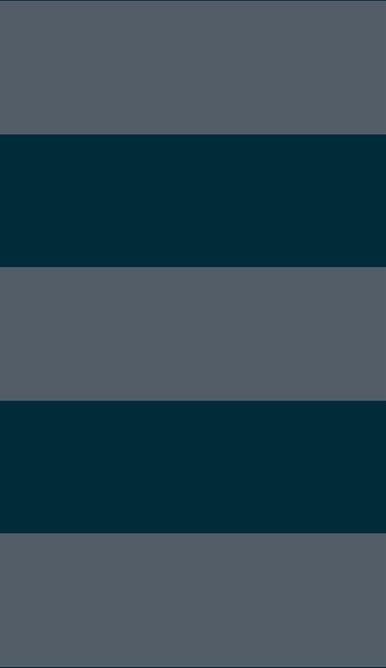


CR REPORT

2020



“**We take responsibility for our partners, employees, the society, and the environment**”

Content

P03	Additional Statement §99
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P03	Human Rights
-----	--------------

P04	Social Conditions
-----	-------------------

P05	Work Accidents
-----	----------------

P07	Environment and Climate
-----	-------------------------

P08	Anti-corruption and Business Ethics
-----	-------------------------------------

Additional Statement §99

The share of leading female employees by the end of the year

2018: 12,9 %

2019: 14,4 %

2020: 17 %

The share of all female employees in the organisation by the end of the year

2018: 35 %

2019: 38 %

2020: 38 %

Changes made in the board, group management, and management positions in general in 2020, and the representation of women among the potential candidates:

- There has been no change to the board.
- No new group directors have been hired.
- The number of female leaders has grown, which increases the representation of women by 3% compared to last year.
- In BORG Denmark 2 new female leaders have been appointed in 2020. In total 4 new leaders have been appointed in Denmark in 2020.
- In BORG UK 3 new female leaders have been appointed, which gives a total of 4 female leaders in the management team.
- In BORG Poland 4 new female leaders have been appointed. There are 80 leaders in total in Poland.

Initiatives from BORG Automotive to improve women’s career opportunities in 2020:

- BORG Automotive is participating in Schouw & Co.’s people development program. The program is called “Accelerated Growth” and is designed for start/mid-career employees, who have already shown high performance and learning agility. The purpose is to develop the business leaders of tomorrow. The 2020 version of the program was postponed due to the Corona pandemic.

Human Rights

BORG Automotive respects the sovereignty of individual countries along with their ability and right to set standards and regulations that may not be 100 % compliant with international human rights. Therefore, we require all our suppliers to sign our Code of Conduct.

By signing, the supplier, as a minimum, commits to

adhering to the local regulation. However, we encourage our suppliers to be more ambitious than that.

At the end of 2020, 77% of BORG Automotive’s purchasing value came from suppliers who have signed the Code of Conduct.



Social Conditions

‘Responsibility’ is one of BORG’s fundamental values, and it is natural for the company to focus on the wellbeing of our employees. We help our employees, if they become ill or if they have a problematic family situation at home. We also do whatever we can to help if any of our employees are having abuse problems. We strive to include people with handicaps in our workforce and are aware of our responsibility in the society.

As an example of this is our policy of social care, where we specifically are showing how we implement this in our company;

BORG AUTOMOTIVE POLICY: SOCIAL CARE:

Policy Goal:

That our way of relating to employees proves that we consider everybody unique and valuable in itself, independent of job performance.

Underlying Values:

Responsibility, Interdependency.

Social Care:

1. Our focus on our employees’ well-being includes their family (spouse, cohabitant and children), which may require a proactive attitude of the company.
2. Employees becoming addicted to drugs or alcohol will be offered off-site help and support, partly paid by the company.
3. It is the responsibility of the employee to report to the manager in charge about any inconvenience at or around the work place.
4. In case employees are absent for longer periods due to illness we will try to find similar or reasonable jobs when they return to work.

We support the community around our production sites.

Every year we donate a Christmas gift to Doctors Without Borders.

BORG Denmark supports a local sailing club.

BORG Belgium donated money to a local association distributing food to people in need.

We supported a local orphanage in BORG Poland with a donation for Christmas gifts. BORG Poland also sponsored the Fourth Charity Forest Run.

Borg UK visited a local homeless shelter and donated food, toiletries and essentials as well as new uniforms. Additionally, a local charity among the employees was started, where clothes and other essentials are collected for the homeless shelter.

Work Accidents

The work in our production sites is labour intensive, and it is difficult to automate all processes. All accidents in 2020 are of light severity.

For every accident we make a thorough investigation, root cause analysis and define actions to prevent a similar accident in the future.

In 2020 the number of accidents decreased from 23 to 19 in BORG Poland.

In 2020 many measurements have been taken to protect the employees as good as possible against the Covid-19 virus. Workstations in the factories and desks in all offices have been rearranged in order to live up to distance regulations.

BORG UK is implementing ISO 14001 & 45001. Stage 1 is completed, and stage 2 is planned for 2021.

BORG Poland arranged for a new warehouse for the storage of chemicals with mechanical ventilation and new pumps with access for authorised staff only.



The Charity Forest Run in Poland was organised in accordance with the government program “Sport for everyone” to promote healthy lifestyle. More than 500 runners took part in the race and 120 children and their parents enjoyed themselves with the family run.

Remanufacturing creates savings of up to 85 % of raw materials, 55 % of energy and up to 79 % of CO₂ equivalents compared to new production.

Environment and Climate

Remanufacturing has been called “the most sustainable business model” (Dr. Daniel C. F. Koebler, chairman of APRA Europe). Remanufacturing is closely linked to the circular economy. Instead of generating new products out of finite resources it follows a full value-conserving concept through product recycling. This is more environmentally friendly than disposal and material recycling. Remanufacturing creates savings of up to 85 % of raw materials, 55 % of energy and up to 79 % of CO₂ equivalents compared to new production.

In addition to the nature of BORG’s business model, we work on two parameters to improve and reduce our impact on the environment – cooperation with business partners and our production.

As an example, BORG UK is now sending old pallets

for recycling /reuse rather than landfill/incineration.

BORG Denmark often purchases refurbished laptops for our employees. These laptops usually have two owners prior to being sold to an employee or given to charity.

This year we can highlight the following examples:

- Installation of LED lights in BORG UK
- BORG Belgium moved to a new semi passive location (LED light, insulated building, heat pump)
- In DK LED lights were installed in the warehouse.
- New packaging was implemented at the distribution center in BORG Poland, which provides annual savings of 5 tons of cardboard.

Anti-corruption and Business Ethics

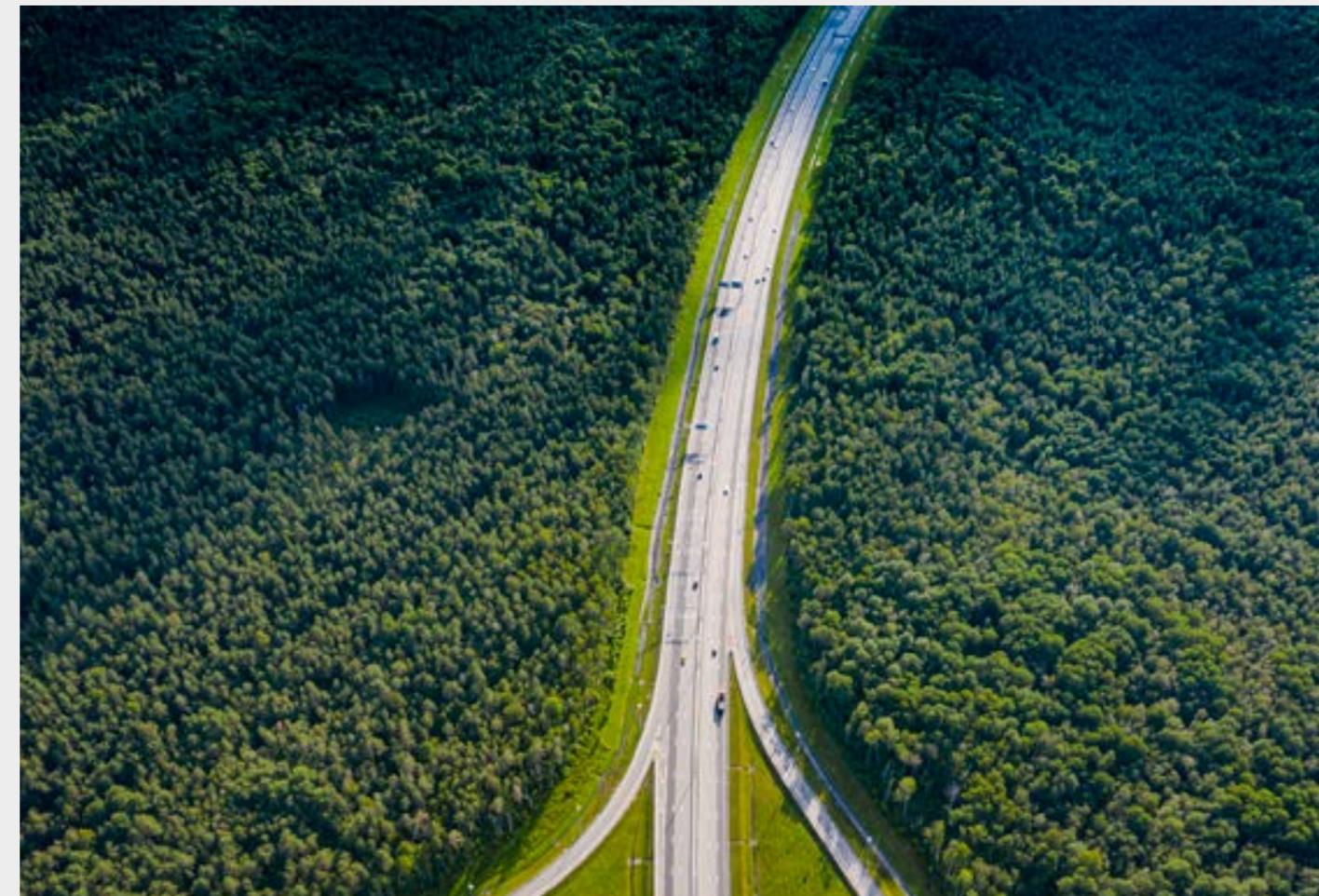
BORG Automotive neither accepts bribery nor facilitation payment in any form and has a clear policy.

It is equally important for BORG that our suppliers do not engage in any form of corrupt practices. We expect suppliers to maintain adequate procedures in order to prevent employees, suppliers etc. from undertaking any illegal behaviour regarding corruption. This is mentioned in BORG’s Code of Conduct, which has been signed by the majority of suppliers. Additionally, our Code of Conduct underlines, that we expect suppliers to act in compliance with national and international competition law

and observe the legal provisions to prevent money laundering.

Early 2018 we developed an e-learning course in collaboration with Schouw & Co. and the other companies in the group. The purpose was to educate our colleagues in our company policy regarding anti-corruption and business ethics and to help our employees understand exactly how to behave when working for BORG Automotive.

Only people who are in contact with suppliers or customers were required to take the test. It was completed by 158 employees.



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