



## **BorgWarner's Suzhou Facility Recognized as "Green Factory" by the Ministry of Industry and Information Technology**

- *The Suzhou facility was recognized as a "National Green Factory" for the first time*
- *It was designed with a holistic approach to green processes, low-carbon operation, green products and green supply chain*
- *With BorgWarner's sustainability strategy, it will continue to move towards a "zero carbon factory"*

Suzhou, China, May 26, 2022 – The *Green Manufacturing List for 2021* has been unveiled on the official website of the Ministry of Industry and Information Technology of the People's Republic of China, recognizing BorgWarner's Suzhou facility as a *National Green Factory* for its outstanding capabilities in green manufacturing, low-carbon development and energy management. *National Green Factory*, a nationwide selection event organized by the Chinese Ministry, aims to implement the *14th Five-Year Plan for Green Development of the Industrial Sectors*, by setting the benchmark for green manufacturing, linking the winners to the relevant policies and leading the green transformation of the manufacturing industry.

"We are very honored that our Suzhou facility has been granted this prestigious award," said Tom Tan, Vice President of BorgWarner Inc. and President of BorgWarner China. "In the current Double Carbon Goals context, we are learning advanced experiences from our peers in green development, as required by our sustainability strategy. At the facility we embrace sustainability across each and every production aspect, leverage the state-of-the-art technologies and equipment required for energy conservation and environmental protection, and perform intelligent management over utility and energy use, thus moving firmly forward as a zero-carbon factory."

BorgWarner's Suzhou facility was originally designed with a holistic approach to green processes, low-carbon operation, green products and green supply chain. The workshop buildings feature a 1.34 MW photovoltaic roof; and IE3 air compressors, equivalent to 1,345 tons

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of carbon dioxide emissions reduction per year. Also, the facility implemented multiple improvement projects during the past years, such as waste heat recovery, low nitrogen combustion and reclaimed water reuse. Accounting indicates that, in 2021, its energy consumption per product decreased by 3% year-over-year, and its GHG intensity decreased by 15% year-over-year, marking improvement for three years in a row. BorgWarner also values energy conservation and emissions reduction, leading it to focus on developing and producing green products. For instance, its powerful Combined Inverter and DC/DC converter (CIDD) leads to a 25% increase in power density, a 30% volume reduction and a 40% weight reduction (a single product provides the ability to reduce 3.4 tons of carbon dioxide emissions for a vehicle during its lifecycle). It is worth mentioning that, BorgWarner's patented silicon carbide power switch, named Viper, delivers up to 70% improvement in switching losses and 25% greater power density. In terms of supply chain, Suzhou facility has optimized logistic routes, reducing daily transportation by 11 times and thus reducing carbon dioxide emissions by 20 tons a year. Over the past three years, tracing and improving efforts have resulted in a 50% increase in compliance of its Tier 2 suppliers. Additionally, in 2021, its suppliers were required to sign a letter of commitment to sustainability, and all its key vendors were investigated on the same topic.

Looking into the future, BorgWarner's Suzhou facility will continue to fulfill its social responsibilities and build upon the ESG concept with ambitious sustainability goals, including

- Significantly reducing its energy intensity year after year
- Using 100% renewable energy by 2025, in order to reduce greenhouse gas emissions by 85% (compared to 2021) by 2030
- Committing to achieving carbon neutrality by 2035

## **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.

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### BorgWarner's Suzhou Facility Received the Honor of "Green Factory" from the Ministry of Industry and Information Technology

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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 Santroll'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

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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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