



Dana Incorporated **Green Financing Framework**

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People Finding A Better Way®

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1. Introduction to Dana

1.1 Overview

Dana is a leader in the design and manufacture of highly efficient propulsion and energy-management solutions for all mobility markets across the globe. The company's conventional and clean-energy solutions support nearly every vehicle manufacturer with drive and motion systems; electrodynamic technologies, including software and controls; and thermal, sealing, and digital solutions

1.2 Dana's Sustainability Strategy and Policies

Dana is actively engaged in taking strategic steps towards minimizing the environmental impact of its operations, supply chain and the products that it creates. The Company believes in sustainable progress through better systems and applies innovation across a portfolio of technologies to enhance its services, solutions and operations.

Dana's Board of Directors has formed the Technology and Sustainability Committee (the "Committee"), which is responsible for assisting the Board with oversight relating to innovation, new technologies, and sustainability and social responsibility. The Committee is chaired by Diarmuid O'Connell, former vice president of business development and member of the executive team at Tesla from 2006 to 2017. He is joined on the Committee by Bridget Karlin, global chief technology officer and vice president of IBM Global Technology Services, and Raymond E. Mabus, Jr., founding principal and CEO of The Mabus Group and former U.S. Secretary of the Navy.

Additionally, the Company has appointed Senior Vice President, General Counsel and Secretary, Douglas Liedberg, as its Chief Sustainability Officer. The Chief Sustainability Officer leads Dana's social responsibility and sustainability efforts and chairs our Sustainability & Social Responsibility Leadership Council, which includes senior executives from the Company's business units and functional areas.

Dana's Environmental Management System (EMS) evaluates social and financial impacts in addition to environmental impacts to ensure the Company is considering sustainability for all stakeholders, including customers, shareholders, employees, suppliers, governmental agencies and neighbors.

As the cornerstone of Dana's EMS, the Environmental Policy commits to:

1. Efficient natural resource consumption and pollution prevention – Dana's operations conduct focused workshops to map manufacturing processes; assess inputs into the processes in terms of environmental solids, water, energy, air emissions, and toxins (chemicals); and challenge existing processes to remove, reduce, reuse, and/or recycle the process outputs to lower costs and minimize the associated environmental footprint.
2. Compliance with applicable rules and regulations – Dana's operations undergo a rigorous internal environmental compliance assessment to review federal, state, provincial, and local requirements, as well as a robust internal corrective action system to remediate any deficiencies identified through the assessment.
3. Conformance to customer and Company expectations – Dana's manufacturing and assembly operations are required to obtain and maintain a certificated ISO 14001 EMS that includes pertinent EMS risk/opportunity assessments, operational control documentation, awareness and training, internal audits, management review, and external verification assessments.

Climate Change Mitigation

Dana is committed to protecting the planet and empowering communities. As a responsible business, Dana remains mindful of the impact of its global decisions. Nowhere is this clearer than in the Company's view and approach to reducing carbon emissions and managing its environmental impacts. Environmental responsibility includes not only quantifying and reducing the Company's emissions that result primarily from electricity consumption, but also minimizing the impact of activities throughout Dana's global business.

In alignment with Dana's business sustainability strategy, Jim Kamsickas, Chairman & CEO of Dana, along with the CEOs of 75 other companies and the AFL-CIO, endorsed an open letter to show the collective support of the Paris Climate Agreement. Dana's support for the Paris Agreement means acting now to curb the effects of climate change through the Company's electrified product portfolio, initiation of energy-efficiency improvements across manufacturing operations, participation in on-site and off-site renewable energy projects, and investment in forward-thinking, utility-scale renewable energy projects that are transforming energy production sourcing.

In Q4 2020, Dana announced a commitment to reduce its total annual greenhouse gas emissions by at least half before the end of 2035, representing a reduction of more than 300,000 metric tons of carbon dioxide emissions annually. To accelerate this goal, Dana signed a long-term agreement to add 300,000 megawatt-hours annually in renewable electricity to the grid beginning in 2022. Dana, in return, will receive an equivalent quantity of renewable energy credits to address approximately 90 percent of the Company's annual U.S. electricity consumption.

Additionally, Dana has partnered with The Greater Toledo Community Foundation on the development and installation of a 2.5 megawatt solar array across two sites in Toledo's Overland Industrial Park that will generate clean renewable electricity for Dana's 300,000-square-foot axle assembly operation, while investing hundreds of thousands of dollars annually into the neighboring community. The array will generate enough power to reduce the amount of carbon dioxide by more than 3,000 metric tons – which is the equivalent of removing more than 300 cars from the roadways every year. The high-performance, eco-efficient modules have a lower carbon footprint than conventional solar panels manufactured using conventional, energy-intensive processes.

Pollution Prevention and Control Through Investments in Electrification

Dana has taken a leading position in vehicle electrification. In fact, with in-house gearbox, low- to high-voltage motor, inverter, controls, and thermal and battery management expertise, Dana is the only supplier capable of delivering all elements of a complete, fully integrated electrified system across all mobility markets.

Dana has continued to invest in and develop products to further the Company's stated sustainability goals:

- **Electrified Systems:** In 2020, Dana continued to elevate its leadership position in the e-Mobility space, launching new electrified systems across all mobility markets.
- **Electric Motors:** Dana launched a new electric motor targeted for Class I electric lift trucks, sideloaders, and mobile elevated work platforms. Delivering up to 95 percent efficiency, these 48-to 120/144-volt synchronous reluctance internal permanent magnet motors prolong battery life and extend duty cycles by delivering higher power density than the AC motors typically used in these applications.

- E-Axle: Dana was the first to market in North America with Class 4 and 5 medium-duty e-Axle classification and is ready to support widespread deployment of this streamlined e-Propulsion system.
- Bipolar Plates: Dana's metallic bipolar plates for fuel-cell stacks are increasing the viability of fuel-cell-powered vehicles and supporting a more eco-friendly charging infrastructure — ultimately fulfilling the Company's vision of helping customers achieve their sustainability objectives throughout the entire power supply chain.
- Battery Thermal Management Capabilities: Dana's offerings in chillers, water-charged air coolers, and exhaust-gas recirculation systems will be extended with the acquisition of Modine Manufacturing Company's liquid cooling thermal-management business, expected to be completed in 2021.

In addition, Dana has made numerous investments and acquisitions to enhance its electrification portfolio. These include:

- In June 2018 Dana acquired a 55% ownership interest in TM4 from Hydro-Quebec. TM4 designs and manufactures motors, power inverters and control systems for electric vehicles, offering a complimentary portfolio to Dana's electric gearboxes and thermal management technologies for batteries, motors and inverters. The transaction established Dana as the only supplier with full e-Drive design, engineering and manufacturing capabilities – offering electro mechanical propulsion solutions to each of its end markets.
- In January 2019 Dana acquired S.M.E. S.p.A. SME designs, engineers and manufactures low-voltage AC induction and synchronous motors, inverters and controls for a wide range of off-highway electric vehicle applications, including material handling, agriculture, construction, and automated guided vehicles. Dana currently owns 55% of SME, with Hydro-Quebec owning the remaining 45% ownership stake.
- In February 2019 Dana acquired ownership of the Oerlikon Drive Systems (ODS) segment of the Oerlikon Group. Among its varied products, ODS produces controls and software that support vehicle electrification across the mobility industry.
- In June 2019 Dana acquired the 50% ownership interest in Prestolite E-Propulsion Systems (Beijing) Limited (PEPS) that the company did not own. PEPS manufactures and distributes electric mobility solutions, including electric motors, inverters, and generators for commercial vehicles and heavy machinery. Dana currently owns 55% of PEPS, with Hydro-Quebec owning the remaining 45% ownership stake.
- In August 2019, Dana acquired Nordresa, a recognized leader in the development and integration of electric commercial vehicles. This strategic transaction provided Dana with the in-house capabilities to deliver complete, fully integrated e-Powertrains in partnership with its customers. With complete electrification capabilities, Dana is collaborating with customers such as PACCAR to transform traditional medium-duty chassis into complete e-Powertrains.

Resource Conservation

The greatest contributor to Dana's environmental footprint—and therefore its biggest opportunity—is the Company's purchased electricity. With the goal of making progress on reduction, Dana approaches climate efforts in a variety of ways, including:

- Expressing the Company's commitment to do its part to meet international targets for emissions reduction;
- Reporting annually to CDP to ensure transparency of climate change management for all stakeholders;

- Investigating and procuring, where feasible, renewable energy to reduce Dana's global carbon footprint; and
- Continuing to seek impactful and innovative energy efficiency projects in the facilities Dana owns or operates.

Dana continues to implement conservation strategies to:

- Reduce water use in its operations
- Explore water-treatment technologies
- Introduce water-recycling processes
- Train employees about water resources to raise their awareness of the issue

In 2020, Dana commenced pursuit of the Leadership in Energy and Environmental Design (LEED) certification for its Sustainable Mobility Center in Maumee, Ohio. LEED certified buildings use less energy and water, avoid waste, save on maintenance costs, improve indoor air quality, offer comfort to their occupants, and reduce environmental burdens on their communities.

2. Green Financing Framework

The objective of issuing Green Financing Instruments is to assist in financing Dana's initiatives to lower its own carbon footprint as well as increase the Company's investment in green and sustainable initiatives thereby playing a key role in the transition to a low carbon economy. The issuance of these Green Financing Instruments will also enable Dana to engage with those investors who are committed to allocating capital in support of this effort.

Green Financing instruments may include Green bonds, Green loans, Green hybrids, Green private placements, Green project finance and any other financial instrument where the proceeds can be exclusively allocated to finance or re-finance in part or in full new and / or existing Eligible Green Projects and / or Assets as defined in this framework.

Alignment with the Green Bond Principles and Green Loan Principles

This Framework is designed to ensure any Green Financing Instruments issued by Dana and/or its subsidiaries are aligned with market best practices outlined by the International Capital Market Association ("ICMA") 2018 Green Bond Principles¹ and the Loan Market Association ("LMA") 2021 Green Loan Principles², updated from time to time, and includes the following sections:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The framework also describes the approach to External Review, as recommended by the Green Bond Principles and the Green Loan Principles. The Framework will apply to any Green Financing Instrument issued by Dana and/or its subsidiaries and will be applied as long as any such instrument is outstanding.

¹ Green Bond Principles 2018 (International Capital Market Association acting as secretariat to the Principles). <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² LMA, APLMA, and LSTA Green Loan Principles 2021 - <https://www.lsta.org/content/green-loan-principles/>

This Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classification systems. Any updated version of this framework will either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding External Review.

2.1 Use of Proceeds

An amount equivalent to the net proceeds from Dana's Green Financing Instruments will be used to finance or refinance, in whole or in part, existing and/or future Eligible Projects that meet the Eligibility Criteria as defined below and are financed by Dana through investments in Green technology, operating and capital expenditure.

Eligible Green Projects

| Project Category | Eligibility Criteria | Alignment with the UN SDGs |
|--|--|----------------------------|
| Clean Transportation | Investments and expenditures (including acquisition costs and research & development) in and for the design, development and manufacturing of products and systems which promote the electrification of vehicles, including: <ul style="list-style-type: none"> • Electric Motors and Inverters • Electric Vehicle Systems • E-Powertrain Systems • E-Axles • Thermal Management Capabilities • Metallic Bipolar Plates for Fuel Cells | 9, 11, 13 |
| Renewable Energy | Financing related to the acquisition, development, operation and maintenance of equipment or systems that generate or transmit renewable energy, such as solar and wind energy, including: <ul style="list-style-type: none"> • On-site solar or wind renewable energy projects • Purchases of renewable energy pursuant to long-term Power Purchase Agreements and Virtual Power Purchase Agreements | 7 |
| Sustainable Water and Wastewater Management | Financing related to investments in solutions that promote the sustainable management of water resources, including: <ul style="list-style-type: none"> • Reduction of water use in operations • Introduction of water-recycling processes • Water treatment technologies | 6 |
| Green Buildings | Financing related to investments in the construction of buildings and application of processes that are environmentally responsible and resource efficient throughout the building's life-cycle: | 11 |

| | | |
|--|---|--|
| | <ul style="list-style-type: none"> Investment in new or existing buildings that meet a minimum green building certification for e.g. “BREEAM Very Good” or “LEED Gold” | |
|--|---|--|

In the case of refinancing existing Eligible Projects, investments and expenditures which have been made within the 36-month period preceding the date of issuance of a Green Financing Instrument shall be considered for inclusion as Eligible Green Projects.

For the inaugural transaction, it is expected that more than 50% of proceeds will be allocated to the category Clean Transportation.

Exclusions

For the avoidance of doubt, financing related to the following activities are excluded from the financing by Dana’s Green Financing Instruments:

- Fossil fuel energy
- Nuclear energy
- Investments related to pure Internal Combustion Engines (ICE)

2.2 Project Evaluation and Selection Process

Dana has established a Green Financing Committee with responsibility for governing selection and monitoring of the Eligible Projects.

The Green Financing Committee will be chaired by the Chief Sustainability Officer and consists of senior members of Dana’s Sustainability and Social Responsibility Leadership Council, including members from Finance, Legal and Operations.

Members from different Project teams will meet semi-annually and recommend Green Projects to the Green Financing Committee.

All Green Projects put forward by the project teams will be screened through Dana’s investment process and need to meet Dana’s Sustainability Policies and Procedures in order to qualify for funding by Dana’s Green Financing Instruments. The Committee will screen and assess that the Green Projects meet the eligibility and exclusion criteria laid out in section 2.1 of this Green Financing Framework prior to approval.

Once screened and approved, the Finance/Treasury Department will track actual spend on the Eligible Projects using internal systems.

The Green Financing Committee will annually review the list of Eligible Green Projects against the eligibility and exclusionary criteria. If a project no longer meets the eligibility criteria set forth in this framework the project will be removed from the register and replaced as soon as a substitute has been identified.

2.3 Management of Proceeds

Dana's Treasury team will manage the allocation of an amount equivalent to the net proceeds of its Green Financing Instruments to Eligible Green Projects. Dana will strive to achieve a level of allocation to the Eligible Green Project portfolio that matches or exceeds the balance of net proceeds of its outstanding Green Financing Instruments within 48 months of issuance of each Green Financing Instrument.

Pending full allocation of an amount equal to the net proceeds of outstanding Green Financing Instruments, the proceeds will be held in accordance with Dana's standard liquidity management practices.

If any Eligible Projects are removed from the Eligible Green Project Portfolio, Dana will strive to substitute those projects with replacement eligible projects, as soon as possible.

2.4 Reporting

For each Green Financing Instrument, Dana commits to publish an allocation and impact report annually, and until full allocation of the proceeds, and in the event of any material changes until the relevant maturity date:

Allocation Reporting

Dana will provide information on the allocation of the net proceeds of its Green Financing Instruments on its website. The information will contain at least the following details:

- a) Net proceeds of outstanding Green Financing Instruments
- b) Amount of net proceeds allocated to Eligible Project Categories as defined in the Use of Proceeds section of this Framework
- c) Subject to confidentiality considerations a list of the Eligible Green Projects financed through Dana's Green Financing Instruments, including a description of the projects and allocated amounts
- d) The proportional allocation of proceeds between existing projects (refinancing) and new projects
- e) The remaining balance of unallocated proceeds, if any.

Impact Reporting

Dana will provide impact reporting at the level of each Eligible Project Category and which may include the following estimated Impact Reporting Metrics:

- Clean Transportation
 - Clean Transportation Units Manufactured
 - GHG Emissions Avoided
 - Customer Driven Miles
- Renewable Energy
 - Renewable Energy Used
 - % Reduction in GHG Emissions

- Sustainable Water and Wastewater Management
 - % Improvement in Water Use Efficiency
- Green Buildings
 - Investments in Green Buildings

2.5 External Reviews

Dana's Green Financing Framework is supported by the following external reviews:

Second Party Opinion ('SPO')

Dana has retained S&P to provide a Second Party opinion on Dana's Green Financing Framework, to confirm alignment with the ICMA 2018 Green Bond Principles and the LMA 2021 Green Loan Principles. The Second Party Opinion will be made available on the Company's website.

Post Issuance external verification on reporting

Dana will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of the Green Financing Instrument proceeds to eligible projects, provided by its external auditor.

The external verification will be published together with the Allocation Report and the Impact Report on Dana's website annually, until the full proceeds have been allocated

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