ENERSYS SUSTAINABILITY REPORT 2021

POWERING THE FUTURE
EVERYWHERE FOR EVERYONE

2021 Goals

In 2021, we set goals to advance our progress in sustainability, reduce our environmental footprint and create a more inclusive and empowering environment for all our employees. We are actively working to expand these goals to other key ESG topics in 2022.

ENERGY INTENSITY

Reduce energy intensity per kWh of storage produced by 25% by 2030 compared to 2020.

WATER INTENSITY

Reduce water intensity per kWh of storage produced by 25% by 2030 compared to 2020.

FEMALE REPRESENTATION

Improve our female representation at the leadership level from 9% in 2021 to 20% in 2025.

MULTICULTURAL TALENT

Increase our multicultural talent representation at the leadership level, in the U.S., from 16% in 2021 to 25% in 2025.

LEADING EMPLOYER

Become recognized by at least 3 global indexes as a leading employer by 2025.

2021 Initiatives

In 2021, EnerSys joined a number of sustainability and social responsibility initiatives to help further progress toward achieving our goals and demonstrating our commitment to being a responsible corporate citizen.

Better Plants® U.S. DEPARTMENT OF ENERGY

ALLIANCE TO SAVE ENERGY using less. doing more.

UN GLOBAL COMPACT CEO WATER MANDATE

CEO ACT!ON FOR DIVERSITY & INCLUSION

CEO Letter

The year 2021 was yet another filled with unprecedented challenges, unforeseen developments and unique opportunities. The COVID-19 pandemic continued to affect the global economy, our supply chains and our daily lives. A multitude of nations faced political unrest, and extreme weather events impacted communities on every continent. As a global society, we are being called upon to find solutions to combat the effects of climate change and protect the equalities and livelihoods of all people around the globe. EnerSys is committed to doing our part to advance solutions that create a more sustainable future for our organization, our stockholders, our customers and the communities where we live and serve.

At our core, EnerSys delivers solutions that meet our customers' most critical energy services and storage challenges. We also enable our customers to reduce their greenhouse gas emissions and provide affordable and reliable access to energy – often referred to as "climate technology." Our products support a wide range of industries and applications, from ensuring the reliability of broadband in rural communities to powering submarines and satellites to the manufacture and distribution of food supplies and critical health infrastructure.

We are keenly aware that there is no single solution to the array of challenges the world faces as we transform our energy production and consumption. Batteries of all chemistries will be a key component to decarbonization globally. As countries and companies set emissions reduction and electrification goals in line with COP26 – the climate conference held in Glasgow, Scotland in November 2021 – EnerSys products will enable them to bridge the gap between their ambitious targets and current infrastructure realities. Energy storage is vital to the global energy transition and the expansion of intermittent renewable power sources like wind and solar. Batteries add resilience and adaptability to the power grid and will be critical to expanding the infrastructure needed for the widespread adoption of electric vehicles.

We recognize that building a sustainable future starts at home. While our products and the services we provide are critical to the low carbon transition, so is reducing the impact of their manufacturing, transporting and distribution. In 2021, we focused on advancing our Environmental, Social and Governance (ESG) initiatives internally to drive down our energy usage, build a more diverse, equitable and inclusive company culture and provide our stockholders with updates on our goals and accomplishments. In fact, our board made improving ESG part of my own goals for the year.

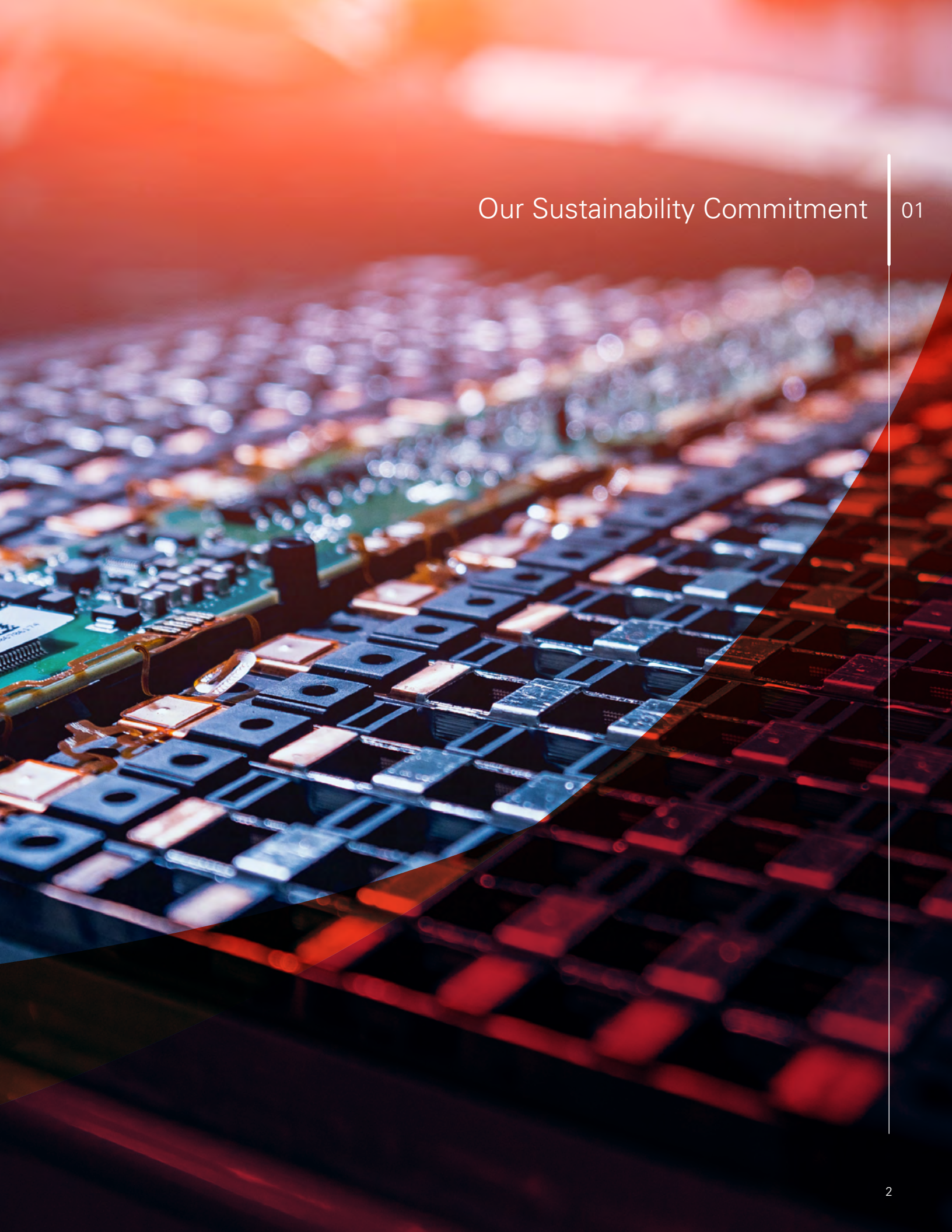
We are the global leader in energy storage solutions. As the world's needs change and society's priorities evolve, we recognize that our ongoing success is by no means certain. We need to remain agile and transform our mindset and business as we help solve the world's most pressing challenges, both new and old.

I genuinely believe we are a better company because of our sustainability initiatives. They push us to be more efficient, develop innovative solutions for our customers and build a stronger, more diverse, appealing and engaging workplace for all of our employees.

I'm proud to share this report of what we accomplished in 2021. We are working daily to meet our environmental and social goals and build a sustainable future – everywhere, for everyone.

Sincerely,

David M. Shaffer
President & CEO



Our Sustainability Commitment 01

About EnerSys

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

1 ENERGY SYSTEMS

Energy Systems includes highly integrated power solutions and services to broadband, telecom, renewable, data center and industrial customers, as well as uninterruptible power systems, or "UPS" applications for mission critical AC and DC power systems for broadband, wireless & wireline telecommunications, utility switchgear, transportation, energy and electrical control & monitoring systems used in a wide range of industrial operations. Other product lines also include environmentally controlled outdoor cabinets and enclosures for electronic equipment and batteries.

2 MOTIVE POWER

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

3 SPECIALTY

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

We are passionate about meeting the growing demand for **energy efficiency, reliability and sustainability solutions** that provide accessible power to people everywhere.

Our portfolio of solutions includes the production and distribution of industrial batteries, complemented by a full range of integrated energy services and solutions. Some of the many recognizable brands that fall under the EnerSys umbrella are showcased on the following page.

OUR MANUFACTURING AND OPERATIONS

OUR PORTFOLIO OF SOLUTIONS

RESERVE POWER

PowerSafe® · data safe® · HAWKER® · genesis® · ODYSSEY® BATTERY · Cyclon®

MOTIVE POWER

IRONCLAD® · NexSys® iON · General Battery® · HAWKER® · FIAMM MOTIVE POWER® · OLDHAM® · Express®

RENEWABLE ENERGY

OutBack POWER™ an EnerSys® company

BROADBAND, NETWORKS & INDUSTRIAL

alpha® · cordex® · ALPHACELL™ · Purcell® SYSTEMS an EnerSys® company

Our Mission, Vision and Values

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

Our **core values** guide how we execute this vision

1 ACCOUNTABILITY

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

2 ENERGY

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

3 TEAMWORK

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

4 CUSTOMER EXPERIENCE

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

5 OPERATING SYSTEM

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

6 SAFETY & OUR ENVIRONMENT

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

Sustainability at EnerSys

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

Sustainability at EnerSys is, however, about more than just the benefits and impacts of our products. Our commitment encompasses essential environmental, social and governance (ESG) issues fundamental to how we manage our own operations.

Minimizing our environmental footprint and providing a safe and inclusive workplace for our employees are top priorities for EnerSys. Being an excellent neighbor and good corporate citizen in the communities where we work and live is extremely important as well. Our products facilitate positive environmental, social and economic impacts around the world.

Our commitment encompasses essential **environmental, social** and **governance (ESG)** topics

1 ENVIRONMENTAL

- Energy & Greenhouse Gas Emissions
- Climate Change
- Water Use & Management
- Waste Reduction and Recycling
- Biodiversity & Habitat Protection

2 SOCIAL

- Workforce Health & Safety
- Diversity, Equity & Inclusion
- Workforce Training & Development
- Community Engagement & Philanthropy

3 GOVERNANCE

- Board of Directors Structure & Diversity
- ESG Oversight & Management
- Enterprise Risk Management
- Supply Chain Management

We are Climate Technology

Our technologies power a more sustainable future. Battery storage and energy systems allow for more effective and rapid decarbonization by connecting when power is made from intermittent renewable sources to when power is needed. This supports global greenhouse gas emissions reduction goals and helps to slow the impacts of climate change. Our technologies also support communities when they need it most by providing reliable and affordable access to energy. EnerSys products are climate technology, and we are energized by the impact they have worldwide.

GRID RESILIENCE & RELIABILITY

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

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

EnerSys provides reliable backup power to cell towers, hospitals, data centers and even reinforces electrical grids. This means that we are vital to the infrastructure that delivers power anytime it is needed, especially when it is needed most. This was particularly apparent during the Texas power outages in February of 2021. Our energy storage products supplied backup power to cell towers, ensuring that vital communications services were uninterrupted throughout the emergency.

We are there when people need us most. During natural disasters, mobile nanogrid trailers equipped with OutBack™ Inverters, photovoltaic panels and energy storage are used to provide emergency power for residents and first responders. Our battery storage products can also help make grids more efficient, reducing the stress and demand during peak generation.

HEALTHCARE

Around the world, physicians and patients rely on EnerSys batteries for critical medical devices because they are safe and reliable sources of power. We provide long-lasting, reliable batteries for life-enhancing medical devices, like spinal cord stimulators and cochlear implants. These devices can, for example, allow a child to hear for the first time. Our batteries also power life-critical diagnostic equipment like mobile defibrillators and maneuverable x-ray machines.

MOBILITY

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

RENEWABLES

For the world to reach net-zero carbon emissions by 2050 and address the worst impacts of the climate crisis, the zero-carbon electricity provided by renewable energy will need to be more accessible and reliable. Electricity can produce zero emissions if it is from a clean and renewable source like wind, hydro or solar power. However, the burning of fossil fuels can never be a zero-carbon energy source, making electrification the key to decarbonization. It is critical to have scalable and distributed energy storage solutions – after all, the sun does not always shine, and the wind does not always blow. At EnerSys, through both our current portfolio and our ongoing work developing solutions to these challenges, we are driven to provide solutions to advance and accelerate the viability of a low-carbon economy. Our products provide the storage solutions needed to maximize the reliability of energy generated from renewable sources, even during peak demand.

Our batteries and energy storage solutions also help our customers achieve their carbon reduction and renewable energy goals. In fact, more than 20 of our top customers have committed to RE100, a global corporate renewable energy initiative bringing together the world's most influential businesses committed to 100% renewable energy. We are proud to support the ambitious goals of our customers and are evaluating opportunities for our business as well.

United Nations Global Compact

The United Nations Global Compact (UNGC) is a call to companies to align their business strategies and operations with ten universal principles on human rights, labor, the environment and more, and to take actions to advance societal goals. Currently, more than 14,000 companies in 160 countries participate in the Compact, including EnerSys.

EnerSys is proud to be a recently approved member of the UNGC, and we view this as a crucial milestone in advancing our sustainability efforts. We support the ten UNGC principles, as well as the seventeen U.N. Sustainable Development Goals (SDGs) that are fully aligned with EnerSys core values. We aim to leverage the UNGC and the SDGs to further the transition to a low-carbon, clean energy future everywhere, for everyone.

HUMAN RIGHTS PRINCIPLES 1-2

LABOUR PRINCIPLES 3-6

ENVIRONMENT PRINCIPLES 7-9

ANTI-CORRUPTION PRINCIPLE 10

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member states in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and for future generations. At the core of this agenda are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all developed and developing countries in a global partnership to tackle climate change, end poverty, improve health and education, reduce inequalities and spur economic growth.

EnerSys supports the SDGs and is committed to utilizing our products, operations, community outreach and workplace to contribute to the extent possible. We are able and committed to positively impacting the SDGs through actions that will make the world a better place. We believe the following are the top three SDGs on which we have the most impact:

SDG 7: Affordable and Clean Energy
SDG 10: Reduced Inequalities
SDG 13: Climate Action

Throughout this report, we highlight the EnerSys programs, products and initiatives that further global progress toward these SDGs and are recognizing contributions and implementing change to help ease the world's most pressing challenges.

Trade Associations

EnerSys proudly belongs to a number of trade associations at the global, national and regional levels. These associations inform our best practices, connect us with industry partners and usually, though not always, share our sustainability visions. Below is a sample of the major trade associations that we engage with across the globe.

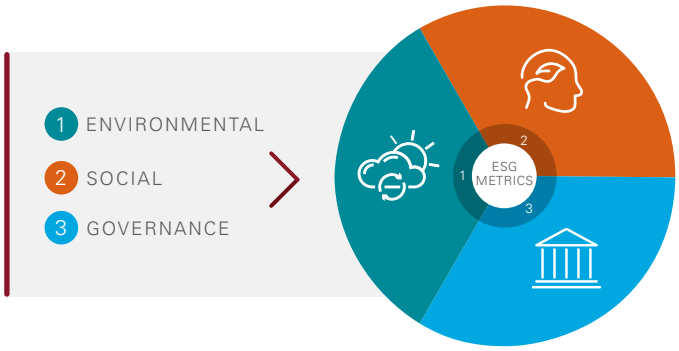
Our Sustainability Journey 02

Our First Full Sustainability Report

In July 2021, we published an initial Sustainability Update to highlight our policy initiatives and progress. Since then, we have made tremendous strides to gather the data and additional information needed to create our first full-length Sustainability Report. We understand that robust sustainability disclosure is a crucial step in ensuring accountability and maintaining and reinforcing our corporate reputation. This report showcases our past and current progress and provides insight into our baseline sustainability performance, the progress we have achieved, our goals for the future and the steps we plan to take to achieve them.

STAKEHOLDER EXPECTATIONS AND ENGAGEMENT

Our customers and partners are stepping up their sustainability commitments and voicing their expectations to see their suppliers do the same. These expectations stem from the increasing pressure from customers, investors, employees, regulators and other stakeholders, as well as the recognition that companies have an obligation to operate responsibly. We know our products and services help our customers meet their sustainability goals, and we want to ensure that our own operations align with these goals as well. Our efforts include accurately disclosing our impacts, implementing ongoing measures to mitigate them and positioning EnerSys as a sustainability partner for all with whom we do business.



Investors also increasingly see companies that perform well on Environmental, Social and Governance (ESG) metrics as well-managed and better prepared for future operational, financial and regulatory developments, as well as the short and long-term challenges related to climate change and the global transition to a low-carbon economy.

"While a commitment to responsible business practices has always been a hallmark of the way EnerSys does business, our investors, customers and other stakeholders are paying increasing attention to important ESG topics. We believe ESG can and should be a strategic opportunity for EnerSys, and we, therefore, aim to meet and exceed these expectations. EnerSys clearly understands that improving ESG performance is good for business performance."

Arthur T. Katsaros
Non-Executive Chairman of the Board of Directors

"We know that strong ESG performance underpins strong financial performance. The financial community is increasingly looking to these metrics. EnerSys is committed to meeting or exceeding the expectations of our stakeholders. What gets measured gets managed, and we are tracking key performance indicators to drive our continuous improvement."

Andrea J. Funk
Executive Vice President & Chief Financial Officer

Regulators around the world are also looking at new corporate requirements around ESG. As an NYSE-listed company, EnerSys complies with all corresponding requirements of the U.S. Securities and Exchange Commission (SEC). The SEC announced plans to propose rules in 2022 for mandatory climate change and human capital management disclosure for public companies. EnerSys understands the importance of these issues and is preparing accordingly.

We also recognize that employees care deeply about the practices of their employers. Our ability to attract and retain top talent means aligning with their values and listening to their concerns around ESG topics. We must do the same for the families, friends and neighbors of the communities where we live and work.

EnerSys will remain proactive and disclose our progress and performance in the ESG areas most material to our business. This reinforces our firm commitment to sustainability to our stakeholders and ensures we have robust processes in place prior to any regulatory reporting requirements.

Preparing EnerSys for these challenges is critical to meeting stakeholder expectations and ensuring that we can continue to provide essential climate technology for decades to come.

REPORTING FRAMEWORKS

Sustainability reporting is only valuable when it is accurate, consistent and comparable for the relevant stakeholders. To facilitate this, we informed this disclosure using the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards and recommendations.[1] As two of the most commonly used sustainability reporting frameworks, our stakeholders will be able to compare our performance disclosed in this report across our industry and beyond. This report also identifies how EnerSys supports and impacts the United Nations Sustainable Development Goals.

We will also be publishing a report aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations later in 2022 to demonstrate our climate risk evaluation, strategies and preparedness.

[1] SASB is overseen by the Value Reporting Foundation.

Our Sustainability Legacy

OUR EVOLUTION

1991 Acquisition of Exide industrial business by Yuasa Corp. to form Yuasa-Exide Inc. (renamed Yuasa Inc. in 1998)

2000 Morgan Stanley Capital Partners/Mgmt acquires Yuasa Inc. (Net sales = $400 million)

2001 Yuasa, Inc. changes name to EnerSys

2002 EnerSys acquires Energy Storage Group from Invensys (Net sales = $570 million)

2004 EnerSys completes IPO

2005 EnerSys acquires Fiamm Motive Power business (Net sales = $90 million)

2005 EnerSys acquires GAZ, Modular Energy, ATK

2006 and CFT businesses

2007 EnerSys acquires Leclanché and Energia

2008 EnerSys forms joint venture in Tunisia

2009 EnerSys acquires Keystone and Oerlikon battery businesses and invests in Altergy Systems

2010 EnerSys acquires Douglas industrial battery and Allen Energy businesses

2011 EnerSys acquires ABSL

2013 EnerSys acquires Purcell and Quallion

2014 EnerSys acquires UTS

2015 EnerSys acquires ICS

2016 EnerSys acquires Enser

2018 EnerSys acquires the Alpha Technologies Group

2019 EnerSys acquires NorthStar Battery Company

SPOTLIGHT: SUSTAINABILITY IS WHO WE ARE

In recognition of our commitment to superior environmental stewardship, EnerSys brand, Hawker Powersource, received the Chattanooga Regional Manufacturers Association (CRMA) 2021 Manufacturers Excellence Award for Energy/Environment.

CRMA evaluated regional manufacturer applicants one to five (with five being the superior rating) on the following criteria:

1. Displays evidence of a solid environmental program with improvement as a target, including written environmental policy
2. Displays evidence of recycling program & waste reduction practices
3. Displays evidence of energy reduction process improvements, including goals and initiatives
4. Displays evidence of energy management strategy to increase overall efficiency
5. Employee engagement (related to Energy & Environmental practices)

(Left to right) Zachary Brueggemann, *EnerSys Intern*; Troy Baxter, *EnerSys Plant Manager*; Megan King, *President and CEO of CRMA*

Goal Setting and Materiality

Because we understand that what gets measured gets managed, we are working to align our operations with investor, customer and other stakeholder sustainability expectations. We view this as our Core Values in action, as it is the right thing to do for our business, environment, people and communities. In 2021, we conducted a materiality analysis and began developing forward-looking sustainability goals. We continue to analyze our operations, governance, customer expectations and supply chain performance to better understand our sustainability impacts and opportunities.

We engaged internal and external stakeholders to understand the specific sustainability issues that are both important and most manageable for EnerSys. We strengthened our internal governance and sustainability management team across our enterprise, as described in the Sustainability Oversight section of this report. We created an executive steering committee to oversee the integration of sustainability throughout our business and are leveraging this committee to ensure senior executive support, alignment and ongoing strategic direction..

SUSTAINABILITY MATERIALITY ASSESSMENT

Earlier in 2021, we assessed our most salient ESG risks and opportunities. Using SASB and other internationally recognized sustainability reporting frameworks, we identified the most important sustainability topics to EnerSys from that point of view. We also conducted multiple interviews to understand and integrate key stakeholder perspectives. Based on these risk identification processes, we have confirmed **nine topics** that currently constitute the highest sustainability priorities for EnerSys[2].

1. CLIMATE CHANGE
2. CUSTOMER USE OF PRODUCTS
3. DIVERSITY, EQUITY & INCLUSION (DEI)
4. ENERGY MANAGEMENT
5. MATERIALS SOURCING
6. PRODUCT EFFICIENCY
7. PRODUCT END-OF-LIFE (USE) MANAGEMENT
8. TALENT ATTRACTION & RETENTION
9. WORKFORCE HEALTH & SAFETY

[2] Material topics are listed alphabetically.

ESG RISKS AND OPPORTUNITIES

1 CLIMATE CHANGE

Climate change has the potential to disrupt the global economy. We work to address the potential negative impacts of climate change on our business while providing products that can help mitigate the effects associated with climate change.

2 CUSTOMER USE OF PRODUCTS

Our customers demand reliable products that address their sustainability goals and enhance resiliency. They rely on EnerSys to provide efficient, effective and innovative products to meet their needs in addressing important challenges in motive, medical, scientific exploration and energy distribution applications.

3 DIVERSITY, EQUITY & INCLUSION (DEI)

Building an inclusive, diverse, and equitable workforce is a priority for our business. By enhancing our focus on DEI, we improve our workforce engagement and ultimately the products and services we provide to our customers.

4 ENERGY MANAGEMENT

Energy management is the core of our business. We seek to use energy efficiently and to decarbonize our operational energy use to deliver the best energy solutions to our customers.

5 MATERIALS SOURCING

Manufacturing our products requires critical materials. Limited supply, as well as concentration of these materials in countries subject to geopolitical risk, exposes us to supply chain disruptions, price volatility and possible human rights or environmental risks. Global events, like the COVID-19 pandemic, impact supply chains as well. EnerSys has policies in place to manage these impacts throughout our supply chain.

6 PRODUCT EFFICIENCY

Our customers seek energy solutions to ensure reliable, consistent, low-carbon solutions for their operations. With growing customer demand for better energy storage solutions as well as increasing competition in the energy storage market, we must strive to achieve technological advances to make our products the most efficient in the market.

7 PRODUCT END-OF-LIFE (USE) MANAGEMENT

As battery use increases, more products will reach their end of life cycle. Lead batteries are one of the best circular economy examples, with over 99% being recycled. EnerSys battery recycling programs and consumer education efforts aim to reduce our products' end of use impacts. We continue to look for ways to enhance and implement circular economy principles for all battery chemistries.

8 TALENT ATTRACTION & RETENTION

Maintaining a workforce of talented, diverse, driven employees dedicated to our mission drives the success of our business. We aim to provide our employees with competitive pay and benefits, equitable development opportunities, and a safe, engaging workplace to maintain our high-quality outputs.

9 WORKFORCE HEALTH & SAFETY

Ensuring the safety of our employees is critical to our ability to deliver reliable, quality products to our customers. We meet or exceed all applicable safety and health requirements.

Sustainability Goals

In 2021, we set material, measurable goals to advance our progress and reduce our environmental footprint. These goals communicate our commitment to sustainability and empower our employees to develop innovative projects to achieve these goals. We are actively working on expanding these goals to other key ESG topics in 2022.

1 CLIMATE

We are working to establish a robust, ambitious and measurable climate goal aligned with key customer, investor and other stakeholder expectations in 2022.

2 ENERGY

Reduce energy intensity per kWh of storage produced by 25% by 2030 compared to 2020.

3 WATER

Reduce water intensity per kWh of storage produced by 25% by 2030 compared to 2020.

4 WASTE

We are working to establish a robust, ambitious and measurable waste goal aligned with key customer, investor and other stakeholder expectations in 2022.

5 PRODUCTS

We are working to establish a robust, ambitious and measurable goal around our products' sustainability in 2022.

6 FEMALE REPRESENTATION

Improve our female representation at the leadership level from 9% in 2021 to 20% in 2025.

7 MULTICULTURAL TALENT

Improve our representation of multicultural talent in the U.S. at the leadership level from 16% in 2021 to 25% in 2025.

8 LEADING EMPLOYER

Become recognized by up to 3 global indexes as a leading employer by 2025.

Sustainability Initiatives

As part of our growing sustainability commitment, in 2021, EnerSys joined the following initiatives:

U.N. CEO Water Mandate is a CEO-led commitment platform for business leaders and learners to advance water stewardship and reduce water stress worldwide by 2050.

Committed companies identify and reduce critical water risks to their businesses, seize water-related opportunities and contribute to water security and the U.N. Sustainable Development Goals. As of 2022, the Mandate has been endorsed by more than 200 companies from various industry sectors and regions worldwide.

Endorsing companies commit to action across **six key elements** and report annually on progress:

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

Founded in 1977 by two U.S. senators who recognized the enormous opportunity of energy efficiency, the Alliance to Save Energy is a bipartisan, nonprofit coalition of business, government, environmental and consumer leaders advocating to advance federal energy efficiency policy.

As part of the Alliance to Save Energy, EnerSys is committed to advocating for federal policies that accelerate energy efficiency across industries and sectors.

The U.S. Department of Energy's (DOE) Better Plants Program (BBP) helps leading manufacturers boost their resilience and economic competitiveness by supporting improvements in energy efficiency.

As part of the BPP, EnerSys has committed to reducing our energy intensity by 25% over the next 10 years with 2020 as our baseline year.[3]

[3] EnerSys has strategically selected eight manufacturing sites to be included as part of this goal.

CEO ACT!ON FOR DIVERSITY & INCLUSION

EnerSys is proud to be a part of the CEO Action for Diversity & Inclusion, a collaborative of nearly 2,000 CEOs from the world's leading companies and organizations committed to advancing diversity and inclusion within the workforce. The organization was founded on the belief that diversity, equity and inclusion is a societal issue, not a competitive one, and that CEOs and the business community need to collaborate to drive change.

Member companies agree to take action to create workplace environments where diverse experiences and perspectives are welcomed and where employees feel safe, comfortable and empowered to discuss diversity and inclusion.

All signatories are leaders of their companies who agree to implement the pledge and support other companies in doing the same.

Policies

Our sustainability policies govern our commitment to excellence in managing ESG topics both in our own operations and our supply chain. Each employee and operating unit across the organization, as well as our vendors and suppliers, is held to these standards, and compliance is overseen by the Board of Directors and senior executive team. These policies guide our strategy and programs for continuously monitoring and improving our performance. Policies are reviewed at least annually by the responsible subject matter experts and updated as needed. The policies can be found on our website:

- Anti-slavery & Human Trafficking Statement
- Biodiversity & Critical Habitats Policy
- Climate Change Policy
- Code of Business Conduct & Ethics
- Conflict Minerals Policy
- Conflict Minerals Reports
- Corporate Social Responsibility & Human Rights Policy
- Environmental Policy
- Safety & Health Policy
- Workplace Labor Rights Policy

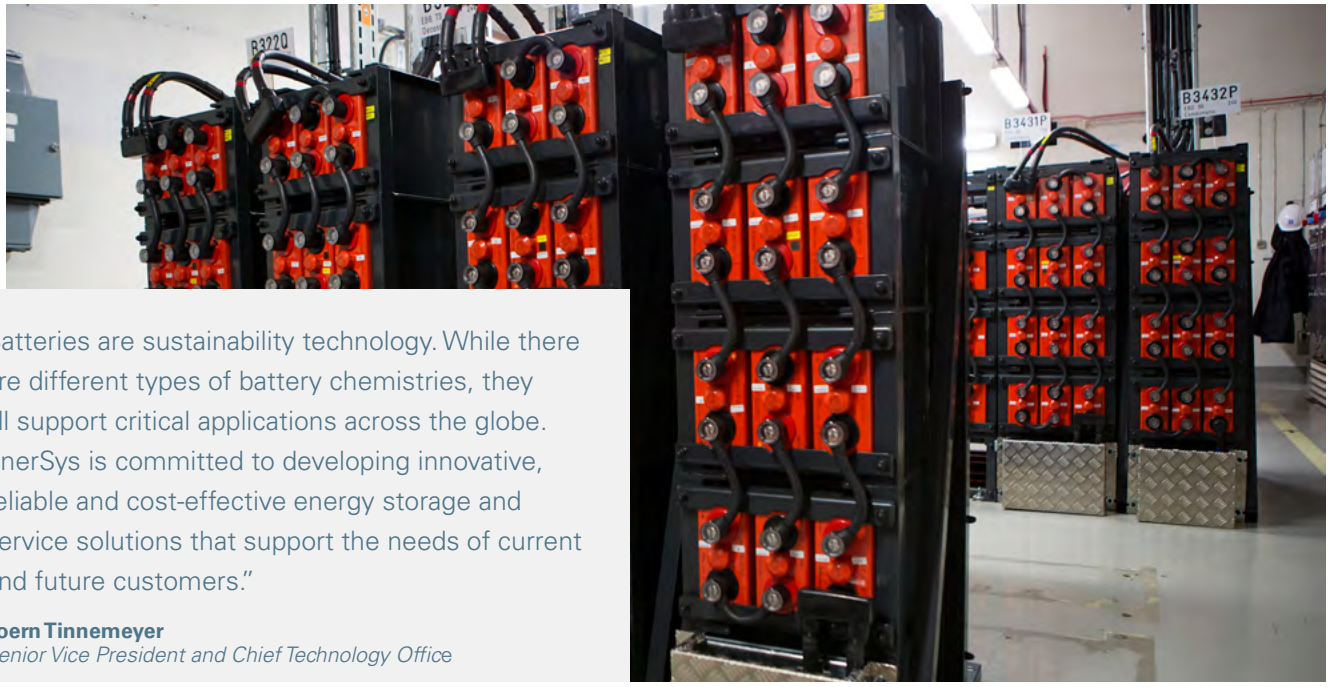
Our Products & Services 03

The Role of Energy Storage

Batteries and energy storage solutions have been a vital part of ensuring safe, affordable and reliable energy worldwide for well over a century. Batteries are now ubiquitous in modern-day life, from providing the initial energy required to start internal combustion engine (ICE) vehicles to powering passenger and industrial electric vehicles (EVs) to providing critical backup power for the electricity grid, telecommunications, disaster relief and healthcare facilities.

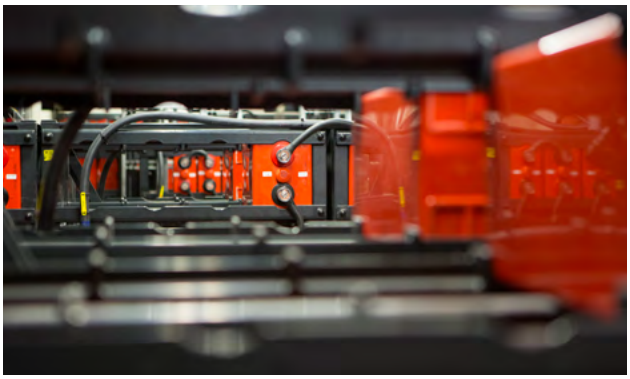
Stationary batteries can be deployed at critical locations and provide utilities with the adaptability they need to meet the world's growing power demands and provide reliable electricity whenever it is needed, wherever it is needed. When excess electricity is produced – for instance, by wind turbines at night – batteries store that green electricity to be used at a later time. Energy storage solutions eliminate the need to curtail renewable electricity generation where there is insufficient demand and reduce the amount of variability on the power grid. As countries, companies and communities set climate targets to increase their renewable energy usage, batteries will bridge that gap between strained electricity grids and meeting their goals.

Automotive batteries for electric transportation and motive power batteries for industrial electric vehicles also support emission reductions. Batteries are dramatically changing the transport sector as pressure to transition from ICE vehicles to hybrids and EVs increases. Energy storage solutions support decarbonization goals in transportation and industrial sectors by eliminating the emissions produced by combustion engines, especially if the batteries are charged by renewable electric sources. Stationary batteries can also expand the availability of EV charging, especially in rural areas where the infrastructure doesn't currently exist.



"Batteries are sustainability technology. While there are different types of battery chemistries, they all support critical applications across the globe. EnerSys is committed to developing innovative, reliable and cost-effective energy storage and service solutions that support the needs of current and future customers."

Joern Tinnemeyer
Senior Vice President and Chief Technology Office



LEAD BATTERIES

Lead battery technology is tried and true and has been around for over a century. Lead batteries are particularly advantageous for short bursts of electricity required to cold crank engines. Unlike other technologies, lead batteries are rated for high altitude. Their weight provides ballast when needed, and they are also often the most cost-effective compared to other energy storage technologies. Most impressively, lead batteries have a well-established, closed-loop recycling economy that spans the globe. EnerSys is a leader in this space – for more information about our role in lead recycling, please visit the End of Use Management section of this report.

LITHIUM-ION BATTERIES

Lithium-ion Batteries (LiBs) are a relatively new technology, first introduced into the market in the 1990s. There are different types of LiBs, including Lithium Iron Phosphate (LIP), Lithium Cobalt Oxide (LCO), Lithium Manganese Oxide (LMO) and Lithium Nickel Manganese Cobalt Oxide (NMC). Each battery type has specific energy, life cycle and application advantages. Lithium chemistry technologies are now the dominant battery system for portable applications, especially electric vehicles (EVs). LiBs have a higher energy density than most other chemistries, including lead-acid batteries, meaning that they can store more energy compared to other batteries of the same size. They are also lighter in weight than lead batteries with the same capacity, making them ideal for EVs. Additionally, lithium batteries can be cycled more often and more deeply on a given charge, enabling longer use before a recharge and a greater overall lifespan. However, LiB technology faces challenges, including responsible end-of-use processes, as they do not yet have the same circular life cycle infrastructure as lead batteries. EnerSys is working diligently, along with industry groups and other affected companies, to support the development of this infrastructure. For more information about our partnerships, please visit the End of Use Management section of this report.

Our Industries

AEROSPACE & SPECIALTY

Our batteries support critical applications not just on land but also in the air and even outer space. Readiness, resilience and reliability – that's what EnerSys batteries are known for in the Aerospace & Specialty industry.

CABLE BROADBAND

Reliable, high-speed network access is a necessity for people, communities and industry worldwide to keep modern life moving. Our integrated network ecosystem solutions provide consistent power and access, which is why EnerSys is the provider of choice for Cable Broadband.

COMMUNICATION NETWORKS

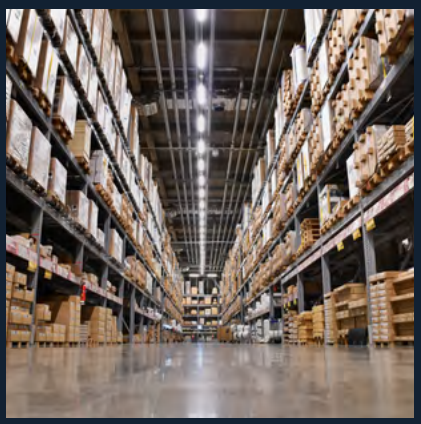
Bandwidth demands are expanding rapidly, and the energy infrastructure needed to support them must keep up. At EnerSys, we focus on the entire power ecosystem, creating custom solutions for our clients' Communication Networks.

DATA CENTERS

The world relies on constant access to data to stay online. Power outages can have huge ramifications, which is why our batteries designed for Uninterruptible Power Supplies (UPS) are critical for Data Centers.

INDUSTRIAL POWER & UTILITIES

The power industry operates 24/7 to keep industry and innovation running. Our energy storage solutions couple with advanced Industrial Power systems to ensure that power outages don't stop critical equipment.



LOGISTICS & WAREHOUSING

Moving essential goods and materials for industries keeps supply chains moving so products can get to their end destinations faster and safer. Whether it's supporting industrial operations, warehousing and transportation or floor care, EnerSys batteries keep mobility vehicles moving, which is why our products are industry – leading in Logistics & Warehousing.

MEDICAL

Our Quallion Lithium-ion batteries power external medical equipment and implantable medical devices that change lives. These devices require reliable power to maintain patients' health and quality of life, which is why EnerSys is the premier energy source in the Medical field.

THE POWER OF 5G

The 5G revolution requires a variety of network solutions, from macrocells and small cells to private networks and mobile core and edge computing. These high-speed networks require consistent power to run, and EnerSys drives The Power of 5G.

RENEWABLE ENERGY

The expansion of renewable energy needed to fuel the low-carbon transition will require flexible, battery-based solutions. Our grid-interactive and off-grid applications provide those capabilities, making EnerSys a premier partner for Renewable Energy.

SAFETY & SECURITY

Dependable storage solutions are required to keep critical safety, security, surveillance and communications systems running when the power goes out. Our products maintain peace of mind by powering Safety & Security systems at home, at work and on the go.

TRANSPORTATION

Modern vehicles, rail and marine transportation require reliable and modern solutions to keep the world moving. Our innovative batteries have been powering personal, industrial and public Transportation for decades.

Our Businesses

EnerSys products are sustainability products. Our energy storage and energy systems enable customers across the globe to meet their energy and carbon emission reduction goals while providing reliable and affordable energy access. In 2021, EnerSys produced more than 13 GWh of energy storage capacity, which is used to ensure safe, affordable, clean power for industries and people worldwide.

Our customers rely on EnerSys to provide reliable and resilient products for critical applications when the stakes are high. We invest significant resources into research and development and testing and certification to ensure that our products remain safe for our customers and consumers, no matter what. In 2021, this totaled over $3.8 million towards research and development. Our continuous improvement commitment means constantly innovating, enhancing safety, improving performance and developing new technologies.

We pursue quality management system certifications for the industries we operate in, including the AS9100 for aerospace, the ISO 13485 for medical devices, the ISO 26262 for LiBs in Motive Power applications and the TL9000 certification for telecom devices.

03

"Ed led STEP through complicated technical issues that allowed ATIS to publish a consensus document supported by the participants. The document allows ATIS client companies to have access to the latest in requirements to deploy a new power architecture to facilitate deployment of 5G systems. Thank you, Ed, for a job well done!"

Susan M. Miller, *ATIS President & CEO*

RECOGNIZING INNOVATION
ATIS ACHIEVEMENT AWARD

At EnerSys, we strongly encourage and support employee participation in collaborative organizations and use their expertise to advance research and development in the industries we serve. In 2021, the Alliance for Telecommunications Industry Solutions (ATIS) recognized EnerSys Senior Technical Advisor, Power Solutions, Ed Badon Jr., for his outstanding contributions to the development of "ATIS-0600040 ATIS Technical Report on Fault Managed Power Distribution Technologies – Human Contact Fault Analysis". An important component of this report is criteria that define a human body resistance model representing a vast majority of the population under a wide range of conditions. This lifesaving research and technology will allow fault-managed power systems, a relatively new technology used in powering 5G small cells and renewable energy, to digitally monitor for resistance in the system that indicates potential human contact and shut it down. This innovation can help prevent possible injury or even loss of life and allow for the safe expansion of renewable power and storage levels. Ed served as a technical editor for this groundbreaking document, published by the ATIS Energy and Protection (STEP) committee and will impact the National Electric Safety Code (NESC).

More than 20 of our top customers have committed to RE100, a 100% renewable energy initiative.

ENERGY SYSTEMS

Our Energy Systems business provides primary and backup power for major industrial segments across the globe, including Telecom, Broadband, Industrial, Renewable and Data Centers. Our products and service solutions ensure that modern life keeps moving, whether the power is out or not.

Our products operate on **every continent,** even Antarctica, where our OutBack systems power critical weather and data monitoring equipment.

Efficient, high-performance power and battery technologies allow swappable battery modules to replace traditional generators, which are typically powered by fossil fuels. This provides more efficient – and more sustainable – solutions to our customers. We work every day in Energy Systems with telecommunications, data centers, health systems and other commercial clients to provide power conversion and energy storage solutions that ensure that reliable power remains available in a more quantifiably sustainable way than backup power generators.

Generators are traditionally powered by diesel, natural gas or liquid propane and can continue to run as long as they receive a constant fuel supply. In contrast, backup battery systems run on electricity and can be charged in various ways, including from the grid, solar panels or other renewable energy sources. Our Energy Systems business manufactures and distributes:

- Energy Storage/batteries
- Power Conversion
- Premium Enclosures
- Power and Battery accessories

Energy Systems works closely with customers to support the expansion of their renewable energy usage as well. For the world to reach net-zero carbon emissions by 2050 and address the worst impacts of the climate crisis, the zero-carbon electricity provided by renewable energy will need to be more accessible and reliable. For this to happen, it is critical to have scalable and distributed energy storage solutions. Through both our current portfolio and our ongoing work developing new solutions, we aim to advance and accelerate the transition to a low-carbon economy. Our products provide the storage solutions needed to maximize the reliability of renewable energy generation, especially during peak demand.

"In the last year, we have seen tremendous progress in our sustainability awareness and initiatives at EnerSys. This is critical to how we do business in **Energy Systems**, as our customers have high expectations and strong sustainability programs in their own companies. Our culture is always customer-first – how can we understand and meet their needs to provide the best, most reliable solutions possible. Now it's also – how can we help drive their progress towards their sustainability goals through both our solutions and reducing our own footprint."

Drew M. Zogby, *President, Energy Systems*

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

MOTIVE POWER

The EnerSys line of Motive Power batteries is extensive, with innovative products spanning a variety of battery chemistries for every budget application. Our batteries are used primarily in electric forklift trucks and other commercial electric vehicles.

Almost 65% of the forklifts manufactured today are powered by batteries. From Flooded Lead Acid (FLA) batteries to virtually maintenance-free Thin Plate Pure Lead (TPPL) and now Lithium-ion batteries as well, EnerSys can supply solutions for the unique needs of our customers. Our world-class Ensite software allows current and potential customers to make confident, data-driven decisions regarding what power solution is best for their fleet.[4] This software compares multiple battery chemistries and helps identify the lowest Total Cost of Ownership (TCO) solution tailored to their application. Our premier data reporting systems also record and analyze vital data during operation to make sure operators are meeting their productivity and profitability goals.

Powering forklifts and other industrial vehicles electrically with batteries has numerous advantages over traditional fossil fuel sources. They emit no greenhouse gas (GHG) emissions at the vehicles, and the emissions from the electricity used to power them are significantly less than from propane or even hydrogen-powered forklifts based on the average U.S. power grid makeup. If the forklifts are charged by renewable energy sources, then the reduction in GHG emissions is even more significant. This is a lower carbon option for our customers to power their material handling needs, supporting their sustainability efforts and goals.

The benefits of our products go beyond just greenhouse gas emissions and energy. Our next-generation TPPL batteries reduce our customers' water use as well, displacing as much as 50 liters of distilled water per week. This saves our customers time, water costs and often energy costs for water distillation. TPPL also provides charging efficiencies, with full fast charging in less than two hours. This allows our customers to reduce their electricity usage, maintenance and energy costs and ultimately lower their emissions.

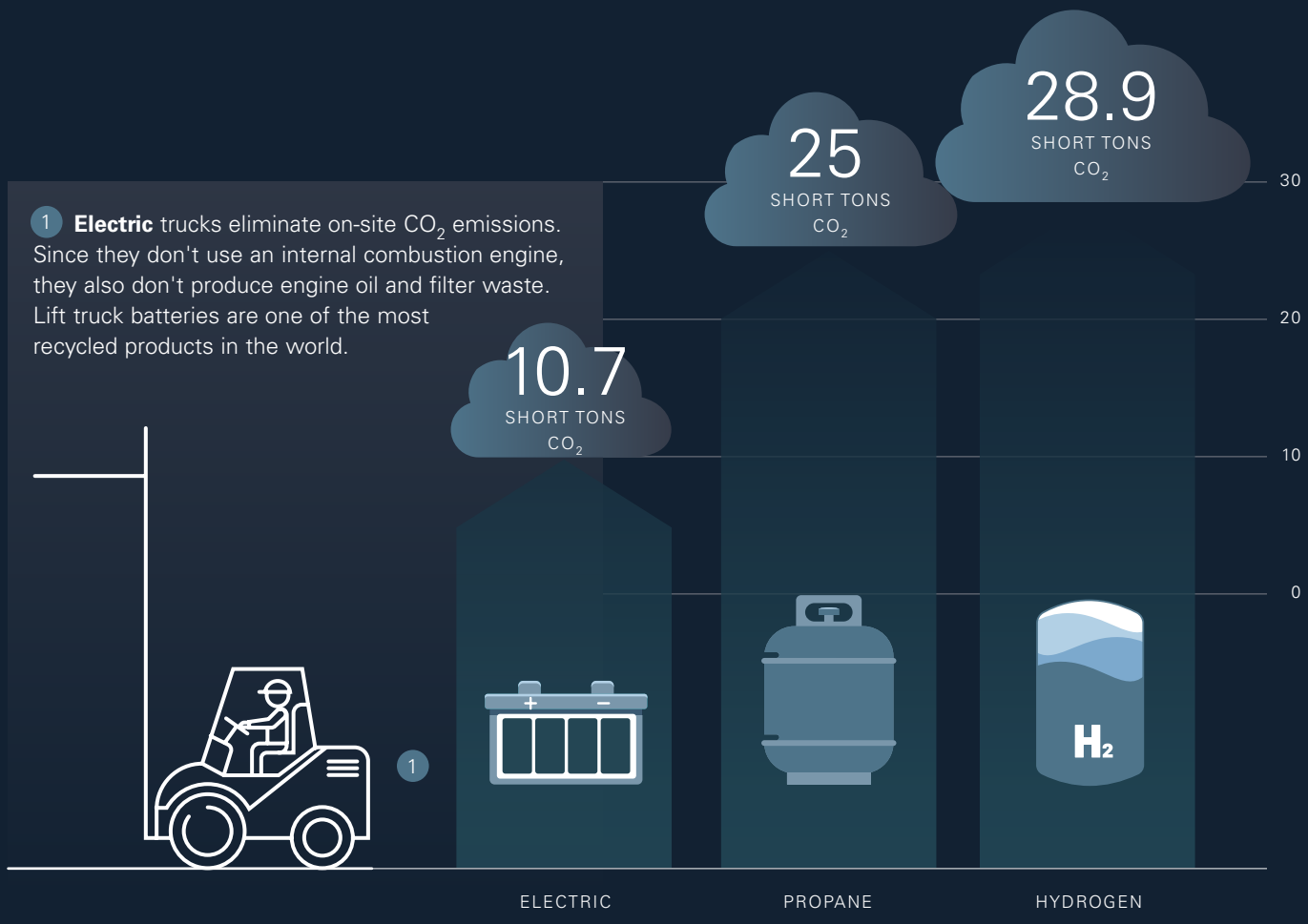
Finally, in addition to improving our customers' environmental performance, EnerSys Motive power batteries can also save money by offering reduced operating and maintenance costs compared to traditional forklift fuel sources. ICE vehicles require regular maintenance to keep their engines and mechanical parts working over the vehicle's lifetime – our batteries, especially LiBs and TPPL batteries, eliminate the need for that. This can significantly reduce an operator's maintenance capital budget, which allows them to focus their money on their operations and sustainability programs.

"EnerSys is a sustainability technology company with a clear place in the clean energy future. Our batteries have been changing the landscape of **Motive Power** for decades, making material handling greener and more cost-effective for our customers. As companies continue to set goals to reduce the greenhouse gas emissions and energy usage for mobility in their operations, our products and services will continue to provide the solutions to keep them moving forward."

Shawn M. O'Connell, *President, Motive Power*

[4] As of the publication of this report, this applies to customers in our EMEA and APAC markets.

Lift trucks powered by EnerSys batteries produce lower greenhouse gases (GHG) than lift trucks powered by other fuels.



1 **Electric** trucks eliminate on-site CO_2 emissions. Since they don't use an internal combustion engine, they also don't produce engine oil and filter waste. Lift truck batteries are one of the most recycled products in the world.

Our custom energy solutions are used in the **most rugged and rigorous** applications – from remote parts of the planet to outer space.

SPECIALTY

Our Specialty business works directly with some of our largest customers to engineer advanced, reliable energy storage solutions for their needs. This part of our business serves many industries and applications, including long-haul trucking, aerospace and climate resilience.

Specialty batteries utilize advanced technologies to provide premier performance for our customers. Our specialized lithium technologies power critical transportation and aerospace applications, while our TPPL technology is a significant player in the application using absorbed glass materials.

Specialty also supports the reduction of our clients' greenhouse gas emissions while concurrently improving their resilience to extreme weather events. Advanced battery systems provide a solution for managing power outages and rising energy costs, as they allow customers to store power when readily available and save it for when it's needed most.

From initial needs assessments to project planning, through installation and maintenance, the EnerSys Specialty team is an industry leader in providing solutions that support critical missions, keep the lights on, provide peace of mind and enable our customers to mitigate risks from climate change.

"In **Specialty** and across the company, our employees take pride not just in the sustainability capabilities of our products, but in the sustainability progress we are making internally at EnerSys. They hold us accountable to high environmental and social standards and aren't afraid to speak up when they see opportunities for us to do better. It's invigorating to lead such an engaged organization that is in tune with the world around them, and I'm excited for what the future holds at EnerSys."

Mark Matthews, *Senior Vice President, Specialty*

Boosting Sustainability: NexSys® PURE TPPL Batteries

Many of our customers are committing to cutting energy and water use across their operations. In 2019, one of our retail customers unveiled a range of ambitious climate change commitments, including a 40% reduction in its Scope 1 and Scope 2 emissions by 2030.

Scope 1 emissions come directly from a company's own facilities and vehicles, including its logistics network and Distribution Centers (DCs). It's here where EnerSys is helping a big box retailer cut its carbon dioxide (CO_2) emissions and water consumption simultaneously by upgrading its flooded lead-acid lift truck batteries to proprietary Thin Plate Pure Lead (TPPL) battery technology.

The switch involves 2,886 NexSys® PURE TPPL batteries that, over their lifetime, will help the customer keep approximately 6,300 metric tons of CO_2 out of the atmosphere. That's about the equivalent of eliminating 1,400 cars from operation. The solution will also help the customer save about 1.9 million gallons of distilled water annually, a volume that would fill 3 Olympic-sized swimming pools.

NexSys® iON: Modular Lithium Power

Lithium-ion batteries have been increasing in use worldwide, especially for portable applications. Lithium batteries have a high energy density and are virtually maintenance-free. Our EnerSys lithium batteries power decarbonization goals worldwide. Our Hawker Flex® Modular Lithium-ion Battery is an example of the innovative technology we develop for our customers. The Hawker Flex® Li3 battery is designed for material handling vehicles and is made with the highest quality lithium technology. It is offered in multiple sizes and configurations to provide scalable lithium power on demand. Its reliability can increase customers' productivity and profitability across their lift truck operations and help them meet their sustainability goals by reducing the need for fossil fuels.

OutBack Power™ Mojave Platform

The new OutBack Power™ Mojave Energy Storage System is the most advanced electronics and control technology available for our OutBack Power™ lithium batteries. While these batteries are known for their "old-school" muscle and practical features, the Mojave platform makes them highly sophisticated and data-driven, ensuring our customers are ready for any of their off-grid needs. The Mojave platform is founded on four key pillars that are critical for installers and owners:

- Safe
- Simple
- Functional
- Flexible

The Mojave Energy Storage System keeps the power running when it is needed most.

Beyond the peace of mind of an uninterrupted power supply, back-up batteries are cleaner options than diesel-powered generators. EnerSys high-efficiency switch-mode chargers and rectifiers use less electricity and provide a more environmentally friendly solution than traditional generators.

Solar Power in the Amazon

The expansion of renewable energy is not only critical for mitigating climate change but also for improving the livelihoods of communities globally. One such example of this is in the Amazon Rainforest in Brazil, where access to utility grids is not available. We have partnered with the Brazilian government for over thirteen years to provide energy to remote areas.

Our products are used in two types of isolated systems to provide solar power to local businesses and homes: Microsystem Isolated Generation and Distribution of Electricity (MIGDI) and Individual Generation System Electric Power with Intermittent Source (SIGFI). While each has its own specific applications, they both pair EnerSys battery technology with solar panels to provide reliable power where there wasn't before. Over more than a decade, this project has delivered approximately 350 battery storage units, which power thousands of homes.

Hurricane Ida Relief

When disaster strikes, keeping the lines of communication up and running can be a matter of life or death. Data centers, cell towers and fiber optic cables provide the lifelines that keep companies, governments and individuals connected to each other, first responders and emergency services. One of our customers, a multi-national telecommunications company with vital infrastructure across the United States, understands this very well.

Reliability and resilience in good times and bad are why this customer partners with EnerSys for its operations as well as disaster preparedness and relief. This was critical during Hurricane Ida, which hit New Orleans and the surrounding area in late August 2021. With emergency equipment and supplies strategically positioned, the EnerSys crew headed to Houma, a city of 10,000 and one of the most badly hit locations, within hours of the storm passing.

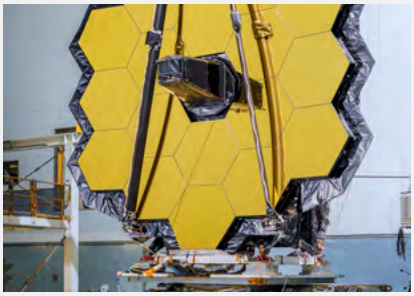
As David Justice, EnerSys Senior Manager of Critical Facilities, explains, "Our job is to make sure our customers can get in and do their jobs. Our first order of business is to enable access. This means clearing trees and debris, pumping out water and otherwise enabling their people and equipment to get where they need to be so they can ensure vital communications services are up and running. Houma was completely dark, so the next thing we did was identify a location that the telecommunications team could use as a base. We focused on getting a local hotel up and running for the crew. I am proud of my team and our partnership with this critical company. Together we saved lives."

HURRICANE RELIEF

5 TANKER TRUCKS
+
42,210 GALLONS DELIVERED

12 SITES SERVICED
+
2 HOTELS FOR PERSONNEL, POWER & LAUNDRY TRAILERS

510 HOURS WORKED
+
24/7 DURING & AFTER EVENT



ABSL Lithium-ion Battery & James Webb Space Telescope

EnerSys has been powering critical missions on Earth and beyond for almost a decade. First in 2012, and then again in 2018, EnerSys lithium-ion battery technology was selected to power the NASA James Webb Space Telescope. As the successor to the iconic Hubble Space Telescope, Webb is the largest and most powerful space science telescope ever built. It is the result of an international collaboration between NASA and its partners the European Space Agency (ESA) and the Canadian Space Agency (CSA) and prime industry lead, Northrop Grumman. Webb launched on December 25th, 2021, was sent into orbit upon an Ariane 5 rocket from Europe's Spaceport in French Guiana and will serve as the premier space observatory for the next decade.

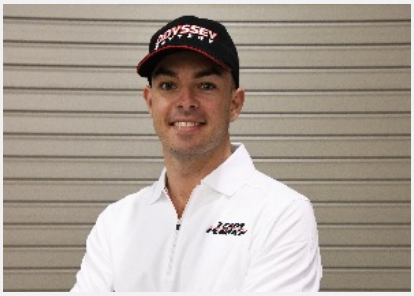
EnerSys was selected for this critical research mission because our technology can meet the stringent design, structural and thermal performance requirements for the telescope. Our batteries will deliver long life, quality and reliability, allowing Webb to travel almost a million miles from Earth and deeper into cosmic history than ever before.

NASA's Parker Solar Probe

EnerSys is pushing boundaries through our space power business, which supplied a lithium-ion battery for NASA's Parker Solar Probe – now the world's fastest human-made object.

The probe was built by the Johns Hopkins University Applied Physics Laboratory and launched in August of 2018. The purpose of the probe and mission is to advance understanding of the Sun's processes of heating the corona and accelerating solar wind, which impacts Earth's magnetic field and objects in orbit and on the surface.

The Parker Solar Probe will reach top speeds of nearly 430,000 miles per hour (690,000 kilometers per hour) in it's final orbits and must withstand 2,500°F. The EnerSys supplied lithium-ion battery, which powers the probe's flight and scientific instrumentation, underwent rigorous mechanical and thermal testing to ensure it could provide reliable energy for the duration of the mission.



EnerSys ODYSSEY® Batteries

Turning off truck engines while idling reduces emissions and fuel costs for fleet operators. However, this typically reduces vehicle battery life – unless drivers use EnerSys ODYSSEY® products.

Regulators see limiting truck idling emissions as a path to reduce local pollution and GHG emissions, as emissions from trucks account for ~20% of U.S. GHG emissions. Trucks that use EnerSys batteries – and shut off engines instead of idling for about 2,000 hours/year – save more than 760 pounds of carbon per truck per year. Across the nearly 100,000 truck batteries we supply, this translates to nearly 75,000,000 pounds of carbon saved annually.[5] Our ODYSSEY® batteries aren't just 'make or break' on the road, they make a difference on the race track as well.

> "INDYCAR races can be won or lost on pit road, where fractions of a second make all the difference. That is why we use ODYSSEY® battery products that give us an edge over our competition. From their high-performance capabilities to their efficiency and longevity, ODYSSEY® batteries give us the peace of mind required to perform at a championship level."
>
> **Scott McLaughlin**
> *Team Penske INDYCAR driver*

[5] "Greenhouse gas emissions from heavy-duty natural gas, hybrid, and conventional diesel on-road trucks during freight transport," Atmospheric Environment, https://www.sciencedirect.com/science/article/pii/S1352231017305794

Mobile COVID-19 Testing Stations

In the wake of crises like the COVID-19 pandemic and Hurricane Ida, EnerSys partnered with Sesame Solar, a majority women-owned small business headquartered in Jackson, MI, to manufacture and deploy mobile testing nanogrid solutions and crisis response team containers.

The COVID-19 testing stations are highly mobile and grid-independent, so they can operate even when the grid is down. They run on clean power and are equipped with everything from air purifiers and climate control functions to hand-washing stations and disinfecting lights.

The crisis response team containers are similarly easy to deploy, use and move, and they allow organizations and first responders to provide power, water, communications services, medical support and recovery assistance to areas in need.

While many power sources for recovery assistance rely on diesel generators, which serve to compound environmental damage and contribute to future weather-related disasters, the response team containers run on solar-powered nanogrids that reduce environmental impact, increase energy resilience and even help alleviate the challenges of transporting diesel fuel, especially during disasters like floods or snowstorms.

NexSys® PURE Batteries and the Texas Ice Storm

In March of 2021, a severe winter storm took out power and essential services throughout Texas, disrupting supply chains, energy distribution and, most importantly, the lives and operations of families and businesses throughout the state.

Weather is unpredictable, but businesses and communities in Texas and beyond have solutions available to help improve resiliency. From initial needs assessments to project planning through installation and maintenance, the EnerSys team is an industry leader in providing the products and services that not only keep the lights on but also ensure peace of mind.

Customers use our energy storage products and services to support peak energy demand periods and gaps in generation supply. When power outages or electric grid disruptions occur, customers using our technology can act as the last line of defense to support critical infrastructure, bridging the gap until generation and transmission can be restored.

Our Environment 04

Environmental Stewardship

EnerSys is committed to acting as a responsible industry leader through our environmental management systems. Environmental compliance and stewardship are built into our EnerSys Operating System (EOS), which guides how we act every day. All EnerSys employees are expected to take appropriate measures to protect the environment and comply with all EnerSys legal requirements and applicable laws, rules and regulations. We take care to protect the environment in the areas we operate and across the globe by incorporating environmental risk assessment and mitigation into our decision-making processes.

Our Environmental Policy describes our commitment to meeting and exceeding environmental compliance, reducing our environmental footprint and developing products that minimize environmental impacts across their life cycle. With the assistance of our Corporate Environmental, Health and Safety (EHS) team, EnerSys management is responsible for ensuring compliance with this Policy and developing and implementing environmental programs across the organization. This Policy is supported at the highest levels of our organization, reinforced with the signature of our President and CEO.

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

04

"As a manufacturer, our operations frequently require significant resources – energy, water and materials. We understand that there are impacts associated with this need. Resource efficiency has always been a part of how we do business and is embedded into our EnerSys Operating System. Environmental stewardship is not only the right thing to do; it also makes good business sense."

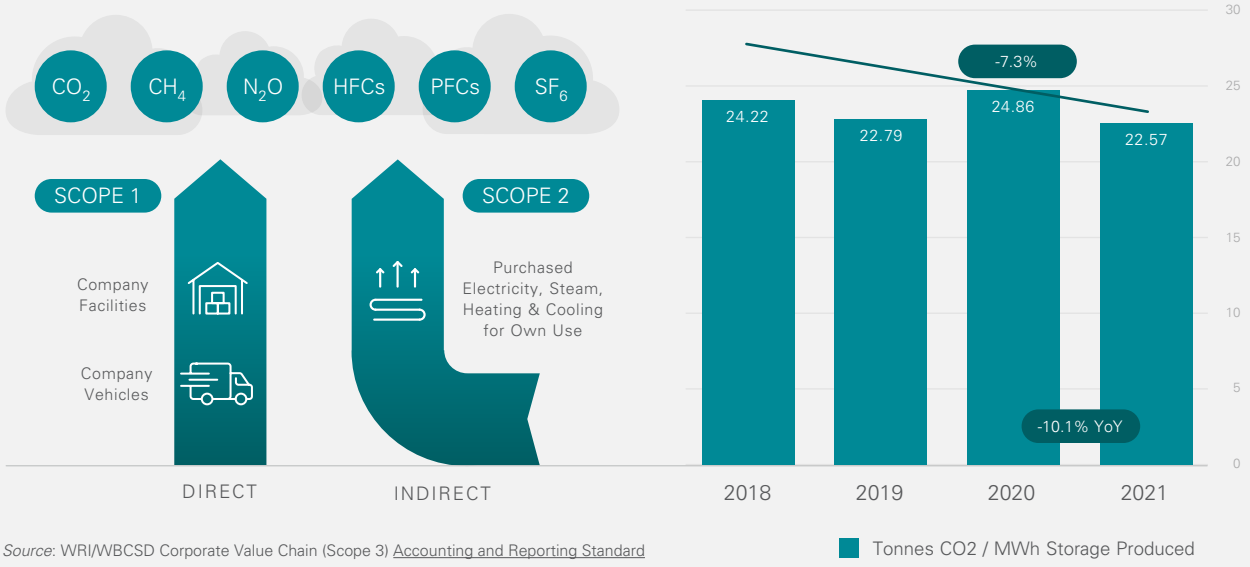
Patrice Baumann
Senior Vice President of Operations & Supply Chain

Energy and Greenhouse Gas Emissions

GHG EMISSIONS & ENERGY PERFORMANCE

Our operations and the energy they require have an impact on the environment and the climate. As the world's leading energy storage manufacturer, we recognize our responsibility to reduce our footprint while supporting our customers' carbon goals through the highest quality energy storage products and services. Consequently, we are actively seeking to reduce our direct and indirect greenhouse gas emissions by increasing the efficiency of our operations and exploring renewable energy sources for our facilities.

SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS



Source: WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

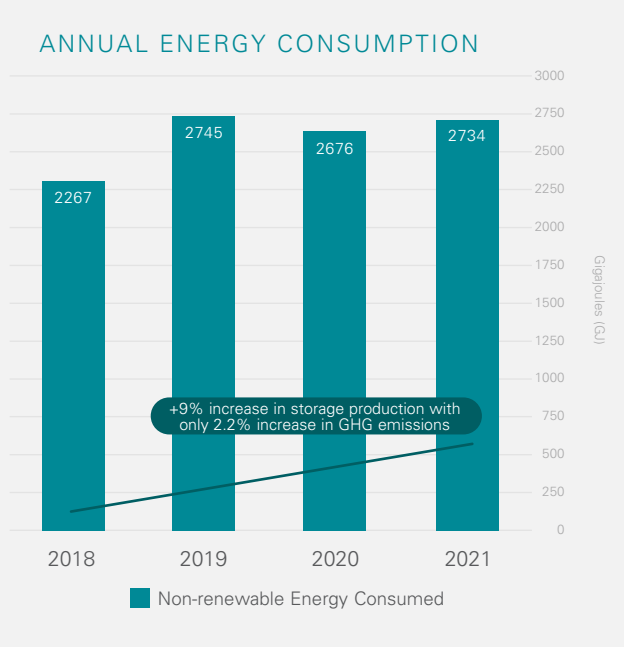
In 2021, we put the processes in place required to accurately compile and transparently report our energy usage and Scope 1 and Scope 2 greenhouse gas emissions. We also began the initial steps to quantify our Scope 3 emissions. Understanding the impact associated with the production, distribution and use of our products is critical in developing impactful projects that reduce our footprint.

2030 ENERGY GOAL

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

While burning natural gas used in our operations and heating is the most significant contributor to our Scope 1 emissions, our electricity usage, or Scope 2 emissions, represents the largest overall source of greenhouse gas emissions for EnerSys. When possible, we actively seek to electrify our operations through innovations such as replacing gas-fired melting pots with electricity. These efforts reduce our Scope 1 emissions, improve operational efficiency and safety and move us toward increasing electrification, which experts agree is key to decarbonization.[6,7] We look for opportunities to source electricity from renewable or low carbon sources, which will reduce our Scope 2 emissions. Moreover, our products enable additional use of renewable energy, thus creating a virtuous decarbonization circle.

We are also exploring ways to implement our own technologies across our facilities, in partnership with renewable power generation, to reduce our indirect greenhouse gas emissions. We are also constantly evaluating ways to make our operations more efficient and reduce our energy requirements.



In 2021, our total Scope 1 and 2 GHG emissions vs 2018, despite a nearly 9% increase in storage production.

[6] "Electrification & Decarbonization: Exploring U.S. Energy Use and Greenhouse Gas Emissions in Scenarios with Widespread Electrification and Power Sector Decarbonization," National Renewable Energy Laboratory (NREL), https://www.nrel.gov/docs/fy17osti/68214.pdf

[7] "Getting to Net Zero: Increasing Clean Electrification by Empowering Demand," World Economic Forum, https://www3.weforum.org/docs/WEF_Increasing_Clean_Electrification_by_Empowering_Demand_2021.pdf

Electrification of the Lead Heating Process

The manufacturing process for lead batteries requires melting lead in pots for casting and grid production. Traditionally, this process involves heating several tons of the metal with a large, gas-fired burner. Not only does this process produce greenhouse gas emissions from combustion, but it also has less than optimal effects on the equipment. Gas heating is inefficient, as the direct application of heat to melt lead can cause stress in steel pots and ultimately result in cracks over time. A cracked pot can lead to a potentially dangerous situation for our workers and the environment.

With safety and environmental stewardship as core parts of our values, we decided to transform our gas-fired lead pot process into a safer process powered by electricity. The new pots, which are being rolled out at all of our factories, have embedded electric heater coils, which enable uniform heating and dramatically reduce the stress placed on the pots. The energy required for heating will now come from electricity instead, which is increasingly produced from renewable sources. Electrification of the melting process lowers the carbon footprint of the batteries we make – which themselves can play a role in renewable energy storage.

"While burning fossil fuels like natural gas can be made more efficient, the combustion process will always produce greenhouse gas emissions. On the other hand, electricity can be produced with zero-emission renewable energy sources – with storage provided by EnerSys products. That is why electrification is a key component of decarbonization."

Samuel Shiroff
Senior Director, Global Sustainability

DOE Better Plants

In 2021, EnerSys joined the U.S. Department of Energy's (DOE) Better Plants Program (BPP).

"EnerSys is proud to be a part of the U.S. Department of Energy Better Plants program," said EnerSys Senior Vice President of Operations, Patrice Baumann. "Resource efficiency has always been a part of how we do business and is embedded into our EnerSys Operating System. We look forward to enhancing and accelerating our efforts in partnership with the Department of Energy and its Better Plants partners."

The Better Plants program works with leading manufacturers to boost their resilience and economic potential through energy efficiency improvements. Through BPP, manufacturers commit to setting ambitious energy saving goals, develop energy management plans, and track and report annual progress against those goals. To date, over 250 industrial organizations have joined BPP.

"The commitment by EnerSys to improving its energy productivity by 25% over 10 years establishes the company as a leader in efficiency and helps strengthen the nation's manufacturing competitiveness."

Becca Jones-Albertus
U.S. Department of Energy Acting Director, Advanced Manufacturing Office

Bellingham, WA Solar Array

Our Bellingham, WA, facility uses clean energy generated by a 32.4kWh solar array. Since its installation in 2015, it has generated over 120,000 kWh. We are exploring similar opportunities to generate renewable energy at other EnerSys facilities.

EnerSys saved over **700,000 kWh** by replacing computers and services with more efficient models in 2020 in our EMEA operations alongside a server rationalization program.

Finding Energy Efficiencies in Our Offices

While not the largest sources of energy usage compared to our manufacturing operations, we still prioritize evaluating and reducing the energy requirements of our Information Technology (IT) infrastructure and EnerSys office buildings. Small energy efficiency improvements can make a big impact over the long term and across the breadth of our organization. We have several ongoing initiatives to reduce the energy footprint of our IT infrastructure, including replacing old computers and servers with newer, more efficient equipment and enabling power-saving modes on printers and networking equipment. We also take advantage of efficiency opportunities from our cloud infrastructure providers. Their technology and analytics allow us to shut down underutilized servers outside of core hours, which reduces both our cloud services cost and our power usage.

> " People often don't think much about the energy input it takes to run technology in this modern world. Many servers run nonstop even when their computing power isn't needed – it's like leaving all the lights on in your house all the time. At EnerSys, we look to improve efficiency wherever possible, big or small, and upgrading and adapting our IT infrastructure is a great example of that. It's the right thing to do for our bottom line, reduces our demand from the electricity grid, and is ultimately better for the environment."
>
> **Philipp Michalsky,** *Senior Vice President and Chief Information Officer*

Water

WATER PERFORMANCE

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

In 2021, we put the necessary processes in place to track and disclose the volume of water withdrawn at our manufacturing sites. In 2021, our operations used 990.7 megaliters which represents a more than 2% decrease per kWh of storage production compared to 2020. We prioritize using recycled water over fresh water wherever possible. In 2021, our percentage of water recycled increased to 12.6%.

We work to minimize wastewater discharge from our operations wherever possible. We also work to ensure that the level of chemicals and total dissolved solids are well below regulatory requirements.

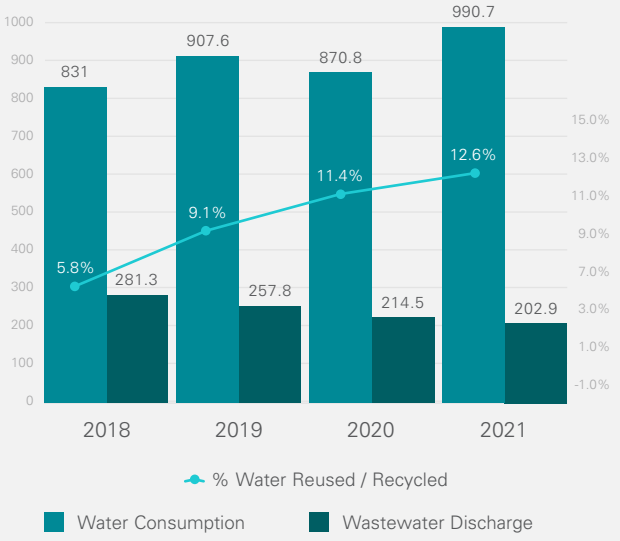
"The vision of EnerSys is Powering the Future – Everywhere for Everyone. This vision includes supporting the conservation of natural resources through pioneering resource-efficient products and implementing improvements throughout our global business operations. Whether it is through innovations like Thin Plate Pure Lead (TPPL) battery technology that significantly reduces water use from traditional batteries, or the ongoing investment in greater efficiency and water recycling opportunities in our facilities, EnerSys understands the value of water resilience and the importance of partnerships to support our natural resources and the environment."

David M. Shaffer, *President & CEO*

2030 WATER GOAL

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

WATER CONSUMPTION, DISCHARGE & RECYCLING



WATER USE REDUCTION PROGRAMS

In 2021, EnerSys joined the U.N. CEO Water Mandate, a CEO-led commitment platform for business leaders and learners to advance water stewardship and reduce water stress worldwide by 2050.

Waste

WASTE PERFORMANCE

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

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

Our lead battery manufacturing facilities produce the largest volume of waste materials in our operations, such as scrap and off-specification parts and hazardous materials. However, most of these materials are recovered through recycling and reused in our products as recycled raw materials at a later time. For example, we utilize filter presses in our pasting operations to remove lead at the source. This process collects excess lead in reusable water and recovers it to be safely recycled for battery manufacturing. The process reduces the amount of lead being processed in our wastewater treatment plant, which helps to ensure compliance with our permit discharge limits and reduces the amount of hazardous waste generated by the location.

LEAD BATTERIES

99% RECYCLING RATE

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

95% OF PARTS RECYCLABLE

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

85% WORLD'S LEAD

More than 85% of the world's lead is used in the production of lead batteries[8]

50% OF LEAD RECYCLED

More than 50% of lead used in the production of new lead products around the world is sourced from recycled lead[9]

75% LESS ENERGY

Recycled lead uses 75% less energy than new lead[10]

[8] "Overview of Flow Studies for Recycling Metal Commodities in the United States," U.S. Geological Survey, https://pubs.usgs.gov/circ/circ1196-AA/pdf/circ1196-AA.pdf
[9] "The Amazing Story of Lead Recycling," The Balances Small Business, https://www.thebalancesmb.com/the-amazing-story-of-lead-recycling-2877926
[10] "How does recycling save energy?", American Geosciences Institute, https://www.americangeosciences.org/critical-issues/faq/how-does-recycling-save-energy

END OF USE MANAGEMENT

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

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

LEAD BATTERIES

Lead batteries have been critical to powering our economy for over a century. In that time, they have achieved significant safety, reliability and recyclability achievements. Lead battery technology is both incredibly reliable and, when responsibly manufactured, used and recycled, extremely environmentally friendly. This well-established, economically self-sustaining, closed-loop, "cradle-to-cradle" life cycle means lead batteries have been and will continue to be an incredibly advantageous technology component of the transition to a low-carbon, circular economy.

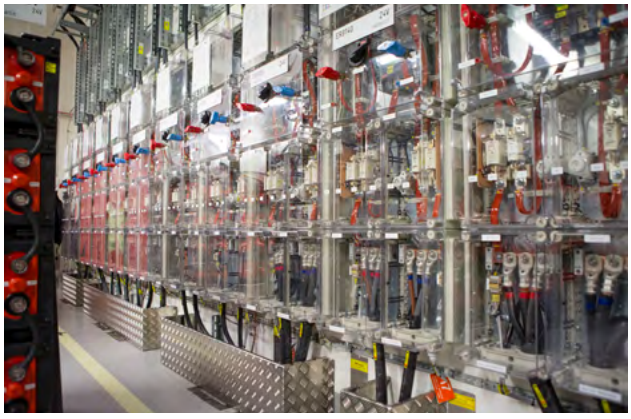
Lead battery recycling services are a key component of supporting our customers' sustainability efforts and contributing to the circular economy. Circularity is embedded in the battery value chain, and EnerSys is committed to advancing battery recycling throughout the industry. Our products, specifically lead batteries, can have negative environmental impacts if not handled properly.

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

LITHIUM-ION BATTERIES

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

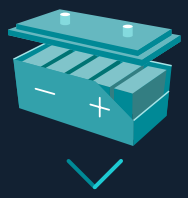
We support the development of new technologies for recovering lithium-ion battery parts for recycling. We are especially interested in new processes that are less impactful on the environment, whether that's through a lower carbon footprint or producing less per- and polyfluoroalkyl substances (PFAS). We will continue to work with our industry associations to seek out partners to advance the recycling of our lithium-ion battery products.



New batteries are recyclable and comprised of previously recycled materials

TRANSPORTATION

The same network that distributes batteries also safely collects and returns used batteries for recycling.



RECYCLING FACILITY

Used batteries are broken apart and separated at recycling facility into components to begin the recycling process.

1 PLASTIC

Plastic pellets recycled from battery cases and covers are used to manufacture new cases and covers.

Crush Case & Covers

Plastic Pellets

2 LEAD

Lead ingots recycled from battery grids, other battery parts (e.g. post and terminals and lead-oxide are used to manufacture lead for new grids, parts and lead oxide.

Melt Grids

Lead Ingots

3 ELECTROLYTES

Option A: At some recyclers, used electrolyte is a reclaimed and reused in manufacturing new batteries.

Option B: At others, it is neutralized and managed according to federal and state water permits.

A B

4 ELECTROLYTES

Option C: Sodium sulfate crystals separated from used electrolyte (dilute sulfuric acid) is recycled and sold for use in textiles glass and detergent manufacturing.

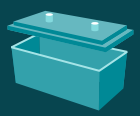
Neutralized Electrolyte

Sodium Sulfate Crystals

C

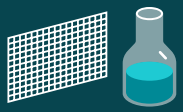
NEW COVERS & CASES

New battery cover & cases are manufactured using recycled plastic pellets.



NEW GRIDS & LEAD OXIDE

New battery grids are manufactured from recycled lead. Recovered lead oxide is also used in new battery manufacturing.



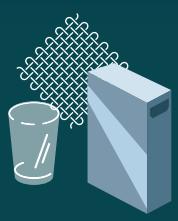
ELECTROLYTES OR

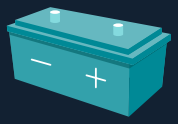
A Chemically treated & reused

B Neutralized & sent to a water treatment plant

GLASS, TEXTILES & DETERGENTS

C





04

Source: Https://batterycouncil.org/page/Battery_Recycling

Recycling Program Customer Portal

EnerSys assumes the responsibilities of leadership regarding battery recycling. We do so as part of our commitment to total battery service and customer protection. We offer a battery recycling program in North America to ensure the lead and materials from these batteries are recycled properly.

In 2021, we launched an online customer portal to make the battery recycling process even more efficient. The portal stores all scrap loads, displays up-to-date pricing and estimated payouts for each load and lists specific load statuses throughout.

You can learn more about our aftermarket recycling services here.

Reducing Plastic Waste

Stakeholders around the world are becoming increasingly concerned about plastic waste. We share these concerns and are committed to constantly identifying opportunities to optimize our operations – saving time, money and labor while reducing our environmental footprint. One example of this is how we reduced the use of shrink wrap plastic in our Richmond, Kentucky locations.

Historically, to ensure our batteries were transported safely, we followed a procedure that required securing them in plastic wrap pallet transportation. Once they arrived at a nearby EnerSys distribution center, the wrapping was removed and became waste. Based on the suggestion of our plant workers, we recognized that we could replace the wrap with reusable strap-downs that save time, money and reduce waste dramatically. This innovation cut our shrink wrap usage by 43% and helped us reduce our overall man-hours for package handling significantly. It also helped reduce our environmental footprint because we no longer had to send single-use plastic wrap to landfills or incinerators.

Renovations to Promote Reusable Packaging

In partnership with Hunter Plastics, the EnerSys plant in Tijauna, Mexico has been working to improve its operations and minimize its environmental footprint by making warehouse renovations and changing materials to include reusable plastic packaging instead of single-use cartons and wooden pallets.

The new materials and packaging processes are meant to save on costs, reduce waste and even avoid lead contamination. The process is shown below.

> "We are always looking for ways to make our operations more efficient and minimize waste. This partnership with Hunter was an obvious win-win for both parties – allowing us to reduce our materials handling costs with their products."
>
> **Gilberto Castillo**
> *Director Manufacturing Operations Mexico*

Biodiversity

We recognize how critical biodiversity, High Conservation Value (HCV) areas and critical habitats are to the health of local ecosystems. Through in-depth assessments, we have determined that our direct operations have minimal impact on critical habitats or other areas with high diversity value. While we don't anticipate expanding our physical operations to areas where this would be a concern, we would evaluate the impact of our new construction and projects on biodiversity, adopt measures necessary to minimize impacts and consult with stakeholders. We are dedicated to protecting the land and biodiversity through our Biodiversity and Critical Habitats Policy.

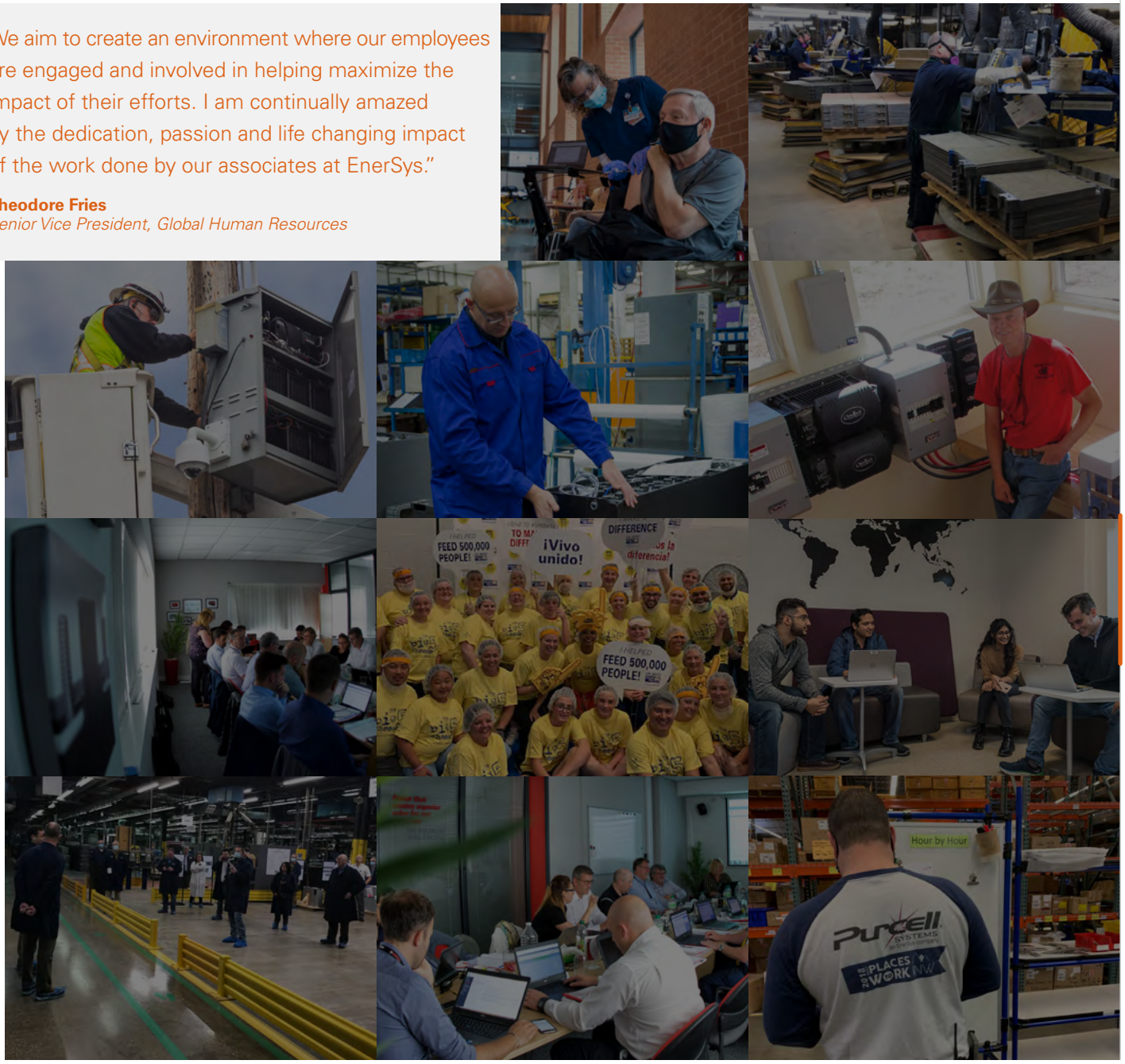
Our People & Community 05

Our Commitment to Our People

Our people are at the core of who we are. Without their dedication, knowledge and commitment, we would not be able to manufacture thousands of premium, reliable energy storage products every day. We strive to be an employer of choice, where individuals can bring their authentic selves to work in a safe environment where they are valued and part of a team that promotes their growth and development, personally and professionally.

" We aim to create an environment where our employees are engaged and involved in helping maximize the impact of their efforts. I am continually amazed by the dedication, passion and life changing impact of the work done by our associates at EnerSys."

Theodore Fries
Senior Vice President, Global Human Resources



05

Workforce Health and Safety

HEALTH AND SAFETY MANAGEMENT

Protecting our employees is paramount to our operations and an integral component of our corporate culture. Our workforce health and safety management system is embedded in the EnerSys Operating System (EOS), especially in the Managing for Daily Improvement (MDI) process, where the People section is always the first to be reviewed before any Customer or Stockholders considerations. Our dedication to protecting our workers is also clearly articulated in our Safety and Health Policy. Safety and health are integral to all operations and are the responsibility of all EnerSys employees.

We are committed to ensuring the safety of all our employees by meeting or exceeding applicable safety and health requirements throughout the company. All employees are required to take safety and health training regularly based on their location and job function. We provide the necessary resources to prevent injuries and illness on the job, conduct regular safety evaluations, develop safeguards for our manufacturing processes and provide training for all employees. Our management team oversees the implementation of all necessary safeguards to protect the safety and health of our employees. Each location is responsible for ensuring these safeguards are in place and for working with employees to protect them from injury and illness. Our Corporate Environmental, Health and Safety (EHS) team is responsible for providing counsel and guidance to management in establishing and auditing their safety and health programs.

We also have EnerSys Safety Committees across our global footprint that meet regularly to boost our employee engagement in safety and support hazard identification and prevention. For example, at our Ooltewah, TN plant, the local safety committee consists of the EHS specialist, a nurse and operations and maintenance employees from the plant. They meet monthly to discuss ongoing safety topics, safety risks and any concerns brought forward by the plant team members. They also review any first-aid or recordable incidents, conduct walk-arounds of the various manufacturing areas to identify or review any possible safety risks and generate EOS accountability tags to ensure that any identified hazards are properly managed and mitigated. Similar committees like this exist in our Americas, Europe, Middle East and Africa (EMEA) and Asia Pacific regions.

We certify our facilities and corresponding management systems to international standards where appropriate. There are seven EnerSys facilities certified to the ISO 45001 occupational health and safety standard. In our Shenzhen, China facility, we received the SA8000 Standard accreditation, recognizing our management system for social and labor standards.

PREVENTING EMPLOYEE EXPOSURE

We constantly endeavor to reduce the impact from the materials used in our products. Manufacturing energy storage systems require the use of potentially hazardous substances. That is why we enforce strict measures to reduce, mitigate or eliminate hazards and eliminate exposure to our employees and surrounding communities. We actively assess and monitor the level of exposure our workers have to chemicals used in the manufacturing environment, including corrosives and lead and its compounds. We meet or exceed all required testing frequencies established by applicable regulatory agencies, such as the Occupational Safety and Health Administration (OSHA).

The health of our employees is our highest priority, and our management of safety risks includes efforts to monitor and reduce acute and chronic exposures in the workplace. We conduct regular risk assessments, participate in long-term health studies, provide workers with essential personal protective equipment and consider alternative materials wherever possible. When lead is present, we have a stringent program to monitor our employees' lead exposure levels and take immediate action if they ever exceed our policy. Our internal policy for lead exposure for our workers is much more stringent than regulatory requirements at our facilities globally.

SAFETY PERFORMANCE

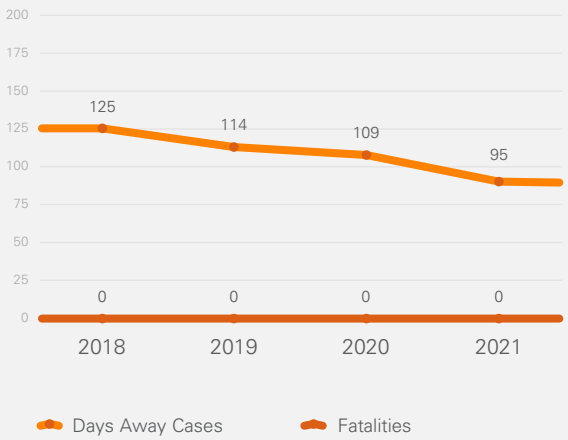
EnerSys believes that to deliver innovation, high-quality production, customer satisfaction and business success for our company, we must provide a work environment that enables our people to thrive. Creating a safe work environment is paramount to that objective, which is why we focus on identifying near misses. We educate and train our employees to find and record potential hazards in our safety management system. There is a continued focus on improving the reporting and root cause analysis to prevent future recordable or lost time incidents.

"Safety drives everything we do at EnerSys. Our goal every day is for our employees to come to work, do their job safely and go home to their families. We work diligently to identify and correct potential hazards and empower our people to provide input and feedback so we can better make that happen."

Randy Reyer
Senior Director, Global Environmental, Health & Safety

As a result of our dedication to near-miss identification and employee safety, we have seen a decrease in our days-away cases and have had no fatalities at our facilities for the fourth year in a row.

DAYS AWAY & FATALITIES DATA



CONTINUING TO COMBAT COVID-19

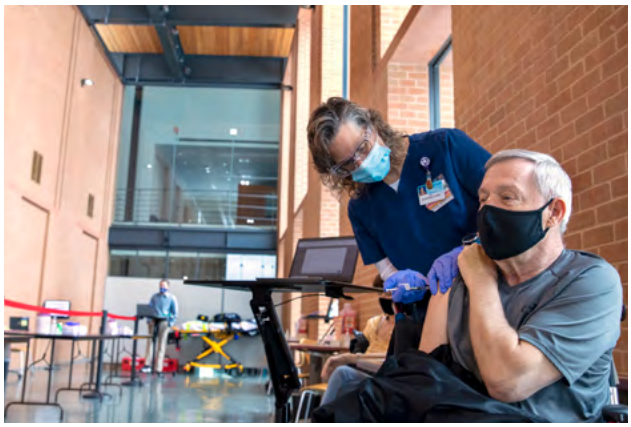
We continued our careful COVID-19 precautions through 2021 to protect our employees, reduce the risk of workplace exposure and support their health in and out of work. EnerSys products are essential to the distribution of critical products, as our batteries supply backup power for vaccine refrigeration and power forklifts for moving essential items like food and vaccine pallets. Our operations must remain reliable so that we can continue to support the health and well-being of communities worldwide.

We are proud of our employees and their extreme dedication to following our COVID-19 safety protocols to protect themselves, their colleagues and their families at home. No EnerSys manufacturing facilities have needed to close during the pandemic. We continue to maintain a tracking system for all suspected and/or confirmed cases of COVID-19 in our operations globally. Since the start of the pandemic, cases of workplace transmission in our facilities and offices have remained low.

2022 SAFETY GOAL

Continuous improvement is central to EnerSys as an organization, especially when it comes to making our facilities safer. We set specific goals at the factory level depending on individual site performance and need. We set an overall aggregated global performance goal to improve our safety metrics by 8% in 2022.

Since the start of the pandemic, EnerSys has implemented policies and procedures to create a safe workplace that enables our employees to remain COVID-19 free while doing their job at EnerSys. Over 96% of office employees that responded were satisfied with management's communication and direction during the crisis, based on a survey conducted in January 2021. We continue to monitor and measure employee engagement and satisfaction in this area so that we can implement the most effective protocols that keep our operations supporting critical medical and infrastructure organizations in this time of need.



EnerSys Factory Achieves Four-Year Safety Record Milestone

Our factory in **Sumter, SC**, has achieved a record four years in a row, 2018 through 2021, with **zero time-lost accidents**.

The factory, which fabricates the metal trays for EnerSys motive power batteries, uses an active safety audit program and strives to ensure its employees are deeply involved in the process. The Sumter factory performs audits and prioritizes any work orders around safety, completing nearly 1,000 work orders to date for proactive and preemptive safety measures.

The Sumter factory works with materials like steel that can be sharp and potentially dangerous, making the ongoing safety measures vital and their achievements at Sumter impressive.

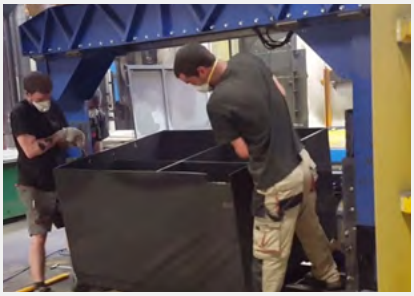
At the Sumter facility, the commitment to a culture of safety and accountability is further exemplified by the fact that 99% of safety-related work orders are generated by employees. When workers notice something is out of order, they feel a strong sense of personal accountability to rectify the situation and keep their colleagues safe.

Empowering Our Employees – Continuous Improvement at Bielsko-Biala, Poland

We constantly strive to improve working conditions at all EnerSys facilities around the world. Part of that effort is our plan to implement several changes at one of our largest plants in Bielsko-Biala, Poland. These improvements are intended to improve worker safety, make assembly processes more ergonomic and reduce accident rates and potential health risks to our workers.

The EnerSys EHS process involves weekly improvement audits, which include health and safety and social labor audits. At the Poland plant, the teams conducting these audits identified areas for improvement and quickly took action to create a plan to make the necessary changes.

Changes to the assembly line will include adding special lift trucks to remove the occasional off-spec cell pack from the line, eliminating the need for workers to remove the packs manually and risk potential injury. There will also be trolleys with adjustable heights to help move packs from the line to the shelves, providing a more ergonomic process. We are grateful to our employees for identifying opportunities to make our workplace safer.



Improving Worker Safety in Hostomice, Czech Republic

A recent example of our efforts to continuously improve working conditions for all employees occurred at our plant in Hostomice, Czech Republic.

The Hostomice team determined that several manual processes in the plant's coating lines – moving and lifting heavy trays, handling components at high temperatures as they exit the oven – could be eliminated with the implementation of the new style Gripper.

The Gripper can lift, place and release trays directly on pallets, reducing the risk of employee strain, injury from handling heavy objects and contact with hot surfaces. We are proud that our EHS teams at EnerSys plants worldwide are always looking for ways to make production processes safe and efficient.

"The men and women in our plant work very hard every day to reliably deliver high-quality products for our customers. They know safety is everyone's job, and when we can make an investment that makes this a bit easier, we always listen very closely. We had past experience with similar improvements and are very pleased with the positive resonance from this new equipment both in terms of productivity and overall working conditions."

Radek Schejbal, *Hostomice Plant Manager*

Diversity, Equity and Inclusion

At EnerSys, we believe that everyone should be empowered to be their authentic selves at work. We are energized by the excitement our employees have for diversity, equity and inclusion (DEI). Together, we are committed to powering an organization where DEI is embedded in our business strategy and where:

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

Our commitment to diversity, equity and inclusion has grown over the last eighteen months with clear direction from our senior leadership team, who are steadfastly committed and passionate about the importance of this work. This accountability applies not only to the senior leaders of EnerSys but also to leaders at all levels of our organization who are responsible for the future direction of our company and the day-to-day execution of our initiatives. It is also for employees who are encouraged to practice inclusion, be courageous in asking questions and continuously learn and grow on the topic of diversity and inclusion through everyday interactions and self-reflection. We are determined to cultivate a DEI journey at EnerSys that is both authentic and sustainable.

This year, we created a DEI Steering Committee and launched our first-ever diversity engagement survey, which included demographic questions to help us gauge the dynamics of our diverse and talented workforce. We also asked our employees to complete DEI learning courses, whether through formal development programs or online coursework. Most importantly, we spent the year understanding our current representation and defining aspirational targets we wish to achieve by 2024 in order to foster an inclusive and diverse workplace.

> " I am proud of the growth EnerSys has had around Diversity, Equity and Inclusion in the workplace. We have made huge strides over the years in our focus on People, and with these action plans in place, I know we will make a significant impact in the next few years."
>
> **Nicole Goss,** *Global Senior Director DEI & Talent*

05

OUR ASPIRATIONS

20% FEMALE REPRESENTATION

Improve our female representation at the leadership level from 9% in 2021 to 20% in 2025.

25% MULTICULTURAL TALENT

Increase our multicultural talent representation at the leadership level, in the U.S., from 16% in 2021 to 25% in 2025.

AT LEAST 3 LEADING EMPLOYER

Become recognized by at least 3 global indexes as a leading employer by 2025.

DEI GOVERNANCE

At EnerSys, we value the uniqueness of every one of our employees. Whether that is identified by their background, culture, perspective or skill set, we strive to foster a workplace where everyone can bring their whole selves to work.

Our commitment to DEI extends to all layers of our organization, including our Board of Directors and leadership team. This year we developed our DEI Steering Committee, which is comprised of our most senior business and functional leaders, as well as a mix of diverse, influential colleagues from around our business. In line with our four pillars around Commerce, Community, Culture and Talent, we formed subcommittees of strategic advisors from within the business. These committees will include employees from diverse backgrounds, as well as experts in the field. They will act as a sounding board for the DEI Steering Committee, keeping them informed of the needs, progress and impact of DEI initiatives within the business.

Our Workforce Labor Rights Policy includes more information about our guiding principles and the actions we take to ensure an inclusive working environment. We are committed to providing equal employment opportunities to all applicants and employees without regard to sex, race, color, religion, national origin, age, disability, covered veteran status or any other characteristic protected by law.

EMPLOYEE ENGAGEMENT

We recognize that employee engagement is critical to our success as a business. This year we completed our first-ever diversity engagement survey. While we included historical questions around EnerSys as a workplace, our main focus was to determine our employees' sense of belonging as it related to inclusion for all.

We were pleased with our employee Net Promoter Score (eNPS) score of +4; however, the overall level of participation was 45%. As we build focus and awareness around the importance of our employee experience, we expect our survey participation rates to improve over time.

EMPLOYEE ENGAGEMENT SURVEY RESULTS

- 45% of our employees worldwide participated; we will aim for higher participation in future surveys
- Our scores were positive overall (68% or higher), especially amongst women & multicultural employees
- We have the most area of improvement around career pathing, with 50% of our employees understanding next steps in their career

EMPLOYEE REPRESENTATION

We strive for diverse representation and backgrounds in all job functions, talent management programs and levels of the organization. Similar to our other sustainability priorities, we recognize that to achieve this successfully, we must have focused efforts that are tracked regularly. This year we took a closer look at the make-up of our company and saw that 77% of our workforce is male and 75% of our U.S. workforce is white. We recognize that our industry has traditionally attracted these demographics but, as we lean into the technology side of energy storage and systems, we have an opportunity to grow diverse representation across gender, race and ethnicity in our workforce.

We have several initiatives in place to help monitor our progress with a particular focus on women and underrepresented minorities. We are also actively reviewing and updating our policies and practices to support our commitment to diversity, equity and inclusion. Similarly, EnerSys engages a variety of internal and external resources to ensure appropriate pay equity across the organization. This includes a formal set of pay grades that are reviewed against external data sources and adjusted to remain competitive in the market for talent.

DEI PROGRAMS

BUSINESS RESOURCE GROUPS

One way we promote DEI in the workplace is through business resource groups (BRGs), which are networks of employees who create a community based on shared identity, backgrounds, characteristics or life experiences. EnerSys BRGs are voluntary and employee-led, and they aim to bring people together and provide employees with a voice and a sense of belonging.

We are very proud of the success our BRGs had in 2021. We plan to expand the focus of our BRGs further to underrepresented groups in our organization to develop the future leaders of our company. These networks all share a similar mission: alignment to our DEI initiatives and structural support backed by executive sponsorship.

WOMEN IN LEADERSHIP

As part of our efforts to support gender diversity, we launched a BRG in 2020 focused on Women at EnerSys. We are proud of the success our Women in Leadership (WiL) BRG has had in creating a support network for people, not just women, across our organization. Each month they bring awareness to a new topic through events, dialogue and resources. For example, in October 2021, the topic was mental health awareness. The BRG hosted a robust conversation around the impacts of the pandemic and remote work on employee mental health. The engagement in these sessions led to more open dialogue around mental health, meditation workshops and shared resources to help reduce stress on a daily basis. In 2021, WiL hosted a weeklong virtual symposium focused on leadership, empowerment, goals, professional development and personal branding.

> "I am continuously impressed by our dedicated planning committee and all the participation from employees globally. As we continue to grow, my mission as Chair is to increase allyship and empower women to be heard and valued in the workplace."
>
> **Jenna Gallagher-Mierzejewski**
> *Senior Global Learning Development Manager and WiL Chair*

HISPANIC / LATINX ORGANIZATION FOR LEADERSHIP

Another BRG we are launching is the Hispanic/LatinX Organization for Leadership at EnerSys. We expect the group will bring together EnerSys employees with shared experiences and amplify voices that bring a diversity of perspectives to our business and culture. The group will offer opportunities like networking, talent attraction, volunteerism and leadership development for its members.

CEO ACTION FOR DIVERSITY & INCLUSION

We are thrilled that our CEO, Dave Shaffer, committed to The CEO Action for Diversity & Inclusion in 2021. This initiative is the largest CEO-driven business commitment to advance diversity and inclusion within the workforce. This commitment is not driven by the fact that other companies are also prioritizing this business issue, but rather because it is a larger societal issue that CEOs can play a critical role in addressing. Please read more in the Sustainability Initiatives section of this report.

Workforce Training and Development

At EnerSys, we know that investing in our employees' training and development is an investment in our business. In addition to our health and safety training, we provide our employees with both formal and informal learning and development opportunities to advance their skills and careers. While training courses like anti-bribery and corruption, compliance, code of conduct, safety and general data protection regulation (GDPR) are compulsory, employees have access to additional educational opportunities within and outside of EnerSys to advance their development. We prioritize access to foundational and advanced training for all employees. Every EnerSys employee has access to our internal learning platform, housing over 2,500 courses on a variety of topics.

EnerSys employees are assigned compulsory compliance, regulatory and safety training, with most courses recurring on an annual, biennial or triennial basis. Training is assigned based on position title and category, as some courses are specific to different job functions. Level in the organization is another major factor as well, as supervisors and managers often receive different assignments targeted at managerial responsibilities. Below is an example of a typical U.S.-based manager's training assignment.

EMPLOYEE TRAINING

- Workers Comp Training for Supervisors
- Americans with Disabilities
- Making a Quality Hire
- Leaves of Absence
- Kronos for Managers
- Global Competition / Refresher
- Global Contract Review
- Export Compliance Controls
- GDPR
- Corporate Social Responsibility
- Avoiding Insider Training
- LINK for Managers
- Succession forManagers
- Reasonable Suspicion for Supervisors
- Preventing Harassment for Managers
- EEO & Affirmitave Action
- Introduction to EOS

For non-compulsory training, completion rates have increased by 23% in the past two years. In 2019, the completion rate for self-assigned and/or manager-assigned training was 69.9%. In 2021, the completion rate was up to 85.6%.

We recognize that due to the nature of manufacturing work, our production employees may not have as much time for or access to our online, non-compulsory educational opportunities as our office employees. That is why, in 2021, we developed several courses to be facilitated on-site for production employee leaders, including line leads. This is just one step towards shifting the culture at our manufacturing facilities and creating opportunities for production employees to enjoy professional development opportunities with the support of their managers.

05

"The EnerSys Academy team's mission remains to be an ambassador for global change and a trusted partner for our stakeholders worldwide. We strive to ensure that our goals are aligned with and support the overall goals for EnerSys. Because of our unique, global position in the company, we are well-positioned to support the development of our people and help develop an engaged, collaborative and high-achieving culture."

Drew Krajewski, *Global Director Training & Development*

Talent Management

We encourage our employees to take ownership of their careers and we have therefore established robust talent management practices to empower our employees to continuously improve their performance and development. With a utilization rate of 95+%, the company has embraced a culture of Continuous Performance Management (CPM) in which employees schedule regular quarterly one-on-one meetings with their managers. CPM allows employees the opportunity to highlight their accomplishments, request real-time feedback, solicit support and align on near-term progress toward goals with their managers.

Our goal management approach is top-down, meaning that goals are cascaded down through the organization based on company initiatives routed in the EnerSys vision, key objectives and value metrics. Goals are set within three pre-set categories: People, Customer and Stockholders, and all are aligned with the EnerSys Operating System (EOS). Similarly, EnerSys core values – Teamwork, Energy, EOS, Customer Experience, Safety & Our Environment and Accountability – symbolize the actions, attitudes, qualities and behaviors we use every day to drive our vision and EOS culture. Through our annual performance review process, employees are encouraged to complete a self-assessment. At the same time, managers evaluate their employees based on progress towards annual goals and performance alignment with these core values.

In 2021, we launched a career development tool within our talent management system to allow employees to expand the focus of their CPM meetings beyond performance goal progress and to include career goals and aspirations. Unlike the performance goals created and owned by managers, employees can establish development goals, reinforcing their abilities to take charge of their career growth. Within the talent management platforms, employees can link and track development activities towards the progress of their goals while also leveraging learning opportunities.

Across our global organization, employees are urged to maintain their talent profiles within the talent management system to allow their managers, human resources and business leaders to have visibility to the broad range of skills and experience that our employees bring to the workplace. Using the talent profiles and performance management tools, managers have the mechanisms needed to evaluate their employees' potential and drive development opportunities. These processes also help inform succession planning discussions, which occur annually with our global business leaders.

Development Programs

EnerSys employees worldwide have a multitude of opportunities to level up or learn new skills. Most, such as our award-winning Opt-In Manager Training program, are open to all employees. Others, like the innovative Communications and Collaboration Learning Campaign, are available specifically to high-performing employees. Less formal learning opportunities are also provided and encouraged to employees worldwide. Our Teams Chat Channels – open to all employees globally – deliver access to curated, topical information, which is posted and discussed weekly.

The Training organization has implemented a new chat channel and a resource-packed internal webpage around wellness, which is available to all employees worldwide. Members of the channel receive weekly messages and have access to quarterly events such as live mental health discussions and yoga/meditation sessions. We recently organized an event-filled week in our Bielsko-Biala facilities encouraging employee wellness, including access to nutritional workshops and medical exams such as mammograms. For our Reading, PA-based employees, we work with Wellness Coaches USA to provide wellness information and counseling to our employees in the United States. This engagement includes weekly emails detailing important wellness tips and personalized, confidential video conferencing with a dedicated wellness expert.

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

In 2021, the EnerSys Academy partnered with the Operations Team to develop the first-ever Leadership Development Program targeting our Operations Employees. This program is designed to help high-performing and high-potential employees from our manufacturing locations develop skills and knowledge to advance their careers at EnerSys. Eleven employees have been chosen from the Americas to participate in the inaugural class, and the program was kicked off by welcoming them to Headquarters in Reading, PA in 2021. The program is being piloted in the Americas first, with a plan for global rollout.

To grow our catalog of available learning content, the EnerSys Academy developed our Level Up program, which provides training, expert guidance and support to individuals who have a desire to educate others. The internal certification process provides employees with the knowledge and skills needed to design and deliver effective training and presentations, allowing employees to educate one another and grow our collective expertise.

We also offer a Mentoring Program that provides an avenue for employees to take ownership of their professional and personal development through mentoring partnerships and networking opportunities. Participants are paired with a mentor for a ten-month-long mentoring engagement and are encouraged to participate in a variety of development activities such as regular ongoing 1:1 meetings, workshops, conferences and practical exercises. Our Mentoring Program was established in 2020 with an inaugural class of 10 women based out of Corporate Headquarters. This year the program has expanded globally to include 50 participants of diverse experiences and backgrounds.

Community Engagement and Philanthropy

Being an active member of the communities in which we work and live is at the core of our culture at EnerSys. Being a good neighbor and strengthening local relationships is part of how we define sustainability at EnerSys. We support our employees in their efforts to volunteer their time in their communities.

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

We are proud to support communities in our areas of operation and around the globe. EnerSys is dedicated to improving the lives of people through our time and products. Our 2021 stories highlight who we are as a company and our commitment to being a good corporate citizen.

2021 CHARITY PRIORITIES

In 2021, we gave approximately $1 million to charities focused on the following priorities:

1. Community and economic development
2. Education and workforce development
3. Health and human services

CHARITABLE GIVING PARTNERS

We also support our communities through partnering with charitable giving organizations to use their expertise and systems to use the dollars in meaningful ways. Below is a select list of our charitable contributions. This list is not comprehensive, as we partner with organizations of all sizes, but includes charities that have received donations greater than $2500.

- Berks Business Education Coalition
- Berks County Community Foundation
- Big Brothers, Big Sisters
- Caron Foundation
- Centro Hispano
- Clare of Assisi House
- Eastern PA Scholarship Foundation
- Girl Scouts of Eastern PA
- Greater Reading Economic Partnership
- Hawk Mountain Council – Boy Scouts of America
- Olivet Boys & Girls Club
- Opportunity House
- Reading Hospital Foundation
- Reading Royals
- Reading Symphony Orchestra
- Remote Energy
- SafeBerks
- Slapshot Charites
- South Mountain YMCA
- YMCA of Reading and Berks County

United Way

EnerSys proudly supports the meaningful work of United Way, including:

- Big Brothers Big Sisters
- Blueprint for Leadership
- Day of Caring
- The Big Cheese

Reading Blood Drive

In July, EnerSys hosted a blood drive in partnership with Miller-Keystone Blood Center's Adopt-A-Day program in Reading, PA to support a critical community health need. It was the first onsite blood drive the company has been able to host in over a year due to pandemic restrictions. Together, the EnerSys team in Reading reached its goal of collecting a total of 23 units of blood during the two-day drive, which can ultimately save 69 lives.

Big Brothers Big Sisters of Berks County

At EnerSys, engaging with our local communities is a core part of who we are. For Joe Lewis, EnerSys *Senior Vice President, General Counsel, Chief Compliance Officer and Secretary*, this has meant a multi-decade commitment to Big Brothers Big Sisters of Berks County, which supports the youth of the county through one-on-one matches with big brothers and sisters as well as other programs like tutoring. As a Big Brothers Big Sisters board member, Lewis works with other community leaders and the United Way to serve the at-risk youth of Reading and the surrounding area of Berks County. As a company, EnerSys financially supports the Big Brothers Big Sisters Berks County events.

Blueprint for Leadership

Blueprint for Leadership is a program offered by United Way Berks County that seeks out individuals from under-represented and minority groups within partner companies like EnerSys to receive leadership training, with the ultimate goal of these individuals joining nonprofit boards to help increase the representation of diverse voices. Each year, EnerSys nominates participants for the program: Read more about this year's participants here.

(Left to right) Daniel Sansary, Blueprint for Leadership Committee Chair 2016-2021; Patricia Gamboa, Sr. Supplier Quality Manager Americas at EnerSys; and Tammy White, President of United Way Berks County

"Partnerships are key to United Way's work, and the EnerSys team is one of our most supportive and generous partners. Their team shares a remarkable commitment to Berks County, and they put their compassion into action by volunteering to help others and by financially supporting our annual campaign. Their support helps fuel the work to improve lives and build a stronger community. We couldn't do what we do without their support and passion for making a difference."

Tammy White, *President of United Way Berks County*

Technical Training for the Navajo and Hopi Nations

Citizens of the Navajo and Hopi Nations often lack access to clean and affordable energy. Although solar photovoltaic (PV) systems can be made available, there is also a paucity of skilled technicians to install and maintain arrays and backup storage.

The partnership between Remote Energy, Native Renewables and EnerSys/OutBack Power is designed to provide off-grid solar power to families in the Navajo and Hopi Nations, train a local workforce with the skills to install and maintain off-grid PV systems and offer education to the broader Native community about solar energy and the benefits of off-grid power. OutBack Power supplies its equipment for the training program for participants to use free of charge.

Clean Electricity to Pacific Island Schools

We are proud to partner with and support organizations worldwide that are working to solve critical issues that affect local communities and society at large. One such example is our partnership with the Its Time Foundation (IITIME), which delivers renewable power solutions like solar installations to remote Pacific Island schools, transforming educational outcomes while reducing carbon emissions.

To date, EnerSys has supplied IITIME with three Flex 2 Inverter/Charger systems, one Flex 1 Inverter/Charger system and 10 IBR cabinets for outdoor solar installations. We are looking forward to a continued partnership with the Its Time Foundation, bringing free, clean and reliable electricity to students and teachers across the Pacific Islands.

Energy Access in Western Africa

Providing energy solutions worldwide includes supporting communities by providing local workforces with the skills they need to improve their working conditions and quality of life. To facilitate energy access in Western Africa, OutBack Power partnered with the nonprofit Remote Energy to provide Solar PV and Energy Storage training for instructors and technicians in Senegal. This project empowers women through training and education for high-tech, sustainable jobs that benefit the environment and the economy.

EnerSys Employee and Community Volunteer Spotlight

Rob Qiao, an EnerSys Chongqing, China employee and Chairman of the Labor Union of the Chongqing company, is an excellent representation of the EnerSys community commitment. He participates in public service activities every year, including gathering volunteers to perform at a local retirement home and bringing gifts for the residents. Qiao and the other volunteers continue to set an example that encourages others at EnerSys to join in public service activities and contribute to bettering their communities.

Our Governance 06

Our Board of Directors

EnerSys has been a leader in manufacturing energy storage and energy systems for over 100 years. Our reputation for building reliable products and solutions is rooted in our strong corporate governance. We are committed to maintaining the trust of our stakeholders.

"The reliability of our products and services depends on the reliability of the decisions we make every day. Advancing sustainability has the full commitment of the EnerSys Executive Leadership Team and Board of Directors. EnerSys understands that sound governance is at the core of responsible decision-making."

Joseph G. Lewis, *Senior Vice President General Counsel, Chief Compliance Officer & Secretary*

Our Board of Directors (Board) oversees EnerSys company performance at the highest level. The Board is comprised of nine directors, including one woman and one man of color. All directors except for our President and CEO are deemed independent, and a non-executive serves as the Chairman of the Board.

There are four committees on the EnerSys board – Audit, Compensation, Technology Advisory and Nominating & Corporate Governance (NCGC). The Board of Directors has determined that each committee member of the Audit, Compensation and NCGC is independent under the NYSE listing standards. The NCGC is responsible for identifying, reviewing the qualifications of and recruiting qualified candidates for board membership, as well as reviewing the continuation of each director being considered for re-election.

Board members are selected based on their integrity and character, sound and independent judgment, breadth of experience, business acumen, leadership skills, scientific or technology expertise, familiarity with issues affecting global business in diverse industries and diversity of backgrounds and experience. Stockholders may recommend qualified persons for consideration by the NGCC.

For more detailed information about our board composition, committees, nomination and compensation, please refer to our 2021 Proxy Report. For more information about our board qualifications, continuing education and evaluation, please refer to our Corporate Governance Guidelines.

BOARD OF DIRECTORS

ARTHUR T. KATSAROS
Non-Executive Chairman of the Board of Directors

DAVID M. SHAFFER
Director, President & Chief Executive Officer

CAROLINE CHAN
Director

HWAN-YOON F. CHUNG
Director

STEVE M. FLUDDER
Director

HOWARD I. HOFFEN
Director

GEN. ROBERT MAGNUS USMC (RET)
Director

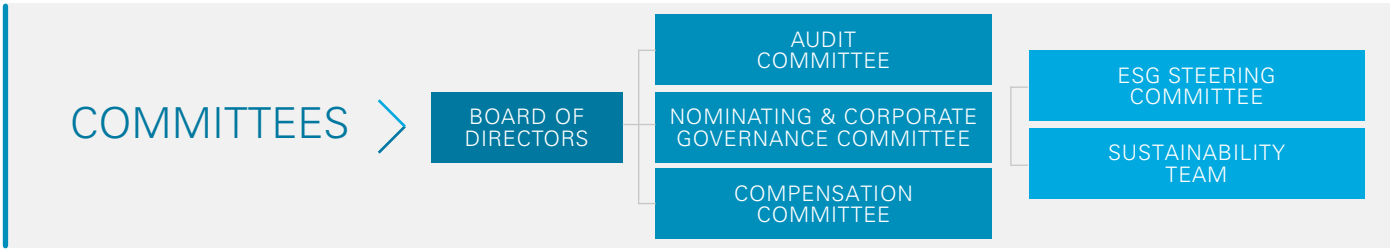
PAUL J. TUFANO
Director

RONALD P. VARGO
Director

SUSTAINABILITY OVERSIGHT

The Board of Directors, including our CEO, oversees the administration of our Sustainability Program and considers sustainability issues quarterly. The NCGC has specific responsibilities to assist the Board in fulfilling its oversight responsibilities relating to the Company's policies and practices regarding sustainability matters that are significant to the Company.

Our other Board committees also have oversight responsibility for sustainability topics under their purview. The Senior Vice President, General Counsel and Chief Compliance Officer of the Company reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters and environmental, health and safety matters at each Audit Committee meeting. The Compensation Committee and the NCGC have oversight of management succession, talent development and diversity and inclusion efforts. The Audit Committee and the entire Board are also directly engaged with Environmental, Social and Governance (ESG) risk areas through our comprehensive enterprise risk management program. The Board of Directors and our CEO administer our ESG Program by which EnerSys communicates and monitors our information regarding compliance with our various policies, including those for sustainability, conflict minerals, environmental responsibility and engagement, employee and supplier diversity, anti-slavery and human trafficking, battery recycling programs and environment and sustainability issues concerning the production and life cycle of our products. Our ESG Steering Committee consists of senior management and subject matter experts and meets quarterly. We also maintain a talented sustainability team, which leads our significant efforts concerning climate change management, product sustainability, operations, supply chain management, workforce health and safety, diversity, equity, inclusion, and community engagement.



RISK OVERSIGHT

The EnerSys Board oversees various risks potentially affecting EnerSys both directly and indirectly through its committees, primarily through the Audit Committee. Our risk management program is designed to identify risks across EnerSys. Each business unit and function has input into this process, and material risks are identified and prioritized by management. EnerSys also has an executive risk management committee comprised of senior managers across the organization – including the sustainability lead – that meets quarterly to identify significant risks, coordinate information sharing and coordinate mitigation efforts for all types of risks.

Material risks identified and prioritized by management and the risk committee are reported regularly to the Audit Committee. Each prioritized risk is referred to the appropriate committee of the Board or the full Board for oversight. Members of the Board regularly review information regarding our credit, liquidity, markets, legal, regulatory, sustainability, compliance and operations, including technology and cyber security risk, as well as the strategic and financial considerations associated with each.

For more information on our Risk Management and Risk Factors, please refer to our 2021 Proxy Report.

Code of Conduct and Ethics

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

Supply Chain Management

As the world's leader in manufacturing energy storage and energy systems, we work with a large number of suppliers to procure the necessary materials and services required to build our products. Our relationships with our suppliers are crucial to the long-term success of our organization. During the initial evaluation phase and on an ongoing basis, we consider suppliers' sustainability records and goals when evaluating supplier relationships. Our suppliers must align with our Code of Ethics and our relevant Policies, which include commitments to our suppliers' environmental stewardship, workplace labor rights and diversity.

Suppliers must allow EnerSys, or an accredited third party, to conduct audits, including but not limited to environmental compliance, health and safety, product safety, conflict minerals, workplace labor rights, and corporate social responsibility. These audits may be in the form of questionnaires, site evaluations, discussions or the use of third-party databases. Failure to comply may result in discontinuance of current and/or the prevention of future business relationships between EnerSys and the supplier and its affiliates. These audits will be conducted periodically or as deemed necessary to address either the risk profile or past performance of any particular supplier.

HUMAN RIGHTS

We value the rights, dignity and livelihoods of all people, and we expect our suppliers to do the same. Our Workforce Labor Rights Policy and Corporate Social Responsibility and Human Rights Policy outline our commitments to our suppliers upholding human rights preventing modern slavery and child labor and maintaining discrimination-free workplaces in line with global principles.

UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER

International Labour Organization

We screen new potential suppliers for these social criteria and periodically evaluate our current suppliers against policy. In addition, our employees, suppliers and other stakeholders have access to our confidential, 24/7 Ethics and Compliance Hotline to anonymously report if any violations or out-of-compliance activity are suspected.

LABOR AND EMPLOYEE REPRESENTATION

At EnerSys, we work with suppliers that respect and value their employees and create a culture of open and direct communication. We respect the rights of all workers to form multi-stakeholder and other collaborative initiatives for the protection of their interests, as upheld in our Workforce Labor Rights Policy.

SUPPLIER DIVERSITY

We are committed to supporting diversity in our supply chain in line with our Diversity, Equity and Inclusion commitments within EnerSys. Our policy is to provide minority and women-owned business enterprises (MWBE) an equal opportunity to participate in all aspects of our supplier contractual opportunities. We also prioritize local suppliers wherever possible to help invest in our local economies, improve community relationships and ensure reliable supply.

ENVIRONMENTAL STEWARDSHIP

We recognize that the goods and services required to manufacture our sustainable products have an impact on the environment. Our suppliers are required to operate in an environmentally responsible and efficient manner and strive to minimize adverse impacts to the environment. We screen new suppliers using environmental criteria, and our current suppliers are subject to audits periodically.

CRITICAL MATERIALS

Our products, which support sustainability goals globally, require specific minerals and materials to produce. We recognize our responsibility at EnerSys to manage risks associated with the use of these critical minerals, including physical limits on availability and access, changes in price, regulatory, reputational, environmental and human rights risks. We report annually on our findings regarding Conflict Minerals, as required by Section 1502 of the Dodd-Frank Act, in our Conflict Minerals Report. For our lithium-ion batteries, we also only source cobalt, the mining of which poses serious human rights and environmental concerns, from suppliers that are committed to adopting the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Our strategy to reduce supply risks to our value chain from critical minerals, like cobalt, is to invest in recycling and the realization of a circular economy. Recycling lithium-ion batteries and the materials in them is a global challenge. EnerSys is committed to being part of the solution. Please see the Lithium-ion Batteries section of this report for more information about our partnerships and initiatives to improve lithium-ion battery recycling.

Looking Forward 07

Looking Forward

The year 2021 was pivotal for EnerSys as a sustainability technology company. We focused on measuring our impacts, setting meaningful goals and publishing our first full-length Sustainability Report. We believe this has helped us achieve the new levels of transparency and disclosure that our stakeholders increasingly expect.

We continue our work to quantify and understand the potential impacts that climate change has on our business, including our supply chain. In the coming months and years we will endeavor to provide additional details on our climate and other sustainability risks and opportunities.

Our innovative products and services are already supporting decarbonization globally, from fast-charging electric vehicles to enhancing grid resilience to making pathways to Net Zero a reality. We will continue to integrate sustainability throughout our business units to maintain our leadership in providing sustainable, reliable energy systems to our customers.[11]

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

For more information about EnerSys, visit us at **www.enersys.com**.

For more information about our environmental metrics, visit our **Data Table**.

For more information about alignment with our reporting frameworks, visit our **SASB and GRI Index**.

[11] Net Zero refers to Carbon neutrality (or Carbon dioxide equivalent). This can be achieved by balancing emissions of carbon dioxide with its removal (often through carbon offsetting) or by eliminating emissions from society (the transition to the "post-carbon economy"). The term is used in the context of carbon dioxide-releasing processes associated with transportation, energy production, agriculture and industry.

FORWARD LOOKING STATEMENT

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

EnerSys®
2366 Bernville Rd, Reading, PA 19605 • enersys.com