



NEWS RELEASE

# PHINIA Releases Inaugural Annual Sustainability Report

8/8/2024

- The 2023 Sustainability Report describes PHINIA's initial sustainability strategies, 2023 performance across key environmental and social metrics, and responsible business practices
- PHINIA reinforces commitment to developing and manufacturing products and solutions designed to enhance efficiency and reduce the environmental impact of vehicles, industrial machinery, and other applications

AUBURN HILLS, Mich.--(BUSINESS WIRE)-- PHINIA Inc. ( **NYSE: PHIN** ), a leader in premium fuel systems, electrical systems, and aftermarket solutions, today released its 2023 Sustainability Report, highlighting PHINIA's contributions to powering a better tomorrow. The report sets a benchmark for future progress across environmental, social, and governance initiatives, while emphasizing PHINIA's focus on driving long-term value for stakeholders.

"We are proud to share our inaugural Sustainability Report following our launch as an independent company in July 2023," said Brady Ericson, President and Chief Executive Officer, PHINIA. "While aspects of PHINIA may be new, our commitment to sustainability has long been embedded in our business and culture. As we reflect on this foundational year, we recognize the importance of establishing our sustainability strategies that form the bedrock for long-term performance."

The report unveils PHINIA's initial sustainability priorities and framework, as well as the governance structure established to foster collaboration, engagement, and oversight of sustainability initiatives, including the formation of a Sustainability Council and Sustainability Steering Committee and the integration of Board-level oversight.

Highlights of the report also include:

- Investments to Power a Cleaner Tomorrow : In 2023, PHINIA invested 78% of its R&D spend in fuel efficiency and alternative fuel technologies, with 30% dedicated to zero- and lower-carbon fuel systems. PHINIA also received its first major business award for a hydrogen fuel cell program application for medium-duty trucks, and secured a significant gasoline direct injection (GDI) program for light vehicle plug-in electric hybrid programs.
- Design for Environment : PHINIA is implementing a process to quantify and reduce the life cycle emissions for all significant new product development. The process will be used to calculate the air, water, and resource impacts of such new products across their lifecycle and optimize methods to reduce environmental impact.
- Environmental Performance : PHINIA achieved a 4.8% annual energy consumption reduction across all sites through several energy efficiency projects. The Company also achieved a 9.9% annual reduction in carbon emissions through energy efficiency, footprint optimization, and green energy sourcing initiatives.
- Supporting, Engaging, and Developing Employees : PHINIA demonstrated its commitment to empowering and supporting its employees through a variety of talent and development programs, health and safety initiatives, community engagement efforts, and equity, diversity, and inclusion (EDI) initiatives, including:
  - Women in Science and Engineering (WiSE), PHINIA's first employee belonging group geared to fostering collaboration and empowerment amongst female talent in STEM roles
  - Refinement of PHINIA's global EDI strategy focused on empowering women, promoting intergenerational collaboration, leveraging cultural diversity, and cultivating the development of diverse teams
  - Establishment of an EDI Council to drive progress on the Company's EDI action plan
- Conducting Business Responsibly : PHINIA's quality and safety awards recognize facilities that demonstrate excellence in this space. Ethics, compliance, and other training help employees to act responsibly, ethically, and in alignment with PHINIA's Code of Ethical Conduct, core values, and other policies.

"We believe in making a positive impact through our business and actions," continued Ericson. "This report reflects our commitment to proactively advancing sustainability today, with the goal of powering a cleaner tomorrow through enhanced efficiency, innovative technologies, and responsible practices. We look forward to sharing our progress annually in future years and engaging with stakeholders on this collective responsibility."

For more information and to view the full 2023 Sustainability Report, please visit

**[www.phinia.com/company/sustainability](http://www.phinia.com/company/sustainability)**

## About PHINIA

PHINIA is an independent, market-leading, premium solutions and components provider, with over 100 years of manufacturing expertise and industry relationships and a strong brand portfolio that includes DELPHI<sup>®</sup>, DELCO

REMY<sup>®</sup>, and HARTRIDGE<sup>™</sup>. With over 13,000 employees across 44 locations in 20 countries, PHINIA is headquartered in Auburn Hills, Michigan, USA.

Across commercial vehicles and industrial applications (heavy-duty and medium-duty trucks, off-highway construction, marine, aviation, and agricultural), and light vehicles (passenger cars, trucks, vans and sport-utility), we develop fuel systems, electrical systems, and aftermarket solutions designed to keep combustion engines operating at peak performance, while at the same time investing in advanced technologies to unlock the potential of alternative fuels.

By providing what the market needs today to become more efficient and sustainable, while also developing innovative products and solutions to contribute to lower carbon mobility, we are the partner of choice for a diverse array of customers—powering our shared journey toward a cleaner tomorrow.

(DELCO REMY is a registered trademark of General Motors LLC, licensed to PHINIA Technologies Inc.)

For further information or if you'd like to connect with PHINIA, please contact [phiniapr@fox.agency](mailto:phiniapr@fox.agency).

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities

Litigation Reform Act of 1995. Forward-looking statements are statements other than historical fact that provide current expectations or forecasts of future events based on certain assumptions and are not guarantees of future performance. Forward-looking statements use words such as “anticipate,” “believe,” “continue,” “could,” “designed,” “effect,” “estimate,” “evaluate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “likely,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” or other words of similar meaning.

Forward-looking statements are subject to risks, uncertainties, and factors relating to our business and operations, all of which are difficult to predict and which could cause our actual results to differ materially from the expectations expressed in or implied by such forward-looking statements. Risks, uncertainties, and factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to: adverse changes in general business and economic conditions, including recessions, adverse market conditions, or downturns impacting the vehicle and industrial equipment industries; our ability to deliver new products, services, and technologies in response to changing consumer preferences, increased regulation of greenhouse gas emissions, and acceleration of the market for electric vehicles; competitive industry conditions; failure to identify, consummate, effectively integrate, or realize the expected benefits from acquisitions or

partnerships; pricing pressures from OEMs; inflation rates and volatility in the costs of commodities used in the production of our products; changes in U.S. administrative policy, including changes to existing trade agreements and any resulting changes in international trade relations; our ability to protect our intellectual property; failure of or disruption in our information technology infrastructure, including a disruption related to cybersecurity; our ability to identify, attract, retain, and develop a qualified global workforce; difficulties launching new vehicle programs; failure to achieve the anticipated savings and benefits from restructuring and product portfolio optimization actions; extraordinary events (including natural disasters or extreme weather events), political disruptions, terrorist attacks, pandemics or other public health crises, and acts of war; risks related to our international operations; the impact of economic, political, and market conditions on our business in China; our reliance on a limited number of OEM customers; supply chain disruptions; work stoppages, production shutdowns, and similar events or conditions; governmental investigations and related proceedings regarding vehicle emissions standards, including the ongoing investigation into diesel defeat devices; current and future environmental and health and safety laws and regulations; the impact of climate change and regulations related to climate change; liabilities related to product warranties, litigation, and other claims; compliance with legislation, regulations, and policies, investigations, and legal proceedings, and new interpretations of existing rules and regulations; tax audits and changes in tax laws or tax rates taken by taxing authorities; volatility in the credit market environment; impairment charges on goodwill and indefinite-lived intangible assets; the impact of changes in interest rates and asset returns on our pension funding obligations; the impact of restrictive covenants and requirements in the agreements governing our indebtedness on our financial and operating flexibility; our ability to achieve some or all of the benefits that we expect to achieve from the spin-off; other risks relating to the spinoff, including a determination that the spin-off does not qualify as tax-free for U.S. federal income tax purposes, restrictions and obligations under the Tax Matters Agreement, and/or BorgWarner Inc.'s failure to perform under, and any dispute relating to, the various transaction agreements; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission (SEC).

We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

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Source: PHINIA INC