provides guidance, advice and support to group members. We are very proud of our BRGs' success in shaping the culture at EnerSys. These networks all share a similar mission: alignment to our DEI initiatives and fostering a sense of community and belonging.

In 2023, we expanded our commitment to diversity and inclusion by launching three new BRGs — joining our existing Women in Leadership, Hispanic/Latinx Organization for Leadership in Action, and Asian Heritage Associate groups. These BRGs foster cross-collaboration, allowing members to utilize their diverse perspectives to address challenges, exchange best practices, and enact significant change. This initiative enhances our culture, ensuring a workplace where everyone's voice is valued and employees are empowered to excel both professionally and personally.



### **Black Unity in Leadership Development (BUiLD):**

Introduced in early 2023, BUiLD aims to cultivate a community of Black leadership at EnerSys through coaching, development, empowerment, and advocacy. It is vital in promoting inclusivity and equity, supporting our diverse workforce, and organizing cultural awareness events, professional development opportunities, and community engagement.

### **Green Leadership Opportunities Working Group (GLOW Group):**

Focused on advancing the sustainability efforts of EnerSys, the GLOW Group was established to promote environmental awareness, education, and action. This group encourages sustainable practices across the company, spearheading green initiatives and contributing to a culture of environmental responsibility and innovation for a sustainable future.

**PRIDE:** Launched in late 2023, the PRIDE BRG emphasizes respect, inclusivity, and equity for all, specifically advocating for the LGBTQ+ community and its allies. This group is dedicated to creating a welcoming environment that fosters acceptance and understanding, ensuring every individual is heard and contributing to a more inclusive workforce.

## MILITARY VETERANS PROGRAM

EnerSys proudly honors veterans and service members by creating a path to leverage their valuable skills. We participate in the U.S. Department of Defense Skillbridge Program, connecting transitioning service members with civilian work experience through internships, apprenticeships, and industry training. Our commitment to this community extends beyond recruitment. We actively support them through affirmative action efforts and our multinational Military Veteran Ambassador Network, which engages new veteran hires during their first 90 days.



EnerSys is also a proud recipient of the **Military Friendly Employer Award 2024**, which is the standard that measures an organization's commitment, effort and success in creating sustainable and meaningful benefits for the military community.



EnerSys has recently signed the **Armed Forces Covenant**, a pledge ensuring those who serve or have served in the British Armed Forces, and their families, are treated fairly and with respect throughout society.



To further express our gratitude for our service members, we developed our own token of recognition called the **Veterans Salute Coin**. The Veterans Salute Coin recognizes employees currently serving in the military or veterans of military service in any of the global markets we serve.

## SAFETY & HEALTH<sup>20</sup>

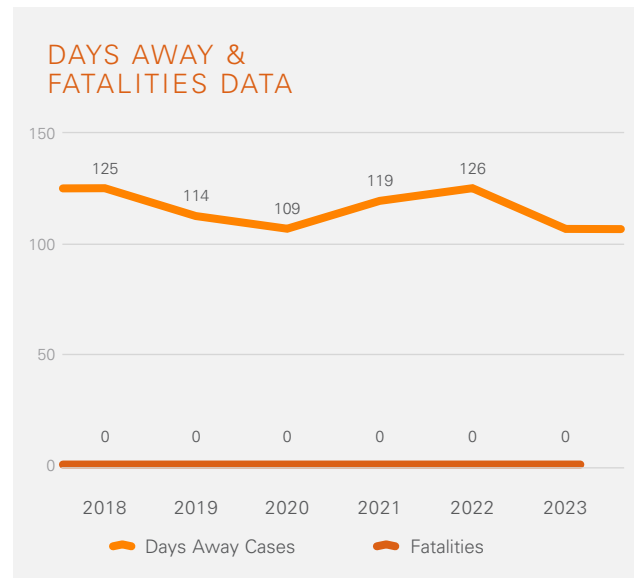
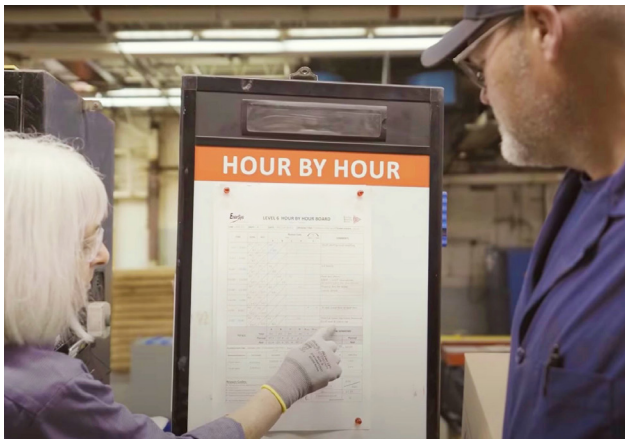
The health of our employees is our highest priority, and our management of safety risks includes efforts to monitor and reduce acute and chronic exposures in the workplace. This involves conducting routine risk assessments, engaging in long-term health studies, ensuring workers have access to necessary personal protective equipment, and exploring alternative materials whenever feasible.

We are dedicated to prioritizing the safety of all our employees by adhering to and often surpassing, relevant safety and health regulations across our organization. Mandatory safety and health training sessions are regularly conducted for all employees, tailored to their specific location and job responsibilities. We provide ample resources to prevent on-the-job injuries and illnesses, conduct frequent safety assessments, implement safeguards for our manufacturing processes, and ensure comprehensive training for all staff members.

Our management team oversees the implementation of all necessary safety measures to safeguard

the well-being of our employees. Each facility is accountable for ensuring the deployment of these measures and collaborates with employees to mitigate risks of injury and illness. Additionally, our corporate Environmental, Health and Safety team offers guidance and support to management in establishing and auditing safety and health initiatives.

Our dedication to protecting our workers is also exhibited through our [Safety and Health Policy](#). In 2023, we reduced our Days Away Cases, despite an increase in the number of total hours worked. We maintained our record of zero fatal injuries as the safety of our people is a paramount consideration.



<sup>20</sup> GRI 403-1 Occupational health and safety management system, GRI 403-2 Hazard identification, risk assessment, and incident investigation, GRI 403-3 Occupational health services, GRI 403-4 Worker participation, consultation, and communication on occupational health



## TRAINING & DEVELOPMENT<sup>21</sup>

EnerSys prioritizes employee training and development as essential to our success, offering both mandatory health and safety training and a mix of formal and informal learning opportunities. Beyond obligatory courses like Anti-Bribery, Safety, and General Data Protection Regulation, we support continuous development with over 4,000 courses on our internal platform, covering diverse topics in multiple languages, and accessible to all employees. EnerSys employees are assigned compliance, regulatory and safety training, with most courses recurring on an annual, every other year, or every third-year basis. Training is assigned based on position title/category – some courses are specific to the job role. Another key consideration in allocating training is the employee's pay grade. Supervisors and managers typically receive specialized assignments designed to address their managerial duties.

The EnerSys Academy has developed training programs aimed at enhancing leadership skills, fostering a sense of purpose, and building internal relationships among employees. The EnerSys Leadership Program, a comprehensive year-long initiative, offers graduate-level courses, leadership training, an introduction to EnerSys products and processes, and business acumen development. The 2023 cohort of the flagship Leadership Development Program had twenty global participants, maintaining the size of the 2022 group.

In collaboration with the Operations Team, the Global Academy continued the Operations Leadership Development Program, aimed at equipping high-potential manufacturing employees with the skills to progress their careers at EnerSys. The first cohort, comprising eleven employees from Europe, Middle East and Africa and Asia, completed their training and moved on to project work applying their new skills.

Furthermore, the Global Academy expanded its training to manufacturing plants with the Managing for Modern Manufacturing (M3) program in 2023. A train-the-trainer event in Missouri prepared trainers to conduct M3 sessions in Mexico, Poland, the UK, and the USA, with plans to reach more locations in 2024.



### EMPLOYEE TRAINING

- Antitrust and Fair Competition Training
- Bribery and Corruption Red Flags Training
- Management Information System / Legal Information Security Breach Training
- Health and Safety
- Code of Business Conduct and Ethics Training
- Discrimination, Diversity and Harassment Training
- Intro to Sustainability Training
- Climate Risk Training

<sup>21</sup> GRI 404-2 Programs for upgrading employee skills and transition assistance programs

## COMMUNITY ENGAGEMENT<sup>23</sup>

EnerSys understands we are part of a global community wherever we do business. Our commitment to being good neighbors and nurturing local relationships is at the heart of our culture and sustainability ethos. We empower our employees to contribute to their communities through volunteerism, further reinforcing our dedication to making a positive impact beyond our business operations.

Engaging stakeholders, including indigenous peoples and those from other at-risk populations, is a foundational element of our respect for human rights. Where practical, we are committed to dialogue and our goal is to listen, learn and consider the diverse views and local issues that affect the

communities in which we operate. This includes a commitment to free, prior and informed consent with regard to indigenous peoples' inherent and prior rights to their lands and resources, as defined and recognized by the United Nations Department of Economic and Social Affairs.

SPOTLIGHT

### United Way & Big Brothers Big Sisters

EnerSys proudly supports the United Way of Berks County, and at the start of 2024 received the Top Ten Company award, recognizing our steadfast commitment to United Way's mission to inspire collaboration, volunteerism and financial support to build a stronger community.

In 2023, EnerSys continued its partnership with Big Brothers Big Sisters (BBBS) through their SMART program, which stands for "Students & Mentors Achieving Results Together." The SMART program is the BBBS school-based program at Glenside Elementary, which matches EnerSys employee mentors with children to help with schoolwork and do fun activities that enhance self-esteem, socialization skills, and more.

Additionally, with EnerSys support in these programs, BBBS is able to bring needed resources to six different school districts in Berks County. [Read more about this program here.](#)



"It's incredibly meaningful and important to me to work for a company that gives back to the communities where we operate."

**Joe Lewis**  
Chief Legal and Compliance Officer

<sup>22</sup> GRI 413-1 Operations with local community engagement, impact assessments, and development programs

Governance  
*Leadership*

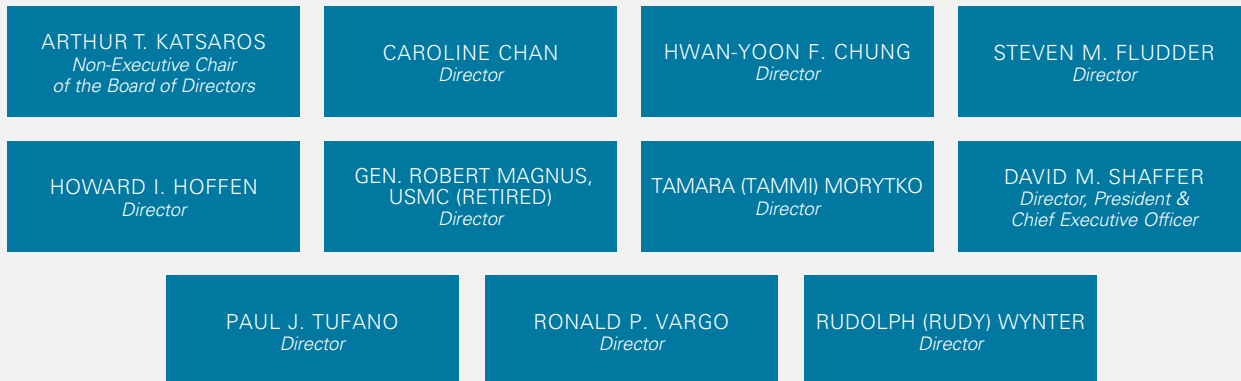
05

# Governance: *Leadership*

EnerSys has been a leader in manufacturing energy storage and energy systems for over 100 years. Our reputation for building reliable products and solutions is rooted in our strong corporate governance. Board members are selected based on their integrity and character, sound and independent judgment, breadth of experience, business acumen, leadership skills, scientific or technology expertise, familiarity with issues affecting global business in diverse industries, and diversity of backgrounds and experience.

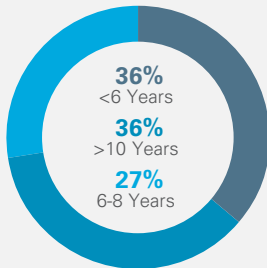
Our Board of Directors (Board) oversees EnerSys company performance at the highest level. All directors except for our President and Chief Executive Officers (CEO) are deemed independent, and an independent non-executive serves as the Chair of the Board. The Corporate Governance Guidelines serve as an important framework for EnerSys and its Board and are designed to assist the Board in carrying out its responsibilities effectively.

## ENERSYS BOARD OF DIRECTORS



### BOARD EXPERIENCE

TENURE\*



### BOARD DIVERSITY<sup>26</sup>

GENDER  
RACE  
ETHNICITY\*



\* Data sourced from 2023 Proxy Statement (filed June, 2023) with adjustments for 2023 appointments

<sup>23</sup> GRI 2-9 Governance structure and composition

<sup>24</sup> GRI 2-10 Nomination and selection of the highest governance body

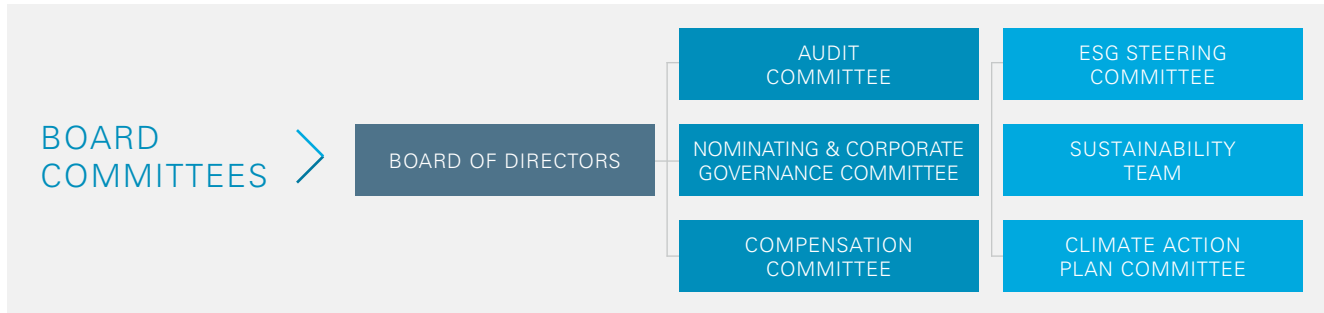
<sup>25</sup> GRI 2-11 Chair of the highest governance body

<sup>26</sup> GRI 405-1 Diversity of governance bodies and employees



## SUSTAINABILITY OVERSIGHT<sup>27</sup>

At EnerSys, sustainability is paramount, beginning with our top leadership. Our Board, under the guidance of our CEO, oversees our comprehensive sustainability program. Every quarter, the full Board assesses sustainability issues, demonstrating our ongoing commitment to environmental stewardship and corporate responsibility. Three committees of the EnerSys Board support this management function – Audit, Compensation, and Nominating and Corporate Governance. All are governed by committee charters, which outline duties and responsibilities.



Through Board committees, the EnerSys Board communicates and monitors policy compliance. These policies include sustainability, conflict minerals, environmental responsibility and engagement,

employee and supplier diversity, anti-slavery and human trafficking, battery recycling programs, and environmental and sustainability issues related to the production and life cycle of our products.

BOARD COMMITTEE	AUDIT COMMITTEE	NOMINATING & CORPORATE GOVERNANCE COMMITTEE	COMPENSATION COMMITTEE
Environmental, Social and Governance Responsibilities	Risks related to: <ul style="list-style-type: none"> <li>• Climate</li> <li>• Legal</li> <li>• Ethics</li> <li>• Compliance</li> <li>• Environmental</li> <li>• Health &amp; Safety</li> <li>• Cyber Security</li> </ul>	Climate Change Policy	<ul style="list-style-type: none"> <li>• Management succession</li> <li>• Talent development</li> <li>• Diversity, Equity &amp; Inclusion efforts</li> </ul>

<sup>27</sup> GRI 2-12 Role of the highest governance body in overseeing the management of impacts

We have developed supplemental committees dedicated to bolstering our company’s commitment to sustainability<sup>28</sup>. In conjunction with the EnerSys sustainability department, these committees play a vital role in fostering a culture of environmental responsibility,

social awareness, and ethical business practices within our organization. The collaborative efforts of these committees, working in tandem with the sustainability department, create a powerful synergy that supports and enhances our company’s sustainability goals.

ESG OVERSIGHT	ESG STEERING COMMITTEE	SUSTAINABILITY TEAM	CLIMATE ACTION PLAN COMMITTEE
Engagement	Senior management and subject matter experts	Sustainability professionals and partnerships with consultants	Senior management and subject matter experts
ESG Responsibilities	Risks related to: <ul style="list-style-type: none"> <li>• Climate</li> <li>• Legal</li> <li>• Ethics</li> <li>• Compliance</li> <li>• Environmental</li> <li>• Health &amp; Safety</li> <li>• Cyber Security</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change management</li> <li>• Product sustainability</li> </ul> Sustainable operations: <ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Workforce health and safety</li> <li>• Diversity, equity, inclusion</li> <li>• Community engagement</li> </ul>	Develops the plan to achieve our publicly announced climate goals

## RISK OVERSIGHT

Our risk management program is crucial for our ongoing business success. It is structured to incorporate the identification, assessment and management of risks across EnerSys, involving input from every business unit and function. EnerSys also has an Executive Risk Management Committee composed of senior managers across the organization – including the sustainability lead – that meets quarterly to identify significant risks, facilitate information sharing and coordinate mitigation efforts for all types of risks. Material risks identified and prioritized by management and the risk committee are reported regularly to the Audit Committee.

Each prioritized risk is referred to the appropriate committee of the Board or the full Board for oversight. The Board members routinely assess information pertaining to our credit, liquidity, market dynamics, legal and regulatory landscape, sustainability initiatives, compliance measures, operational efficiency,

technology and cybersecurity risks, and the strategic and financial implications associated with each aspect. For more information on our risk management and risk factors, please refer to our [Annual Report on Form 10-K](#) and the European Sustainability Reporting Standard (ESRS) Governance Section in this report.

<sup>28</sup> GRI 2-13 Delegation of responsibility for managing impacts

## BUSINESS ETHICS<sup>29</sup>

EnerSys has long upheld the belief that business should be conducted consistent with the highest standards of corporate governance and ethical behavior. This belief governs our interaction with our customers, suppliers, employees and investors. The EnerSys Code of Business Conduct and Ethics (Code of Conduct) serves as the guide to carrying out business with the highest integrity and ethical standards and in compliance with all international, national and local laws.

The EnerSys Code of Conduct is the cornerstone for guiding our daily actions and applies universally to all EnerSys employees, officers and directors across the globe. Within its provisions lie essential policies that establish a robust framework for ethical conduct, particularly pertinent to our ESG endeavors.

By adhering to the principles outlined in our Code of Conduct, we demonstrate our unwavering commitment to ethical conduct and responsible business practices, thus contributing to the long-term sustainability and success of our organization.

CODE OF CONDUCT			
<p><b>WORKPLACE SAFETY</b></p> <p>Ensuring the well-being and security of our employees in all operational environments.</p>	<p><b>DIVERSITY, EQUITY &amp; INCLUSION</b></p> <p>Promoting a workplace culture that values and embraces diversity, equity and inclusion.</p>	<p><b>ENVIRONMENTAL SUSTAINABILITY</b></p> <p>Committing to responsible environmental stewardship and sustainable practices.</p>	<p><b>REPORTING &amp; COMPLIANCE PROCEDURES</b></p> <p>Establishing clear channels for reporting unethical behavior and ensuring adherence to all applicable laws and regulations.</p>
<p><b>ACCURATE BOOKS &amp; RECORDS</b></p> <p>Upholding integrity and transparency in financial reporting and record-keeping practices.</p>	<p><b>ANTI-BRIBERY &amp; ANTI-CORRUPTION</b></p> <p>Prohibiting any form of bribery, corruption or unethical influence in business dealings.</p>	<p><b>HUMAN RIGHTS &amp; FAIR LABOR</b></p> <p>Respecting and upholding the fundamental rights and dignity of all individuals within our sphere of influence.</p>	

<sup>29</sup> GRI 2-27 Compliance with laws and regulations

## SUPPLY CHAIN MANAGEMENT<sup>30</sup>

As one of the leading manufacturers of energy storage and energy systems, we work with more than seven thousand active suppliers to procure the necessary materials and services required to build our products. Our relationships with our suppliers are crucial to the long-term success of our organization. During the initial evaluation phase and on an ongoing basis, we consider suppliers' sustainability records and goals when evaluating supplier relationships. Our suppliers must align with our Code of Conduct and relevant Policies, including commitments to our suppliers' environmental stewardship, workplace labor rights and diversity. It is our policy to provide minority and woman-owned business enterprises an equal opportunity to participate in all aspects of our supplier contractual opportunities. In 2023, we issued our first supplier sustainability survey to begin the process of engaging our supply chain partners in better understanding sustainability risks and opportunities.

### CONFLICT MINERALS

Section 1502 of the Dodd-Frank Act requires U.S. publicly traded companies to assess their supply chain and report on products where tin, gold, tantalum or tungsten are necessary to the functionality or production of a product that they manufacture or contract to be manufactured. EnerSys publicly reports our findings regarding conflict minerals. [Click here](#) to view our official statement filed with the U.S. Securities and Exchange Commission.

To supplement our upstream program, we also take part in a [Responsible Minerals Initiative](#) program which EnerSys encourages non-RMAP conformant smelters to obtain audit certification.

### COBALT

To ensure that our supply chain for cobalt and mica is operating in compliance with environmental and human rights best practices, we continually examine our upstream channels to be sure our suppliers are in line with the [Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

<sup>30</sup> GRI 414-1 New suppliers that were screened using social criteria

<sup>31</sup> Gulley, Andrew L. China, the Democratic Republic of the Congo, and artisanal cobalt mining from 2000 through 2020. USGS Publications Warehouse. June 20, 2023. Sourced on Feb 17, 2024.



## DIVERSE SUPPLIER COMMITMENT

EnerSys has provided minority and woman-owned business enterprises (MWBE) an equal opportunity to participate in all aspects of our business. Our focus on DEI and commerce helps foster diversity, equity, and inclusion into its supply chain for partnership with new diverse and small business suppliers. Since 2021, EnerSys has attributed over \$730M to small and diverse businesses through our Supplier Diversity Program (U.S.).

EnerSys was ranked in the Top 10 Military Friendly® Supplier Diversity Programs in the \$1B-\$5B category. Military Friendly® is the standard that measures an organization's commitment, effort, and success in creating sustainable and meaningful benefits for the military community.

Not only are we continuing to increase the value of our small and diverse supplier portfolio, we are fostering ongoing collaboration and capacity building with existing diverse suppliers – helping to bring their valuable perspectives to benefit our customers, our communities, and company.

### SPOTLIGHT

#### Warm Springs Consulting LLC

To support our sustainability initiatives, we engaged Warm Springs Consulting (WSC), a sustainability consulting firm headquartered in Boise, Idaho. WSC is a woman-owned Disadvantaged Business Enterprise and certified B Corp with deep expertise in sustainability and ESG for the mining and minerals industry and decades of experience in government and decarbonization work. WSC's innovative interdisciplinary team of scientists, engineers, economists,

and legal experts has been supporting our sustainability team with several key sustainability initiatives, including our 2022 and 2023 value chain (Scope 3) greenhouse gas inventories, our 2023 TCFD Report with climate scenario analysis, this 2023 Sustainability Report with ESRS compliance, our product avoided emissions calculations as well as our waste analysis and goals setting.



European Sustainability  
Reporting Standards *(ESRS)*





## CAUTION CONCERNING FORWARD LOOKING STATEMENTS

**Important Notes:** This document includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth herein is expressed as of the date hereof and EnerSys reserves the right to update its measurement techniques and methodologies in the future. The information provided herein is based in part on information from third-party sources that EnerSys believes to be reliable, but which has not been independently verified. EnerSys does not represent that the information is accurate or complete. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

This report, and oral statements made regarding the subjects of this report, contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, which may include, but are not limited to, statements regarding EnerSys' projections, plans, objectives, expectations and intentions to reduce emissions and emissions intensity, ability to influence, control and change the environmental impact of its business activities, the development of future technologies, business plans, and other statements contained in this report that are not historical facts, including statements identified by words such as "believe," "plan," "seek," "expect," "intend," "estimate," "anticipate," "will," and similar expressions. All statements addressing operating performance, events, or developments that EnerSys expects or anticipates will occur in the future, including statements relating to the Company's goals of achieving Scope 1 greenhouse gas neutrality by 2040 and Scope 2 neutrality by 2050 and ability to influence emissions related to its activities, as well as statements expressing optimism or pessimism about such plans are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are based on management's current views and assumptions regarding future events and operating performance, and are inherently subject to significant business, economic, and competitive uncertainties and contingencies and changes in circumstances, many of which are beyond the Company's control. The statements in this report are made as of the date of this report, even if subsequently made available by EnerSys on its website or otherwise. EnerSys does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this report.

Although EnerSys does not make forward-looking statements unless it believes it has a reasonable basis for doing so, EnerSys cannot guarantee their accuracy. The foregoing factors, among others, could cause actual results to differ materially from those described in these forward-looking statements. For a list of other factors which could affect EnerSys' results, including earnings estimates, see EnerSys' filings with the Securities and Exchange Commission, including "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Forward-Looking Statements," set forth in EnerSys' Annual Report on Form 10-K for the fiscal year ended March 31, 2023. No undue reliance should be placed on any forward-looking statements.

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