



2025

# ***SUSTAINABILITY REPORT***

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# A MESSAGE FROM OUR CEO

## LEADING THE WAY FORWARD

This past year, we backed our leadership in sustainable, low-voltage energy storage with action – announcing a \$6 billion American energy manufacturing strategy, advancing our recycling footprint on both sides of the Atlantic, and deepening the connected technologies that make our customers' operations cleaner and more efficient. Despite ongoing macroeconomic volatility, our team delivered strong financial, operational, and strategic performance while reinforcing our commitment to sustainability and circularity across our value chain.

In 2025, we continued to see robust global demand for advanced low-voltage solutions. We expanded our Absorbent Glass Mat (AGM) footprint, achieved strong growth in the aftermarket, and through our Clarios Power Management System, advanced the development of next-generation technologies including sodium-ion and supercapacitor systems. These innovations reflect our long-term commitment to enabling safer, cleaner, and more reliable low-voltage power – across mobility, stationary storage, and the emerging applications shaping how the world moves and operates.

Circularity remains central to our strategy. This year, we advanced several key initiatives to further strengthen our closed-loop model and enhance critical mineral recovery. We invested in new recycling capabilities and announced plans for potential additional investment in the U.S. as part of our \$6 billion American energy manufacturing strategy. We also initiated the acquisition of three additional recycling facilities in Europe. These actions reinforce our ability to deliver a secure, sustainable supply of essential materials while supporting our customers and meeting global regulatory expectations.

We also continued to build capabilities that create value beyond the battery. Our Connected Services portfolio – IdleLess, Trailer Battery Manager, and emerging

digital fleet solutions – helps reduce emissions, improve uptime, and enhance safety for transportation operators. For example, IdleLess can cut engine idle time by up to 60% and save fleet operators up to \$4,500 per vehicle annually. These innovations demonstrate how data, software, and real-time analytics can improve performance while accelerating sustainability outcomes.

Investing in impactful partnerships is a critical part of our commitment to social responsibility. We are proud to continue our commitment to the United Nations Global Compact (UNGC) by aligning our operations and strategies with the UNGC's Ten Principles that cover the topics of human rights, labor, health and safety, the environment, and anti-corruption. We also are honored to be named one of the World's Most Ethical Companies® by Ethisphere for the fourth year in a row.

Looking ahead, we are confident in our role as a sustainability leader in energy storage. We will continue to invest in advanced technologies, expand our circular footprint, modernize our manufacturing capabilities, and partner closely with customers and communities to build a more efficient, resilient, and sustainable mobility future.

Thank you for your continued trust and partnership as we move forward with purpose.



**MARK WALLACE**

President & CEO



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# COMPANY BACKGROUND

# POWERING THE FUTURE OF MOBILITY AND BEYOND

Clarios operates with a clear understanding of the rapidly evolving mobility landscape. We are strategically positioned to support and accelerate the industry's transition toward decarbonization.

As a global leader in advanced low-voltage battery technologies, our mission is to power the world of tomorrow through innovative battery systems and solutions that serve nearly every type of vehicle, from traditional internal combustion engines to hybrid and fully electric vehicles. As automotive systems become increasingly electrified and connected, the importance of reliable low-voltage networks continues to grow. This evolution is driving the development of software-defined low-voltage architectures, where battery performance plays a critical role.

Today, there is a Clarios battery in approximately one out of every three vehicles on the road worldwide.<sup>1</sup> This scale reflects our deep technical expertise, long-standing customer partnerships, and commitment to delivering dependable, intelligent energy-storage solutions.

## STRONG FAMILY OF BRANDS



Clarios continues to advance a broad portfolio of battery technologies, including Absorbent Glass Mat (AGM), lithium-ion (Li-ion), sodium-ion (Na-ion), and other next-generation chemistries designed to meet the evolving demands of mobility. We are also strengthening our leadership in low-voltage energy storage through the integration of advanced supercapacitor technologies, enhancing product performance, reliability, and efficiency while supporting our long-term sustainability objectives.

In support of our strategy to build an integrated supercapacitor supply chain, in November 2025, Clarios acquired Maxwell Technologies, a manufacturer of supercapacitor cells and modules serving mobility,

<sup>1</sup>BASED ON CLARIOS PASSENGER VEHICLE SERVICEABLE ADDRESSABLE MARKET.

grid, renewable, and onsite power applications. This acquisition expands our opportunity set beyond automotive markets into data centers, grid infrastructure, renewable, military and industrial applications, while reinforcing our focus on resilience and circularity.

Our total systems approach extends beyond products to include connected systems and services that leverage artificial intelligence, machine learning, and cloud computing to deliver real-time insights and predictive analytics. These capabilities improve vehicle efficiency, safety, and sustainability. This commitment is reinforced by our trusted brands, operational excellence, and a uniquely effective circular supply chain that supports responsible resource use at scale.

**1 IN 3 CARS**  
Today, there is a Clarios battery in one in every three vehicles worldwide.<sup>1</sup>

**ADVANCED TECHNOLOGIES FOR THE ROAD AHEAD**  
We are evolving AGM, Li-ion, Na-ion, Supercapacitors and other advanced technologies for the road ahead.

**UNMATCHED CIRCULAR SUPPLY CHAIN**  
Our uniquely effective circular supply chain supports responsible resource use at scale.

# PROGRESS ON BLUEPRINT 2030

In 2023, we achieved the six foundational goals of our original Sustainability Blueprint and introduced Blueprint 2030, which helped us to expand and deepen our sustainability focus. During 2025, our efforts concentrated on strengthening governance and enhancing transparency in how we measure and report performance.

To navigate an increasingly complex sustainability reporting landscape, Clarios launched the Extended Financial Reporting strategic initiative. This enterprise-wide approach anticipates evolving legal requirements and stakeholder expectations by integrating sustainability reporting into established financial-level discipline. The initiative captures synergies across existing business functions while deploying technology solutions to improve accuracy, consistency, and accountability in publicly reported information.

## CLARIOS BLUEPRINT 2030



# OUR SUSTAINABILITY LEADERSHIP

## COMMITTED PARTNERS



## RECOGNITION WE VALUE





SUSTAINABILITY REPORT 2025

# ***DRIVING INNOVATION AND CIRCULAR ECONOMY LEADERSHIP***

# DRIVING INNOVATION – SHAPING THE FUTURE OF MOBILITY

The automotive sector is undergoing profound transformation, driven by electrification, digitalization, and increasing electrical complexity. Every modern vehicle, whether powered by internal combustion, hybrid systems, or full electrification, depends on a reliable low-voltage energy system to support essential functions. As vehicles incorporate advanced connectivity and autonomy features, low-voltage systems enable critical safety components such as steer-by-wire and brake-by-wire technologies, as well as enhanced in-cabin digital experiences. Clarios' acquisition of Maxwell Technologies further enhances our ability to offer durable, high-cycle, low-maintenance supercapacitor solutions that complement Clarios' battery technologies and broaden sustainable applications in mobility, data centers, grid, renewable, and industrial systems.

Clarios collaborates closely with customers to design and deliver next-generation low-voltage technologies suited to this evolving environment. Our focus remains on advancing performance, strengthening safety, and supporting a more sustainable and electrified future. We also continued to build capabilities that create value beyond the battery. Our Connected Services portfolio helps reduce emissions, improve uptime, and enhance safety for transportation operators.

The vehicles of tomorrow will require integrated battery systems that combine advanced chemistries, electronics, software, and diagnostics. We develop solutions across 12- to 48-volt architectures to meet diverse customer needs. Our long-term vision is to build an ecosystem that delivers safe, adaptable, efficient, and sustainable solutions, supporting customers as the mobility landscape continues to evolve.

## ELECTRIFICATION

Automakers are rapidly electrifying their vehicles to enhance performance, enable new functionalities, and support increasing levels of autonomy. Clarios supports this transition with a broad portfolio of advanced low-voltage energy storage solutions.

## DIGITALIZATION

Automakers are shifting to zonal architectures to improve accessibility, scalability, and system efficiency. Clarios partners with customers to enable this transition through advanced low-voltage technologies.

## CIRCULARITY

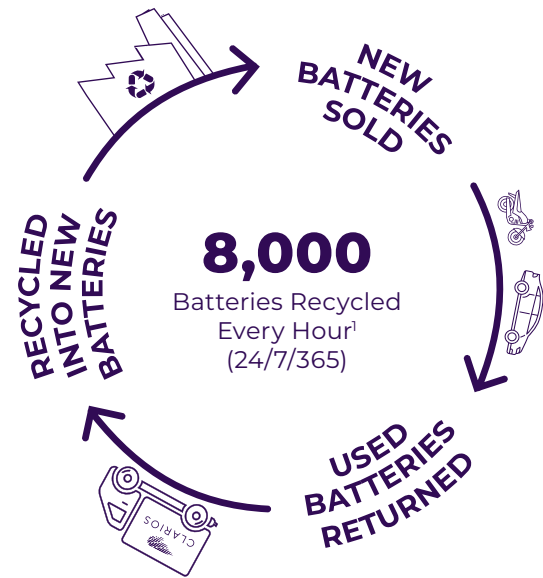
The industry is accelerating toward more sustainable, circular models for battery materials and lifecycle management. Clarios leads with a closed-loop system that makes automotive batteries among the most recycled consumer products, advancing a future where all batteries are responsibly recovered and reused.



# CIRCULAR ECONOMY LEADERSHIP – CIRCULARITY AT SCALE

At Clarios, end-of-life batteries are treated as valuable resources rather than waste. Across our global network, approximately 8,000 used batteries are recycled every hour of every day. Our circular supply chain begins and ends with the customer. When new batteries are delivered, used batteries are collected and returned for responsible recycling.

Our batteries are designed so that up to 99 percent of materials can be recovered, recycled, and repurposed to manufacture new batteries or other products. The recycled materials used in our batteries require approximately 90 percent less energy to process and generate approximately 90 percent fewer lifecycle greenhouse gas emissions compared to virgin materials. This closed-loop model reduces transportation intensity, strengthens supply chain resilience, and benefits all stakeholders.



<sup>1</sup>8,000 BATTERIES RECYCLED PER HOUR FIGURE INCLUDES BATTERIES RECYCLED THROUGH THIRD-PARTIES IN THE CLARIOS NETWORK.

To further enhance our commitment to circularity, this year we advanced several key initiatives to further strengthen our closed-loop model and enhance critical mineral recovery. We invested in new recycling capabilities, announced plans for state-of-the-art processing capacity in the U.S., and initiated the acquisition of additional recycling facilities in Europe. Circularity is embedded in our business strategy and informs how we evaluate material choices, design products for durability, and prepare for emerging chemistries such as lithium, sodium and supercapacitor technologies.

## PRODUCT INNOVATION MEETS CIRCULARITY COMMITMENT



Circularity informs how we evaluate material choices, design products for durability, and respond to evolving operational challenges. As we expand our portfolio of advanced battery technologies, we are continually identifying innovative solutions to maintain both performance and sustainability outcomes in real time.

One example is our Absorbent Glass Mat (AGM) batteries. Due to their stringent specifications and high performance requirements, AGM battery cases currently rely on virgin polypropylene. As demand for AGM technologies continues to grow, our overall use of recycled polypropylene has declined to ensure product quality and reliability.

This dynamic has mobilized our product, engineering, and procurement teams to develop solutions that maintain the high standards of AGM performance while advancing our circularity commitments. These cross-functional efforts are focused on identifying alternative approaches and material innovations that enable increased recycled content without compromising product integrity.

We are targeting implementation of a solution in the next fiscal year, which is expected to restore a positive trajectory in our recycled polypropylene usage and further reinforce our closed-loop model.



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# ***ENVIRONMENTAL STEWARDSHIP***

# ENERGY AND GREENHOUSE GAS EMISSIONS

Clarios' circular model plays a significant role in reducing energy consumption and greenhouse gas (GHG) emissions. Lead-acid batteries are inherently sustainable because their primary components, lead and plastic, can be recovered and reused. Recycling lead generates approximately 90 percent fewer GHG emissions than mining and processing primary ore, while recycled plastic reduces energy consumption by roughly 90 percent compared to virgin plastic production. Our PowerFrame® technology further enhances manufacturing efficiency by reducing energy use and emissions by approximately 20 percent compared with traditional methods.

In 2025, manufacturing plants in Mexico continued to operate under the zero-emission nuclear agreement. In addition, our manufacturing plants in Spain and Brazil operated on 100% renewable electricity through green electricity contracts and purchased renewable energy credits (RECs) for the second year in a row. For the first time, several locations in Germany began purchasing guarantees of origin (GoO). Clarios also has successfully implemented the Energy Hunt program for the third year. This program deploys energy efficiency initiatives across our operations, including improvements to compressed air systems, heat recovery installations, lighting upgrades, and process optimization programs.

These renewable energy efforts in partnership with our Energy Hunt program have resulted in a 13% reduction in Scope 2 GHG emissions from the prior year.

## RAISING THE BAR ON DATA INTEGRITY



This year, we achieved an important milestone in strengthening the integrity of our sustainability reporting by obtaining independent third-party assurance of our FY25 Scope 1 and Scope 2 GHG emissions data for the first time.

This assurance, conducted in accordance with recognized international standards, enhances the accuracy, completeness, and reliability of our reported Scope 1 and Scope 2 emissions, and reflects our commitment to transparent, investment-grade sustainability disclosures. As we advance, we remain committed to enhancing data governance and expanding elements of reporting subject to assurance, supporting our broader ambition to deliver transparent and decision-useful climate reporting. Visit the [Report of Independent Certified Public Accountants](#) for more information.

METRIC	FY23	FY24	FY25
GHG emissions – CO <sub>2</sub> e Scope 1 (utilities)	207,011 MT	223,570 MT	211,655 MT
GHG emissions – CO <sub>2</sub> e Scope 1 (recycling processes)	194,185 MT	197,982 MT	202,335 MT
GHG emissions – CO <sub>2</sub> e Scope 2 (market-based)	680,334 MT	588,066 MT	508,714 MT
Total energy consumed	10,877,678 GJ (3,021,577 MWh)	11,423,196 GJ (3,173,110 MWh)	11,348,617 GJ (3,152,394 MWh)
Percentage grid electricity	65%	65%	63%
Percentage renewable	0.14%	8.00%	11.00%
Percentage of plants certified to ISO 50001			
Revenue from clean tech projects and products (i.e. fuel efficient or emissions reducing) <sup>1</sup>	\$3.4 billion	\$4.0 billion	\$4.3 billion

<sup>1</sup>AGM AND ENHANCED FLOODED BATTERY (EFB) REVENUE.

# WASTE







Waste management remains an area of active management. A cradle-to-grave approach reduces waste, enables material recovery, and ensures compliance with environmental and health regulations. Our circular supply chain starts with the safe collection and transport of used batteries to our global network of recycling facilities. There, batteries are separated into plastic, electrolyte, and lead components.

The recovered plastic is cleaned and incorporated into new battery cases. Electrolyte is treated to recover lead and is then either neutralized or converted into sodium sulfate. Solid lead is reused in new alloys, while paste-form lead undergoes smelting.

The smelting process applies high temperatures and chemical inputs to produce high-purity lead and

a secondary material called slag. Although slag is classified as non-hazardous in some countries, others – such as Mexico – regulate it as hazardous waste. As a result, discrete events in our LATAM operations, including construction activities and process shutdowns, drove increases in hazardous waste generation, contributing to the rise observed in FY25. While large-scale alternatives to traditional smelting are not yet commercially available, Clarios continues to pursue innovative processing solutions.

Our closed-loop recycling system enables the separation and recovery of plastic, electrolyte, and lead components for reuse in new products. At the same time, we are also evaluating equivalent systems for lithium, sodium, and other emerging chemistries.

METRIC	FY23	FY24	FY25
Total amount of waste from manufacturing	272,978 MT	288,894 MT	361,160 MT
Percentage of waste generated from manufacturing operations that is hazardous	80%	80%	85%
Waste diverted from landfill	99,410 MT	111,964 MT	114,440 MT
Percentage of waste generated from manufacturing operations that is recycled	35%	38%	31%
Amount of hazardous waste generated	219,738 MT	231,314 MT	306,128 MT
Percentage of hazardous waste recycled	15%	16%	11%
Percentage of plants certified to ISO 14001 <sup>1</sup>			
Average recyclability of auto parts sold			

<sup>1</sup>CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.

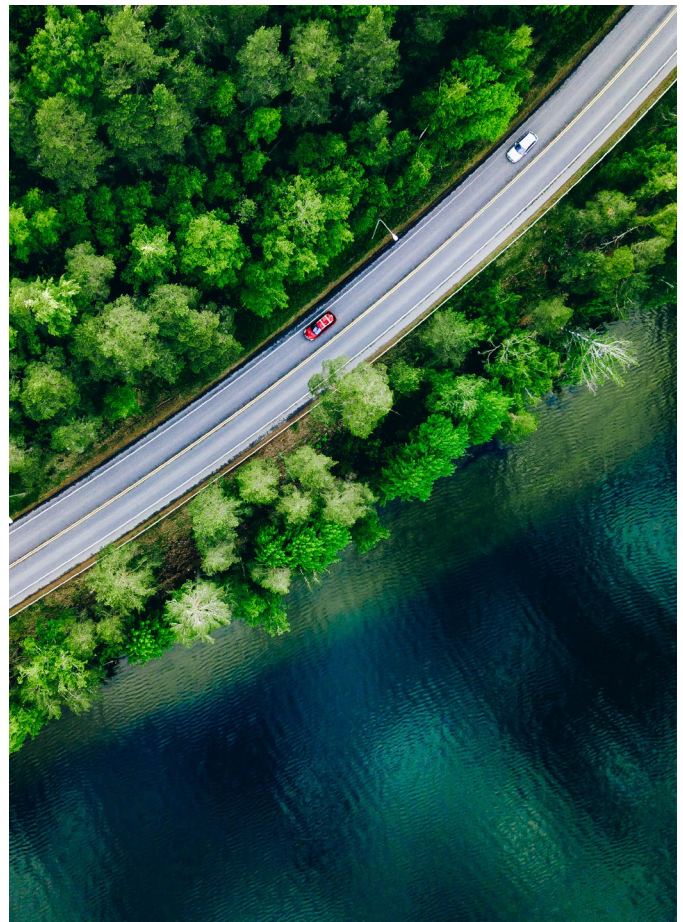
# WATER

Water used in Clarios' operations primarily supports our manufacturing processes and is largely supplied by municipal sources. We uphold stringent protocols to prevent spills and accidental releases, reflecting our commitment to high global operational standards.

To strengthen our water conservation strategy, we reassessed water-related risks across our facilities using the World Resources Institute's Aqeduct™ tool, evaluating present-day, 2030, and 2050 scenarios. This process enables us to better anticipate, understand, and mitigate potential future water challenges.

We actively recycle and reuse water across our operations. For example, closed-loop water recycling systems in our battery production facilities reduce wastewater by reusing formation bath cooling water. In our recycling facilities, pasting recycling systems maintain acid and oxide within a controlled process, further minimizing water use and waste.

At our global headquarters, a 114-cubic-meter rooftop cistern captures and reuses rainwater, underscoring our ongoing commitment to sustainable water management.



METRIC	FY23	FY24	FY25
<b>Water consumed</b>	3,349,426 m <sup>3</sup>	3,490,197 m <sup>3</sup>	3,420,355 m <sup>3</sup>
<b>Number of reportable water spills or pollutants</b>	0	0	0
<b>Water risk percentage (current and projected)</b>	2023: 16%	2024: 15%	2025: 15%
	2030: 39%	2030: 42%	2030: 43%
	2050: 45%	2050: 49%	2050: 49%



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# ***SOCIAL IMPACT***




# OCCUPATIONAL HEALTH AND SAFETY

At Clarios, we are committed to maintaining a safe, healthy, and efficient working environment for all employees, contractors, and visitors. Our global Environmental, Health and Safety policy establishes consistent operational standards across all facilities and ensures structured implementation, documentation, and monitoring of safety procedures and performance data.

Each site operates within this global framework while striving for continuous improvement through performance-based incentives across key safety metrics. We monitor our Total Recordable Injury Rate in accordance with U.S. Occupational Safety and Health Administration (OSHA) guidelines, measuring the number of recordable incidents relative to total hours

worked. In 2019, we expanded our safety oversight to include Serious Safety Incidents, defined as incidents resulting in fatalities or permanent disabilities. In 2021, we introduced Serious Potential Incidents as a proactive performance metric designed to capture events that, under slightly different circumstances, could have resulted in severe harm. This forward-looking approach enables earlier hazard identification and mitigation.

While our expanded focus on identifying high-risk situations has influenced traditional recordable metrics, it has driven a meaningful reduction in Serious Potential Incident rates since the introduction in 2021. This outcome underscores the effectiveness of our risk-based safety management strategy.

METRIC	FY23	FY24	FY25
Percentage of plants certified to ISO 45001 <sup>1</sup>			
Lost time incident rate	0.66	0.60	0.50
Total recordable injury rate	0.96	0.94	0.77
Number of incidents <sup>2</sup>	165	168	135
Number of fatalities	0	0	0
Serious potential incident rate	0.07	0.03	0.03

<sup>1</sup>CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.

<sup>2</sup>CLARIOS DEFINES NUMBER OF INCIDENTS TO BE NUMBER OF INCIDENTS THAT MEET THE OSHA RECORDABLE DEFINITION.

# PRODUCT SAFETY AND QUALITY

Clarios is dedicated to delivering high-quality, innovative products that meet rigorous safety and performance standards. Our advanced low-voltage battery solutions are developed to provide essential functionality across vehicle platforms while maintaining reliability under increasingly complex operating conditions.

Product development and launch processes incorporate comprehensive design validation, quality assurance, and operational oversight. In alignment with ISO 26262 standards, we apply structured functional safety processes throughout the product lifecycle to address safety-critical requirements.

Our manufacturing and distribution facilities comply with ISO 9001 or IATF 16949 Quality Management System standards, demonstrating adherence to internationally recognized quality frameworks.



METRIC	FY23	FY24	FY25
Percentage of plants certified to ISO 9001 or IATF 16949 Quality Management Systems <sup>1</sup>	98%	98%	98%
Number of recalls issued	0	0	0
Total units recalled	0	0	0

<sup>1</sup>CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.







# INCLUSION AND DIVERSITY

Inclusion and diversity are foundational to Clarios' culture and to our ability to deliver sustainable long-term performance. We believe that diverse perspectives strengthen innovation, enhance collaboration, and support high-quality decision-making across the enterprise.

In fiscal year 2024, Clarios conducted its first global employee engagement survey, establishing an enterprise-wide baseline to better understand workforce sentiment and organizational effectiveness. In fiscal year 2025, we completed our second global employee engagement survey, enabling trend analysis, deeper insight into employee needs, and more informed talent, leadership, and culture strategies. We expect to continue the global engagement survey in fiscal year 2026 to further monitor progress, strengthen accountability, and support continuous improvement. Our performance management philosophy emphasizes respect for individual contributions and

equitable access to opportunity. Hiring, promotion, and development decisions are made without bias and are supported by ongoing leadership education focused on self-awareness, inclusive leadership behaviors, and appreciation of individual differences. We leverage tools such as Insights Discovery to enhance understanding of diverse communication styles, working preferences, and team dynamics across our global workforce.

Clarios maintains a strict prohibition against discrimination based on race, color, religion, national origin, gender, pregnancy, age, disability, sexual orientation, gender identity, marital status, military service, or any other characteristic protected by law. By embedding inclusion and diversity into our culture, leadership practices, and workforce policies, we aim to enable employees to perform at their best – strengthening individual contribution and supporting sustained enterprise performance for employees, customers, and investors.

METRIC	FY23	FY24	FY25
Percentage of women in positions of senior management (VP) and above	 23%	 25%	 20%
Number of women in positions of senior management (VP) and above	11	14	12
Total number of positions of senior management (VP) and above	48	55	60
Percentage of women on board of directors	 18%	 18%	 18%
Number of women on board of directors	2	2	2
Total number on board of directors	11	11	11

## CLARIOS AND WOMEN IN THE GLOBAL BATTERY INDUSTRY

Clarios actively supports the advancement of women across the automotive aftermarket through its engagement with Women in Auto Care, a community of the Auto Care Association dedicated to educating, connecting, and empowering women in the industry. Our involvement includes executive leadership participation, conference engagement, and organizational sponsorship, reflecting Clarios' commitment to strengthening diverse leadership pipelines within customer-facing and industry-wide ecosystems. Clarios leaders regularly participate in Women in Auto Care programming and leadership conferences, contributing to professional development, mentorship, and cross-company collaboration that extends beyond our organization to suppliers, customers, and partners throughout the automotive value chain.



Together with our partnership with Women in the Global Battery Industry (WGBI), our engagement with Women in Auto Care reflects a deliberate, multi-industry approach to inclusion – supporting women across both the battery sector and the broader automotive aftermarket. While WGBI enables the development of women in energy storage and battery technology, Women in Auto Care expands Clarios' impact into operations, manufacturing, aftermarket services, and customer environments. These complementary partnerships reinforce our belief that inclusive growth requires visible leadership, active participation, and sustained investment across the industries we serve, helping to foster innovation, resilience, and long-term value for our people, customers, and communities.



## VETERAN ENGAGEMENT AND MILITARY COMMUNITY SUPPORT

Clarios is committed to supporting veterans, military spouses, and transitioning service members as they pursue civilian career opportunities. This commitment reflects our broader focus on inclusion, equitable access to opportunity, and the development of a capable and purpose-driven workforce.



In fiscal year 2025, we expanded our U.S.-based Veteran Focus Program and strengthened partnerships with military institutions, technical training centers, and veteran advocacy organizations. These partnerships support talent identification, facilitate access to relevant technical and leadership training, and contribute to a sustainable pipeline of skilled professionals with experience in complex, high-accountability environments.

By recognizing the skills, leadership experience, and adaptability developed through military service, Clarios supports meaningful career transitions while strengthening organizational capability and workforce readiness.

# TALENT DEVELOPMENT AND TRAINING

At Clarios, long-term business sustainability is intrinsically linked to our ability to develop resilient leadership, future-ready capabilities, and a strong internal talent pipeline. We invest in our people to ensure the organization has the skills, experiences, and leadership strength required to navigate an evolving global environment.

Our approach to talent development is grounded in our core values – Principled, Committed, Customer-Centric, Challenge the Status Quo, and Winning Together – which guide how we build leadership capability, make talent decisions, and foster a culture of accountability and growth. These values underpin our commitment to ethical leadership, continuous improvement, and collective success.

We advance talent development through integrated practices spanning learning and development, performance and career management, leadership development, and succession planning. A key focus of our strategy is enabling employees to build broad business acumen through diverse experiences – including cross-functional, cross-geographic, and

strategic project-based assignments, while also recognizing that development can take multiple forms depending on role, readiness, and career stage.

Development at Clarios is a shared responsibility. We encourage employees to actively engage in growth opportunities that expand skills, perspectives, and leadership capability, while leaders are accountable for providing the support, coaching, and governance needed to enable meaningful development. Talent moves and development experiences are designed as investments in capability, not guarantees of role progression, reinforcing a disciplined and transparent approach to career growth.

Our Clarios for Tomorrow learning and leadership platform anchors this commitment by supporting continuous learning, leadership readiness, and transformation across the enterprise. Through structured learning, experiential development, and leadership programs, we strengthen organizational capability, enhance internal mobility, and improve readiness for critical roles, supporting both individual career progression and long-term enterprise readiness.

METRIC	FY23	FY24	FY25
Percentage of employees completing ethics training <sup>1</sup>	100%	99%	100%

<sup>1</sup>BASED ON ONLINE EMPLOYEES.



# COMMUNITY ENGAGEMENT AND INVESTMENT

As a global organization, Clarios recognizes both the responsibility and opportunity to contribute meaningfully to the communities where we operate. Our community engagement strategy centers on protecting children’s health and the environment, advancing innovation within the circular economy, and strengthening resilient communities.

Beyond philanthropy, we integrate social responsibility into our core business operations. Products such as AGM batteries and Connected Services for Fleets support cleaner and more efficient mobility solutions. Cross-functional teams contribute to initiatives that strengthen environmental and social impact while advancing business objectives.

Through the Clarios Foundation, we have committed more than \$36 million to UNICEF’s Healthy Environments for Healthy Children initiative. This funding has enabled UNICEF to accelerate program expansion and enhance global impact.



In EMEA, Clarios’ most culturally diverse region, local community engagement is complemented with the Lighthouse Initiative, which promotes regional collaboration and broad impact beyond individual sites. By prioritizing EMEA-wide and nationally visible Lighthouse partnerships – particularly in STEM education, women in STEM, and road safety for children – EMEA translates local engagement into scalable, long-term impact and supports future talent development across the region.

Our charitable giving framework combines global alignment with regional flexibility, allowing us to respond effectively to local community needs. Employees actively participate in volunteer initiatives and charitable activities aligned with personal and corporate values.



# HUMAN RIGHTS

Clarios is committed to upholding human rights across all operations and throughout our supply chain. Our Human Rights Policy aligns with the United Nations Global Compact, International Labour Organization conventions, and the UK Modern Slavery Act 2015. The policy is compliant with national and local laws in every jurisdiction where we operate.

We are deeply committed to respecting and protecting human rights across our global operations and throughout our supply chain. This commitment is demonstrated through our adherence to the following core principles:

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

## SA8000 SOCIAL ACCOUNTABILITY STANDARD

The SA8000 Social Accountability International Standard centers on human rights criteria aligned with the principles of the United Nations Global Compact. Its eight core standards are founded on internationally recognized frameworks, including the International Labour Organization (ILO) Conventions, the Universal Declaration of Human Rights, and applicable national laws.

The principles underlying the SA8000 Social Accountability Standard are embedded in our corporate culture and Code of Ethics. In 2025, SA8000 certification was maintained by Clarios Andina and Pacifico as well as a Mexico multi-site covering 8 manufacturing facilities, including recycling centers and corporate offices. In the United States, six manufacturing facilities were awarded the multi-site certification.



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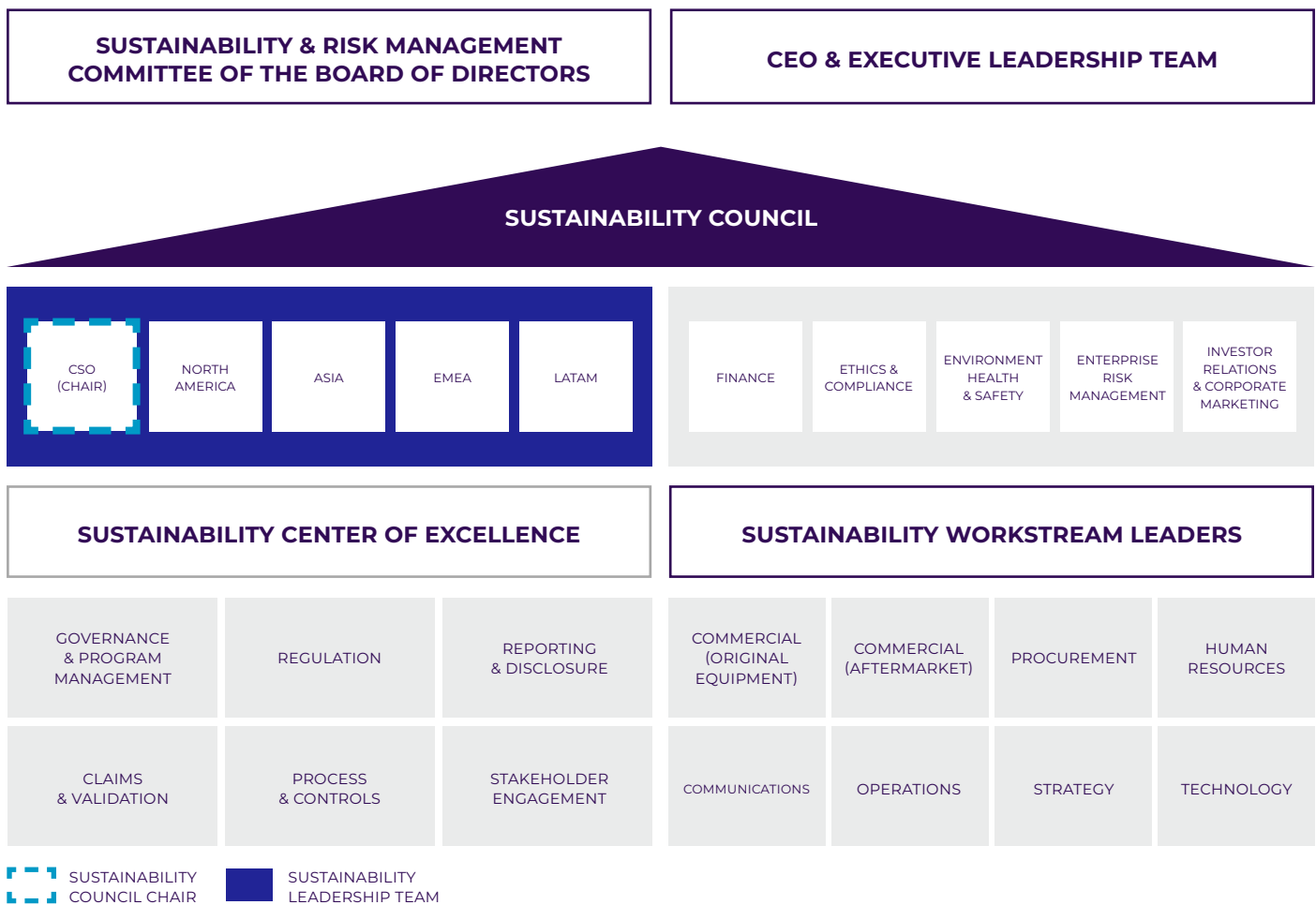
# **GOVERNANCE AND OVERSIGHT**

# OUR SUSTAINABILITY DISCIPLINE

The Clarios Sustainability Council is responsible for defining and executing the company’s sustainability strategy. The Council is chaired by the Chief Sustainability Officer and reports directly to the Executive Leadership Team and to the Sustainability and Risk Management Committee of the Board of Directors. The Council’s responsibilities include:

- Identifying material sustainability topics and developing strategic responses;
- Designing, implementing, and monitoring initiatives, policies, key performance indicators (KPIs), targets, and long-term enterprise sustainability commitments; and
- Evaluating evolving best practices, regulatory developments, and growing stakeholder and customer expectations to ensure proactive alignment.

In 2025, the Sustainability Program Office continued to advance our Extended Financial Reporting initiative to strengthen governance, cross-functional collaboration, and reporting integrity.



SUSTAINABILITY COUNCIL CHAIR SUSTAINABILITY LEADERSHIP TEAM

# ENTERPRISE RISK MANAGEMENT

Clarios maintains a structured Enterprise Risk Management framework that integrates sustainability considerations into strategic planning, compliance oversight, and internal audit processes. The framework standardizes risk identification, documentation, and reporting across the organization.

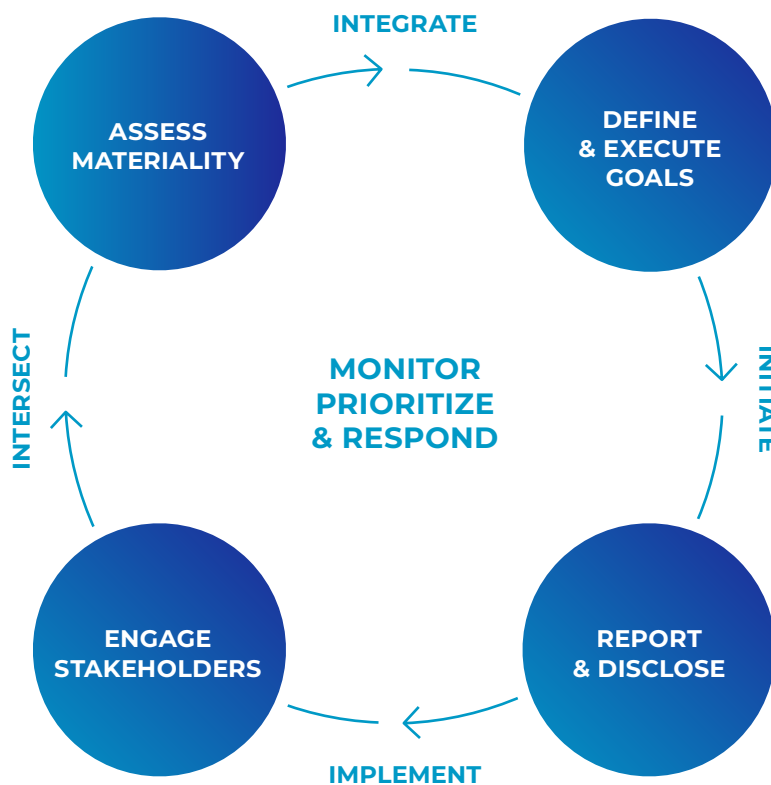
Oversight is provided by the Sustainability and Risk Management Committee of the Board of Directors. Identified risks and mitigation plans are reviewed quarterly with executive leadership and the Board of Directors. Regular strategic updates address key risks that may influence financial performance, operational continuity, and long-term competitiveness. These updates are delivered by business unit leaders, the Chief Legal Officer, and other senior functional executives.

# MANAGEMENT DISCIPLINE

Our sustainability management discipline consists of interconnected processes that assess materiality, define and execute goals, monitor performance, report and disclose results, and engage stakeholders. This structured approach enables cross-functional integration of sustainability into core operations while responding to evolving regulatory and market expectations.

Our approach is grounded in well-established corporate policies and procedures spanning Ethics and Compliance, Finance, Environmental Health and Safety (EHS), Risk Management, Human Rights and Labor, Quality, and Supplier Sustainability. It also incorporates the integration of sustainability considerations into mergers, divestitures, and other major organizational changes.

## SUSTAINABILITY MANAGEMENT DISCIPLINE



# MATERIALITY

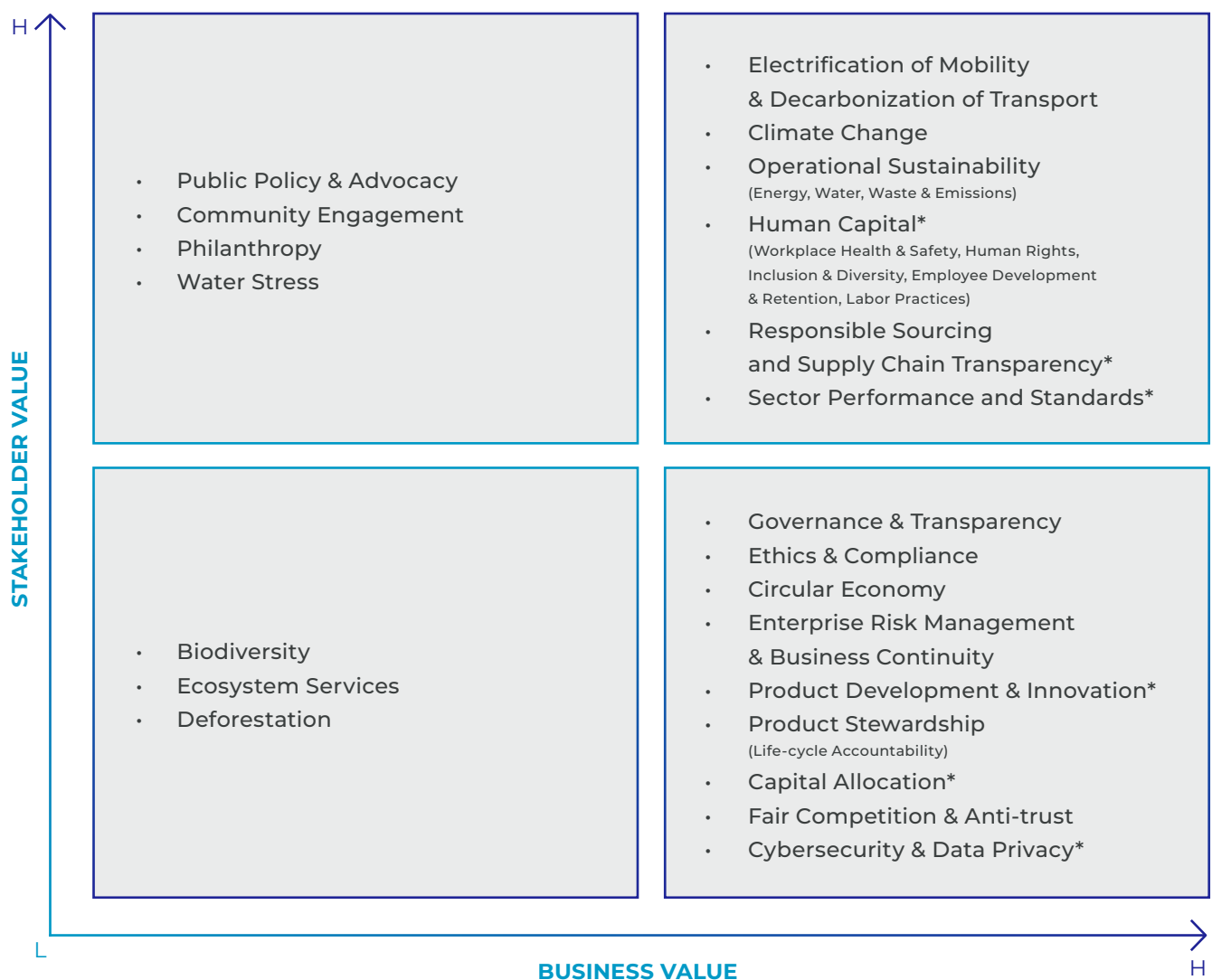
Our 2022 materiality assessment continues to guide our priorities. These priorities continue to shape our sustainability strategy, initiatives, and reporting focus. By assessing both the financial and non-financial impacts of these factors, we are better positioned to manage risks and seize opportunities that may influence our business performance, reputation, and future regulatory reporting requirements – across both the near and long term.

Clarios follows a structured process to identify and prioritize the risks and opportunities most likely to affect our business and stakeholder relationships. This

process strengthens our understanding of stakeholder expectations and needs. It incorporates industry benchmarking and peer research, building on insights from previous materiality assessments, and resulted in a refined list of priority topics.

To ensure accuracy and relevance, the draft assessment was reviewed and validated by a diverse group of internal and external stakeholders. The final materiality matrix was formally approved by the Clarios Sustainability Council and Executive Leadership Team, and subsequently reviewed by the Board of Directors' Sustainability and Risk Management Committee.

## CLARIOS MATERIALITY ASSESSMENT



\*GENERALLY REPRESENTATIVE OF 2022 ERM CLARIOS LEADERSHIP TOP RISKS.

# THE CLARIOS CODE OF ETHICS

The Clarios Code of Ethics establishes global standards for business conduct across areas including health and safety, diversity and inclusion, anti-corruption, fair competition, responsible sourcing, environmental stewardship, and community engagement:

Speaking up and getting help
Health and safety
Respectful treatment, preventing harassment and workplace bullying
Diversity and inclusion
Equal opportunity and preventing discrimination
Employee data privacy
Product quality and safety
Honest marketing and sales practices
Customer data privacy
International trade compliance
Fair competition and antitrust
Research integrity and ethically sourcing competitive intelligence
Bribery and other forms of corruption

Third-party intellectual property and commercial rights
Conflicts of interest
Record keeping and disclosure
Physical property and assets, our reputation, and our confidential and proprietary information
Insider trading and securities market abuse
Responsible communications
Procurement
Preventing abuses in the supply chain
Supplier expectations
Sustainability and environmental responsibilities
Community engagement and investment
Political activity and lobbying

Adherence to the Code of Ethics and the Anti-Corruption Policy is a mandatory condition of employment. Clarios delivers ongoing training to employees on anti-corruption and related topics, including the U.S. Foreign Corrupt Practices Act (FCPA), anti-bribery provisions outlined in the Code of Ethics, and broader ethical standards.

Significant ethical concerns are escalated by the Chief Ethics & Compliance Officer to the Chief Legal Officer, Chief Financial Officer, and when appropriate, to the Chair of the Audit Committee of the Board of Directors.

All online-based employees are required to complete annual ethics certification. For employees not subject to this requirement – such as those working in

manufacturing facilities – knowledge and awareness of the Code of Ethics are assessed during onboarding and evaluated as part of their annual performance reviews.

## INTEGRITY HELPLINE

The Integrity Helpline operates 24 hours a day in 16 languages and allows anonymous reporting. Reported concerns are investigated by appropriate functional teams, and aggregated data are reviewed quarterly by executive leadership and as required by the Audit Committee of the Board of Directors.

## SUPPLIERS AND VALUE CHAIN

Clarios recognizes the important role we play in influencing our suppliers – and the broader industry – to support the safe and responsible sourcing of raw materials. We procure raw materials from a diverse global supplier base, with lead, polypropylene, separators, and sulfuric acid serving as the primary components in our products. Whenever possible, we prioritize regional sourcing near our manufacturing facilities to reduce transportation costs and minimize environmental impact.

We are committed to advancing material stewardship and sustainability throughout our value chain. This commitment is reflected in our support for initiatives such as the Responsible Battery Coalition, which promotes responsible production, sourcing, processing, transportation, manufacturing, and recycling of battery materials in ways that protect the environment, uphold human rights, and benefit all stakeholders.

Clarios has also taken a leadership role in forming a global alliance of international and regional industry associations aimed at improving standards for lead

battery manufacturing and recycling, including through the Lead Battery 360° initiative.

Additionally, Clarios requires all suppliers to acknowledge and comply with our Corporate Social Responsibility (CSR) Code. This Code describes our expectations in key areas such as human rights, labor practices, environmental protection, anti-corruption measures, and conflict minerals sourcing.



## CONFLICT MINERALS

Clarios is committed to the ethical and responsible sourcing of conflict minerals throughout our supply chain, guided by our established Conflict Minerals Policy. In support of this commitment, we conduct an annual conflict minerals assessment in accordance with the Responsible Minerals Initiative (RMI) to verify that suppliers of tin and other relevant materials are conflict-free.

We require all critical mineral partners to submit annual Conflict Minerals Reports aligned with RMI standards. Clarios maintains a strict commitment to a traceable, transparent, ethical, and sustainable supply chain, and we expect our suppliers to implement processes that ensure compliance with applicable regulations and industry standards.

For the 2025 reporting period, Clarios conducted a Reasonable Country of Origin Inquiry by requesting the RMI Conflict Minerals Reporting Template from all

critical mineral partners as part of our due diligence procedures. We reviewed each response and, where needed, requested additional evidence to clarify or validate the information provided.

Based on this process and the responses received, we believe that Clarios lead-acid battery products contain conflict minerals that have been confirmed to originate from conflict-free suppliers. We continue to strengthen our due diligence process to ensure all Clarios products are conflict-free.

**FOR MORE INFORMATION  
ON CLARIOS POLICIES,  
PLEASE VISIT [CLARIOS.COM](https://www.clarios.com)**





SUSTAINABILITY REPORT 2025

# **SASB INDEX**

# SASB INDEX

Auto Parts Sustainability Accounting Industry Standard (Version 2023-12):

METRIC	FY23	FY24	FY25
<b>Total energy consumed</b>	10,877,678 GJ (3,021,577 MWh)	11,423,196 GJ (3,173,110 MWh)	11,348,617 GJ (3,152,394 MWh)
<b>Percentage grid electricity</b>	65%	65%	63%
<b>Percentage renewable</b>	0.14%	8.00%	11.00%
<b>Total amount of waste from manufacturing</b>	272,978 MT	288,894 MT	361,160 MT
<b>Percentage of waste generated from manufacturing operations that is hazardous</b>	80%	80%	85%
<b>Percentage of waste generated from manufacturing operations that is recycled</b>	35%	38%	31%
<b>Number of recalls issued</b>	0	0	0
<b>Total units recalled</b>	0	0	0
<b>Revenue from products designed to increase fuel efficiency or reduce emissions<sup>1</sup></b>	\$3.4 billion	\$4.0 billion	\$4.3 billion
<b>Description of the management of risks associated with the use of critical materials</b>	See Conflict Minerals	See Conflict Minerals	See Conflict Minerals
<b>Percentage of products sold that are recyclable</b>	100%	100%	100%
<b>Percentage of lead from recycled or remanufactured content<sup>2</sup></b>	76%	75%	80%
<b>Percentage of poly from recycled or remanufactured content<sup>3</sup></b>	54%	51%	42%
<b>Total amount of monetary losses because of legal proceedings associated with anti-competitive behavior</b>	\$0	\$0	\$0
<b>Number of parts produced<sup>4</sup></b>	153,071,150	154,563,685	151,791,274
<b>Weight of parts produced<sup>5</sup></b>	2,784,166 MT	2,804,581 MT	2,756,341 MT
<b>Area of manufacturing plants</b>	1,480,577 m <sup>2</sup>	1,476,370 m <sup>2</sup>	1,473,863 m <sup>2</sup>

<sup>1</sup>AGM AND EFB REVENUE.

<sup>2</sup>CALCULATED AS BATTERIES PRODUCED BY CLARIOS.

<sup>3</sup>CALCULATED AS POLY COMPONENTS PRODUCED BY CLARIOS.

<sup>4</sup>CALCULATED AS NUMBER OF UNITS SOLD.

<sup>5</sup>CALCULATED AS WEIGHT OF UNITS SOLD.

## ABOUT CLARIOS

Clarios is the global leader in advanced, low-voltage battery technologies for mobility. Our batteries and smart solutions power nearly every type of vehicle and are found in 1 of 3 cars on the road today. With around 18,000 employees in over 100 countries, we bring deep expertise to our Aftermarket and OEM partners, and reliability, safety and comfort to everyday lives. We answer to the planet with a rigorous sustainability focus – advancing best-in-class sustainability practices and advocating for them across our industry. We work to ensure 100% of our products sold are recyclable, and we recycle 8,000 batteries an hour in our network.

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