

BorgWarner Releases 2024 Sustainability Report

- *Created product portfolio enabling efficient powertrain electrification for hybrids and battery electric vehicles while maintaining a strong core of fuel efficiency-driven products*
- *Reduced Scope 1 & 2 greenhouse gas emissions by 32% through 2023 from a 2021 baseline, making progress toward the goal of carbon neutral operations in 2035*
- *Filled 64% of leadership positions internally in 2023, underscoring emphasis on investing in and growing talent organically*
- *Surpassed supplier sustainability engagement goal in 2023 with 81.6% of suppliers responding*

Auburn Hills, Michigan, July 11, 2024 – BorgWarner published its 2024 Sustainability Report, “Driving Progress.” The report shares the company’s progress toward meeting its sustainability goals.

“BorgWarner’s longstanding vision is a clean, energy efficient world, and I am proud to lead a company where our business goals go hand-in-hand with our sustainability goals,” said Frédéric Lissalde, President and CEO, BorgWarner. “I applaud our entire team for their dedication and excellence in innovating products for cleaner mobility, making leaps toward achieving our climate and other sustainability goals, and investing in our people.”

At BorgWarner, sustainability means delivering value to all stakeholders for today and tomorrow. In 2023, the company made notable progress against its goals as described in the report, including:

- Earning 87% of revenue from EV and emissions-reducing hybrid and combustion products, positioning the company as a leader in clean mobility;

- Reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 32% from the 2021 baseline, making progress on its Science Based Targets initiative (SBTi)-validated goal to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 85% by 2030;
- Engaging supply chain management and engineering teams to advance the company’s goal of reducing Scope 3 emissions 25% by 2030 compared to a 2021 baseline;
- Installing or expanding solar power installations at nine facilities to help drive a 48% increase in renewable energy usage since 2022;
- Achieving a 92.8% waste diversion rate at tracked sites, surpassing its 85% goal;
- Filling 64% of leadership positions through internal placements, surpassing its 50% goal;
- Investing more than \$3.6 million in employee training and development to support a skilled workforce to meet business goals;
- Performing above all benchmarks on employees’ sense of inclusion and belonging on the company’s engagement survey; and
- Achieving an 81.6% completion rate with relevant suppliers for its sustainability assessment questionnaire, surpassing its goal.

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. With a focus on sustainability, we’re helping to build a cleaner, healthier, safer future for all.



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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 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, commodity availability and pricing, and an inability to achieve expected levels of recoverability in commercial negotiations with customers concerning these costs; competitive challenges from existing and new competitors, including original equipment manufacturer (“OEM”) customers; the challenges associated with rapidly changing technologies, particularly as they relate to electric vehicles, and our ability to innovate in response; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by wars or other geopolitical conflicts; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis; the possibility that our 2023 tax-free spin-off of our former Fuel Systems and Aftermarket segments into a separate publicly traded company 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, which is highly cyclical and subject to disruptions; our reliance on major OEM customers; impacts of any future strikes involving any of our OEM customers and any actions such OEM customers take in response; 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; 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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