



Consistent with our Beliefs of Inclusion, Integrity, Excellence, Responsibility, and Collaboration, BorgWarner Inc. and its affiliates (“BorgWarner”) maintains standards of business ethics when it comes to the environment, working conditions and human rights and expect the same standards from its suppliers.

The following applies to all supply chain laws, including but not limited to, the German Supply Chain Act.

On human rights and working conditions, BorgWarner and its suppliers are prohibited from the following:

- employing a child below the minimum age permitted and illegal child labor for anyone under 18 years of age;
- engaging in the worst forms of child labor for children under 18 years of age as set forth under Article 3 of the International Labour Organization
- using forced labor including, but not limited to any forms of slavery, practices similar to slavery, servitude or other forms of domination or oppression in the environment of the workplace
- disregarding the obligations of occupational health and safety applicable under the applicable law
- disregarding the freedom of association
- unequal treatment in employment based on national or ethnic origin, health status, disability, sexual orientation, age, gender, political affiliation, religion, and any other legally protected categories that not justified based on legitimate requirements
- withholding a fair wage
- causing harmful soil contamination, water pollution, air pollution, harmful noise emission or excessive water consumption
- unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters
- hiring or using private or public security forces for the protection of the business project if due to lack of instruction or control from the business the use of security forces violates the prohibition of cruel or inhuman treatment, damages life or limb or impairs the right to organize and the freedom of association.

For environment-related risks, BorgWarner and its suppliers are prohibited from the following:

- manufacturing products containing mercury in accordance with the Minamata Convention
- using of mercury and mercury compounds in manufacturing processes
- treating mercury waste in violation of applicable regulations
- producing or using chemicals under the Stockholm Convention
- using non-environmentally sound handling, collection, storage and disposal of waste
- exporting and importing of hazardous waste in accordance with applicable regulations

We ensure our suppliers understand adhere to our terms and conditions, which contain express language on the expectations identified. The applicable Supplier Manual, terms and conditions, policies and guidance can be found via the BorgWarner website at a dedicated section: <https://www.borgwarner.com/suppliers>.

BorgWarner maintains risk management processes in place where we investigate, evaluate, and prioritize our due diligence obligations annually and on an ad-hoc basis to identify potential risks in our own business areas as well as at our suppliers. This includes the following:

- Our global supply chain team assess all new suppliers before we work with them.
- We undertake regular reviews with our suppliers to ensure that they operate in accordance with our requirements and policies.
- Our supplier contracts provide us with the right to audit our suppliers including, where appropriate, conducting audits using both BorgWarner employees and external resources.
- Direct material suppliers are audited prior to entering a business relationship with BorgWarner and audited periodically once a relationship has been established.
- Internally using a supplier questionnaire and a direct material supplier scorecard to monitor risk.
- Externally using third-party services to provide customized data and analysis on supply chain risk. BorgWarner has also utilized a third party to release a sustainability self-assessment questionnaire to its high-impact and high-risk suppliers. This questionnaire addresses governance of human rights, working conditions and environmental issues.

A breach of BorgWarner's relevant policies would constitute a breach of the supplier contract and would enable us to take action up to and including termination of the arrangement with the supplier.

Our procedures are designed to:

- establish and assess areas of potential risk in our business and supply chains;
- monitor potential risk areas in our business and supply chains;
- reduce the risk of slavery and human trafficking occurring in our business and supply chains;
- provide adequate protection for whistle-blowers.

We have multiple reporting platforms, including a global compliance hotline (phone and web-based available at <https://www.borgwarner.com/legal/compliance-hotline>) to facilitate internal and external parties to report directly or anonymously (consistent with applicable law) any activity that is contrary to BorgWarner's policies and principles. The hotline calls are free and available in multiple languages consistent with our diverse employee population. Additionally, we encourage reporting to be made through managers, local or global human resources legal, or compliance teams. This includes but is not limited to the Chief Compliance Officer / Human Rights Officer. Each report is taken seriously and is resolved using BorgWarner's investigation procedures, which include a strict anti-retaliation policy.

When risks are identified or reported, an appropriate investigation is initiated by BorgWarner, which may or may not include external support. At the conclusion of each investigation, remedial action is assessed and, where necessary, requisite modifications to our processes are made.

We ensure a responsible monitoring of our risk management and documentation of our due diligence obligations which will be made available annually at <https://www.borgwarner.com/suppliers>, starting end of 2023.

BorgWarner Compliance Hotline: Online at compliancehotline.borgwarner.com
By phone (US): +1 800-461-9330 | Additional toll-free numbers available at www.convercent.com/report