



2024

SUSTAINABILITY REPORT



CLARIOS



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**MARK
WALLACE**
CLARIOS PRESIDENT & CEO

A MESSAGE FROM OUR CEO

LEADING THE WAY FORWARD

The automotive industry is in a period of rapid transformation. As the global leader in low-voltage battery solutions, Clarios is uniquely positioned to support the automotive industry and the global energy supply chain in this moment of change. With leadership comes responsibility—to our customers, to our people, and to our stakeholders.

DRIVING PERFORMANCE THROUGH INNOVATION AND SUSTAINABILITY

At Clarios, our strategy begins with delivering value and reliability to our customers while supporting their decarbonization goals. In 2024, we increased revenue from clean tech products by more than 17%, driven by our advanced battery technologies that support start-stop systems, enhanced electrification, and increased vehicle power demands. These innovations directly contribute to the emissions reduction strategies of our OEM partners.

In 2023, we launched our Sustainability Blueprint 2030, a comprehensive framework that reinforces our commitment to environmental stewardship, ethical governance, social responsibility, and circular economy leadership.

We continue to lead in circular design. Up to 99% of the materials in our batteries are recoverable and recyclable. By using recycled content, Clarios batteries require 90% less energy and generate 90% fewer greenhouse gas emissions than those made with virgin materials. This system enables responsible recycling, ensures a sustainable supply of raw materials, and offers cost advantages to our customers.

Our progress has earned us notable external recognition. We were shortlisted for the External

Collaboration Award at the 2024 World Sustainability Awards, recognizing our partnership with UNICEF to promote global children's environmental health.

PUTTING OUR PEOPLE FIRST

We are honored to have once again been named one of the World's Most Ethical Companies by Ethisphere in 2024. I am pleased to say we've received the same recognition again in 2025, the third year in a row.

We are also proud to lead the way in safety, as we reduced our Serious Potential Incident (SPI) rate by over 55%. This proactive safety metric, adopted in 2021, enables us to identify and address potential hazards before incidents occur—representing a best practice in industrial safety.

INVESTING IN IMPACTFUL PARTNERSHIPS

As part of our commitment to social responsibility, the Clarios Foundation has now committed more than \$36 million to UNICEF's Healthy Environments for Healthy Children initiative. This includes a new \$10 million dollar-for-dollar match grant announced on World Children's Day 2024, which will double UNICEF's resources to scale the program.

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

We also responded to urgent community needs by donating through the Clarios Foundation to the American Red Cross to assist with disaster recovery following Hurricanes Helene and Milton.

In partnership with our employees, customers, suppliers, and global stakeholders, we remain committed to shaping a cleaner, safer, and more sustainable future for all.

MARK WALLACE, PRESIDENT & CEO

COMPANY BACKGROUND

POWERING THE FUTURE OF MOBILITY

Clarios is a global leader in cutting-edge, low-voltage battery technologies. Our mission is to power the world of tomorrow with innovative low-voltage battery systems and solutions that support nearly every type of vehicle—from traditional internal combustion engines to hybrid and fully electric vehicles (EVs).

As the electrical demands of automotive systems grow, the importance of low-voltage networks and their batteries has grown significantly. This shift is driving the rise of software-defined low-voltage architectures. Today, Clarios batteries are found in one out of every three vehicles on the road worldwide. Why? Because we combine deep technical expertise with customer-focused innovation to deliver intelligent, reliable solutions.

We are advancing a range of battery technologies, including Absorbent Glass Mat (AGM), Lithium-ion (Li-ion), Sodium-ion (Na-ion), and other next-generation solutions designed for the future of mobility. Aligned with the evolving industry landscape and our total systems approach, our progress extends beyond product development to include integrated systems and services—driven by increasing customer demand for value-added, innovative low-voltage solutions. Our commitment to excellence is reflected in our industry-leading brands, operational best practices, and strong focus on sustainability—including a uniquely effective circular supply chain.

STRONG FAMILY OF BRANDS



With a clear understanding of the rapidly evolving mobility landscape, we are uniquely positioned to support and accelerate the industry's transition toward decarbonization.

1 IN 3 CARS

Today, there is a Clarios battery in one in every three vehicles worldwide.¹

¹Based on Clarios passenger vehicle serviceable addressable market.

ADVANCED CHEMISTRIES FOR THE ROAD AHEAD

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

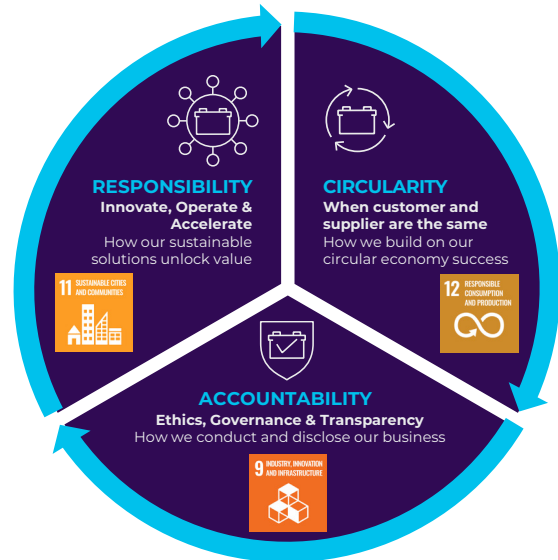
UNMATCHED CIRCULAR SUPPLY CHAIN

PROGRESS ON BLUEPRINT 2030

In 2023, we announced the achievement of the six foundational goals of the Clarios Sustainability Blueprint and the development of Blueprint 2030 to continue expanding our focus outward.

In 2024, we focused our efforts on setting clear expectations for how we operate and report our progress. To navigate the sustainability reporting landscape, Clarios rolled out the Extended Financial Reporting strategic initiative. It is our enterprise approach to anticipate and adapt to new legal and stakeholder reporting requirements to capture synergies, leverage current business functions, and implement technology solutions. It integrates sustainability reporting into the organization through building a financial-level discipline to all publicly reported information.

CLARIOS BLUEPRINT 2030



SUSTAINABLE DEVELOPMENT GOALS




OUR SUSTAINABILITY LEADERSHIP

COMMITTED PARTNERS



RECOGNITION WE VALUE





DRIVING INNOVATION AND CIRCULAR ECONOMY LEADERSHIP

DRIVING INNOVATION-SHAPING THE FUTURE OF MOBILITY

The automotive industry is experiencing a fundamental transformation, accelerated by the rise of software-defined vehicles (SDVs) and increased electrical needs. Every modern vehicle—whether internal combustion, hybrid, or fully electric—requires a reliable low-voltage energy system to power essential functions. As vehicles grow more digital and autonomous, low-voltage systems are becoming increasingly critical, enabling safety features like steer-by-wire and brake-by-wire, along with enhanced in-cabin and connectivity experiences.

At Clarios, we're not just delivering today's solutions—we're actively partnering with customers to design and deliver the next generation of low-voltage technologies that support this evolving landscape. Our focus is on advancing performance, enhancing safety, and enabling a more sustainable and electrified future.

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

ELECTRIFICATION

Nearly all automakers are increasing vehicle electrification, empowering them to enhance the driving experience, introducing new functionalities and enabling autonomy.

DIGITALIZATION

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

CIRCULARITY

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

CIRCULAR ECONOMY LEADERSHIP—CIRCULARITY AT SCALE

At Clarios, end-of-life batteries are a critical resource, not waste. We operate one of the world's largest and most successful examples of a circular economy—recycling 8,000 used batteries every hour of every day across our network.

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

Circularity is in our DNA and embedded in our business. It drives our commitment to the safe and responsible management of all batteries,

regardless of chemistry. It is how we evaluate smarter, more sustainable material choices, design new products for durability, and use our expertise to close the loop for next-generation technologies.

8,000

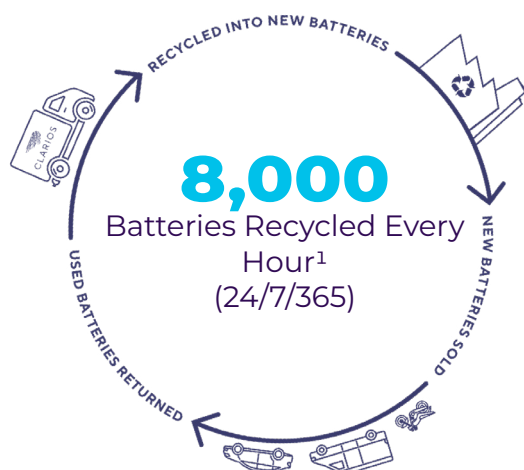
We recycle 8,000 used batteries every hour in our network.

UP TO **99%**

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

<90%

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



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

ENVIRONMENTAL STEWARDSHIP

ENERGY AND GREENHOUSE GAS EMISSIONS

Clarios' circular supply chain plays a critical role in reducing both energy consumption and greenhouse gas (GHG) emissions by prioritizing recycled over virgin materials. Lead-acid batteries are uniquely sustainable, as their two main components—lead and plastic—can be recovered and reused from end-of-life batteries. Recycling lead emits 90% less GHGs than mining and processing primary ore, and using recycled plastic reduces energy consumption by 90% compared to virgin plastic. Additionally, our patented PowerFrame® technology improves manufacturing efficiency, using 20% less energy and generating 20% fewer GHG emissions than traditional methods.

Since 2023, Clarios has operated commensurate to a near-term science-based target and continues to remain committed to tangible emissions reductions. In 2024, our

manufacturing plants in Mexico operated for the entire year 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). Together these activities have contributed to an overall 14% reduction in Scope 2 emissions between FY23 and FY24.

We also closely monitor our energy use and actively deploy energy efficiency measures across our operations. Our “Energy Hunt” program identifies opportunities to improve efficiency in our manufacturing plants through measures like repairing compressed air leaks, implementing heat recovery systems, upgrading lighting, and optimizing process performance.

METRIC	FY22	FY23	FY24
GHG emissions — CO2e Scope 1 (Utilities) ¹	205,899 MT	207,011 MT	223,570 MT
GHG emissions — CO2e Scope 1 (Recycling Processes) ¹	191,293 MT	194,185 MT	197,982 MT
GHG emissions — CO2e Scope 2 ¹	761,354 MT	680,334 MT	588,066 MT
Total energy consumed ¹	10,687,300 GJ (2,968,695 MWh)	10,877,678 GJ (3,021,577 MWh)	11,423,196 GJ (3,173,110 MWh)
Percentage grid electricity			
Percentage renewable	0.11%	0.14%	8.00%
Percentage of plants certified to ISO 50001 ^{1,2}			
Revenue from clean tech projects and products (i.e., fuel efficient or emissions reducing) ³	\$2.8 billion	\$3.4 billion	\$4.0 billion

1. HISTORICAL DATA RESTATED TO REFLECT INCREASED DATA FIDELITY.

2. CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.

3. AGM AND ENHANCED FLOODED BATTERY (EFB) REVENUE.

WASTE

Clarios is committed to ensuring used batteries are responsibly recycled and not left in landfills or abandoned. Lead-acid batteries are designed for recyclability, making them one of the most recycled consumer products globally. Our cradle-to-grave approach minimizes waste, supports material recovery, and complies with environmental and health regulations.

Our circular supply chain begins with the safe collection and transportation of used batteries to our global network of recycling facilities. At these sites, batteries are dismantled into plastic, electrolyte, and lead components. Plastic is cleaned and reused in new battery cases, while electrolyte is treated to recover lead and either neutralized or converted to sodium sulfate. Solid lead is reused in new alloys, and paste-form lead is processed via smelting.

The smelting process uses high temperatures and chemical inputs to produce high-purity lead and a byproduct called slag. While slag is considered non-hazardous in some countries, others—such as Mexico—regulate it as hazardous waste. Although large-scale alternatives to smelting are not yet available, Clarios continues to explore innovative processing options.

Our closed-loop recycling system for lead-acid batteries is among the most efficient in the world, supported by well-established processes, regulatory frameworks, and the high recyclability of lead and polypropylene. As we promote responsible recycling for lead-acid batteries, we are also advancing equivalent systems for lithium, sodium, and other emerging chemistries.

METRIC	FY22	FY23	FY24
Total amount of waste from manufacturing	267,041 MT	272,978 MT	288,894 MT
Percentage of waste generated from manufacturing operations that is hazardous	75%	80%	80%
Waste diverted from landfill	93,873 MT	99,410 MT	111,964 MT
Percentage of waste generated from manufacturing operations that is recycled	35%	35%	38%
Amount of hazardous waste generated	200,465 MT	219,738 MT	231,314 MT
Percentage of hazardous waste recycled	14%	15%	16%
Percentage of plants certified to ISO 14001 ¹	98%	96%	98%
Average recyclability of auto parts sold	100%	100%	100%










1. CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.

WATER

Water used in Clarios operations primarily supports manufacturing processes and is mostly sourced from municipal suppliers. We maintain strict protocols to prevent spills and accidental releases, reflecting our strong global operational standards.

To guide conservation efforts, we reassessed water-related risks at our facilities using the World Resources Institute's Aqueduct™ tool for present-day, 2030, and 2050 scenarios. This analysis helps us understand and address potential future water challenges.

We recycle and reuse water throughout our operations. For instance, closed-loop water recycling systems minimize wastewater by reusing formation bath cooling water in our battery production facilities, and pasting recycling systems retain acid and oxide in a controlled process within our recycling facilities. At our global headquarters, a 114-cubic-meter rooftop cistern captures and reuses rainwater, demonstrating our commitment to sustainable water management.

METRIC	FY22	FY23	FY24
Water consumed ¹	3,240,480 m ³	3,349,426 m ³	3,490,197 m ³
Number of reportable water spills or pollutants	1	0	0
Waster risk percentage (current and projected)	2022: 	2023: 	2024: 
	2030: 	2030: 	2030: 
	2040: 	2050: 	2050: 

1. HISTORICAL DATA RESTATED TO REFLECT INCREASED DATA FIDELITY.

SOCIAL IMPACT

OCCUPATIONAL HEALTH AND SAFETY

At Clarios, we are dedicated to providing a safe and efficient work environment for all employees. Our facilities operate under a comprehensive global Environmental, Health and Safety (EHS) policy, which outlines the operational standards for our workforce, contractors, and visitors. This framework ensures the consistent implementation, documentation, and maintenance of EHS policies, procedures, and data collection, helping drive performance across all locations.

Each Clarios facility is encouraged to achieve excellence through incentive-based performance metrics across a range of health and safety areas. We monitor our Total Recordable Incident Rate (TRIR) in alignment with the U.S. Occupational Safety and Health Administration (OSHA) guidelines, measuring the number of recordable incidents relative to total hours worked.

In May 2019, we expanded our safety focus to include Serious Safety Incidents (SSI), defined as incidents leading to fatalities or permanent disabilities. Building on this, we began implementing Serious Potential Incidents (SPI) as a proactive performance indicator in 2021. SPIs capture events that, under slightly different circumstances, could have resulted in serious harm.

To better prevent high-risk outcomes, we shifted our attention and resources from traditional recordable incidents toward identifying and mitigating high-risk activities. While this strategic pivot has led to a rise in our TRIR, it has also driven a notable reduction in SPI rates through 2024—highlighting the effectiveness of our risk-based approach to safety.



METRIC	FY22	FY23	FY24
Percentage of plants certified to ISO 45001 ¹	98%	94%	96%
Lost time incident rate	0.41	0.66	0.60
Total recordable injury rate	0.85	0.96	0.94
Number of incidents ²	147	165	168
Number of fatalities	0	0	0
Serious potential incident rate	0.12	0.07	0.03

1. CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.
2. CLARIOS DEFINES NUMBER OF INCIDENTS TO BE NUMBER OF INCIDENTS THAT MEET THE OSHA RECORDABLE DEFINITION.

PRODUCT SAFETY AND QUALITY

Clarios is committed to delivering exceptional value to our customers through high-quality, innovative products and services. Our advanced low-voltage battery products are developed and produced to meet the highest standards of quality and provide crucial functionality for vehicles. The Clarios product development and launch process addresses product and process design, quality, and operations. In accordance with ISO 26262, through our functional safety processes we focus on safety critical aspects throughout the product development lifecycle.

Once in production, our products undergo stringent quality control processes. Our manufacturing and distribution facilities meet ISO 9001 or IATF 16949 Quality Management System standards, demonstrating adherence to industry standards and customer needs.

METRIC	FY22	FY23	FY24
Percentage of plants certified to ISO 9001 or IATF 16949 Quality Management Systems ^{1,2}	--		
Number of recalls issued	0	0	0
Total units recalled	0	0	0

1. NEW DATA POINT FOR FY23, HISTORICAL DATA NOT AVAILABLE.

2. CLARIOS IS REVIEWING OPTIONS REGARDING ISO CERTIFICATION BUT CURRENTLY IS NOT CERTIFYING SMALL OPERATIONS.

INCLUSION AND DIVERSITY

Inclusion and diversity are fundamental principles that shape our organizational culture and drive performance across all areas of our business. In 2024, we conducted our first global employee engagement survey to gain deeper insights into our workforce. This initiative provided a more holistic understanding of employee needs throughout the organization.







Our performance strategy is grounded in fostering a workplace where every individual is respected and valued for their unique contributions. We are committed to ensuring that all hiring and promotion decisions are made without bias. As part of this commitment, we continue to educate our leadership teams on the significance of self-awareness and appreciation of individual differences.

To support this, we leverage tools like Insights Discovery, which help us better understand the diverse personalities, communication

styles, and working preferences that make up our global workforce. By recognizing and valuing these differences, we create stronger connections, spark collaboration, and drive more inclusive decision-making. This approach enhances our ability to build high-performing teams that reflect the richness of our global community.

At Clarios, discrimination of any kind—whether based on race, color, religion, national origin, gender, pregnancy, age, disability, sexual orientation, gender identity, marital status, military service, or any other legally protected status—is strictly prohibited.

By embedding inclusion and diversity into our corporate culture, we unlock the full potential of our workforce. This not only enhances individual contributions but also drives collective success—benefiting employees, customers, and investors alike.

METRIC	FY22	FY23	FY24
Percentage of women in positions of senior management (VP) and above	 23%	 23%	 25%
Number of women in positions of senior management (VP) and above	11	11	14
Total number of positions of senior management (VP) and above	47	48	55
Percentage of women on board of directors	 20%	 18%	 18%
Number of women on board of directors	2	2	2
Total number on board of directors	10	11	11

CLARIOS AND WOMEN IN THE GLOBAL BATTERY INDUSTRY

At Clarios, we recognize that diversity is a catalyst for innovation. Our ongoing collaboration with Women in the Global Battery Industry (WGBI) aims to expand the professional networks and capabilities of our female employees. Through educational programs, mentorship, and networking opportunities, Clarios and WGBI foster meaningful professional development.

Clarios is proud to sponsor employee memberships in WGBI. This strategic initiative supports emerging leaders and facilitates their engagement with global energy professionals. The benefits of mentorship are mutual—our senior leaders are actively mentoring early-career women across the industry.



Clarios employees participate actively in WGBI events such as conferences, workshops, and initiatives that promote career advancement and gender equality. Our commitment to empowering women extends beyond the workplace, as we also support scholarships, internships, and STEM programs that inspire women to pursue careers in battery technology.

VETERAN ENGAGEMENT AND MILITARY COMMUNITY SUPPORT

At Clarios, we are proud to support those who have served—and continue to serve—by creating meaningful pathways for veterans, military spouses, and transitioning service members to thrive in civilian careers. Our commitment to the military community reflects our broader values of inclusion, purpose-driven growth, and unlocking human potential.

In 2024, we expanded our Veteran Focus Program in the U.S., launching new initiatives designed to ease the transition from military to civilian life. We also deepened our partnerships with military institutions and veteran-focused organizations, including local bases, technical training centers, and national advocacy groups. These collaborations help us identify top talent, provide hands-on learning experiences, and build a pipeline of skilled, mission-driven professionals.

By honoring the leadership, discipline, and adaptability that veterans bring, we not only strengthen our workforce but also reinforce our commitment to building a more inclusive and sustainable future.

TALENT DEVELOPMENT AND TRAINING

At Clarios, we are committed to powering possibilities by attracting, developing, and retaining top talent. We believe that true success is not only about achieving business goals, but also about connecting individuals to a deeper sense of purpose in their work.

Guided by our core values—Principled, Committed, Customer-Centric, Challenging the Status Quo, and Winning Together—we foster a culture of inclusivity, collaboration, and innovation. This culture enables our people to spark new ideas, drive meaningful change, and grow both personally and professionally.

Through comprehensive talent development initiatives across all levels of the organization, we build capabilities that enable us to consistently deliver value. Our focus areas include talent acquisition, learning and development, performance management, and succession planning.

We align individual aspirations with growth opportunities, creating an environment where

employees can thrive, realize their full potential, and connect their personal purpose with the Clarios mission. We recognize that our success is driven by the dedication, creativity, and contributions of our people. Our performance-based compensation structure further supports our ability to attract, retain, and reward top talent.

We believe that great leadership emerges when individuals grow their personal, functional, and organizational capabilities while living our values. To support this growth, we offer a range of development programs under the umbrella of Clarios for Tomorrow.

This platform represents our commitment to continuous learning and leadership development. It is designed to spark curiosity, connect people and ideas, and drive transformation—empowering individuals to lead themselves, collaborate effectively with others, and contribute to the broader evolution of our business.

METRIC	FY22	FY23	FY24
Percentage of employees completing ethics training ¹	99%	100%	99%

1. BASED ON ONLINE EMPLOYEES

COMMUNITY ENGAGEMENT AND INVESTMENT

At Clarios, we recognize both the responsibility and the opportunity to make a meaningful difference in the communities where we work, live, and play. Our community engagement and investment strategy is centered on three key objectives: protecting children's health and the environment, fostering innovation and entrepreneurship within the circular economy, and building resilient, sustainable communities.

At Clarios, we believe that creating positive social impact goes beyond philanthropy—it is embedded in the way we design our products, operate our business, and engage with our communities. This approach reflects the evolving best practices in corporate social responsibility. We integrate these considerations into our business practices through our products such as AGM batteries and Connected Services for Fleets, which contribute to cleaner, more efficient solutions for our customers. In parallel, cross-functional teams—such as our Young Talent and Sales and Marketing teams—drive initiatives that amplify our social and environmental contributions, aligning our core business objectives with broader societal goals.

Our employees are active participants in this mission, volunteering their time and resources alongside community members and contributing to charitable organizations that align with their values.

With a global footprint, Clarios understands the critical role we play in addressing challenges that affect the broader international community. Through our enterprise-wide commitment to philanthropy, we aim to drive strategic contributions that amplify our impact and create long-term value.

The Clarios Foundation continues to advance its support of UNICEF's Healthy Environments for Healthy Children initiative. In the second year of our four-year pledge, funding from the Clarios Foundation has enabled UNICEF to accelerate its global efforts to improve outcomes for children. The Clarios Foundation has now committed more than \$36 million to UNICEF's Healthy Environments for Healthy Children initiative. This includes a new \$10 million dollar-for-dollar match grant announced on World Children's Day 2024, which will double UNICEF's resources to scale the program.

Our refreshed global charitable giving program approach strengthens Clarios' role as a trusted community partner and advocate for sustainable development in the regions where we operate. As a global company, we combine an overarching corporate social responsibility strategy with regional flexibility, allowing us to be truly responsive to the regional and local needs of our communities and customers.

HUMAN RIGHTS

In addition to advancing responsible sourcing practices, Clarios recognizes the importance of addressing human rights risks as outlined by the United Nations Global Compact (UNGC) and the International Labour Organization (ILO). Our Human Rights Policy is aligned with the UK Modern Slavery Act 2015 and is fully

compliant with the national and local laws of the countries in which we operate.

We are firmly committed to upholding and safeguarding human rights across our global operations and throughout our supply chain. This commitment is reflected in our adherence to the following core principles:

01	We do not engage in child labor, and employ only workers who are at least 16 years old.
02	We prohibit the use of forced, bonded, indentured, or involuntary prison labor.
03	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.
04	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.
05	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.
06	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.
07	We encourage open communication and direct contact between workers and management in situations in which representation and collective bargaining are restricted by law.
08	We maintain workplaces free of physical or mental harassment and abuse.
09	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 certification is focused on human rights standards within the principles of the United Nations Global Compact. 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 us, the principles behind SA8000 are part of our everyday, embedded in our work culture and reflected in our Code of Ethics. Clarios received the first SA8000 certifications in 2020 and has demonstrated progress since then. In 2024, an SA8000 multi-site certification was awarded covering all our Mexico manufacturing facilities, including recycling centers and corporate offices. In the United States, a multi-site certification was received for six manufacturing facilities.

GOVERNANCE AND OVERSIGHT

OUR SUSTAINABILITY DISCIPLINE

The Clarios Sustainability Council is responsible for defining and executing the company's sustainability strategy. Chaired by the Chief Sustainability Officer (CSO), the Council reports directly to the Clarios Executive Leadership Team and the Sustainability and Risk Management Committee of the Board of Directors. Its 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 2024, the Sustainability Program Office rolled out the Extended Financial Reporting strategic initiative, supported by the Sustainability Center of Excellence and a network of designated Workstream Leaders to oversee effective implementation and cross-functional collaboration of reporting efforts.



ENTERPRISE RISK MANAGEMENT

Integrated with strategic planning, compliance, and internal audit, the Clarios Enterprise Risk Management (ERM) framework provides a structured approach for identifying and documenting key risks and opportunities across the organization. This process standardizes risk terminology and reporting, promoting consistency in the analysis and management of enterprise risks.

Oversight of the ERM program is provided by the Sustainability and Risk Management Committee of the Board of Directors, which offers guidance and escalates significant risks to the Executive Committee as needed. Identified risks and associated mitigation plans are reviewed quarterly with company leadership and the Board. In conjunction with ERM, Board meetings regularly feature strategic updates addressing major risks impacting financial forecasts, business operations, and overall performance. These updates are delivered by business unit leaders, the General Counsel, and other senior functional executives.

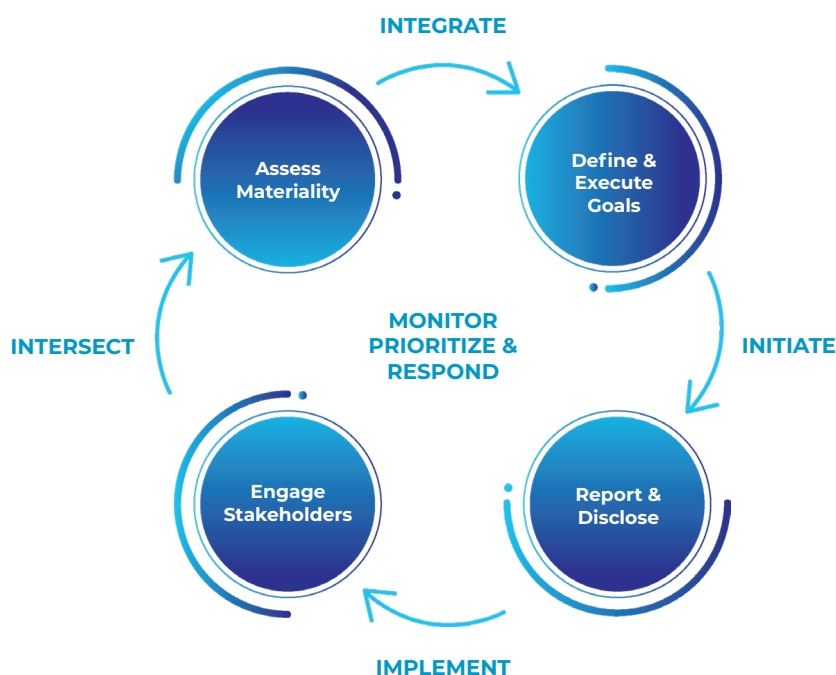
MANAGEMENT DISCIPLINE

Clarios employs a structured sustainability management discipline comprising five core work processes that support the effective implementation of its sustainability strategy—Assess Materiality; Define & Execute Goals; Monitor, Prioritize & Respond; Report & Disclose; Engage Stakeholders.

This framework enables cross-functional teams to launch initiatives, embed sustainability into core business operations, and continuously create value in response to rising regulatory expectations and dynamic market conditions.

Our approach builds on well-established corporate policies and procedures in areas including Ethics and Compliance, Finance, Environmental Health and Safety (EHS), Risk Management, Human Rights and Labor, Quality, Supplier Sustainability, and the integration of sustainability considerations in mergers, divestitures, and other significant organizational changes.

Sustainability Management Discipline



MATERIALITY

This report aligns with the results of our 2022 materiality assessment, which identified key sustainability topics most relevant to Clarios. These topics continue to guide the prioritization of our sustainability strategy, initiatives, and reporting efforts. By evaluating both the financial and non-financial impacts of these sustainability factors, we are well equipped to manage risks and capitalize on opportunities that may influence our business performance, reputation, and future regulatory reporting—both in the short and long term.

Clarios uses a structured process to identify and prioritize the risks and opportunities most likely to affect our business and relationships

with stakeholders. This approach enhances our understanding of stakeholder expectations and needs. The process incorporated industry benchmarking and peer research, built upon insights from previous materiality assessments, and resulted in a refined list of priority topics.

To ensure accuracy and relevance, the draft assessment was reviewed by a diverse group of internal and external stakeholders for validation. The final materiality matrix was formally approved by the Clarios Sustainability Council and Executive Leadership Team and later 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 serves as a foundational framework for the company's global business conduct. It establishes our expectations across a broad range of areas and provides detailed guidance on the behaviors that support Clarios' organizational culture worldwide.

SPEAKING UP AND GETTING HELP	INTELLECTUAL PROPERTY AND COMMERCIAL RIGHTS
HEALTH AND SAFETY	CONFLICTS OF INTEREST
RESPECTFUL TREATMENT, PREVENTING HARASSMENT AND WORKPLACE BULLYING	RECORD KEEPING AND DISCLOSURE
DIVERSITY AND INCLUSION	PHYSICAL PROPERTY AND ASSETS, OUR REPUTATION, AND OUR CONFIDENTIAL AND PROPRIETARY INFORMATION
EQUAL OPPORTUNITY AND PREVENTING DISCRIMINATION	INSIDER TRADING AND SECURITIES MARKET ABUSE
EMPLOYEE DATA PRIVACY	RESPONSIBLE COMMUNICATIONS
PRODUCT QUALITY AND SAFETY	PROCUREMENT
HONEST MARKETING AND SALES PRACTICES	PREVENTING ABUSES IN THE SUPPLY CHAIN
CUSTOMER DATA PRIVACY	SUPPLIER EXPECTATIONS
INTERNATIONAL TRADE COMPLIANCE	SUSTAINABILITY AND ENVIRONMENTAL RESPONSIBILITIES
FAIR COMPETITION AND ANTITRUST	COMMUNITY ENGAGEMENT AND INVESTMENT
RESEARCH INTEGRITY AND ETHICALLY SOURCING COMPETITIVE INTELLIGENCE	POLITICAL ACTIVITY AND LOBBYING
BRIBERY AND OTHER FORMS OF CORRUPTION THIRD-PARTY	

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 issues are escalated by the Chief Ethics & Compliance Officer to the Chief Legal Officer and to the Chair of either the Risk Management Committee or the Audit Committee of the Board of Directors, as appropriate.

All online-based employees are required to complete ethics certification. For employees who are not subject to this certification requirement, such as those working in manufacturing facilities, understanding and awareness of the Code of Ethics is assessed during onboarding and incorporated into their annual performance evaluations.

In 2024, 99% of assigned employees completed the annual training and certification requirements. The company maintains dedicated policies on key compliance areas, including conflicts of interest, anti-bribery and corruption, antitrust, and gifts and entertainment. These policies are subject to regular review and updates under a structured review schedule.

INTEGRITY HELPLINE

Clarios provides a 24-hour Integrity Helpline and an online reporting portal managed by the Ethics & Compliance department. These resources are available to all individuals wishing to report ethics or compliance-related concerns. The helpline, operated by an independent third-party provider, supports 16 languages and permits anonymous reporting.

Reported concerns are directed to the appropriate functional team for thorough review and investigation. Data on reported issues are compiled quarterly, reviewed by the global compliance leadership team, and presented to executive leadership team and the Audit Committee of the Board of Directors.

SUPPLIERS AND VALUE CHAIN

Clarios recognizes the critical role we play in influencing our suppliers and the broader industry to promote the safe and responsible sourcing of raw materials. Our raw materials are procured from a diverse range of global suppliers, with lead, polypropylene, separators, and sulfuric acid being the primary components used in the production of our products. Wherever feasible, we prioritize sourcing materials regionally, close to our manufacturing operations, in order to reduce transportation costs and environmental impact.

We are committed to advancing material stewardship and sustainability across our value chain. This commitment is reflected in our support of initiatives such as the Global Battery Alliance, which advocates for battery materials to be produced, sourced, processed, transported, manufactured, and recycled in a manner that is environmentally responsible, respects human rights, and delivers value to all stakeholders throughout the supply chain.

Clarios has taken a leadership position in establishing a global alliance of international and regional industry associations aimed at enhancing standards in lead battery manufacturing and recycling, including through the Lead Battery 360° initiative.

Furthermore, Clarios expects all suppliers to acknowledge and adhere to our Corporate Social Responsibility (CSR) Code. This Code outlines our expectations in key areas such as human rights, labor standards, environmental stewardship, anti-corruption practices, and conflict minerals sourcing.

CONFLICT MINERALS

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

We require all smelter partners to submit annual Conflict Minerals Reports that comply with RMI standards. We uphold a strict policy of maintaining a traceable, transparent, ethical, and sustainable supply chain and require our suppliers to implement processes that ensure compliance with relevant regulations and standards.

For the 2024 reporting period, Clarios initiated a Reasonable Country of Origin Inquiry by distributing the RMI Conflict Minerals Reporting Template to all smelter partners as part of our due diligence process.

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

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

SASB INDEX

AUTO PARTS SUSTAINABILITY ACCOUNTING INDUSTRY STANDARD (VERSION 2023-12)

METRIC	FY22	FY23	FY24
Total energy consumed ¹	10,687,300 GJ (2,968,695 MWh)	10,877,678 GJ (3,021,577 MWh)	11,423,196 GJ (3,173,110 MWh)
Percentage grid electricity	65%	65%	65%
Percentage renewable	0.11%	0.14%	8.00%
Total amount of waste from manufacturing	267,041 MT	272,978 MT	288,894 MT
Percentage of waste generated from manufacturing operations that is hazardous	75%	80%	80%
Percentage of waste generated from manufacturing operations that is recycled	35%	35%	38%
Number of recalls issued	0	0	0
Total units recalled	0	0	0
Revenue from products designed to increase fuel efficiency or reduce emissions ²	\$2.8 billion	\$3.4 billion	\$4.0 billion
Description of the management of risks associated with the use of critical materials	See Conflict Minerals - Conflict Free in 2022	See Conflict Minerals - Conflict Free in 2023	See Conflict Minerals - Conflict Free in 2024
Percentage of products sold that are recyclable	100%	100%	100%
Percentage of lead from recycled or remanufactured content ³	75%	76%	75%
Percentage of poly from recycled or remanufactured content ⁴	53%	54%	51%
Total amount of monetary losses because of legal proceedings associated with anti-competitive behavior	\$0	\$0	\$0
Number of parts produced ⁵	150,033,180	153,071,150	154,563,685
Weight of parts produced ⁶	2,729,656 MT	2,784,166 MT	2,804,581 MT
Area of manufacturing plants	1,374,355.97 m ²	1,480,576.58 m ²	1,476,370 m ²

1. HISTORICAL DATA RESTATED TO REFLECT INCREASED DATA FIDELITY.

2. AGM AND EFB REVENUE.

3. CALCULATED AS BATTERIES PRODUCED BY CLARIOS.

4. CALCULATED AS POLY COMPONENTS PRODUCED BY CLARIOS.

5. CALCULATED AS NUMBER OF UNITS SOLD.

6. 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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