

## **BorgWarner Releases 2023 Sustainability Report, Outlining its Progress on ESG Targets and Role in World's Transition to eMobility**

- *Highlights company's commitment to being a sector leader in sustainability*
- *Demonstrates progress on Scope 1, 2 and 3 greenhouse gas emissions goals*
- *Transitioning our workforce as we execute on Charging Forward 2027*

Auburn Hills, Michigan, June 23, 2023 – BorgWarner (NYSE: BWA) today released its 2023 Sustainability Report, "[Accelerating Action](#)," highlighting the progress the company made in 2022 toward meeting its environmental stewardship, social responsibility and governance (ESG) objectives and outlining additional goals for 2023 and beyond.

"2022 was another year of significant progress for BorgWarner. I am incredibly proud of the contributions of every person in our company, collectively working together toward the same goals," said Frédéric Lissalde, President and CEO, BorgWarner Inc. "At our 2023 Investor Day earlier this month, we unveiled *Charging Forward 2027*, which underscores our commitment to operating sustainably as we accelerate our electrification strategy. The continued support of our employees and collaboration with industry partners enables us to build on our momentum, in pursuit of a clean, energy-efficient world and achieving carbon neutrality by 2035."

As detailed in the report, BorgWarner is committed to being a sector leader in sustainability and accelerating the world's transition to eMobility. Highlights include:

- 88% of 2022 sales from clean and emissions reducing products and investing 53% of our 2022 research and development in electrification products
- Formally submitting our targets to reduce Scope 1, 2, and 3 emissions to the Science Based Target Initiative (SBTi)

- Kicking off workstreams dedicated to reducing our Scope 3 emissions by 25% by 2031 versus a 2021 baseline
- Reducing overall energy consumption by 13% versus 2021 as a result of several actions including the use of smart meters at BorgWarner's manufacturing sites
- Promoting an inclusive workforce through numerous initiatives, including campus partnerships, scholar programs, second chance hiring programs and more
- Upskilling our workforce through specialized programs such as "Power to Evolve" which gives mechanical engineers the skills they need to work on electric drive systems
- Continuing to focus on responsible supply chain management

To read the complete report, please visit:

<https://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's 2023 Sustainability Report, "Accelerating Action," highlights the progress the company made in 2022 toward meeting its environmental stewardship, social responsibility and governance objectives and outlines additional goals for 2023 and beyond.

**Forward-Looking Statements:** This press release contains 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 sustainability goals, 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 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 challenges we will face as we seek to achieve our environmental, social, and governance targets, including carbon neutrality and Scope 1, 2, and 3 emissions goals; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; the challenges associated with rapidly-changing technologies, particularly as relates to electric vehicles, and our ability to innovate in response; future changes in laws and regulations, including, by way of example, emission standards, in the countries in which we operate and international treaties; 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; commodity availability and pricing, and an inability to

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achieve expected levels of recoverability in commercial negotiations with customers concerning these costs; competitive challenges from existing and new competitors including OEM customers; uncertainties regarding the extent and duration of impacts of matters associated with the COVID19/coronavirus pandemic, including additional production disruptions; 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; our ability to effect the intended tax-free spin-off of our Fuel Systems and Aftermarket segments into a separate, publicly traded company on a timely basis or at all; the potential that uncertainty during the pendency of the spin-off transaction could affect our financial performance; the possibility that the spin-off transaction will not achieve its intended benefits; 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, or governmental investigations, including related litigation; impacts from any potential future acquisition or disposition transactions; and the other risks noted under 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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