

Fighting Against Forced Labour and Child Labour in Supply Chains Report - 2023

INTRODUCTION

At Clarios, it is a priority to ensure that we trade ethically, source responsibly and work to prevent forced labour and child labour throughout our organisation and in our supply chain. This statement highlights the key activities we have undertaken during this financial year, ending September 30, 2023, to combat forced labour and child labour in our organisation and supply chain.

OUR BUSINESS

Clarios creates the world's best batteries, essential for the evolving future of transportation. Our energy storage solutions power the latest vehicle features, as we work closely with global automotive manufacturers and aftermarket suppliers around the world. We partner with top scientists, engineers, laboratories, universities, government organizations, customers and other strategic partners around the world to develop advanced energy storage solutions capable of meeting and exceeding the requirements of today, into tomorrow.

We're continuously seeking the better solution for our customers, for the planet we all share, and for the people who use our vehicle energy storage products every day. For more information, please visit [Clarios.com](https://www.clarios.com) or follow us @clariosGlobal on X or @clarios on LinkedIn.

OUR STRUCTURE

The ultimate parent of the Clarios group of companies (**Group**) is Clarios International Inc. (132402967RM0001), which has its head office at 5757 North Green Bay Avenue, Florist Tower Glendale, WI 53209 United States. The Group has over 16,000 employees worldwide and operates in over 140 countries across all geographic regions.

This report is published in accordance with the provisions of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (**Forced Labour Act**) on behalf

of Clarios International Inc., and each of its affiliates who meet the criteria outlined in Part 2 section 9 of the Forced Labour Act's reporting obligation requirement, including:

- Clarios Canada, Inc. (718051915RC0001)
- All remaining affiliates of the Group globally

(Covered Affiliates)

References to “**Clarios**”, “**we**”, “**us**”, or “**our**” in this statement are to Clarios International Inc. and the Covered Affiliates shown above.

OUR SUPPLY CHAINS

Typically, our major suppliers fall into one of the broad categories outlined below:

- Direct materials suppliers, such as for the supply of metals and separators
- Indirect materials suppliers, such as for software and services.
- Capital Equipment suppliers, such as machinery for battery assembly

FORCED LABOUR RISKS

We understand that the supply of some of our direct materials, namely metals, lithium ion components and battery separators, can give rise to the highest forced labour risks, particularly in the Uygher Autonomous Region of China.

As part of our initiative to identify and mitigate our highest risks we have systems in place to:

- identify and assess our highest risk areas in our supply chains through our due diligence and audit processes;
- mitigate the risk of forced labour and child labour occurring in our supply chains through a series of self evaluation surveys and on-site audits as required through the acceptance by suppliers of our Social Responsibility Code;
- monitor potential high risk areas in our supply chains from a combination of spend, geography, and financial risk assessments; and
- protect whistleblowers.

OUR POLICIES

We have appropriate policies in place that underpin our commitment to ensure that there is no forced labour or child labour in our supply chains or in any part of our business. We continuously review and update our policies.

Our [Human Rights Policy](#) makes explicit our commitment to ensure forced labour and child labour is not taking place in any part of our businesses or in any part of our supply chain.

Our [Code of Ethics](#) is communicated to our employees, suppliers and contract workers which requires individuals to report any wrongdoing, including but not limited to human rights violations like forced labour, child labour and human trafficking. All reports are fully investigated and appropriate remedial actions taken when warranted. Our [Integrity Helpline](#) is available in 16 languages for individuals to raise concerns or report any alleged wrongdoing.

OUR ACTIONS

Clarios is an early signatory of the United Nations Global Compact (UNGC) and fully supports the UNGC's Ten Principles which are based on the Universal Declaration of Human Rights. As part of our commitment to the UNGC, we produce an annual Communication on Progress. The latest published version can be found on the website of the UNGC.

Clarios has also published a [Declaration of Principles](#), with respect to our commitment to human rights and environmental standards, which is available publicly on the Clarios.com web site.

In addition, Clarios has certified a number of our manufacturing plants with the SA8000 Social Accountability International Standard, which is focused on human rights standards within the principles of the UNGC. The eight key standards are based on internationally recognized principles including the International Labour Organization Convention, Universal Declaration of Human Rights and national laws. For Clarios, the principles behind SA8000 are part of our every day, embedded within our work culture and reflected in our Code of Ethics. Clarios continues to monitor and measure our performance in the eight areas including in the Standard through the implementation of management systems by plant level Social Performance Teams.

SUPPLIER ADHERENCE TO OUR VALUES

We are committed to providing safe, quality products and services and we have zero tolerance for forced labour and child labour. It is our goal to work collaboratively with our suppliers to exceed our customers' increasing expectations, achieving outstanding performance through best in class products, services and processes. We expect our suppliers to conduct their operations in a socially and environmentally responsible manner, aligning with our values and our Code of Ethics.

To ensure all those in our supply chain and contractors comply with our values and ethics, we require all suppliers to adhere to the Clarios Code of Ethics and all applicable laws and regulations, including complying with the standards on labour, health and safety, the environment. All suppliers are expected to comply with our Supplier Expectations Manual and our global Supplier Corporate Social Responsibility Codes (CSR). We expect our suppliers to be committed to principled decisions regarding people, communities and the environment, to respect human rights and avoid modern slavery, and to foster a workplace that provides a safe environment, does not discriminate and empowers people to speak out without fear of retaliation.

In addition, Clarios' global standard contract terms contain a clause by which suppliers undertake and commit that they will adhere to the [Clarios Code of Ethics](#).

Environmental performance and sustainability information on our major suppliers has been gathered through the Clarios Supplier Sustainability Rating Survey, the Supplier Assessment Survey, and other means. Any major supplier providing products and services to Clarios is expected to complete these surveys, which are used to perform due diligence on and evaluate major suppliers, communicate our expectations, and ensure suppliers' compliance with applicable laws, including in relation to slavery and human trafficking.

TRAINING

As an enhancement to our employee annual ethics training and certification, Clarios has available to all employees a training module which enables employees of Clarios to spot and respond to the signs of forced labour and child labour human trafficking and allows employees to anonymously report any suspected violations. This training

is available at any time for employees through our learning management system, and is assigned for completion to key employees on a biennial basis. We continue to improve our sourcing processes, benchmark our standards and audit our approach against regulatory requirements and available guidance.

APPROVAL

This Report has been reviewed and approved by the Clarios Board of Directors on .

PUBLICATION

This Report is published on the Clarios.com web site on 31 May 2024.

This statement is published pursuant to Part 2 section 9 of Fighting Against Forced Labour and Child Labour in Supply Chains Act and constitutes Clarios' forced labour and child labour report for the financial year ending September 30, 2023.