

Diversity Policy

Adopted by the Board of Directors the 21.02.2023

1. Purpose

The purpose of this Policy is to ensure relevant diversity at the management levels of Borg Automotive to the effect that the right qualifications and expertise are present at any time in the company's management and that talent is utilised and retained in the best possible way. The Policy is supplemented by an annex defining the specific targets for the proportion of the under-represented gender at the company's management levels.

2. Diversity and Inclusion

Borg Automotive wants to increase and safeguard value creation in the company through a focus on relevant diversity in the employee composition with a wide range of expertise and for enhancing dialogue, knowledge sharing and risk management. Diversity is broadly defined as a variety of expertise, seniority, education, age, gender, ethnicity, religion, sexual orientation and disability.

The purpose of the company's targets and efforts on diversity is to ensure a corporate culture that supports diversity. It is important that no barriers of opinion or assumption (whether or not deliberate) exist that would restrict diversity or counteract equal employment or career opportunities, regardless of seniority, age, gender, ethnicity etc.

- We want relevant diversity to be reflected at all levels in the organisation.
- We want to be an attractive and inclusive workplace, regardless of where an individual employee is in their course of life and regardless of the position the employee is hired for.
- We want to give our employees the best possible conditions to thrive and develop their skills and expertise.
- To the widest extent possible, we want to take into consideration the individual employee's personal affairs, e.g., when the employee starts a family, approaches their retirement age or experiences other life-changing circumstances.

3. Ensuring relevant diversity at the company's management levels

Borg Automotive is built on the company values; transparency, competence, responsibility, continuous improvement and interdependency. In that context, Borg Automotive considers diversity a strength that makes a positive contribution to growth, risk management and value creation for the company. In addition, diversity of expertise and backgrounds is considered a factor that contributes to enhancing the quality of the work performed by management and the interaction in and between the company's management levels.

Borg Automotive wants a degree of diversity at the company's management levels that will ensure a broad range of expertise, views and experiences. Broad representation of educational and business backgrounds, age and gender as well as both national and international experience at the management levels is a big priority. Among other things, the company aims to ensure that the members of its management levels possess adequate knowledge, professional expertise and experience collectively to be able to understand the Group's activities and the risks associated with them.

Qualification and expertise are taken into account when members are elected to the company's Board of Directors. The evaluation and election of new members for the company's Board of Directors are mainly based on the person's possessing of professional knowledge and experience, that can contribute and ensure a wide range of competences in the Board of Directors. Moreover independency of special interests, the need of renewal, and diversity are also considered to the widest extent possible.

With a view of supporting equal access to management positions in general, the company is continuously aware of any hidden barriers that may limit diversity. This applies both to day-to-day work as well as to all stages of the appointment process, in which we strive to not aim any job descriptions, job advertisements, screening of applicants or job interviews without legitimate reason at a specific gender, age or the like.

4. Policy for increasing the proportion of the under-represented gender at the company's other management levels

Borg Automotive wants to be an attractive and stimulating workplace that attracts and retains the most qualified employees, and we want equal career opportunities for all employees – regardless of gender.

The company will always want to have its management positions filled by the most qualified candidates. The employment process includes an assessment of competences for the potential new manager based on the job assignments and context in which the new manager will perform its role. Moreover, in any employments, whether made in-house or externally, the emphasis should, to the widest extent possible, be on diversity, including gender distribution.

However, the current proportion of women is relatively low at management level, which is why women in this connection is the under-represented gender. Consequently, the focus is on getting more women in management positions by taking dedicated initiatives and actions to support a more equal gender distribution.

This Policy reflects the company's efforts to ensure a more equal gender distribution at the company's management levels, including its ambition that

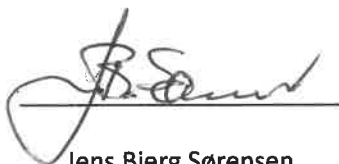
- The company is and will remain an attractive workplace for managers of either gender,
- Recruitment and employment procedures support an inclusive culture for both genders,
- When recruiting managers, we strive to always have at least one of each gender among the final candidates,
- The company's employees feel that they have equal opportunities in respect of career advancement and management positions, regardless of gender,
- All employees, regardless of gender, are ensured of equal opportunities to develop their professional and personal expertise through participation in seminars and personal development programmes, and
- The company's policies and practices for remuneration and granting of salary benefits to employees in management positions are gender neutral and to the widest extent possible support the principle of equal pay for equal work or equal value.

5. Publication and updates

At least once a year, the Board of Directors must revise this Policy with a view to ensuring that it continues to comply with statutory requirements and the company's business model, values and long-term goals.

The Policy is published on the company's website.

As adopted by the Board of Directors of Borg Automotive on 21.02.2023 to take effect from 21.02.2023.



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Annex to the Diversity Policy

This Annex is related to Borg Automotive's Diversity Policy of 21.02.2023 and specifies the actual management structure as well as the targets that the company is working towards in order to ensure a more equal gender distribution at the company's management levels.

1. Organization and management levels of Borg Automotive

In the following, "the company" or "Borg Automotive" or "Borg" means the legal entity Borg Automotive A/S, CVR no. 87 32 24 16.

Borg Automotive has a management structure with a Board of Directors consisting of 5 members and an Executive Management consisting of one member. The first management level in Borg is the Executive manager referring directly to the Board of directors. The second management level is the Group Directors (GDIR) and other directors with HR responsibility consisting of 7 employees in the legal entity.

There are a total of 80 full-time employees in Denmark in December 2022.

The delimitation of the two management levels is considered to be in accordance with the Danish Business Authority's guideline in this area.

2. Targets for the under-represented gender

As a long-term goal, Borg Automotive wants to achieve equal gender distribution on the company's Board of Directors and at other management levels. An equal gender distribution is to be understood as each gender making up at least 40 per cent of the managers in the individual management layers.

Targets in per cent for the under-represented gender on the Board of Directors:

As of 31 December 2022, the gender composition among the company's members of the Board of Directors is 100% men and 0% women.

It is our goal that the proportion of the under-represented gender on the Board of Directors of Borg Automotive in 2025 should be at least one out of a maximum of six members of the Board of Directors, corresponding to a representation of at least 17%.

Targets in per cent for the under-represented gender at the company's other management levels:

As of 31 December 2022, the gender composition of the first and second management level is 100% men and 0% women.

It is our goal that the proportion of the under-represented gender at the management level in 2025 should be at least 14% per cent corresponding to one out of seven employees.

The Board of Directors will define new and higher targets for the proportion of the under-represented gender on the Board of Directors and the other management levels when the company has achieved the previously defined targets, or new targets and deadlines when the deadline for the expected achievement has expired.

The company's Board of Directors and other management levels consist of relatively few people and consequently, the proportion of men and women is easily influenced by few, and sometimes unforeseen, changes. The development in gender composition at the company's management levels should be viewed over an extended period of time.

The purpose of the targets and the related policy is to create awareness about the gender composition to the effect that this will be a natural part of the assessment of equal importance to other professional and management qualifications when recruiting or appointing managers in the company.

3. Reporting

The management's report in the company's annual report will include an overview as at the balance sheet date and for the preceding four financial years of the composition of the Board of Directors and the other management levels¹ showing the percentual proportion of the under-represented gender. Furthermore, the management's report will account for important actions taken and a status on the achievement of the defined targets.

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See s. 99b(1) as adopted by the Danish parliament on 19 April 2022 with effect as of 1 January 2023. The first time the company reports in accordance with s. 99b, information is included for the 2022 financial year only. Information for the following financial years will be added to the overview in subsequent annual reports.