

BORGWARNER

CODE OF  
ETHICAL  
CONDUCT

**3 LETTER FROM OUR CEO****4 WELCOME****5 INCLUSION**

- 6** An inclusive workplace
- 6** Respecting others
- 6** Prohibition against discrimination, harassment or bullying

**7 INTEGRITY**

- 8** Accounting and disclosure standards
- 8** Anti-bribery, anti-corruption, and anti-money laundering
- 9** Political contributions
- 9** Conflicts of interest
- 10** Insider trading
- 10** Travel and entertainment expenses
- 10** International trade
- 10** Fair competition

**11 EXCELLENCE**

- 12** Asset protection
- 12** Protecting personal data and privacy rights
- 12** Records management
- 12** Protecting confidential information
- 13** Intellectual property
- 13** Third parties and counterfeit products
- 13** Communication
- 14** Types of confidential information
- 14** Ways to protect technological assets
- 14** Ways to protect intellectual property
- 14** Dos and don'ts of third-party confidential information

**15 RESPONSIBILITY**

- 16** Prevention of workplace violence
- 16** Physical security and cybersecurity
- 16** Protecting the environment
- 17** Health and safety
- 17** Human rights and working conditions
- 17** Freedom of Association
- 17** Responsible supply chain management

**18 COLLABORATION**

- 19** Speaking up is critical to a collaborative environment
- 19** Reporting resources
- 20** Compliance hotline
- 20** Whistleblower protection and anti-retaliation

**Dear BorgWarner Team,**

Our Beliefs are the core of BorgWarner's culture. They shape who we are as a company. Personally, they guide me in the decisions I make as CEO, with my family and in my community. While the beliefs have been refreshed from time to time, they have always been founded upon doing what is right - not what is easy.

It's only natural that our Beliefs are fully aligned with our Code of Ethical Conduct, which sets the standard on how we must conduct business. It is critical that all of us - all roles, all levels of responsibilities - know the Code and follow it.

This is especially true when we feel pressure to achieve results. In those moments, if you are ever unsure, take a moment to **stop, think and ask**. Asking for feedback or guidance is not a sign of weakness. It shows we are trying to find the right answer, and it has always led me to make a better decision.

Thank you for your continued dedication to our Beliefs, our Code and our vision for a clean, energy-efficient world.

Sincerely,



FRÉDÉRIC LISSALDE

President and Chief Executive Officer



# WELCOME

## TO BORGWARNER'S<sup>1</sup> GLOBAL CODE OF ETHICAL CONDUCT

Our Code of Ethical Conduct (“Code”) outlines our commitment to compliance with applicable laws and regulations, as well as high standards of ethics and integrity. It is built upon our Beliefs of Inclusion, Integrity, Excellence, Responsibility and Collaboration. Our Beliefs are a shared set of values to which all of us are expected to adhere and guide us as individuals, a team and a Company.

### **THE CODE APPLIES TO EVERYONE**

Our Code applies to everyone at the Company, including our employees and directors. We also expect anyone who performs work or services for BorgWarner to follow the Code, such as contractors, agents and suppliers.

BorgWarner reserves the right to amend and interpret the Code, subject to applicable law. Nothing in this Code shall constitute a contract of employment with any employee or an assurance of continued employment.

### **IF YOU SEE SOMETHING — SAY SOMETHING**

Our Code is a good resource, but it doesn't cover every situation you may face. It's important to use good judgment and to ask for help if you are ever unsure about the right course of action. You are expected and encouraged to ask questions, raise concerns and report actual or suspected violations of applicable laws or regulations, our Beliefs, the Code or other Company policies and procedures.



### **MANAGERS' RESPONSIBILITIES**

Managers have a special obligation to model the behavior of the Code and Beliefs and ensure it is enforced. This means managers are not only responsible for their own integrity, but must also address and escalate issues appropriately – even if it does not impact them – and encourage others on their team to do the same.

<sup>1</sup> BorgWarner refers to BorgWarner Inc. and its subsidiaries. It is also called the “Company” in this Code.



# INCLUSION

Respecting Individuals

- We believe in mutual respect.
- We create a safe environment where we are free to be ourselves.
- We value diversity in people, ideas and experiences.



## AN INCLUSIVE WORKPLACE

We strive for an inclusive, welcoming work environment that allows employees to use their unique talents and diverse perspectives. Building an inclusive workplace starts with making employment decisions based on talent, merit and qualifications. These decisions are never based on race, color, religion, gender, gender identity and/or expression, national origin, disability, union affiliation, sexual orientation, age, veteran status, citizenship or other status protected by applicable law.

## RESPECTING OTHERS

In an inclusive workplace, everyone is treated with respect — whether it is another employee, customer, contractor or any other person with whom we work. The Company expects that all workplace relationships will be professional and free of bias, harassment or violence.

## PROHIBITION AGAINST DISCRIMINATION, HARASSMENT OR BULLYING

We prohibit discrimination, harassment, or bullying based on an individual's race, color, religion, gender, gender identity and/or expression, national origin, disability, union affiliation, sexual orientation, age, veteran status, citizenship or other status protected by applicable law.

### Q. What are examples of harassment?

#### A. Harassment can take many forms, including:

- Unwelcome sexual remarks, gestures or physical contact
- The display or circulation of offensive, derogatory, or sexually explicit pictures or other materials, including by email, text, instant messaging and online
- Offensive or derogatory jokes or comments (explicit or by innuendo)
- Verbal or physical abuse or threats
- Stalking or bullying of any kind



Stop

Your colleague makes jokes of a sexual nature. Although you are not bothered by the jokes, you can tell that another team member is visibly upset by the comments.



Think

Thinking about the Code, you know that if you witness sexual harassment, you should report it.



Act

You encourage the coworker, who is upset, to speak up. If the coworker declines, you report the matter to your manager or Human Resources.





# INTEGRITY

Honoring Truth

- We believe in transparency and authenticity.
- We do and say the right thing even if it is not the easy thing.
- We depend on each other to deliver what we promise.



### ACCOUNTING AND DISCLOSURE STANDARDS

We protect the integrity of our books and records by accurately reflecting our business, financial and non-financial position, recording transactions honestly and handling our records with care. Improper or fraudulent accounting, documentation and reporting are prohibited, violate Company policy and may also violate applicable laws. All internal records that support reporting must be prepared accurately, completely and properly.

### ANTI-BRIBERY, ANTI-CORRUPTION, AND ANTI-MONEY LAUNDERING

We do not tolerate bribery, corruption, or money laundering under any circumstances. Bribery involves offering, giving, receiving or requesting something of value to improperly influence a business decision and can take many forms, including money, gift cards, travel, employment (including internships), entertainment and charitable contributions.

Giving bribes to anyone, including government employees or officials, directly or through a third party, is prohibited. BorgWarner also prohibits facilitation payments, which are small payments intended to expedite a nondiscretionary, routine government process or service (such as obtaining a visa or clearing goods through customs).

BorgWarner and its employees are subject to anti-bribery, anti-corruption and anti-money laundering laws in every country in which we operate, such as the U.S. Foreign Corrupt Practices Act. If you are involved in transactions outside the U.S., you should be familiar with and observe all applicable laws. If you suspect a bribe or other improper payment has been made, contact the Compliance Office immediately.

#### Q. What type of records support financial reporting?

- A. Some examples of these records include, but are not limited to, expense reports, timecards, production and inventory counts, quality reports, sales records, attendance statements, supplier documents, consolidating entries and disclosure support.



Stop

You received services and have now received an invoice for those services, which must be paid. Recording them as expenses this quarter may negatively impact the numbers. You consider recording them at the beginning of the next quarter so your business meets its metrics.



Think

Failing to record expenses would reduce current period expenses and result in overstated earnings.



Act

You decide to record the numbers this quarter because this is accurate and is required under the accounting rules.



## POLITICAL CONTRIBUTIONS

BorgWarner does not make any political contributions. While employees may make personal contributions on their own time and with their own resources, reimbursement of such contributions by the Company are strictly prohibited.

## CONFLICTS OF INTEREST

A conflict of interest arises when your personal interests, directly or through family or close personal relationships, interfere or appear to interfere with the interests of the Company and stakeholders. You must disclose any actual or perceived conflicts of interest to the Company as soon as they arise so that the Company can take appropriate steps, where possible, to mitigate the conflict.



### Q. How do I know whether a gift from a supplier is a conflict of interest?

- A. You may accept normal business courtesies that do not create the perception that your judgment or actions have been influenced, and that fall in the characteristics outlined below. Always protect the Company's integrity and use good judgment; consult with your manager or the Compliance Office if you are unsure about accepting a gift from a supplier.

### “Normal business courtesies” include gifts, meals or entertainment that are:

- Consistent with all applicable laws and policies
- Nominal in value and not lavish or excessive
- Infrequent and for a valid business purpose
- Reasonable and appropriate in the context of the business relationship and the parties' respective positions
- Not requested by the intended recipient, and which do not impose a sense of obligation on the giver or recipient
- Not cash or a cash equivalent (e.g., gift card or voucher)
- Open, transparent and documented appropriately



**INSIDER TRADING**

Material non-public information is information that has not been widely disseminated to the public and that a reasonable investor would consider important in making a trading decision. You may have access to material non-public information regarding BorgWarner or other companies through your work at BorgWarner. You may not trade any securities of BorgWarner or another company for which you have material non-public information, or direct others to trade such securities or communicate that information in any manner to another person. Anyone who trades on material non-public information or tips such information to another may be subject to severe penalties, including significant fines and imprisonment.

**TRAVEL AND ENTERTAINMENT EXPENSES**

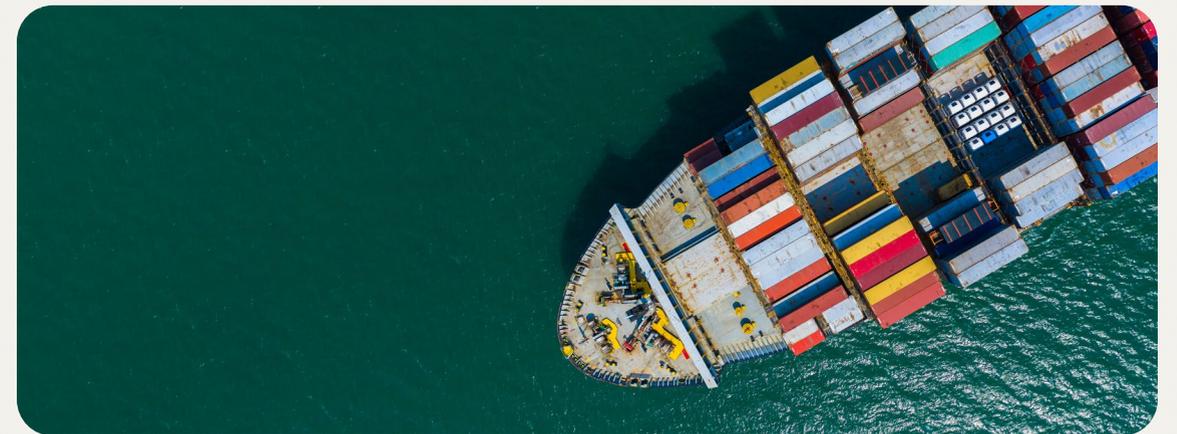
Travel and entertainment expenses must be reasonable, for legitimate business purposes and accompanied by documentation as required by Company policy.

**INTERNATIONAL TRADE**

BorgWarner trades across international borders and is committed to complying with all applicable laws and regulations governing the conduct of international trade, including sanctions, export controls, boycotts and customs. If you are involved in the sale, marketing, distribution, or transportation of products or services, or the transfer of technology across international borders, you must verify that the transactions do not involve restricted individuals, companies, countries, or regions, and that the products do not require an export license or other authorization.

**FAIR COMPETITION**

BorgWarner fully supports adherence to all applicable antitrust laws and fair, vigorous and competitive business activity. BorgWarner uses only legitimate sources to gather information concerning its competitors.





# EXCELLENCE

Focusing on Results

- We believe there is always a way to achieve superior results.
- We contribute to our development by seeking knowledge and sharing information.
- We set high goals and hold ourselves accountable to achieving them.



## ASSET PROTECTION

You have a responsibility to protect BorgWarner property and the property of others in the care of BorgWarner against theft, loss and improper and unauthorized use. Property includes all types of assets including, but not limited to, cash, land, buildings, machinery, tools, supplies, computers and accessories, proprietary and confidential information and intellectual property, including trade secrets, trademarks, patents and Company logos. Because we live in a digital world, we need to take actions related to data protection, cybersecurity, data confidentiality and records management so that we can successfully protect our assets in multiple ways.

## PROTECTING PERSONAL DATA AND PRIVACY RIGHTS

We are committed to implementing robust data privacy standards that protect an individual's personal data, regardless of whether they are our employees, customers, suppliers or job applicants. When collecting, transferring or using personal data, we follow the local law, our Data Privacy Policy and company security requirements. You must never use personal information for any purpose for which it was not intended and where permitted, it should only be processed on a need-to-know basis and for legitimate business purposes.

## RECORDS MANAGEMENT

Because we produce and receive so many records, it is important to identify, manage, retain and securely dispose of records per our Records Retention Policy. If you receive a litigation hold or are involved in an investigation or legal proceeding, you must preserve all records that may be responsive until advised otherwise by the Legal Department.

## PROTECTING CONFIDENTIAL INFORMATION

“Confidential Information” means any information and know-how whether or not in writing and existing in any form, of a private, secret, proprietary or confidential nature pertaining to the Company's business, strategies, operations, customers, employees, or financial affairs or those of its affiliates. BorgWarner's Confidential Information is a valuable asset and gives us a competitive advantage. Confidential Information must be accessed, stored and transmitted in a manner consistent with our policies and procedures.

### Q. How can I help protect confidential information?

A. You can help protect it by doing the following:

- Ensuring the proper agreements are in place before sharing Confidential Information with a third party.
- Properly labeling information as confidential.
- Limiting access to Confidential Information to those whose jobs require it.
- Being aware of your surroundings while discussing Confidential Information in case others might overhear what is being said (for example on planes, in elevators, at restaurants and when using mobile phones in public spaces).
- Keeping your laptop on your person while traveling instead of checking it with your luggage.



**DID YOU KNOW? THE OBLIGATION TO PROTECT BORGWARNER'S CONFIDENTIAL INFORMATION CONTINUES EVEN AFTER YOU LEAVE THE COMPANY.****INTELLECTUAL PROPERTY**

“Intellectual Property” includes inventions, patents, trade secrets, “know-how,” trademarks, logos and copyrights. Our Intellectual Property provides us with a competitive advantage and contributes to our business successes. We must be diligent to identify, protect and defend our Intellectual Property. We must also respect the Intellectual Property of others.

Anything you create using BorgWarner's resources or within the scope of your employment may be considered the Company's Intellectual Property.

**THIRD PARTIES AND COUNTERFEIT PRODUCTS**

Our customers expect that we will minimize the risk of introducing counterfeit parts and materials into our products and we must hold our suppliers to that same high standard. Please report any instance of counterfeit products in our supply chain or in the marketplace immediately to the legal department.

**COMMUNICATION**

BorgWarner adheres to the principles of responsible marketing and aligns our communication practices with our business objectives, sustainability practices and values. Additionally, we are committed to the timely, orderly, consistent, credible, legal and respectful dissemination of information regarding BorgWarner and any other information communicated by or on behalf of BorgWarner.

These principles should be used when communicating orally or in writing, including posting on any social media platform. When it comes to social media, all employees are expected to comply with our Social Media Policy prohibiting

discrimination, harassment, bullying and violence. Employees should understand that posts that reference the Company and/or their relationship with the Company may be attributable to the Company or have legal or reputational implications for the Company (and the employee). We comply with all laws that ensure the rights of employees to speak publicly about matters of public concern and engage in concerted activities related to the terms and conditions of employment.



**Types of confidential information:**

- Research and development of ideas or information
- New products
- Trade secrets
- Manufacturing processes
- Information about potential acquisitions, divestitures and investments
- Business plans
- Customer and supplier lists
- Pricing information
- Terms of contracts
- Financial statements that have not been released
- Marketing plans
- Information that could damage the company or its customers or suppliers if it was disclosed
- Legal opinions and work products
- Information of third parties provided in confidence to the Company

**Ways to protect technological assets:**

- Follow the password requirements.
- Use secure networks.
- Lock your computer when away and keep mobile devices secure.
- Immediately report breaches, losses and any other issues.

**Ways to protect intellectual property:**

- Capture new ideas, new designs and modifications/improvements to existing products in an invention record before sharing with others outside of BorgWarner.
- Ensure a non-disclosure agreement is in place before sharing with others outside BorgWarner.
- Promptly report any unauthorized disclosure of our Intellectual Property.
- Monitor and report any suspected copying, stealing or infringement of our Intellectual Property.

**Dos and don'ts  
of third-party confidential information:**

Do not share third-party confidential information with other third parties, such as suppliers or customers, without permission.

Do limit access to third-party confidential information to your colleagues who are authorized and have a need to know.





# RESPONSIBILITY

## Our Commitment

- We believe safety is a top priority.
- We care about our local communities and the global environment.
- We make a meaningful impact through our talents and resources.



**PREVENTION OF WORKPLACE VIOLENCE**

Everyone deserves to have a safe and secure workplace. Workplace violence committed by or against employees or visitors will not be tolerated. No one is allowed to make threats or engage in violent or threatening conduct or behavior on our premises or while conducting business with our employees.

**PHYSICAL SECURITY AND CYBERSECURITY**

To keep our people and Company assets safe and secure, it’s important to follow all physical and cybersecurity procedures that are in place at our properties. This includes, but is not limited to:

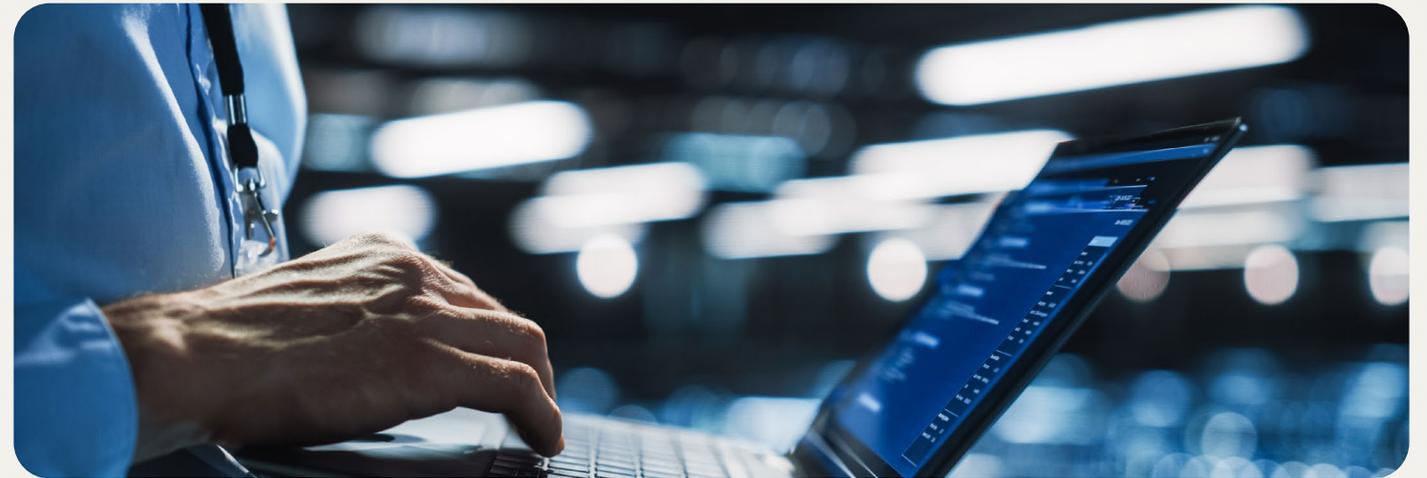
- Access control, such as not allowing people to follow you into secure areas without displaying a badge or credentials or reporting access points that are propped open or not functioning.
- Protection of assets, such as reporting acts of damage or theft of Company or employee property and maintaining strict adherence to our cybersecurity and Intellectual Property policies.

**PROTECTING THE ENVIRONMENT**

BorgWarner is a community of people committed to protecting the environment for the benefit of society and future generations.

BorgWarner recognizes that access to clean air, water and sanitation, and safe and healthy communities is a basic human right. From the innovative products we make to reduce emissions and improve fuel efficiency to where and how we make them, we strive to conserve, recycle and reuse our resources efficiently, using responsible and sustainable environmental practices.

BorgWarner complies with all applicable laws and regulations governing the use, emission, storage, transportation and disposal of potentially hazardous materials. We seek to conduct operations in a manner which minimizes the risk of injury to people and the environment. Our Environmental Policy defines our objectives to identify, monitor, reduce and disclose our environmental impact.



While entering a secure area in a BorgWarner facility, someone calls out and asks you to hold the door open for them. You do not recognize the person and do not see an identification badge.



You know letting someone into the building could put yourself, others and the Company at risk.



Tell them they will need to go to the visitor entrance to request access or use their own security badge then enter the building without them.



**HEALTH AND SAFETY**

BorgWarner strives to provide a safe and healthy work environment to all employees and is committed to continual improvement to achieve health and safety excellence. Safety is the responsibility of every BorgWarner employee. You must work in a safe manner that does not endanger yourself or others by following health and safety rules and practices and promptly reporting any accidents, injuries and any unsafe equipment, practices or conditions. Make safety a personal value and coach others on ways to work safely and make a positive impact.

**HUMAN RIGHTS AND WORKING CONDITIONS**

We respect human rights everywhere we work and do business. We comply with all applicable laws relating to privacy, immigration, working hours, wages and benefits, and laws prohibiting human trafficking and forced and child labor.

**FREEDOM OF ASSOCIATION**

Recognizing principles as set forth by core International Labour Organization Conventions, we respect freedom of association and our employees' right to join, or not to join, third party organizations such as labor unions or other lawful organizations of their own selection, along with the right to bargain or not bargain collectively, in accordance with local laws, without fear of reprisal, intimidation or harassment.

**RESPONSIBLE SUPPLY CHAIN MANAGEMENT**

We select business partners that comply with the practices of responsible business conduct and use our best efforts to ensure a high level of business standards along the supply chain in accordance with our Supplier Code of Conduct. We promote transparency and traceability and the responsible sourcing of raw materials and

minerals. We have zero tolerance for forced labor in our supply chain and if our employees witness signs of it or have other similar concerns it should be reported immediately.



Stop

While visiting a supplier, you notice their employees are working in extremely hot and humid conditions and appear exhausted.



Think

You know conditions are unacceptable and violate our expectations of suppliers.



Act

Notify your manager, Compliance Coordinator, the Compliance Office or Legal Department immediately.





# COLLABORATION

## Building Trust

- We believe teamwork drives high performance.
- We work together without boundaries.
- We are one BorgWarner.

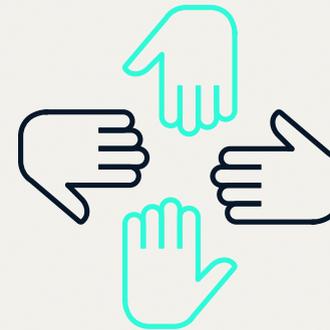




### SPEAKING UP IS CRITICAL TO A COLLABORATIVE ENVIRONMENT

Having a culture where our ideas and concerns are encouraged, acknowledged and considered is critical to a collaborative environment. It gives us the freedom to be at our best, extend and build trust, and demonstrate ethical leadership. Creating this environment starts by allowing and encouraging others to do the right thing and speak up. **This includes the following:**

- Obeying applicable laws
- Acting in a professional, honest, and ethical manner, and in accordance with our Beliefs
- Speaking up and immediately reporting wrongdoing
- Treating others with respect and in the way you want to be treated
- Understanding the information contained in this Code, as well as applicable laws and BorgWarner's policies
- Cooperating with investigations or audits
- Supporting your team members



### REPORTING RESOURCES

If there is any question about the appropriateness of a course of action, or if you are in a situation that is not covered by this Code and you are not certain what you should do, seek assistance by reaching out to any of the **following resources:**

- Your manager
- Human Resources
- Compliance Coordinator
- Data Privacy delegate
- Legal
- Compliance Office:
  - Phone: 1-248-754-0656
  - Email: [hqcompliance@borgwarner.com](mailto:hqcompliance@borgwarner.com)
  - Mail: 3850 Hamlin Road, Auburn Hills, MI 48326
- Compliance Hotline (see next page for information)





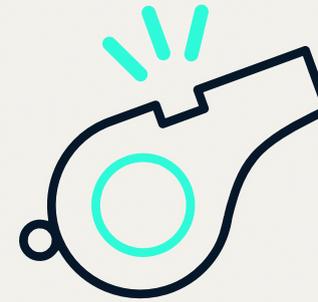
### COMPLIANCE HOTLINE

Our Compliance Hotline is maintained by a third-party confidential reporting company, is available 24/7 and supports more than 300 languages. Its representatives will forward your concerns to our Compliance Office for review, where they will be handled promptly and discreetly.

A reporter's identity will remain confidential to the greatest extent possible; anonymous reports may be made where permitted by local law.

#### You can access the compliance hotline by:

- Phone: 1-800-461-9330 in the United States; from outside the United States, go to [convercent.com/report](https://convercent.com/report) to find your country's toll-free number, or call collect at 1-720-514-4400
- Online: [compliancehotline.borgwarner.com](https://compliancehotline.borgwarner.com)



### WHISTLEBLOWER PROTECTION AND ANTI-RETALIATION

BorgWarner does not tolerate retaliation against an individual for making a good-faith report concerning a violation of laws or regulations, our Beliefs, the Code, our policies or procedures or anyone who assists in an investigation regarding the same. Retaliation is any negative action that would deter a reasonable person from making a report or participating in an investigation. Retaliation may include demotion, firing, pay reduction, an unwarranted negative performance evaluation or a change in job assignment, among other employment actions.

#### If you feel that you experienced retaliation, please report your concerns immediately to any of the reporting resources identified above.

- Q. Does my report need to be substantiated for me to be protected from retaliation?
- A. No, as long as your report is made in good faith, our anti-retaliation policy will apply.



**BORGWARNER WORLD HEADQUARTERS**

3850 Hamlin Road  
Auburn Hills, MI 48326



**BORGWARNER**