EnerSys 2023 Report

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

POWERING THE FUTURE
EVERYWHERE FOR EVERYONE

CEO STATEMENT

Contents

We are all experiencing the impacts of global climate change. This past year, we have seen unprecedented global temperatures, the intensification of extreme weather events, and the corresponding impact on our infrastructure, supply chains, and communities. The need to accelerate the pace of implementing climate solutions has never been greater. As a global leader in stored energy solutions, EnerSys is committed to delivering energy systems and power-related products and services that meet the growing demand for energy efficiency, resiliency, and sustainability. We are continuously improving the efficiency of our products, helping our customers reduce their climate impact, and continuing to examine our own efforts to manage climate risk and realize new opportunities.

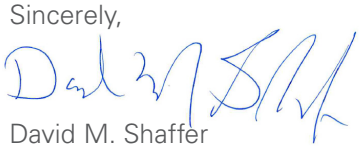
EnerSys is uniquely positioned to provide critical climate solutions through our technology products and services as the global transition to clean energy continues. We are climate tech.

While we continue to expand and develop our sustainability efforts, we acknowledge that mitigating risk and reducing our environmental impact cannot be considered separately. Hence, we present below our second report aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. By identifying climate-related risks that impact EnerSys, we can focus on key mitigation strategies while working toward our goals, improving our operations, and providing customer energy storage solutions and services.

This TCFD report expands on our 2022 TCFD report and evaluates our governance, strategy, risk management, metrics, and targets. By deepening our examination of climate-related risks, we can develop our sustainability initiatives, increase efficiency, and build innovative solutions for our customers. In the coming year, we will take the next steps in risk mitigation by furthering this work aligned with TCFD.

Our advancements in sustainability reporting and climate disclosure exemplify that EnerSys is committed to accelerating our sustainability strategy. Thank you for your interest in our TCFD report; we appreciate your support.

Sincerely,



David M. Shaffer
President & CEO

EXECUTIVE SUMMARY

We design, manufacture and distribute energy systems solutions and motive power batteries, specialty batteries, battery chargers, power equipment, battery accessories, and outdoor equipment enclosure solutions to customers worldwide. Our energy storage solutions deliver clean and reliable energy where it is most needed: moving products, grid reliability, telecommunications, medical safety, and helping to solve climate change. As a global leader in stored energy solutions for industrial applications, we understand the importance of our role in the transition to a low-carbon economy. **For EnerSys, the opportunities are greater than the risks.**

RISKS, OPPORTUNITY, & MATERIALITY

The greatest risks to EnerSys are those that could impact our production capabilities and potentially increase costs that erode our bottom line. We measured risks with consequences greater than 1% of revenue – our threshold for materiality specifically for this report. These include both physical and transition risks associated with climate change, which we detail throughout this report – and summarized in Appendix A. While EnerSys has risks in the transition to a low-carbon economy, there are also substantial opportunities. These opportunities include increased demand for our existing products, new markets and customers, increased innovation, and increased access to capital.

Less than **8% of our facilities** are located in countries that are "high risk" per the Country Risk Index

MEASURING IMPACTS: 1.5°C, 2°C, & ~3°C SCENARIOS

In the 2023 TCFD report, EnerSys has evaluated three climate change scenarios related to temperature increase of 1.5°C, 2°C, and ~3°C over short-, medium- and long-term time horizons. This report notes that the impact of these scenarios doesn't vary significantly in the short-term (1-2 years) and medium-term (3-5 years) timeframes. However, the impacts become increasingly divergent and significant in the long-term (5+ years). For each scenario (where applicable), we evaluated the risks, opportunities, and impacts relevant to our overall operations and specific geographic locations. See Appendix B for a summary of quantified impacts per the three scenarios within the differing timeframes.

STRATEGIC RESPONSE: REALIZING OPPORTUNITIES, MITIGATING RISK

We also describe our strategic responses to these risks and opportunities. These responses are strategies and specific actions taken to mitigate risk or maximize opportunity. Through our sustainability goals, relationships with suppliers and customers, and continuous investment in R&D, EnerSys is well-positioned to address both climate risks and opportunities – seeking opportunities that outweigh the risks. See Appendix C for a Summary List of Strategic Responses. For the sake of humanity and our business, EnerSys commits to a sustainable future and reduction of our environmental footprint, which are reflected in our goals and company policies. In facing the warmer road ahead, we have taken a proactive approach to sustainability reporting, greenhouse gas (GHG) emissions targets, water and waste management, and maximizing energy efficiencies. Our commitment and strategic response to climate risk help us prioritize and realize the opportunities.

The current (short-term) opportunity related to the transition to a low-carbon economy is **$360 M U.S.** from incentives for renewable energy technology, **$342 M** greater than the maximum long-term risk related to a carbon tax (total of $18 M). **More than $17 M in incentives were realized for EnerSys in 2022/23.**

ABOUT THE TCFD

The Financial Stability Board (FSB) created the TCFD to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks – risks related to climate change.

In 2017, the TCFD released climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation. The disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets.

The four recommendations are interrelated and supported by 11 recommended disclosures that build the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities.

Since the publication of the TCFD recommendations, the FSB has asked the Task Force to continue its work – promoting the adoption of the TCFD framework, providing further guidance, supporting educational efforts, monitoring climate-related financial disclosure practices in terms of their alignment with the TCFD recommendations, and preparing annual status reports.

THE CORE ELEMENTS OF THE TCFD

1 GOVERNANCE

The organization's governance around climate-related risks and opportunities.

2 STRATEGY

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

3 RISK MANAGEMENT

The processes used to identify, assess, and manage climate-related risks.

4 METRICS & TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

GOVERNANCE

TCFD Governance GA.1-3 & GB.1-4 See Appendix D for disclosure guidance and page references.

BOARD OVERSIGHT

The EnerSys approach to climate change starts at the highest levels. Our **Board of Directors**, including our CEO, is responsible for administering our sustainability program, which includes climate-related topics. Sustainability issues are reviewed by the full Board quarterly.

Our **Nominating & Corporate Governance Committee (NCGC)** has specific responsibilities to assist the Board in overseeing the Company's policies and practices regarding sustainability matters that are significant to the company. This includes our Climate Change Policy, which outlines our commitment to mitigating our impacts on climate change and reducing our energy intensity and GHG emissions.

Our **Audit Committee** oversees various risks potentially affecting EnerSys, including climate-related risks, through our enterprise risk management program. The company's Chief Legal and Compliance Officer of the company report to the Audit Committee on environmental matters, including climate change, at each Audit Committee Meeting.

Each Board Committee's Chair regularly communicates with the Independent Non-Executive Chair. There is open communication between the Directors and the CEO outside of reporting during quarterly meetings. Each of their set annual calendars establishes the Board and Committee agendas for quarterly meetings, and any ad hoc items are included and addressed as needed. The Independent Non-Executive Chair of the Board establishes the agenda for Board meetings and distributes it in advance to each Director. The agenda reflects suggested agenda items requested to be included therein by any Director. Directors are encouraged to suggest items for inclusion on the agenda and may raise any other subject not specifically on the agenda for consideration and action at any meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the Chair of that committee.

Table 1.1: Governance Oversight Systems and Schedule

PARTIES RESPONSIBLE FOR OVERSIGHT	MINIMUM FREQUENCY OF REVIEW
Board of Directors	Quarterly
Audit Committee	Quarterly
Nominating & Corporate Governance Committee	Quarterly
SYSTEMS IN PLACE	
Climate Change Policy	Enterprise Risk Management Program	Sustainability Program

ROLE OF MANAGEMENT

Our **ESG Steering Committee** oversees the execution of our sustainability program, including strategies related to climate change. The Committee consists of senior management and subject matter experts and meets quarterly.

The **Executive Risk Management Committee** is composed of senior managers across the organization and meets quarterly to identify significant risks, coordinate information sharing, and coordinate mitigation efforts for all types of risk, including climate-related risks Management personnel from all EnerSys business units and functions have input into our enterprise risk management program and are responsible for identifying and prioritizing risks, including climate change.

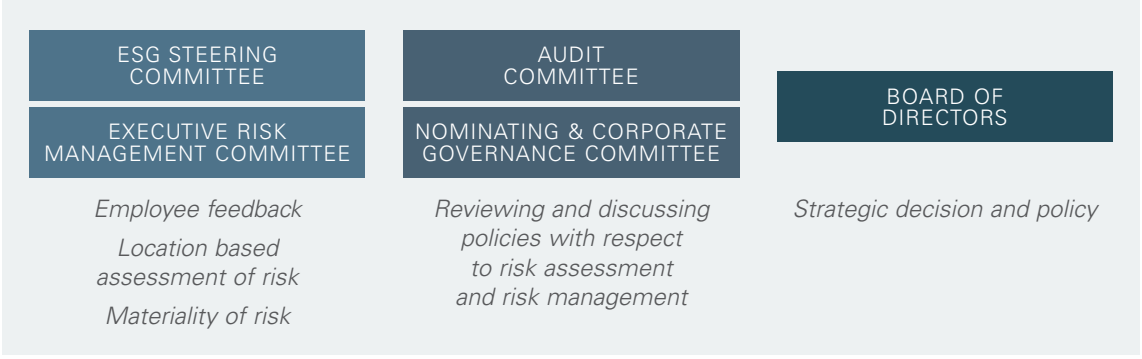
The EnerSys sustainability department leads our significant efforts concerning important topics such as climate change management, product sustainability, operations, and supply chain management.

Table 1.2: Leadership Roles Responsible for Oversight

PARTIES RESPONSIBLE FOR OVERSIGHT	KEY LEADERSHIP
ESG Steering Committee	CEO
Executive Risk Management Committee	Chief Legal and Compliance Officer
Sustainability Department	Senior Director of Sustainability

On a minimum of a quarterly basis, information regarding risks, including climate-related risks, flows from Senior Management to the Board as follows:

Figure 1.1: Risk Management Organizational Structure



STRATEGY

TCFD Strategy SA.1-4, SB.1, 3-5, 7-10, & SC.1-5
See Appendix D for disclosure guidance and page references.

Climate change will impact every community, industry, and company, including EnerSys. According to the IPCC Summary for Policymakers,[1] future climate-related risks depend on the rate, peak, and duration of warming, with some impacts being long-lasting and irreversible, especially if warming exceeds 2°C. EnerSys is evaluating both the risks and opportunities that climate change presents. Climate change risks and opportunities generally fall into two categories: physical and transition. We have detailed these risks in the following sections.

Per the TCFD disclosure guidance, this topic belongs in Risk Management and responds to TCFD "RA.3: Processes for assessing the potential size and scope of identified climate-related risks." To ensure readability and definition of key topics, we included it at the beginning of the Strategy section.

RISK & OPPORTUNITY ANALYSIS METHODOLOGY

ANALYSIS APPROACH AND PROCESS

Informed by the 2021 TCFD report: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, we developed this analysis using various risk tools. See Table 2.1 below for a list and description of the tools employed. Combined with our own data, these tools allowed us to map the temperature, target, time, and geographic dimensions of climate risk. While we will continue to refine this analysis over the coming years, we have identified, evaluated, and quantified material climate risks and the potential impacts on our business, strategy, and financial planning.

TIME HORIZONS

We identified and evaluated the magnitude and potential impact of acute and chronic physical risks, as well as transition risks and climate-related opportunities with short-, medium-, and long-term time horizons, as defined in Table 2.1.

Table 2.1: Time Horizon Definitions

TIME HORIZON	TIME FRAME
Short-term	1-2 years
Medium-term	3-5 years
Long-term	More than 5 years

MATERIALITY DETERMINATIONS

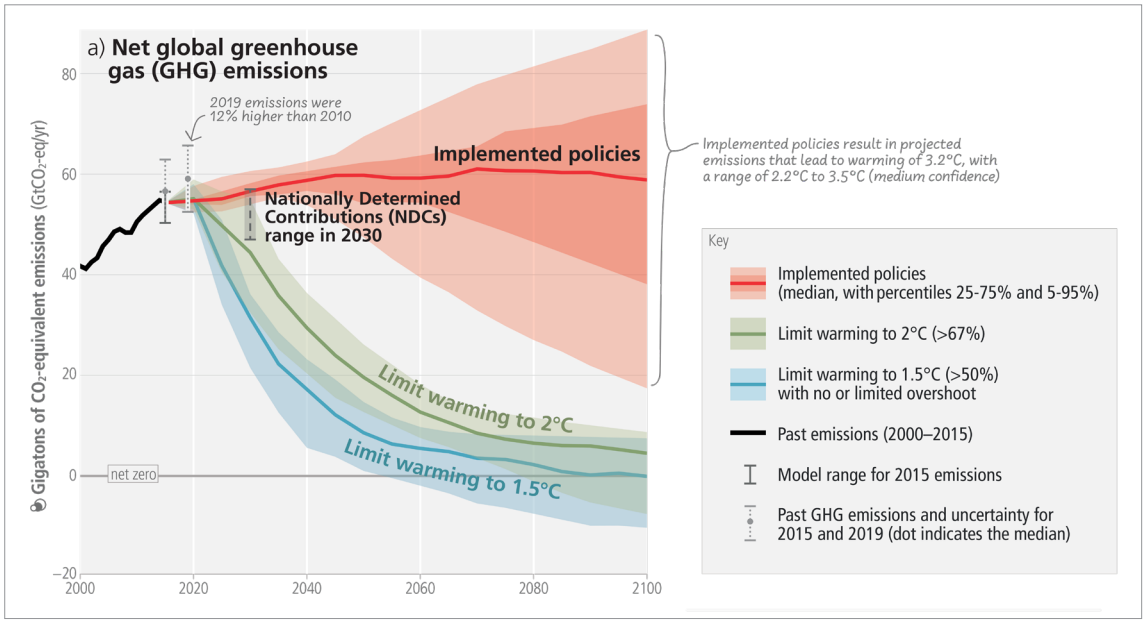
To quantify the extent to which a climate risk or opportunity impact is material to our company's operations and financial performance, we used a general gauge of one percent of revenue as a threshold for materiality. While five percent is the generally accepted rule of thumb for financial materiality per the U.S. Security and Exchange Commission (SEC),[2] we have taken a conservative approach, as these risks vary greatly depending on a number of factors, and have quantified risks with an estimated impact magnitude of at least one percent of revenue. We also set a "within ten years" threshold as being financially material and worth considering for quantitative measure. While standard business practices would view five percent and five years as the

materiality threshold, we see climate change as a longer-term risk and have extended our view of what should be measured. In evaluating the various risks and opportunities and their impacts, we examined the type of impact and estimated the potential magnitude from a financial perspective (where we had data and was material). We have noted general discussions of impacts (both quantified and not-quantified) as positive (+), negative (-), or both (+/-) to indicate the direction of benefit/harm to EnerSys operations and financial performance.

CLIMATE SCENARIOS: 1.5°C, 2°C, & ~3°C

EnerSys has developed three climate scenarios to evaluate both climate risks and potential opportunities, providing a view of various possible futures. We chose the scenarios most relevant to our operations that would demonstrate material impacts, which aligns with Figure 2.1 below. The chart shows three primary scenarios based on global GHG emissions (measured in gigatons of carbon dioxide equivalents). These Scenarios were developed by the IPCC and are published in the AR6 Synthesis Report: Climate Change 2023.[3] The En-ROADS scenarios had levers set with carbon price at $5/ton CO2 for the ~3.2°C.

Figure 2.1: IPCC AR6 Synthesis
Figure SPM.5: Global emissions pathways consistent with implemented policies and mitigation strategies.



EnerSys has analyzed these three global emissions pathways, examined the physical and transition implications and evaluated both risks and opportunities. We have integrated these climate scenarios throughout the Risk and Opportunity Analysis sections where relevant and material.

Table 2.3: EnerSys Climate Scenarios Evaluated

WARMING SCENARIO	SSP SCENARIO	RANGE*
~3°C Current Climate Policies	RCP 6.0	~3° to ~3.5° C
2°C Beyond National Pledges	RCP 3.4	~2° to ~2.4°C
1.5°C Net Zero	RCP 1.9	~1° to ~1.5°C

*Range of Global Mean Temperature Increase (Celsius) – 2100 from pre-industrial baseline

Note: The scenario analysis uses the above-listed scenarios and temperature ranges, which are the most recent projections published in 2023. The maps in the following sections apply closely to these scenarios but pull data from previously published models – as the new models have yet to be integrated into the existing cartographic tools and available databases. The temperature ranges are approximately the same, but the SSP scenarios differ. This difference does not have a material impact on the analysis.

TOOLS EMPLOYED

Table 2.2: Climate Risk Analysis Tools Used in EnerSys Risk & Opportunity Analysis

	TOOL NAME	DESCRIPTION OF USE	TIME HORIZON
1	CMRA Climate Mapping & ArcGIS Online	Used to analyze various climate risks and scenarios by geography in the United States. The displayed statistics are generated from official U.S. climate projections for two greenhouse gas emissions scenarios, a Lower Emissions Scenario ~2.5° to ~3° C (RCP 4.5) and a Higher Emissions Scenario ~5° C (RCP 8.5).[4]	Short- & Med-term
2	World Resources Institute Global Water Risk Atlas	Used to identify regions susceptible to water risks, such as floods, droughts, and water stress.	Short-, Med- & Long-term
3	The FEMA Risk Index	Used to assess short-term risk in U.S. communities most at risk for 18 natural hazards. It provides locations with composite risk ratings based on expected annual losses, social vulnerability, and community resilience. The composite risk rating can be very low, relatively low, relatively moderate, relatively high, or very high.	Short-term
4	EPA Climate Resilience Evaluation & Awareness Tool (CREAT)	Used to map projections for the U.S. by looking at future scenarios for temperature, precipitation, storms, extreme heat, and sea level. The time horizons are 2035, 2060, and 2080.	Long-term
5	IPCC WGI Interactive Atlas	Used to evaluate climate change impact and adaptation within the timeline of the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC). Coupled Model Intercomparison Project Phase 5 (CMIP5) up to the year 2100.[5] Includes data from the EURO-CORDEX model.	Long-term
6	The Global Climate Risk Index 2021	Used to analyze the extent to which countries and regions have been affected by impacts of weather-related loss events (storms, floods, heat waves etc.) from the effects of climate change.	Short-term
7	En-ROADS Climate Interactive Model	Used to simulate the impact of various policies that achieve certain temperature targets. The degree scenarios analyzed are described in the Climate Scenarios Section. Policies include electrification, pricing carbon, and improving agricultural practices, to explore impacts on various factors such as energy prices, temperature, air quality, and sea level rise.	Short-, Med-, & Long-term

The scenario analysis is applied where data is available, and the scenarios have materially different impacts. Where the differences in pathway scenarios do not materially impact EnerSys, the analysis assumes a "business-as-usual" or a ~3°C scenario, with time frames relevant to the particular risk, opportunity, or impact.

CLIMATE RISKS AND IMPACTS: OVERALL RISK INDEX

Overall climate risk is measured both by the impact of potential risks, resilience to those impacts, and the value or importance of what is vulnerable. For a company like EnerSys, climate change also poses unique opportunities. Like other climate tech companies, EnerSys technologies play an essential role in the transition to a low-carbon economy and thus could increase profits while mitigating risks posed by climate change. The following sections evaluate risks posed by climate change through the lens of the three climate scenarios listed in the previous section.

Geography plays a crucial role in evaluating our overall climate risk and resilience. Geography defines not only the physical but also the socio-economic conditions that impact vulnerability and resilience. Per the Climate Risk Index (CRI), we evaluated each of our locations by level of country risk, categorizing the risk levels as high, medium, and low, pertaining to the CRI score.

Table 2.4: Climate Risk Index Levels

COUNTRY CLIMATE RISK LEVEL	CRI SCORE
High Risk	CRI score below 40
Medium Risk	CRI score 41 – 99
Low Risk	CRI score above 100

Table 2.5: Facilities at Risk by Country Risk Level & Region

COUNTRY CLIMATE RISK LEVEL	AMER	APAC	EMEA	TOTAL
High Risk	3	9		12
Medium Risk	85	9	37	129
Low Risk		5	5	10
Total	86	23	42	151

Table 2.6: Facilities at Risk by Country Risk Level & Facility Type

COUNTRY CLIMATE RISK LEVEL	ASSEMBLY	OFFICE	OFFICE & WAREHOUSE	PRODUCTION	SERVICE & DISTRIBUTION	WAREHOUSE	TOTAL
High Risk	2	4	3	3			12
Medium Risk	3	33	6	29	50	8	129
Low Risk		5	3			2	10
Total	5	42	12	32	50	10	151

Figure 2.2: Map of EnerSys locations in Countries with "High Risk" CRI Scores

TCFD Strategy SA.1-4, SB.1, 3-5, 7-10, & SC.1-5
See Appendix D for disclosure guidance and page references

PHYSICAL RISKS – CHRONIC

Greenhouse gas emissions, primarily from human economic activity, are increasing average global temperatures, driving all other climate-related risks. The average global temperature increase caused by greenhouse gas emissions primarily from human economic activities drives all other related climate risks. Long-term shifts in climate and environmental patterns like rising sea levels, extended droughts, rising average temperatures, decreased or increased precipitation and long-term heat waves could impact EnerSys. Many locations around the world are already facing increased temperatures, longer summer seasons, and decreased annual precipitation. These long-term shifts in sea levels, precipitation patterns, and average temperatures will impact all parts of the globe, including the areas where we live and operate.

Table 2.7: Chronic Risks, Impacts, & Materiality

RISK	IMPACT	IMPACT TYPE	TIMEFRAME	MATERIAL
TEMPERATURE INCREASE	Higher Energy Prices	Negative	Med- & Long-term	Yes
	Increased Energy Consumption (Short, Med, & Long-term)	Negative	Short-, Med-, & Long-term	Yes
	Higher Costs & Lost Revenue from Workforce Health & Safety Concerns	Negative	Long-term	Not yet quantified
WATER STRESS	Increased Costs Due to Water Stress	Negative	Med- & Long-term	Yes
	Lost Revenue from Delays Due to Water Scarcity	Negative	Long-term	Yes
SEA LEVEL RISE	Potential Costs from Coastal Flooding	Negative	Long-term	No

1 TEMPERATURE INCREASE RISKS BY SCENARIO: 1.5°C, 2°C, & ~3°C

While there may be more impacts, the two impacts that we have identified are energy prices and costs, due to the increase in both per unit price and energy consumption for cooling facilities as global temperatures rise. We have also identified a potential long-term impact of costs and lost revenue related to workforce health and safety. It does not meet the materiality threshold and thus is only mentioned, not quantified.

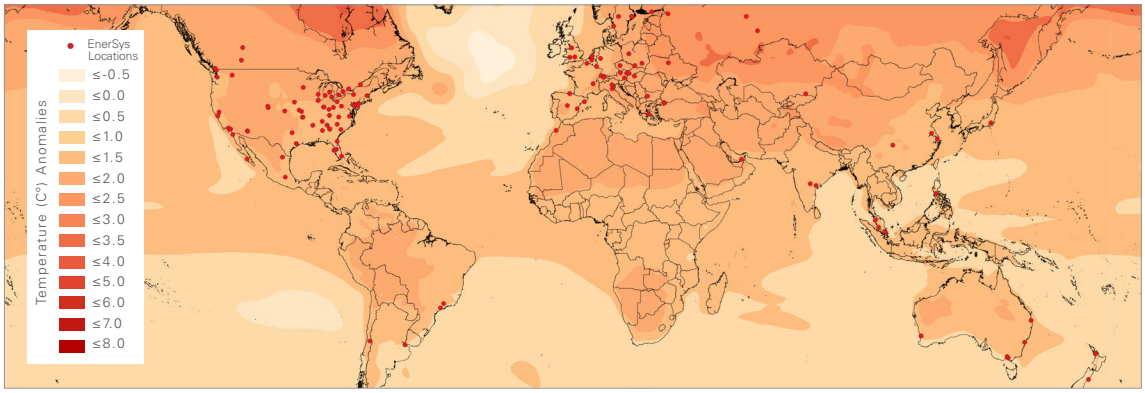
Temperature Scenarios: 1.5°C, 2°C, & ~3.2°C

The following three maps, Figures 2.6 to 2.8, illustrate projected temperature increases ranging from 0.5 degrees Celsius to a maximum of eight degrees Celsius over the next three decades. EnerSys facility locations are mapped to show regions affected by increasing temperatures.

~3.2°C Degree Scenario Average Temperature Increase

In this ~3-degree increase scenario, all EnerSys locations would be at risk of temperature increases ranging from 1.5–3.5-degree increases.

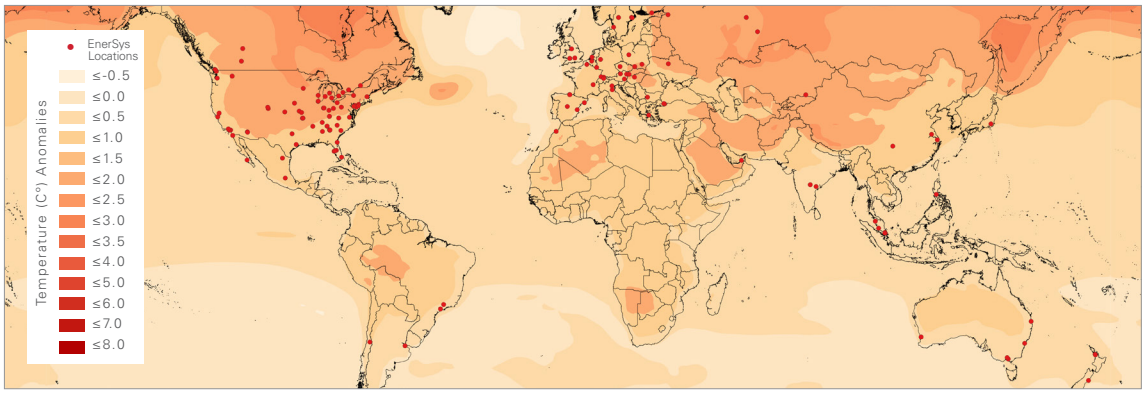
Figure 2.6: Average Temperature Climate Model Projection ~3°C Scenario



2°C Degree Scenario Average Temperature Increase

In the ~2-degree increase scenario, as shown below in Figure 2.7, 79 (68 U.S., 7 Canada, 4 Mexico) locations in North America and 46 locations in Europe, Africa, and Asia would see the most significant impact of 2–3-degree average overall increase.

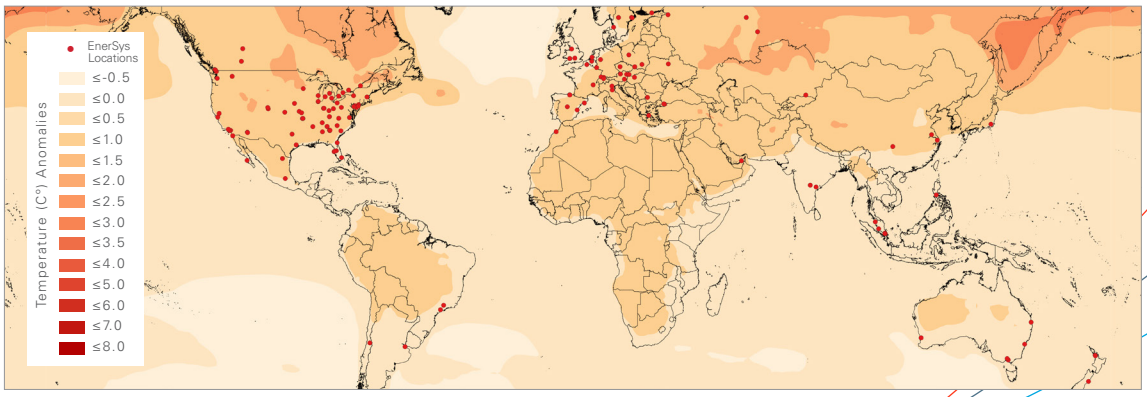
Figure 2.7: Average Temperature Climate Model Projection 2°C Scenario



1.5°C Degree Scenario Average Temperature Increase

In the ~1.5-degree increase scenario illustrated in the map below, 69 (58 U.S., 7 Canada, 4 Mexico) locations in North America and 40 locations in Europe and Asia would see the most significant impact of 1–2-degree increase.

Figure 2.8: Average Temperature Climate Model Projection 1.5°C Scenario



Impact – **Energy Prices (Medium- & Long-term)**

Energy prices are affected by a number of factors; policies, resource capacity, demand, and infrastructure – all impact the price of energy. Temperature plays a key role in the demand portion of these price levers. Average energy prices may escalate due to an overall increase in loads during peak demand times, as daytime cooling requirements increase. However, with the transition to a low-carbon energy grid, electricity prices are expected to rise for a short period and then drop steeply as the grid is upgraded to handle the new generation and load profiles. Using the En-ROADS simulator, we modeled price forecasts for the three-degree pathways scenarios, looking at annual prices for the next 15 years. The charts below illustrate the three pathways with global average market electricity price forecasts (these prices do not reflect EnerSys' actual electric energy prices).

Figure 2.3: Electricity Price Forecasts 3.2°C Pathway [6]

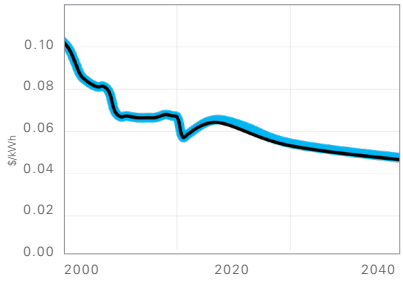


Figure 2.4: Electricity Price Forecasts 2°C Pathway [7]

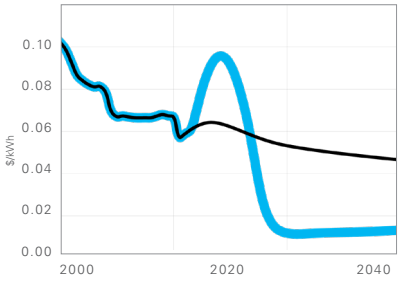
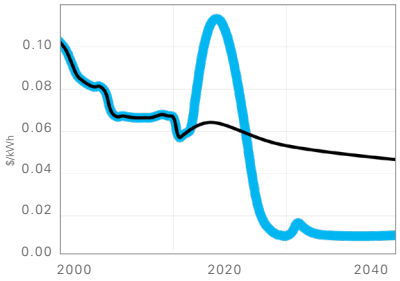


Figure 2.5: Electricity Price Forecasts 1.5°C Pathway [8]



Impact – **Increased Energy Consumption (Short-, Medium-, & Long-term)**

Many locations are already experiencing an increase in average temperature and with that, an increase in summer days with extreme heat. This increase in temperature means an increase in cooling degree days, which increases energy use and refrigerants to cool facilities. It's estimated that a one-degree increase in external temperature could result in an 8% increase in energy consumption to cool interior spaces (with standard office-level insulation and minimal efficiency measures in place).[9]

At the EnerSys service and distribution location in Tempe, AZ, the average number of days with temperatures over 100°F is 102. Per the models referenced in the Scenarios described above, the average number of days above 100°F is expected to increase before mid-century per each scenario pathway:

- 1.5°C = ~100 days with average temps above 100°F
- 2°C = 112 days with average temps above 100°F
- 3°C = 125 days with average temps above 100°F (representing a 25% increase in energy to cool facilities).

In 2020 the Phoenix/Tempe area set a record for 144 days with temperatures at or over 100°F.[10]

Table 2.8, below, shows the potential impact of average global temperature on the increase in energy consumption related to cooling EnerSys facilities over the three timeframes. We modeled the increase in consumption for each degree pathway scenario using the assumption that a one-degree increase in external temperature could result in an 8% increase in energy consumption, as referenced above. This model assumes no change in energy efficiency or facility size/use.

The three scenarios only have measurable differences on the long-term time horizon, where temperatures start to deviate per each scenario. The total energy consumption difference between the 2°C Scenario and the ~3°C Base Case (from 2024-2040) is around 80 gigajoules (GJ), approximately equal to powering 350 average homes in the U.S. The difference between the 3°C Scenario and the 1.5°C Scenario over the same period is 160 GJ, approximately the same amount of energy used to power 700 average homes in the U.S.[11] When the pricing models from the electricity price charts above are applied, the 2°C Scenario long-term costs are 16% lower, and the 1.5°C Scenario long-term costs are 11% lower than the ~3°C Scenario Base Case.

Table 2.8: Potential Energy Consumption Related to Cooling Per Pathway & Timeframe

RISK	IMPACT / SCENARIO		SHORT-TERM (2024-25)	MID-TERM (2026-28)	LONG-TERM (2029-40)
TEMPERATURE	Increased Energy Consumption	Electric energy consumption 3°C Scenario	3,700 GJ	6,200 GJ	28,100 GJ
		Electric energy consumption 2°C Scenario	3,700 GJ	6,200 GJ	28,100 GJ
		Electric energy consumption 1.5°C Scenario	3,700 GJ	6,200 GJ	27,900 GJ
	Increased Energy Consumption	2°C Scenario electric energy consumption compared to base case	0%	-0.01%	-0.27%
		1.5°C Scenario electric energy consumption compared to base case	0%	-0.01%	-0.56%

It's important to note that temperature is not the only variable that influences electricity consumption; there are multiple variables at play. The numbers listed above are only for the sake of thought exercise and hypothetical scenario analysis and do not reflect actual predicted or forecasted energy consumption for EnerSys. It is also important to note that the electric energy prices listed above do not reflect actual energy prices or costs for EnerSys. These prices are sourced from the En-ROADS simulation and are only used for the sake of scenario analysis to better understand the relative potential impacts of the varying degree pathways.

Impact – **Higher Costs & Lost Revenue from Workforce Health & Safety Concerns (Long-term)**

Increase in peak summer temperatures may lead to worker health impacts, ranging from exposure to new infectious diseases that emerge from warmer climates to chronic heat exhaustion.

Strategic Responses to Temperature Increase

EnerSys battery storage solutions improve the resiliency of communities, our customers, and the electrical grid by providing reliable power in unpredictable conditions. A more stable infrastructure provides consistency for our manufacturing facilities, positively impacting our operations.

1. **Emissions Targets:** We are working to reduce greenhouse gas emissions by powering our facilities with renewable energy. This reduces our overall climate impact and, therefore, the long-term risks of climate change. We have set absolute net zero targets of 2040 for Scope 1 and 2050 for Scope 2.
2. **Efficiency (Energy):** In 2022, we set a goal to reduce our energy intensity per kWh of storage produced by 25% by 2030 compared to 2020 as part of our DOE Better Plants Program partnership.
3. **Renewable Energy & EnerSys Batteries at Our Facilities:** To lower our energy prices and hedge against future price escalation, we have been working to develop onsite renewable energy projects to power our facilities. We also leverage our battery technology to increase our renewable capacity, improve resilience, and reduce peak power costs.

At our Bellingham, Washington facility, our solar array has generated over 200,000 kWh of clean energy since becoming operational in 2015.

In 2023, Correlate Infrastructure Partners, Inc. announced the financing and development of a 5.2 MW solar project at EnerSys global headquarters in Reading, Pennsylvania- once commissioned, it will be one of the largest corporate solar installations in the Commonwealth of Pennsylvania.[12]

In 2023, we won the Energy Efficiency Initiative of the Year award for our efforts in energy efficiency.

2 WATER RISK BY SCENARIO: 1.5°C, 2°C, & ~3°C

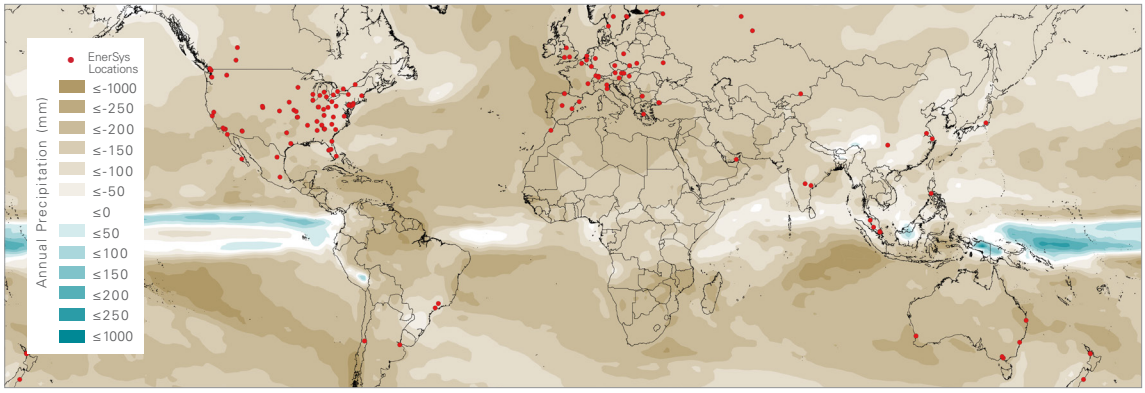
We use water as an input to many of our battery production processes. Increased water scarcity due to extended drought and increased water demand can impact our production capabilities, our revenues, and the livelihoods of our people.

Globally, most EnerSys locations will experience a decrease in annual precipitation. Sixteen EnerSys locations in the U.S. are in regions expected to see more than a 2% decrease in annual precipitation by 2035, with four locations expecting more than a 5% decrease. The three maps below show the projected annual precipitation changes per each Representative Concentration Pathway (RCP) scenario.

3°C Degree Scenario Annual Precipitation

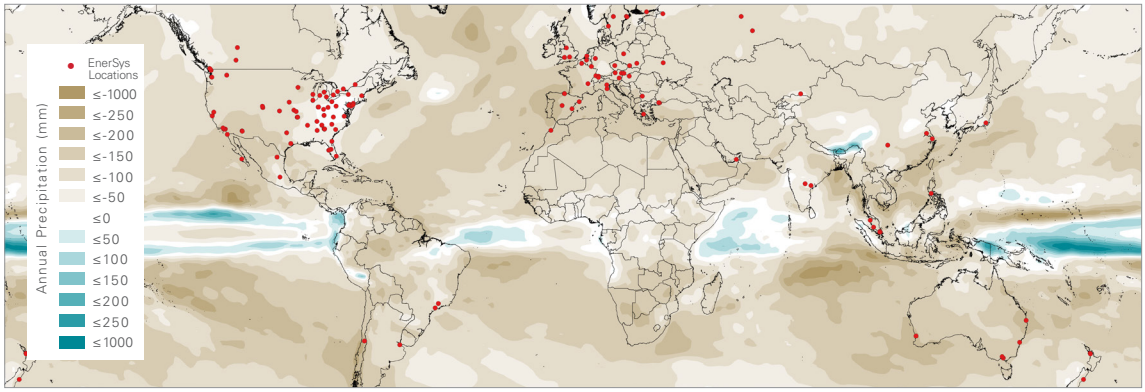
Under a ~3°C or "business as usual" scenario (per Image below), 147 out of 158 EnerSys locations are predicted to experience a decrease in annual precipitation of greater than 50mm.

Figure 2.9: Annual Precipitation Climate Model Projection 3°C Scenario



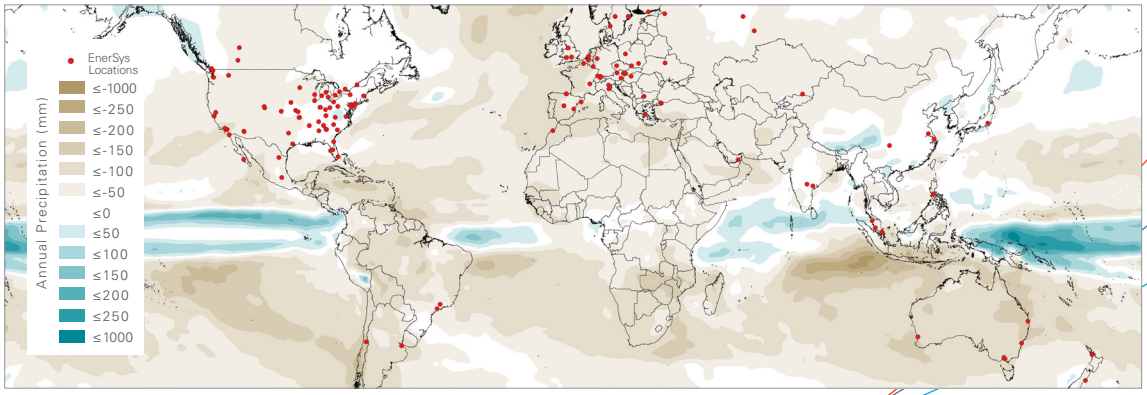
2°C Degree Scenario Annual Precipitation

Figure 2.10: Annual Precipitation Climate Model Projection 2°C Scenario



1.5°C Degree Scenario Annual Precipitation

Figure 2.11: Annual Precipitation Climate Model Projection 1.5°C Scenario



Impact – **Increased Costs Due to Water Stress (Medium- & Long-term)**

Water is an essential input 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. We work to increase water recycling in our process to reduce the impact of water stress in our operations. However, as water stress becomes more prevalent, costs associated with updating the equipment to recycle water and potential increases in the cost of water could lead to increased capital expenditures and operating costs for EnerSys.

Impact – **Lost Revenue from Delays Due to Water Scarcity (Long-term)**

Water stress and scarcity caused by climate change pose an operational risk for our business and a health and safety risk for our employees. A decrease in water supply could negatively impact our manufacturing processes and reduce our production capacity, likely resulting in lost revenue.

Strategic Responses to Water Stress

1. **Industry Commitments:** 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.
2. **Efficiency (Water):** We also set a goal to reduce the water intensity of our operations, reducing our exposure to water scarcity risks. In 2022, we committed to reducing our water intensity per kWh of storage produced by 25% by 2030 compared to 2020.

3 SEA LEVEL RISE & COASTAL FLOODING RISK (LONG-TERM)

Our manufacturing facilities in coastal areas could face challenges to facilities and infrastructure as sea levels rise and the frequency of tropical storms increases. This could affect our ability to continue operations in those locations, increase our capital cost due to damages, or reduce our revenue due to decreased production capabilities. Insurance premiums in these areas are expected to increase, which may also impact our net revenue. According to our analysis of various coastal flood scenarios, eight of our locations are within a coastal area that could be subject to coastal flooding associated with sea level rise. However, the sea level rise that could impact our facilities is not forecasted to occur until the end of the 21st century and, thus, has not been deemed sufficiently material to warrant a quantitative analysis.

Strategic Responses to Sea Level Rise

1. **Emissions Targets:** As stated above, we have set net zero targets

PHYSICAL RISKS – ACUTE

Table 2.9: Physical Risks – Acute: Extreme Weather and Natural Disasters

RISK	IMPACT	IMPACT TYPE	TIMEFRAME	MATERIAL
EXTREME WEATHER & NATURAL DISASTERS	Increased Capital Costs & Insurance Expenses	Negative	Short-, Med-, & Long-term	Yes
	Asset Loss	Negative	Short-, Med-, & Long-term	Yes
	Revenue Lost from Operational Interruptions	Negative	Short-, Med-, & Long-term	Not Yet Quantified
	Higher Costs & Lost Revenue from Workforce Impacts	Negative	Short-, Med-, & Long-term	Not Yet Quantified
	Increase Costs & Lost Revenue from Supply Chain Interruptions and Delays	Negative	Short-, Med-, & Long-term	Not Yet Quantified

4 EXTREME WEATHER & NATURAL DISASTER RISKS

Extreme weather and natural disasters like floods, hurricanes, wildfires, heat waves, etc., can cause damage to human health and safety, communities, and infrastructure. While extreme weather and natural disasters are different risks, they are grouped because they can have similar operational and financial impacts on EnerSys. While with chronic risks like temperature rise and water scarcity, a slight shift in temperature has a material impact. With acute risks, the slight temperature variance has unpredictable outcomes, which are hard to measure on shorter time horizons (compared to century-long time horizons). The three scenarios analyzed in Chronic Risks do not have the same degree of difference in impact on the time horizons that we are using for this analysis (10 years or less, which falls within our definitions of short-term, medium-term, and long-term). It's important to note that over the next five years (short- to medium-term), the temperature differences between the three scenarios are very minimal; thus, we assume the "Business as Usual" 3.2°C scenario for all impacts assessed.

Impact – **Increased Capital Costs & Insurance Expenses (Short-, Medium-, & Long-term)**

Increased frequency and intensity of extreme weather events like cyclones, hurricanes, tornadoes, hailstorms, winter storms, and more could cause significant damage to our facilities, increasing both capital expenditures and insurance premiums.

Impact – **Asset Loss from Water, Impact, or Fire Damage (Short-, Medium-, & Long-term)**

Potential asset loss due to extreme weather includes facilities, equipment, data storage, and inventory.

Impact – **Revenue Lost from Operational Interruptions (Short-, Medium-, & Long-term)**

Extreme weather can cause business interruptions to our customers' facilities, our manufacturing operations, and our supply chain. This could reduce our revenue due to decreased production capacity.

Impact – **Higher Costs & Lost Revenue from Workforce Impacts (Short-, Medium-, & Long-term)**

Extreme weather also poses risks to the safety and well-being of our employees and the local infrastructure where we operate, which are critical to our continued business success. Negative impacts on our workforce could result in higher labor and operational costs and lost revenue.

Impact – **Increase Costs & Lost Revenue from Supply Chain Interruptions & Delays (Short-, Medium-, & Long-term)**

Extreme weather and natural disaster events can also cause supply chain disruptions in supply chains, which result in higher costs and losses due to delays.

Like chronic physical risks, acute risks are very much dependent on geography. However, unlike chronic risks, they are less predictable and are typically measured by the probability in which an event will occur. Complete acute risk data is not available on a global scale; however, we have mapped the locations in the United States where we have reliable acute risks from climate-related extreme weather or natural disasters.

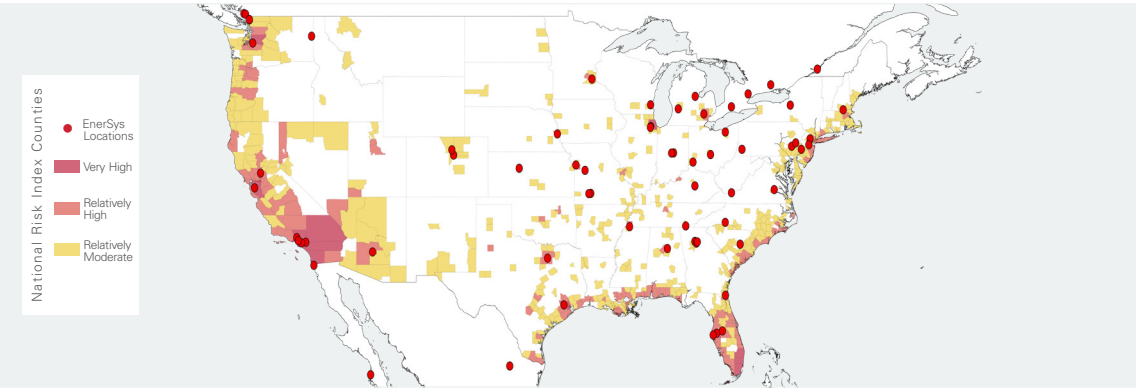
With global infrastructure and inventory asset values estimated at more than $1.3 Billion,[13] a one percent chance of riverine flooding meets the materiality threshold. We have yet to evaluate the flood risk for all our facilities but have done so for those in the U.S., representing approximately 46% of all facilities. Per FEMA flood risk data, five EnerSys locations (a production facility and four service and distribution facilities), representing 119,800 square feet, have a 1% risk of flooding by 2030.

Instead of evaluating each risk independently- as the grouped risk factors cause similar financial impacts – we have determined the level of acute physical risk using FEMA's Risk Index. The formula for calculating the risk index is: expected annual loss times social vulnerability, divided by community resilience (Risk Index = expected annual loss x social vulnerability.) The total risk score for each location varies.

Per the FEMA Risk Index, 15 EnerSys Service and Distribution facilities and two Production facilities are located in counties categorized as "High Risk" or Very "High Risk."

A total of 17 U.S. facilities are located in "High" or "Very High" risk Counties.

Figure 2.12: EnerSys Locations & FEMA Moderate, High, & Very High Risk Counties



Strategic Responses to Mitigate Impacts from Extreme Weather & Natural Disasters

1. **Climate Planning:** EnerSys has developed emergency and contingency plans for our locations and will continue using a climate assessment to refine and customize these plans. We understand that each of our global sites will need to develop its own emergency preparedness and disaster readiness plans as we experience the worsening impacts of climate change.
2. **Renewable Energy & EnerSys Batteries at Our Facilities:** Our products are a valuable resource to ensure resilience through natural hazards for our operations, our customers, and the communities they serve. EnerSys energy storage technology was already used to combat the effects of severe weather. Our batteries store energy from the power grid and save it when needed to bridge the gap during crises and power outages. As electrification expands, our products will be critical for providing reliable energy during and after severe weather events.

In 2021, our batteries were used to keep the lights on and keep critical communications running for our customers and first responders during Hurricane Ida and the Texas Ice Storm.

TRANSITION RISKS & OPPORTUNITIES

Transition risks are risks related to the global transition to a low-carbon economy. These risks are grouped into three categories: 1) policy and legal, 2) market and technology, and 3) reputational risk.

Table 2.10: Transition Risks & Opportunities

RISK	IMPACT	IMPACT TYPE	TIMEFRAME	MATERIAL
POLICY & LEGAL	Increased Costs from Carbon Pricing	Negative	Short-, Med-, & Long-term	Yes
	Increased Costs Associated with Disclosures	Negative	Short-, Med-, & Long-term	No
	Fees or Other Costs Associated with Regulatory Compliance	Negative	Med- & Long-term	No
NEW MARKETS & TECHNOLOGY	Increased Demand for EnerSys Products	Positive	Med- & Long-term	Not Yet Quantified
	Increased Access to Capital	Positive	Short-term	Yes
REPUTATIONAL	Potential Revenue Loss Due to Reputational Decline	Negative	Long-term	Not Yet Quantified
	Increased Revenue Due to Reputation Improvements	Positive	Med- & Long-term	Not Yet Quantified

5 POLICY & LEGAL RISKS

Impact – **Increased Costs from Carbon Pricing (Short-, Medium-, & Long-term)**

The introduction of carbon pricing mechanisms in the U.S., or other countries of operation, may impact our operating costs, directly and indirectly, depending on the carbon pricing policy. Emissions trading schemes also can play a role in how carbon price is determined. Regardless of the policy mechanisms, carbon pricing has a downstream cost effect – impacting costs by adding a direct cost or increasing the cost of fuels. Per the En-ROADS Simulator, various climate pathways have associated carbon pricing, per the table below:

The U.S. does not currently have mandatory carbon pricing, but our operations in the EU are subject to carbon pricing when emissions exceed the permitted cap of 1,529 MtCO2e, applicable to the Aviation, Industry, and Power sectors. Over the past year, carbon prices in the EU fluctuated around €80 per ton (just under $80 U.S.).

Table 2.11: Carbon Price Estimates $U.S. per MT CO2e per En-ROADS Simulation

CARBON PRICE PATHWAY SCENARIO	TERMINAL VALUE	SHORT-TERM)	MID-TERM	LONG-TERM
Carbon Price 3°C Scenario*	$10	$6	$8	$10
Carbon Price 2°C Scenario*	$85	$12	$28	$85
Carbon Price 1.5°C Scenario*	$250	$16	$53	$250

*Carbon price forecasts and scenarios are derived from the World Carbon Pricing Database.[14]

The carbon price escalation schedule was modeled to increase over ten years, reaching a terminal price at year 10. A carbon price makes coal, oil, and natural gas more expensive depending on how much carbon dioxide they release for the amount of energy produced. Based on our most recent GHG emissions inventory and modeling the downward trend from our historic emissions reductions and our planned target, we have calculated the total potential cost of carbon in the table below for each scenario. The carbon price was only applied to our scope 1 emissions to represent the proportional increase in costs assigned to carbon. It's important to note that carbon price does not apply to bioenergy, even though it can also be a source of greenhouse gas emissions. In this calculation, the carbon price is not applied to electric sources of energy.

Figure 2.13 Carbon Costs for EnerSys Scope from 2024 to 2031.

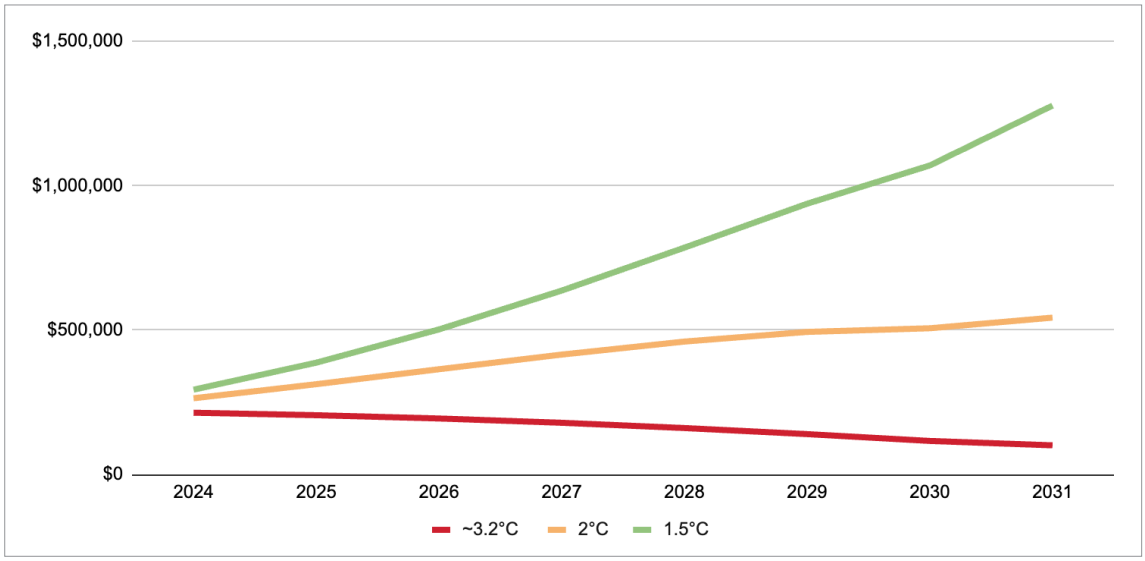


Table 2.12: EnerSys Scope 1 Carbon Costs by Scenario

RISK	IMPACT / SCENARIO		SHORT-TERM (2024-25)	MID-TERM (2026-28)	LONG-TERM (2029-40)
CARBON PRICE	Cost from Carbon Pricing	Carbon Costs (Scope 1) 3°C Scenario	$600 K	$1.5 M	$1.9 M
		Carbon Costs (Scope 1) 2°C Scenario	$940 K	$4.6 M	$7.7 M
		Carbon Costs (Scope 1) 1.5°C Scenario	$1.2 M	$9.5 M	$18.3 M

The average global carbon price prior to 2023 is from Dolphin (2022) and is weighted by the share of emissions covered by a carbon tax or emissions trading system. Source: Dolphin, G. (2022). World Carbon Pricing Database. Resources for the Future.

Impact – Increased Costs Associated with Disclosures (Short-, Medium-, & Long-term)

We will likely face increased compliance costs, including expenditures for third-party disclosure verification and audits. We may also have to expend significant funds to comply with or discharge liabilities arising under such new regulations.

Impact – Fees or Other Costs Associated with Regulatory Compliance (Medium-, & Long-term)

While our processes ensure that we comply with all laws and regulations, the risk of non-compliance has potential financial risks. There are potential lost asset values due to data inaccuracy or non-compliance.

Strategic Responses to Policy & Legal Risks

1. **Emissions Targets:** We have set targets to reduce our carbon emissions, directly reducing our exposure to several policy and legal risks.
2. **Proactive Disclosure:** EnerSys is committed to meeting all regulatory requirements in the countries and regions where we operate and actively updates our company policies in alignment with these requirements. Our internal teams constantly monitor regulatory developments in the countries, states, and regions we operate in to ensure we anticipate and prepare for future regulation. A forward-looking approach to regulation reduces our risks of additional or unexpected costs or fines due to non-compliance with regulatory requirements.
3. **International Disclosure Frameworks:** To ensure we are prepared to meet future climate-related reporting requirements, we publish annual disclosures aligned with established sustainability frameworks, including the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). In doing so, we have established the necessary data collection processes and procedures to enable accurate and timely measurement of the non-financial data increasingly requested by investors, customers, and possibly regulators. Moving forward, if required by regulators, we will seek external validation for key non-financial performance metrics.

6 NEW MARKETS & TECHNOLOGY RISKS & OPPORTUNITIES

Technological solutions that improve energy efficiency, expand renewable energy, store energy, and capture carbon have all been identified as necessary pathways to reduce global warming and mitigate climate change. Investment in new technologies, products, and services with lower emission options and increased costs to transition to lower emissions technology present both risks and opportunities for EnerSys.

Potential challenges for the transition to a lower-carbon economy include the predictability of changing customer behavior, uncertainty in market signals, additional regulatory requirements, and increased cost of raw materials. Potential opportunities include an increased customer base, emerging as a market leader in support of electrification, greater access to capital, and increased innovation of our products and services. The importance of energy storage as the world shifts to a lower-carbon economy allows EnerSys to explore new markets and develop new revenue streams for our products and services.

As financial assets diversify and financing for low-carbon infrastructure increases, these opportunities for EnerSys may also increase. Existing fossil-fuel-based production and operation processes are less expensive than present low-emissions technologies. Investing in these low-carbon alternatives might have a higher initial cost but could also present future cost savings. There is uncertainty in predicting how markets could be affected by climate change. Shifts in customer preferences towards lower-carbon technology or specific battery chemistries could reduce the demand for our existing products and services. Further, unexpected shifts in energy costs and increased costs in critical materials for our products, including lithium and cobalt, could increase our operating costs and decrease profit margins.

Globally, $358 billion was invested in renewable energy, primarily wind and solar, in the first half of 2023, representing a 22% increase from the same period in 2022. Renewable energy markets are increasing every year.[15]

According to the UN, demand for Li-ion batteries grew from 19 gigawatt hours in 2010 to 285 GWh in 2019 and is estimated to reach 2,000 GWh in 2030.[16]

Impact + **Increased Demand for EnerSys Products (Short-, Medium-, & Long-term)**

These shifts could also lead to greater demand for our existing products. Batteries help balance the variability of renewable energy sources by storing excess generation for later deployment. They also help utility operators regulate the frequency of electrical current, an essential aspect of electricity transmission, which helps store electricity until transmission capacity is available. In this way, they help maintain capacity reserves. Traditional suppliers benefit from batteries, too, with their ability to absorb, store, and deliver electricity as needed.[17]

The Inflation Reduction Act (IRA), signed into law in August 2022, includes multiple incentives to promote clean energy and energy storage manufacturing, among other provisions, with tax credits available from 2023 to 2032, subject to phase-down beginning in 2030. In particular, the IRA creates a refundable tax credit, pursuant to Section 45X of the Internal Revenue Code ("IRC"), for battery cells and battery modules manufactured or assembled in the United States and sold to third parties.

A material portion of U.S.-produced EnerSys batteries and battery cells, including our proprietary TPPL batteries, qualify for production tax credits under Section 45X of the IRA.

Impact + **Increased Access to Capital (Short-term)**

With transitioning to a low-carbon economy, access to capital is essential to fund potential new investments and provide financing to cover upfront fixed costs not supported by operating cash flows. This transition may provide opportunities for introduction into new and diverse markets, encourage the use of public-sector incentives, and require greater insurance coverage for new assets and locations. Through collaboration with governments, development banks, entrepreneurs, and community groups, companies may uncover new opportunities for financing.

Per the December 13, 2023 issuance of proposed regulations by the U.S. Department of Treasury regarding the Advanced Manufacturing Production Credit - Section 45X of the Internal Revenue Code, EnerSys expects the annual tax credit range to be approximately $120 million to $160 million annually. The Company expects to continue to receive credits with regard to its qualifying U.S. production volumes through December 31, 2032.[18] The "access to capital" calculations in the table below use the estimated amounts reported in the EnerSys Dec 19, 2023 press release and have projected these values to be consistent over the time periods in the table below. While the current policies are designed to continue until at least 2032, further climate commitments by governments worldwide would likely increase the amounts and extend the timeline of these programs. We have not yet quantified 2°C or 1.5°C Scenarios, but we expect the values to be higher as the policies implied by these degree pathways include increased subsidies, tax credits, grants, and low-cost capital programs for renewable energy technology.

Table 2.13: Access to Capital

RISK	IMPACT / SCENARIO		SHORT-TERM (2024-25)	MID-TERM (2026-28)	LONG-TERM (2029-40)
NEW MARKETS	Increased Access to Capital	Access to Capital 3°C Scenario	$360 M	$720 M	$2 B
		Access to Capital 2°C Scenario	Not Yet Quantified		
		Access to Capital 1.5°C Scenario	Not Yet Quantified		

Tax credits, financial incentives, & grants.

Strategic Responses to New Markets & Technologies

1. **Innovation:** We are continually innovating and investing in product research and development (R&D) for greater efficiency and lower emissions in both production and use-phase. Capital to invest in R&D, new facilities, and updates to existing ones, as well as incentives that reduce Cost of Goods Sold (COGS) or operating expenses, will be key in pursuing those opportunities.
2. **Renewable Energy & EnerSys Batteries at Our Facilities:** We're also working to identify efficient, lower-cost, and lower-carbon energy sources for our operations, as well as areas for cost reductions to accommodate new investments. These principles are interwoven into our Environmental and Climate Change company policies.
3. **Customer & Stakeholder Feedback:** With feedback from our customers through open discussion and submitted surveys, we work to understand their existing and future needs for energy storage. Doing so allows us to provide and prepare products according to our customers' primary needs and reduce the risk of unforeseen shifts in customer preferences that would decrease demand. Market risk is further mitigated through the support of our products in transitioning to a low-carbon economy.
4. **Strong Government Relations:** In addition to pursuing opportunities related to IRA, EnerSys involvement with the below-listed government-sponsored sustainability initiatives supports our ability to access other funding opportunities.
   - U.S. Department of Energy Better Plants Program
   - Alliance to Save Energy
   - U.N. Global Compact CEO Water Mandate
   - CEO Action for Diversity & Inclusion

7 REPUTATIONAL RISKS & OPPORTUNITIES

Climate change and its impact on communities could change the reputations of companies based on their participation in the low-carbon transition. Shifts in stakeholder expectations and priorities, increased stakeholder concern or negative feedback, and stigmatization of specific sectors pose reputational risks for companies during this transition. Customer and consumer perceptions and preferences could shift in favor of companies mitigating their climate change impact over those not.

Impact – **Revenue Loss Due to Reputational Decline (Long-term)**

Failure to reduce and report our direct and indirect GHG emissions could reduce demand for our products and services as our customers prioritize choosing lower-carbon products. Through real or perceived means, damage to a company's reputation could result in loss of financial capital, social capital, and/or market share, potentially reducing revenues. The extent to which potential losses could occur has not yet been evaluated.

Impact + **Increased Revenue Due to Reputation Improvements (Medium-, & Long-term)**

We must meet customer expectations for sustainable operations, which could mean increased spending on new and more efficient technologies. In keeping up with new technological advancements and maintaining our competitive advantage, our R&D expenditures could increase. The extent to which revenue could increase has not yet been evaluated.

Strategic Responses to Reputational Risk

1. **Customer & Stakeholder Feedback:** Through engagement with stakeholders to review and address potential concerns, EnerSys works to prepare company policies that protect our people, environment, and communities in advance of realized impacts.
2. **Customer & Public Education:** We publish resources to inform and educate those interested in battery technology and progressing towards a low-carbon economy.
3. **International Disclosure Frameworks:** We use international standards to disclose risk and sustainability performance to ensure our communications are transparent and clear. As noted in previous risk categories, we have set goals to reduce the energy intensity of our operations and set a goal to reduce our GHG emissions. These efforts not only lower risk, but the disclosure of this risk helps to maintain our reputation as the world transitions towards a low-carbon economy.

OPPORTUNITIES

Climate opportunities are emerging opportunities related to the global transition to a low-carbon economy. We have grouped these opportunities into the categories in the table below.

Table 2.14: Opportunities

RISK	IMPACT	IMPACT TYPE	TIMEFRAME	MATERIAL
RESOURCE EFFICIENCY	Reduced Operating Costs from Improved Efficiency	Positive	Med- & Long-term	Not yet quantified
LOW-CARBON ENERGY	Increased Revenue from New Customers	Positive	Short-, Med-, & Long-term	Not yet quantified
	Reduced Risk & Cost Avoidance	Positive	Short-, Med-, & Long-term	Yes
PRODUCTS & SERVICE	Increased Demand & Market Growth	Positive	Short-, Med-, & Long-term	Not yet quantified
RESILIENCE	Business Continuity	Positive	Short-, Med-, & Long-term	Not yet quantified
	Competitive Advantage	Positive	Short-, Med-, & Long-term	Not yet quantified

8 RESOURCE EFFICIENCY IMPROVEMENT OPPORTUNITY

Expanding infrastructure to incorporate resource efficiencies within our facilities, transportation, production and distribution processes, recycling practices, and water use and consumption present initial costs as well as savings opportunities. By prioritizing resource efficiency, such as energy efficiency and water and waste management, to reduce climate change impacts, companies can reduce the operating costs of their facilities, production, and transportation over the short-, medium-, and long-term.

Impact + **Reduced Operating Costs from Improved Efficiency (Medium- & Long-term)**

Recognizing resource efficiency gains could lead to reduced operating costs at our facilities and manufacturing efficiencies, resulting in increased production capacity and revenues.

Strategic Responses to Resource Efficiency

1. **Efficiency (Energy, Water & Waste):** We continuously work to find energy and resource efficiency in all our facilities. Our efficiency evaluations expand beyond energy to water and waste as well.
2. **Electrification:** We are electrifying the lead heating process at our plants. This makes the process more efficient, reduces GHG emissions (as the electric grid decarbonizes), and makes our operations safer for our employees.
3. **Innovation:** Part of our innovation strategy is to ensure we stay current with the latest technologies, such as information technology (IT), that support our operations. New IT energy efficiencies, for example, could significantly reduce the power needed to run our computers and servers. This reduces our company-wide electricity costs.

9 LOW-CARBON ENERGY SOURCING OPPORTUNITIES

To progress towards a low-carbon economy, lower-emission energy sources, new technologies, supportive policy incentives, participation in the carbon market, and shifts towards decentralized energy generation are all tools companies must utilize. To support emission-reduction goals, a large percentage of energy consumed by companies must shift to low-emission alternatives, such as wind, solar, hydro, geothermal, nuclear, and carbon capture and storage. These investments may allow for opportunities to reduce annual energy costs for companies that shift towards low-emission technologies.

Impact + **Increased Revenue from New Customers (Short-, Medium- & Long-term)**

The variable nature of renewable energy sources means that energy storage will play a crucial role in transitioning to greater reliance on these sources- with EnerSys well-positioned to aid the shift to renewables with our energy storage technologies. By focusing on making our energy usage more sustainable and reporting on our progress towards set goals related to emissions, EnerSys is well-positioned to attract new investors and customers in this transition to a low-carbon economy.

Impact + **Reduced Risk & Cost Avoidance (Short-, Medium- & Long-term)**

Additionally, as we continue to increase the mix of renewables and other low-carbon energy sources in our energy consumption, energy costs may reduce as renewable energy costs continue to decrease, and we reduce our exposure to fossil fuel prices, which are often volatile and may increase during the low-carbon transition. Increasing the mix of renewables and other low-carbon energy sources in our energy consumption may reduce our energy costs as renewable energy costs decrease.

Strategic Responses to Low Carbon Energy Sourcing Opportunities

1. **Electrification:** As we reduce our Scope 1 emission, we regularly evaluate the costs and benefits of electrification, reducing our reliance on fossil fuels. As fuel prices increase, the business case for electrification improves from equipment to vehicles. In looking at the total cost of ownership, much of our equipment has a clear value proposition for electrification beyond just climate goals.
2. **Renewable Energy & EnerSys Batteries at Our Facilities:** We continue to increase renewable energy use across our operations. Our batteries support our Scope 2 emissions reduction goals when paired with on-site renewable power generation. Using EnerSys batteries, we can load-shift, storing electricity during off-peak (less-expensive) hours and then using that stored energy during on-peak times (more expensive). This reduces our energy costs and our demand on the grid during peak hours, which in turn supports grid stabilization for surrounding communities.

10 PRODUCTS & SERVICE EXPANSION & MARKETING OPPORTUNITIES

Transitioning towards a low-carbon economy opens the door for the development and/or expansion of low-emission goods and services, climate adaptation and insurance risk solutions, new products and/or services through R&D and innovation, and the ability to diversify business activities. Consumer preferences are shifting towards products with low-to-no emissions, and companies that innovate and develop technology to support the low-carbon transition may improve their competitive position over other organizations in their industries.

Impact +

Increased Demand & Market Growth (Short-, Medium- & Long-term)

Growing demand for low-to-no emissions products and services could increase demand for EnerSys products and services, which support a transition to a low-carbon economy primarily through energy storage and systems. Increased demand for our products and services could increase revenues, potentially leading to greater operating cash flows. Increased demand could also place pressure on our supply chain and existing manufacturing facilities depending on the timing and intensity of the demand. Integration of forward-looking possibilities relating to product demand within our business model allows EnerSys to support the transition to a low-carbon economy better and manage financial impacts.

Strategic Responses to Products & Service Expansion & Marketing Opportunities

1. **EnerSys as Climate Tech:** EnerSys products are climate change technology, and the low-carbon transition poses significant opportunities in this area for our business. Battery storage and energy systems allow for more effective and rapid decarbonization since they help provide consistent access to energy from intermittent renewable sources. This supports global GHG emissions reductions to slow the impacts of climate change and supports communities by providing reliable and affordable access to energy – aligned with the UN Sustainable Development Goal #7.
2. **Customer & Public Education:** Our customers are already using EnerSys technology globally to lower their carbon footprints, reach their ambitious net zero goals, and execute their own climate-related opportunities. For instance, at least 22 of our top customers are committed to RE100, a global corporate renewable energy initiative bringing together the world's most influential businesses committed to 100% renewable energy. Our products and services provide grid resilience and reliability and support renewable development.

11 RESILIENCE OPPORTUNITIES

Proactive mitigation of climate-related risks and pursuit of opportunities can improve company resilience to the impacts of climate change. Companies can enhance their resilience by participating in renewable energy programs, adopting energy efficiency measures, and substituting or diversifying resources. These actions can significantly benefit companies that rely on long-lived fixed assets, large supply and distribution networks, utilities and infrastructure, and natural resources for their operations, such as EnerSys.

Impact + **Business Continuity (Short-, Medium- & Long-term)**

By increasing our resilience to climate-related risks, EnerSys can improve its operations and supply chain reliability.

Impact + **Competitive Advantage (Short-, Medium- & Long-term)**

Resilience to climate-related risks can positively impact current and future customer perception, especially as the mandate for supply chain transparency has become paramount in EU markets. Our proactive climate risk mitigation measures enable us to compete in a highly global market and gain a competitive advantage.

Strategic Responses to Resilience

This report has detailed the steps we have taken to increase our resiliency so we can better withstand the impacts of climate change and continue to provide battery storage solutions to our customers and communities.

RISK MANAGEMENT

TCFD Risk Management RA.1-2, RB.1-2 & RC
See Appendix D for disclosure guidance and page references

Our Risk Management Program is designed to identify risks across EnerSys with input from each business unit and function. The initial process for identifying the size and scope of climate risks is integrated into our climate risk reporting process and outlined in the methodology section of this report. Risks are initially assessed through both the timeframe and the materiality threshold.

Our Risk Management Program is critical to our continued business success and resilience against climate change impacts. Identification, assessment, and management of climate-related risks are built into our Risk Management Program. Our Risk Management Program is designed to identify risks across EnerSys with input from each business unit and function. Climate risk determination is made through the lens of potential financial impacts that are material. We take a conservative approach and evaluate all potential risks; only if deemed potentially material do we quantify that risk. Throughout this process, existing and emerging regulatory requirements related to climate change, such as reporting for SASB, GRI, and ESRS frameworks, are reviewed and considered to manage risks.

EnerSys has an executive risk management committee 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. The Board oversees various risks potentially affecting EnerSys directly and indirectly through its independent committees (Audit, Compensation, and Nominating and Corporate Governance). 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. Quarterly, the Board reviews information regarding our credit, liquidity, markets, legal, regulatory, compliance, and operations, including technology, cybersecurity, sustainability, and DEI, as well as the associated strategic and financial considerations. For more information on our Risk Management Program, please refer to our most recently filed Proxy Statement.

CLIMATE RISK IN FINANCIAL DECISION-MAKING

As part of our Risk Management Program, EnerSys implemented what we refer to as the Appropriation Request (AR) process, which is used when an employee wants to pursue a project with a significant financial threshold. The employee must fill out a questionnaire via web form for the expense to be considered. The questionnaire includes information on a project's financial feasibility and sustainability and other project details. The sustainability-focused questions directly address concerns relevant to our climate-related goals to ensure new projects are in alignment. Our Senior Director of Global Sustainability reviews each of these ARs, with close attention to the sustainability questions, before the AR is reviewed for approval by our Finance Leads, Environmental, Health & Safety Lead, and Operations Lead, among other stakeholders, before review and approval by Dave Shaffer, our CEO.

SUPPLY CHAIN CLIMATE RISK MANAGEMENT

We build long-term relationships and work with sustainable suppliers for the critical material inputs for our products. We have a vetting process that includes a review of their operations to determine if they act in an environmentally responsible and efficient manner while striving to minimize adverse environmental impacts.

EnerSys verifies product supply chains through multiple methods, including site evaluations, questionnaires, discussions, verification of government debarments, and denied parties lists. We participate and encourage active involvement in external organizations that assist with supply chain diligence, management, and verification processes.

As a contractual condition, we require all suppliers to comply with all applicable laws and regulations. Suppliers outside the United States are required to comply with their local laws and the applicable laws of the United States. We hold our suppliers to specific environmental, social, health and safety, product safety standards and other policies that aim to ensure their operations are safe and sustainable and align with our Code of Business Conduct and Ethics, Anti-Slavery and Human Trafficking Statement, Corporate Social Responsibility and Human Rights Policy, Workplace Labor Rights Policy, Environmental Policy, and Climate Change Policy. These relationships with a diverse set of suppliers whose values align with ours and support our climate initiatives help reduce risk.

METRICS & TARGETS

At EnerSys, we understand that what gets measured gets managed. That is why we are committed to setting meaningful goals that will support our assessment of climate-related risks and opportunities in line with our strategy and risk management process. Thus far, we have identified the following goal areas that will be impactful to EnerSys and our progress in addressing climate change:

TCFD Metrics & Targets MA.1-4, MB.1-3, & MC.1-6 See Appendix D for disclosure guidance and page references

SCOPE 1	SCOPE 2	ENERGY INTENSITY	WATER INTENSITY
NET ZERO by 2040	NET ZERO by 2050	25% reduction by 2030	25% reduction by 2030
Absolute Scope 1 GHG neutrality by 2040.	Absolute Scope 2 GHG neutrality by 2050.	Reduce energy intensity per kWh of storage produced by 25% reduction by 2030 compared to 2020.	Reduce water intensity per kWh of storage produced by 25% by 2030 compared to 2020.

Table 6.1: Climate Goals

Progress towards these goals was highlighted in our 2022 Sustainability Update and 2023 Proxy Statement:

- Reduced absolute Global Scope 1 and 2 GHG Emissions by 4%.
- Scope 1 emissions were down 7.6% vs. 2021 and a 24.7% reduction since 2019.
- Scope 2 emissions decreased by 3.7% vs. 2021.
- GHG Emissions intensity was down 7.2% vs. 2021 and over 16% since 2020.
- Water consumption was reduced by 1.4% vs. 2021.
- In calendar year 2022, we saved ~$3 million on energy compared to business-as-usual baselines, marking a 2.4% YOY reduction in total energy consumed.

Historical values of metrics used to measure progress towards our goals can be found in our Data Table, published in 2022 as part of our Sustainability Update. All emissions are calculated per the Greenhouse Gas Protocol and other metrics are aligned with industry standards and described in the Sustainability Update. Below are graphs illustrating historical values from 2019 to 2022 and associated trends related to our progress toward our set goals.

Figure 6.1 illustrates a company-wide 3.9% reduction in energy consumption since 2019. Figure 6.2 illustrates the 24.7% decrease in Scope 1 GHG emissions since 2019. Figure 6.3 represents total Scope 1 & 2 GHG emissions per million $U.S. of revenue from 2019 to 2022, representing a 12.1% decrease. Figure 6.4 represents total Scope 1 & 2 GHG emissions per MWh of energy storage produced, representing an 8.7% decrease.

Figure 6.1 Total Energy Consumed Year Over Year

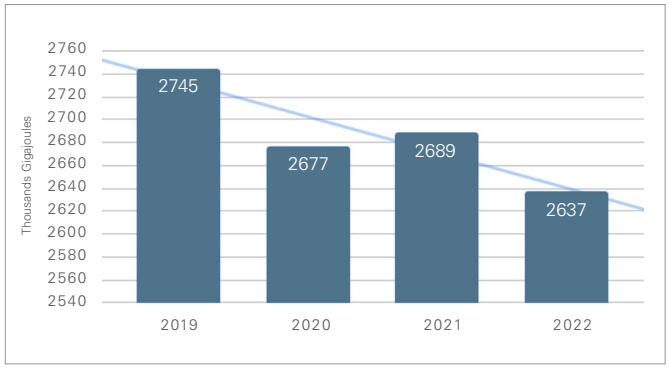


Figure 6.2 Scope 1 GHG Emission Year Over Year

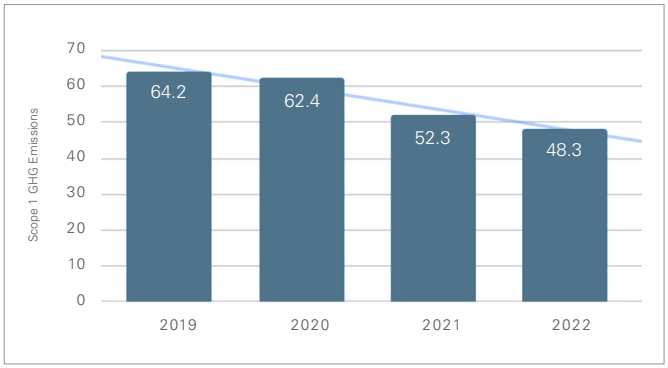


Figure 6.3 Total Scope1 & 2 GHG Emissions per million $U.S. Revenue

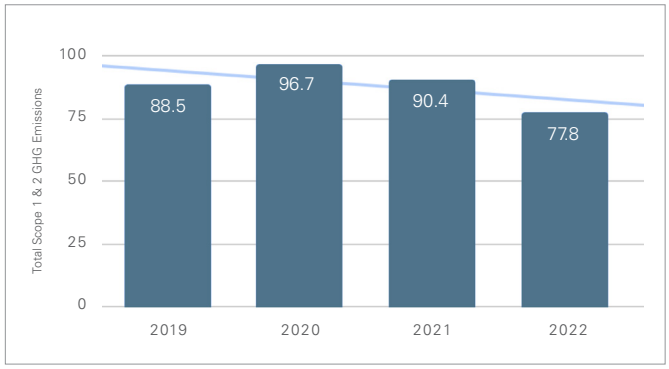
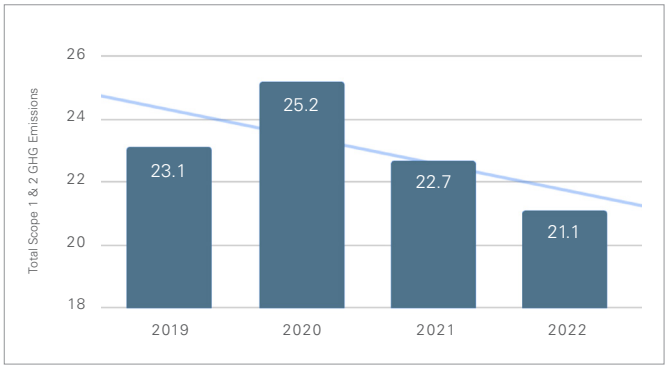


Figure 6.4 Total Scope 1 & 2 GHG Emissions per MWh of Storage Produced



RISK		IMPACT	IMPACT TYPE	TIMEFRAME
PHYSICAL RISKS – CHRONIC	TEMPERATURE INCREASE	Higher Energy Prices	Negative	Med- & Long-term
		Increased Energy Consumption (Short, Med, & Long-term)	Negative	Short-, Med-, & Long-term
		Higher Costs & Lost Revenue from Workforce Health & Safety Concerns	Negative	Long-term
	WATER STRESS	Increased Costs Due to Water Stress	Negative	Med- & Long-term
		Lost Revenue from Delays Due to Water Scarcity	Negative	Long-term
	SEA LEVEL RISE	Potential Costs from Coastal Flooding	Negative	Long-term
PHYSICAL RISKS – ACUTE	EXTREME WEATHER & NATURAL DISASTERS	Increased Capital Costs & Insurance Expenses	Negative	Short-, Med-, & Long-term
		Asset Loss	Negative	Short-, Med-, & Long-term
		Revenue Lost from Operational Interruptions	Negative	Short-, Med-, & Long-term
		Higher Costs & Lost Revenue from Workforce Impacts	Negative	Short-, Med-, & Long-term
		Increase Costs & Lost Revenue from Supply Chain Interruptions and Delays	Negative	Short-, Med-, & Long-term
TRANSITION RISKS & OPPORTUNITIES	POLICY & LEGAL	Increased Costs from Carbon Pricing	Negative	Short-, Med-, & Long-term
		Increased Costs Associated with Disclosures	Negative	Short-, Med-, & Long-term
		Fees or Other Costs Associated with Regulatory Compliance	Negative	Med- & Long-term
	NEW MARKETS & TECHNOLOGY	Increased Demand for EnerSys Products	Positive	Med- & Long-term
		Increased Access to Capital	Positive	Short-term
	REPUTATIONAL	Potential Revenue Loss Due to Reputational Decline	Negative	Long-term
		Increased Revenue Due to Reputation Improvements	Positive	Med- & Long-term

RISK / OPPORTUNITY		IMPACT	IMPACT TYPE	TIMEFRAME
OPPORTUNITIES	RESOURCE EFFICIENCY	Reduced Operating Costs from Improved Efficiency	Positive	Med- & Long-term
	LOW-CARBON ENERGY	Increased Revenue from New Customers	Positive	Short-, Med-, & Long-term
		Reduced Risk & Cost Avoidance	Positive	Short-, Med-, & Long-term
	PRODUCTS & SERVICE	Increased Demand & Market Growth	Positive	Short-, Med-, & Long-term
	RESILIENCE	Business Continuity	Positive	Short-, Med-, & Long-term
		Competitive Advantage	Positive	Short-, Med-, & Long-term

NEGATIVE IMPACTS: CARBON PRICING

The carbon price escalation schedule was modeled to increase over ten years, reaching a terminal price at year 10. A carbon price makes coal, oil, and natural gas more expensive depending on how much carbon dioxide they release for the amount of energy produced. Based on our most recent GHG emissions inventory and modeling the downward trend from our historic emissions reductions and our planned target, we have calculated the total potential cost of carbon in the table below for each scenario. The carbon price was only applied to EnerSys' Scope 1 emissions to represent the proportional increase in costs assigned to carbon. It's important to note that carbon price does not apply to bioenergy, even though it can also be a source of greenhouse gas emissions. In this calculation, the carbon price is not applied to electric sources of energy.

Table 2.8: Potential Energy Consumption Related to Cooling Per Pathway & Timeframe

RISK	IMPACT / SCENARIO		SHORT-TERM (2024-25)	MID-TERM (2026-28)	LONG-TERM (2029-40)
CARBON PRICE	Cost from carbon pricing	Carbon Costs (Scope 1) 3°C Scenario	3,700 GJ	6,200 GJ	28,100 GJ
		Carbon Costs (Scope 1) 2°C Scenario	3,700 GJ	6,200 GJ	28,100 GJ
		Carbon Costs (Scope 1) 1.5°C Scenario	3,700 GJ	6,200 GJ	27,900 GJ

The average global carbon price prior to 2023 is from Dolphin (2022) and is weighted by the share of emissions covered by a carbon tax or emissions trading system. Source: Dolphin, G. (2022). World Carbon Pricing Database. Resources for the Future.

POSITIVE IMPACTS: ACCESS TO CAPITAL

Per the December 13, 2023 issuance of proposed regulations by the U.S. Department of Treasury regarding the Advanced Manufacturing Production Credit- Section 45X of the Internal Revenue Code, EnerSys expects the annual tax credits range of approximately $120 million to $160 million annually through December 31, 2032. While the current policies are designed to continue until at least 2023, further climate commitments by governments around the world would likely increase the amounts and extend the timeline of these programs. We have not yet quantified 2°C or 1.5°C Scenarios, but we expect the values to be higher as the policies implied by these degree pathways include increased subsidies, tax credits, grants, and low-cost capital programs for renewable energy technology.

Table 2.13: Access to Capital

RISK	IMPACT / SCENARIO		SHORT-TERM (2024-25)	MID-TERM (2026-28)	LONG-TERM (2029-40)
NEW MARKETS	Increased Access to Capital*	Access to Capital 3°C Scenario	$360 M	$270 M	$2 B
		Access to Capital 2°C Scenario	Not Yet Quantified		
		Access to Capital 1.5°C Scenario	Not Yet Quantified		

Tax credits, financial incentives, & grants.

In response to climate risks and opportunities, we developed a set of strategic responses that fit into five general categories: energy, planning, stakeholders, disclosure, and innovation. While the risks and opportunities vary greatly, we found that these strategic responses tend to repeat- as the response applied to more than one risk/opportunity.

Response frequency, the number value in the furthest column to the right in the table below, refers to the frequency in which a strategic response addresses an identified risk or opportunity. We calculated the frequency of these responses to identify which responses should be further evaluated for inclusion in scenario planning exercises in the future.

Table 2.8: Potential Energy Consumption Related to Cooling Per Pathway & Timeframe

CATEGORY	NO.	STRATEGIC RESPONSES	FREQUENCY
ENERGY	E1	Efficiency (Energy, Water, Waste)	3
	E2	Renewable Energy & EnerSys Batteries at Our Facilities	4
	E3	Electrification	2
PLANNING	P4	Emissions Targets	3
	P5	Climate Planning	1
STAKEHOLDERS	S6	Strong Government Relations	1
	S7	Customer & Stakeholder Feedback	2
	S8	Customers & Public Education	2
DISCLOSURE	D9	Proactive Disclosure	1
	D10	International Disclosure Frameworks	2
	D11	Industry Commitments	1
INNOVATION	I12	Innovation	1
	I13	Recognize EnerSys as Climate Tech	1

	DISCLOSURE	NO.	DISCLOSURE DESCRIPTION & GUIDANCE	PG #
GOVERNANCE	a) Describe the board's oversight of climate-related risks and opportunities.	GA.1	Processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues	04
		GA.2	Whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures	04
		GA.3	How the board monitors and oversees progress against goals and targets for addressing climate-related issues	04
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	GB.1	Whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues	05
		GB.2	A description of the associated organizational structure(s)	05
		GB.3	Processes by which management is informed about climate-related issues	05
		GB.4	How management (through specific positions and/or management committees) monitors climate-related issues	05
STRATEGY	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	SA.1	A description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms	06
		SA.2	A description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organization	09-28 & Appendix A
		SA.3	A description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization	06-09
		SA.4	Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate. In describing climate-related issues, organizations should refer to Tables A1.1 and A1.2	09-18; 21
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. How climate-related risks and opportunities are integrated into their (1) current decision-making and (2) strategy formulation, including planning assumptions and objectives around climate change mitigation, adaptation, or opportunities.	SB.1	Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. Organizations should consider including the impact on their businesses, strategy, and financial planning in the following areas: 1) Products and services. Non-Financial Sector: Research and development (R&D) and adoption of new technology.	27, 28, 30
		SB.2	Supply chain and/or value chain Non-Financial Sector: Existing and committed future activities such as investments, restructuring, writedowns, or impairment of assets.	Not Available
		SB.3	Adaptation and mitigation activities. Non-Financial Sector: Critical planning assumptions around legacy assets, for example, strategies to lower carbon-, energy-, and/or water-intensive operations.	09-28 & Appendix C
		SB.4	Investment in research and development. Non-Financial Sector: How GHG emissions, energy, and water and other physical risk exposures, if applicable, are considered in capital planning and allocation; this could include a discussion of major acquisitions and divestments, joint-ventures, and Investments in technology, innovation, and new business areas in light of changing climate related risks and opportunities.	22-28

	DISCLOSURE	NO.	DISCLOSURE DESCRIPTION & GUIDANCE	PG #
STRATEGY		SB.5	Operations (including types of operations and location of facilities) Non-Financial Sector. The organization's flexibility in positioning/ repositioning capital to address emerging climate-related risks and opportunities.	09, 10, 20 & Appendix B
		SB.6	Acquisitions or divestments	Not Available
		SB.7	Access to capital	23
		SB.8	Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.	09-28 & Appendix A
		SB.9	Organizations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities).24 If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.	09-28 Appendices A & B
		SB.10	Organizations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition	09-28; 31-32
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. Refer to Section D in the Task Force's report for information on applying scenarios to forward-looking analysis.	SC.1	Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks. Non-Financial Sector: Organizations with more than one billion U.S. dollar equivalent (USDE) in annual revenue should consider conducting more robust scenario analysis to assess the resilience of their strategies against a range of climate-related scenarios, including a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.	28
		SC.2	Where they believe their strategies may be affected by climate-related risks and opportunities. Non-Financial Sector: Organizations should consider discussing the implications of different policy assumptions, macro-economic trends, energy pathways, and technology assumptions used in publicly available climate-related scenarios to assess the resilience of their strategies. For the climate-related scenarios used, organizations should consider providing information on the following factors to allow investors and others to understand how conclusions were drawn from scenario analysis:	09-28 & Appendix C
		SC.3	How their strategies might change to address such potential risks and opportunities: Non-Financial Sector: Critical input parameters, assumptions, and analytical choices for the climate related scenarios used, particularly as they relate to key areas such as policy assumptions, energy deployment pathways, technology pathways, and related timing assumptions.	09-28 & Appendix C
		SC.4	The potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities). Non-Financial Sector: Potential qualitative or quantitative financial implications of the climate-related scenarios, if any.	13, 14, 18, 19, 20, 22, 23 & Appendix B
		SC.5	The climate-related scenarios and associated time horizon(s) considered.	06 & Appendix

	DISCLOSURE	NO.	DISCLOSURE DESCRIPTION & GUIDANCE	PG #
RISK MANAGEMENT	a) Describe the organization's processes for identifying and assessing climate-related risks.	RA.1	Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks.	29
		RA.2	Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.	29
		RA.3	- processes for assessing the potential size and scope of identified climate-related risks	06
		RA.4	- definitions of risk terminology used or references to existing risk classification frameworks used.	06, 07, 09
	b) Describe the organization's processes for managing climate-related risks.	RB.1	Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations.	06, 07, 29
		RB.2	In describing their processes for managing climate-related risks, organizations should address the risks included in Tables A1.1 and A1.2 (pp. 75–76), as appropriate.	10, 17, 29 & Appendices A & C
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	RC	Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	06, 29
METRICS & TARGETS	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	MA.1	Organizations should provide the key metrics used to measure and manage climate-related risks and opportunities, as described in Tables A1.1 and A1.2 (pp. 75–76), as well as metrics consistent with the cross-industry, climate-related metric categories described in Table A2.1 (p. 79). Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable. Non-Financial Sector: For all relevant metrics, organizations should consider providing historical trends and forward-looking projections (by relevant country and/or jurisdiction, business line, or asset type). Organizations should also consider disclosing metrics that support their scenario analysis and strategic planning process and are used to monitor the organization's business environment from a strategic and risk management perspective.	31-32
		MA.2	Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies.	Not Available
		MA.3	Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy.	Not Available
		MA.4	Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, organizations should consider providing forward-looking metrics for the cross-industry, climate-related metric categories described in Table A2.1 (p. 79), consistent with their business or strategic planning time horizons. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics.	31-32

	DISCLOSURE	NO.	DISCLOSURE DESCRIPTION & GUIDANCE	PG #
METRICS & TARGETS	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	MB.1	Organizations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. All organizations should consider disclosing Scope 3 GHG emissions.	31-32
		MB.2	GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios.	31-32
		MB.3	GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	31-32
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. In describing their targets, organizations should consider including the following.	MC.1	Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate related metric categories in Table A2.1 (p.79), where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.	31-32
		MC.2	- whether the target is absolute or intensity based;	31
		MC.3	- time frames over which the target applies;	31
		MC.4	- base year from which progress is measured;	31
		MC.5	- key performance indicators used to assess progress against targets.	31-32
		MC.6	Organizations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.	31
		MC.7	Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.	31

1. IPCC, 2021: Summary for Policymakers. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.
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18. EnerSys. EnerSys Provides Update on IRC Section 45x Tax Credit Benefits and Updated Guidance for Its Fiscal Third Quarter 2024. Press Release. Dec. 19, 2023.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

Important Notes: This document includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth herein is expressed as of the date hereof and EnerSys reserves the right to update its measurement techniques and methodologies in the future.

The information provided herein is based in part on information from third-party sources that EnerSys believes to be reliable, but which has not been independently verified. EnerSys does not represent that the information is accurate or complete. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information.