



BorgWarner Releases 2022 Sustainability Report, Highlights Substantial ESG Progress

- *Progress aligned with company's Charging Forward strategy aimed at a net-zero carbon emissions future*
- *Developing a Science Based Target Initiative greenhouse gas emissions reduction goal, committing to a new 85% Scope 1 and Scope 2 emissions reduction goal by 2030, and determining most crucial actions for CO₂ emission reduction*
- *Goals set to advance workplace diversity, equity and inclusion*
- *Power to Evolve training program aimed at transforming our industry-leading automotive engineers into a cutting-edge team, developing electric vehicle products*
- *Sustainable Supply Chain strategy and roadmap developed to accelerate progress*

Auburn Hills, Michigan, June 16, 2022 – BorgWarner has released its 2022 Sustainability Report, “Charging Forward Together,” highlighting the significant steps taken toward meeting its environmental stewardship, social responsibility and governance (ESG) objectives and outlining additional goals the company has set for this year and beyond. The Sustainability Report underscores BorgWarner’s commitment to accelerating the world’s transition to eMobility to help build a cleaner, healthier, safer future for all.

“Our Beliefs of inclusion, integrity, excellence, responsibility and collaboration are found in every aspect of our operations and guide us as we work toward our vision of a clean, energy-efficient world,” said Frédéric Lissalde, President and CEO, BorgWarner, Inc. “We are proud of the significant progress we have made in recent years toward embracing sustainability in our culture and advancing electrification efforts in everything we do. We look forward to taking additional concrete steps in changing the world of mobility, alongside our partners, customers, suppliers and communities toward a brighter, cleaner and more inclusive future.”

The annual Sustainability Report gives a holistic view of BorgWarner’s commitment to being a sector leader in sustainability, addressing its refreshed sustainability strategy, investments and acquisitions of companies to enhance its electrification capabilities, diversity initiatives and more. Below are several key data points and objectives noted in the 2022 report.

Environmental Stewardship: Create a Cleaner, More Energy-efficient World

BorgWarner's business strategy, Charging Forward, is central to the report, showcasing the company's alignment with and contributions to a net-zero carbon emissions future and its target of a 45% electric revenue mix by 2030. Currently, the company is on track to generate more than 25% of its revenue from electrified vehicle parts by 2025. Additionally, the company expects about 50% of its R&D budget will be spent on eProducts in 2022 and to exceed 50% by 2025.

While looking to achieve carbon neutrality in its operations by 2035, BorgWarner set a new interim goal to reduce its absolute greenhouse gas (GHG) emissions for Scope 1 and Scope 2 emissions by 85%, compared to its 2021 emissions, by 2030. BorgWarner is also developing a Science Based Target Initiative GHG emissions reduction goal, and, as part of that process, will be estimating its Scope 3 emissions and determining its most crucial actions for GHG emission reduction.

To promote further advocacy and dedication to ESG at the highest levels of the organization, BorgWarner has linked 50% of the performance component of its executive long-term incentive plan compensation with its Charging Forward goals by incorporating an eProducts revenue mix metric.

Social Responsibility: Live the BorgWarner Beliefs

As BorgWarner continues to advance diversity, equity and inclusion (DEI) efforts to support the company's commitment to creating an inclusive and sustainable workforce for the future, the company has announced formal DEI goals in this year's report. By 2026, BorgWarner plans to have women account for 35% of its global workforce and racially/ethnically diverse employees account for 30% of its U.S. workforce. By that same year, the company plans to achieve and maintain pay parity across all genders and races. On average, women working at BorgWarner globally are currently receiving 98.9% compensation of that received by men, with racial/ethnic minorities in the U.S. receiving compensation of 99% or more compared to compensation received by non-minorities. An annual salary review process is in place to evaluate and address discrepancies in pay, if identified. Finally, BorgWarner has set a goal to achieve a score of 80% or above on a BorgWarner Beliefs index from its employee engagement survey by 2026.

Developing and retaining talent continues to be an area of focus for BorgWarner, as demonstrated by the more than 84,000 hours of training received by salaried employees in 2021.

The company also launched Power to Evolve, a skills agility program for employees that was created in partnership with leading universities in the U.S. and Europe and provides a fast track to transfer mechanical engineers to working on electric drive systems, including batteries, inverters, motors and more.

BorgWarner believes in supporting its surrounding communities so it comes as no surprise that even with the challenges of 2021, the company's employees not only met but exceeded its giving goals with efforts that supported over 400 charitable activities, including STEM education, children in need and humanitarian efforts.

Governance: Partner with and Report to Stakeholders

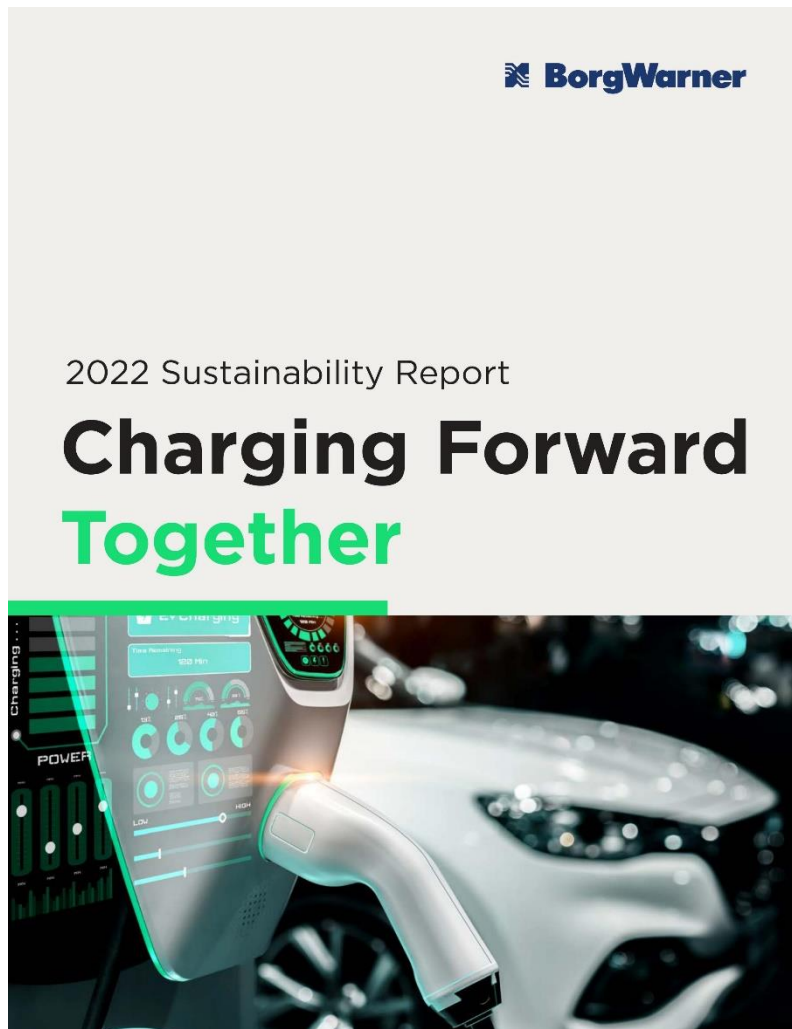
BorgWarner's Board of Directors exercises continued focus and oversight of the company's ESG risks and opportunities. Among its various governance activities, BorgWarner continued to focus on promoting sustainability across its supply chain: the company saw an approximate 35% increase in suppliers participating in the Sustainability Self-Assessment Questionnaire, which asks suppliers about key sustainability issues including human rights, health and safety, environment, working conditions and business ethics.

To further accelerate progress related to supply base goals and engagement, BorgWarner also developed a Sustainable Supply Chain strategy outlining priority ESG topics along with a roadmap for implementation. In 2022, the strategy will be expanded to include a focus on evaluating existing and developing new supplier expectations on material topics and incorporating them into the company's sourcing process.

To read the complete report, please visit www.borgwarner.com/company/sustainability.

About BorgWarner

For more than 130 years, BorgWarner has been a transformative global product leader bringing successful mobility innovation to market. Today, we're accelerating the world's transition to eMobility — to help build a cleaner, healthier, safer future for all.



BorgWarner published its 2022 Sustainability Report, Charging Forward Together. Access the full report at borgwarner.com/company/sustainability.

Forward-Looking Statements: This press release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management’s current outlook, expectations, estimates and projections. Words such as “anticipates,” “believes,” “continues,” “could,” “designed,” “effect,” “estimates,” “evaluates,” “expects,” “forecasts,” “goal,” “guidance,” “initiative,” “intends,” “may,” “outlook,” “plans,” “potential,” “predicts,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Further, all statements, other than statements of historical fact contained or incorporated by reference in this press release that we expect or anticipate will or may occur in the future regarding our financial position, business strategy and measures to implement that strategy, including changes to operations, competitive strengths, goals, expansion and growth of our business and operations, plans, references to future success and other such matters, are forward-looking statements. Accounting estimates, such as

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those described under the heading “Critical Accounting Policies and Estimates” in Item 7 of our most recently-filed Annual Report on Form 10-K (“Form 10-K”), are inherently forward-looking. All forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Forward-looking statements are not guarantees of performance, and the Company’s actual results may differ materially from those expressed, projected or implied in or by the forward-looking statements.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Forward-looking statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. These risks and uncertainties, among others, include: supply disruptions impacting us or our customers, such as the current shortage of semiconductor chips that has impacted original equipment manufacturer (“OEM”) customers and their suppliers, including us; commodities availability and pricing; competitive challenges from existing and new competitors including OEM customers; the challenges associated with rapidly-changing technologies, particularly as relates to electric vehicles, and our ability to innovate in response; uncertainties regarding the extent and duration of impacts of matters associated with the COVID-19 pandemic, including additional production disruptions; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by Russia’s invasion of Ukraine; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis including our recent acquisitions of AKASOL AG and Santrol’s light vehicle eMotor business and our 2020 acquisition of Delphi Technologies PLC; the ability to identify appropriate combustion portfolio businesses for disposition and consummate planned dispositions on acceptable terms; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to the acquired businesses; our dependence on automotive and truck production, both of which are highly cyclical and subject to disruptions; our reliance on major OEM customers; fluctuations in interest rates and foreign currency exchange rates; our dependence on information systems; the uncertainty of the global economic environment; the outcome of existing or any future legal proceedings, including litigation with respect to various claims; future changes in laws and regulations, including, by way of example, taxes and tariffs, in the countries in which we operate; impacts from any potential future acquisition or disposition transactions; and the other risks noted in reports that we file with the Securities and Exchange Commission, including Item 1A, “Risk Factors” in our most recently-filed Form 10-K and/or Quarterly Report on Form 10-Q. We do not undertake any obligation to update or announce publicly any updates to or revisions to any of the forward-looking statements in this press release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

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