PHINIA®

POWERING A BETTER TOMORROW

CONTENTS

LETTER FROM OUR PRESIDENT AND CEO

Dear Stakeholders,

At PHINIA, we provide fuel systems, electrical systems, and aftermarket products and solutions of the highest quality — developed and manufactured responsibly — that are designed to enhance efficiency and reduce the environmental impact of vehicles, industrial machinery, and other applications. In doing so, we contribute to a cleaner tomorrow, treat our people and surrounding communities with respect, and hold ourselves accountable to robust ethical standards. We believe in making a positive impact through our business and actions, and we take our collective responsibility seriously.

We are proud to share our inaugural Sustainability Report following our launch as an independent company in July 2023, and we look forward to sharing our progress on an annual basis in future years. 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 continuing our great progress and establishing our initial sustainability framework and strategies that can be built upon to drive long-term performance.

Advancing Sustainability Today

Our Globally Optimized and Locally Driven (GOLD) operating model fosters ownership and accountability throughout the business, including in areas of sustainability. From energy efficiency and carbon reduction initiatives across our product portfolio and operations, to engaging with our employees, customers, suppliers, shareholders, and communities, we proactively advance sustainability today.

In 2023, we began implementing and advancing a range of sustainability initiatives, including:

- **Design for Environment**
  Our process to quantify and reduce the life cycle emissions for all significant new product development.

- **Energy and Carbon Reduction**
  Smart meter installation, solar power standards, and compressed air strategies at manufacturing facilities to optimize energy use and reduce emissions.

"From energy efficiency and carbon reduction initiatives across our product portfolio and operations, to engaging with our employees, customers, suppliers, shareholders, and communities, we proactively advance sustainability today."

PHINIA

- **Talent Development and Engagement**
Reverse Mentoring and other talent and development programs to promote collaboration and understanding across generations and help employees reach their full potential.

- **Quality, Safety, and Ethics**
PHINIA quality and safety awards to recognize facilities for their excellence. Ethics, compliance, and other training to help our employees act responsibly, ethically, and in alignment with PHINIA's core values.

Powering a Cleaner Tomorrow

We are focused on reducing environmental impacts through our design and product life cycle management, fuel efficiency, alternative fuel technology, and remanufacturing initiatives.

In 2023, we invested 78% of our R&D spend in fuel efficiency and alternative fuel technologies, with 30% of the total dedicated to zero- and lower-carbon fuel systems. 2023 accomplishments include receiving our first major business award for a hydrogen fuel cell program application for medium-duty trucks and securing a significant gasoline direct injection (GDi) program with a prominent original equipment manufacturer (OEM) for its new light vehicle plug-in electric hybrid programs. We were also selected as the main partner for a U.S. Department of Energy project to advance research, development, and implementation of technologies to reduce greenhouse gas emissions, featuring our new hydrogen medium pressure, direct injection fuel system technology.

Across our range of OEM solutions, remanufactured products, and an expanded range of products for the independent (non-OEM) aftermarket, our products provide positive sustainability impacts in new OEM vehicle construction and support the existing vehicle parc by helping vehicles operate better, cleaner, further.

I am inspired by all that we have accomplished during our first year as an independent, public company. With our Company's foundation in place, I look forward to working with everyone at PHINIA and our stakeholders to advance sustainability within our organization and across our industry.

Brady D. Ericson
President and Chief Executive Officer

WHO WE ARE

We know that the steps we take today impact the world we have tomorrow. That's why we're constantly moving towards greater sustainability, improving resources, and exploring investments for a cleaner tomorrow.

POWERING A BRIGHTER TOMORROW

OUR VISION

Advancing sustainability today, powering a cleaner tomorrow

OUR VALUES

Our values are our North Star. They support our commitment to innovation and quality as a trusted partner, powering our customers' transition to a cleaner, brighter tomorrow. We are working to further embed them throughout our business, including into our behavioral competencies to help ensure we are recruiting, developing, and rewarding employees in line with our values.

Product Leadership

Innovation that brings value to our customers

Humility

Seeking out diverse perspectives and working collaboratively

Inclusivity

Recognizing our differences makes us stronger; we are bold and intentional

Net Zero

Committed to energy efficiency, waste reduction, and beneficial reuse

Integrity

Taking responsibility for our decisions and doing what is right

Accountability

Taking ownership of our actions and for driving results

OUR BUSINESS

PHINIA is a global leader in the development, design, and manufacture of integrated components and systems that are designed to optimize performance, enhance efficiency, and reduce emissions for various combustion and hybrid propulsion systems.

Across commercial vehicles and industrial applications (heavy-duty and medium-duty trucks, off-highway construction, stationary power generation, marine, aviation, and agricultural) and light vehicles (passenger cars, trucks, vans, and sport-utility), we develop fuel systems, electrical systems, and aftermarket

products and solutions designed to keep internal combustion engines (ICE) operating at peak performance. Efficient and durable performance keeps vehicles and industrial applications running for longer and slowing the need for replacement parts. This approach, combined with our extensive aftermarket catalog and remanufacturing programs, supports our circular model of sustainable mobility.

Through our aftermarket business, we provide original equipment (OE) quality replacement parts and fully tested and certified

remanufactured components designed to extend the life of vehicles and delay the carbon impact resulting from a full vehicle replacement.

Through our fuel systems business, we are investing in alternative fuel technologies that offer the potential for enhanced sustainability. Fuels like hydrogen, ethanol, and natural gas have the ability to dramatically reduce carbon emissions. We will continue to explore and serve as leaders in the pursuit of zero- and lower-carbon solutions in the transportation and power generation industries.

$3.5B
GLOBAL BUSINESS

*2023 revenue

FUEL SYSTEMS + ELECTRICAL SYSTEMS + AFTERMARKET

GLOBALLY RECOGNIZED BRANDS

Delphi®   Delco Remy®   hartridge™

United Kingdom
2 Manufacturing
1 Manufacturing and Tech Center
1 Application Center

Poland
2 Manufacturing
1 Technical Center

China
2 Manufacturing
1 Technical Center

United States
1 Global Headquarters
1 Manufacturing

Romania
1 Manufacturing

France
1 Manufacturing and Tech Center

Republic of Korea
1 Technical Center

Mexico
3 Manufacturing
1 Technical Center

Turkey
1 Manufacturing

India
1 Manufacturing
1 Technical Center

Brazil
2 Manufacturing

● Manufacturing   ● Technical and Application Centers   ★ HQ

GLOBAL FOOTPRINT

We have a talented team of over 13,000 employees and 44 locations across 20 countries.

These locations include our 24 principal manufacturing, application, and technical facilities worldwide, as well as our global headquarters in Auburn Hills, Michigan, USA.

13,000+
EMPLOYEES

20
COUNTRIES

44
LOCATIONS

➤ PHINIA

PRODUCTS AND SOLUTIONS

At PHINIA, we recognize that one of the biggest impacts we can have in contributing to a cleaner tomorrow is through our product portfolio. We expect reliance on gasoline and diesel-fueled ICE systems to continue for light vehicles for the short and medium term. Commercial vehicle and other demanding segments will continue to depend on this technology for the longer term. Our investments in alternative fuel technologies support the transition to lower- and zero-carbon fuels.

With over 100 years of manufacturing expertise and industry relationships, and a strong brand portfolio that includes DELPHI®, DELCO REMY® and HARTRIDGE™, we provide a full range of ICE and hybrid systems, as well as components designed to meet the broad needs of our customers.

Commercial Vehicle & Industrial

- Fuel Rails
- Injectors
- Fuel Pumps
- Starters & Alternators
- FDM & Canisters

Light Vehicle

- Diesel Fuel Rail
- Diesel Injectors
- GDi Fuel Rail
- GDi Injectors
- GDi Pumps
- PFI Injectors
- Diesel Pumps
- FDM & Canisters
- Starters & Alternators

Alternative Fuels

- CNG Injectors
- LNG Injectors
- DI-CHG Injectors (Hydrogen)
- FPI Injectors (Hydrogen)

Existing injectors adapted for use with zero-carbon and lower-carbon fuels

Aftermarket

- Fuel Systems
- Maintenance Solutions
- Test & Diagnostic
- Vehicle Electronics
- Starters & Alternators

Systems integration and calibration across product lines

- Engine Control Units & Component Embedded Controllers
- Leading Software Development & Fuel Agnostic Applications
- Calibration & Test Capabilities

→ PHINIA

OUR APPROACH TO SUSTAINABILITY

Our commitment to corporate responsibility is embedded in our values and how we do business.

POWERING A MORE SUSTAINABLE TOMORROW

PRIORITIES AND FRAMEWORK

In 2023, we made great progress in establishing our initial sustainability strategies, framework, and governance structure as a standalone company. We participated in industry sustainability initiatives, including through the Motor and Equipment Manufacturers Association (MEMA) and the European Association of Automotive Suppliers (CLEPA). We also contributed to industry committees engaged in topics that include Scope 1, 2, and 3 emissions, social and environmental sustainability of supply chains, and sustainable materials.

PHINIA's sustainability priorities are guided by our values and stakeholder engagement, with a view to third-party standards and frameworks, including the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Disclosures (TCFD), and Global Reporting Initiative (GRI). We integrate sustainability objectives into our decision-making to deliver long-term value for our employees, customers, communities, shareholders, and other stakeholders.
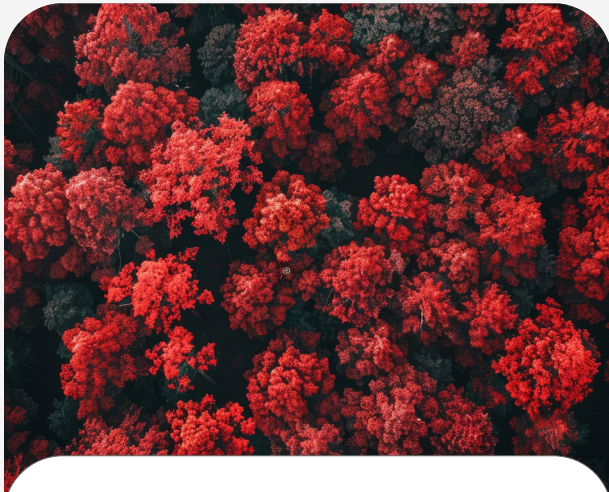
Environment
- Product Engineering
- Facilities and Operations

Social
- Equity, Diversity, and Inclusion
- Development and Education
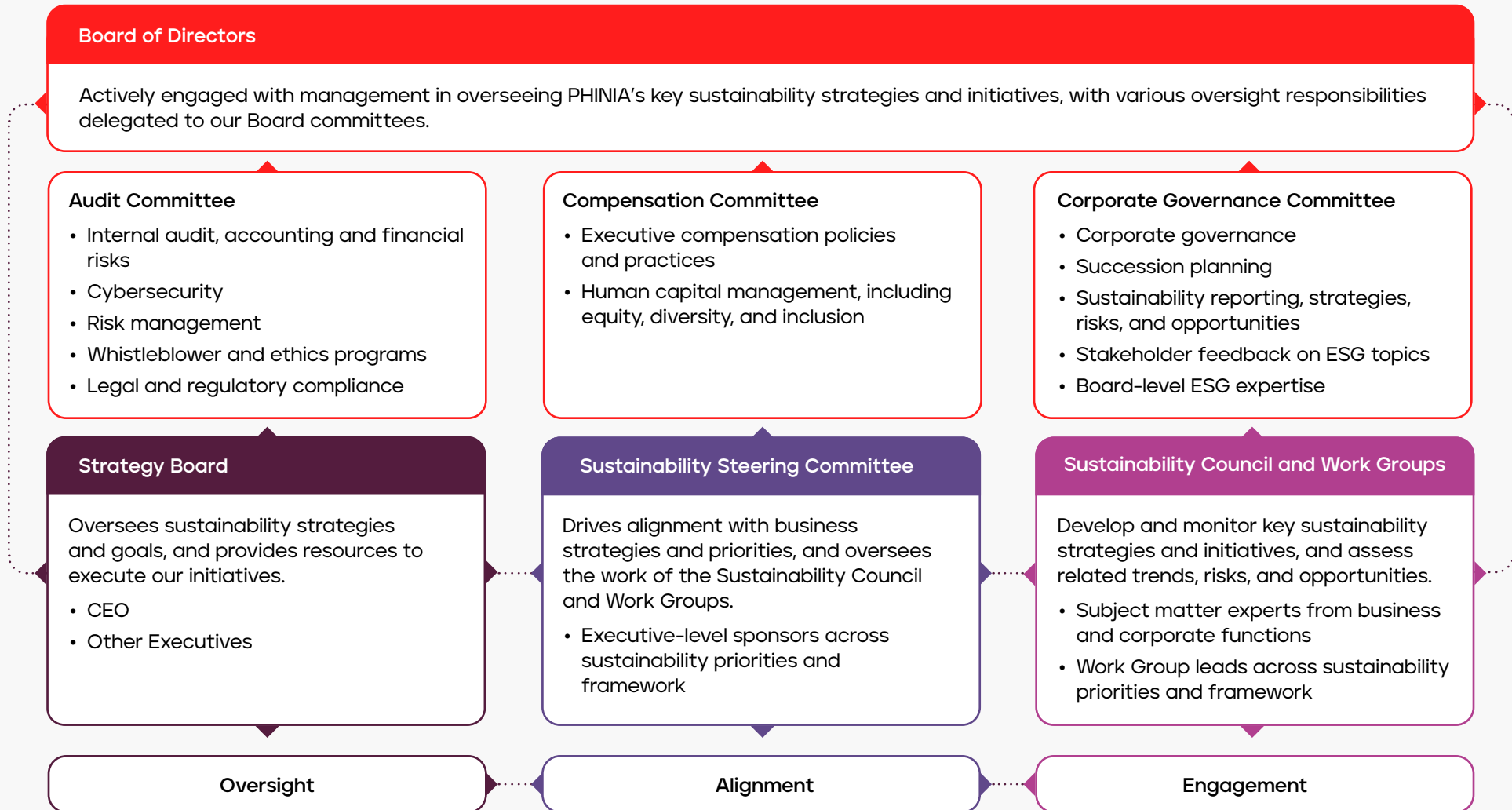- Engagement and Sentiment
- Health and Safety

Governance
- Ethics, Integrity, and Compliance
- Supply Chain Responsibility
- Product Quality and Safety
- Data Protection and Cybersecurity

SUSTAINABILITY GOVERNANCE

PHINIA's sustainability governance structure is designed to enable appropriate oversight, strategic alignment, and broad engagement of our sustainability strategies, priorities, risks, and opportunities across the organization. We recognize that managing sustainability risks and opportunities is integral to our aspirations to advance sustainability today, with the goal of powering a cleaner tomorrow.

Board of Directors

Actively engaged with management in overseeing PHINIA's key sustainability strategies and initiatives, with various oversight responsibilities delegated to our Board committees.

Audit Committee

- Internal audit, accounting and financial risks
- Cybersecurity
- Risk management
- Whistleblower and ethics programs
- Legal and regulatory compliance

Compensation Committee

- Executive compensation policies and practices
- Human capital management, including equity, diversity, and inclusion

Corporate Governance Committee

- Corporate governance
- Succession planning
- Sustainability reporting, strategies, risks, and opportunities
- Stakeholder feedback on ESG topics
- Board-level ESG expertise

Strategy Board

Oversees sustainability strategies and goals, and provides resources to execute our initiatives.

- CEO
- Other Executives

Sustainability Steering Committee

Drives alignment with business strategies and priorities, and oversees the work of the Sustainability Council and Work Groups.

- Executive-level sponsors across sustainability priorities and framework

Sustainability Council and Work Groups

Develop and monitor key sustainability strategies and initiatives, and assess related trends, risks, and opportunities.

- Subject matter experts from business and corporate functions
- Work Group leads across sustainability priorities and framework

Oversight   **Alignment**   **Engagement**

ENVIRONMENT

We are committed to advancing sustainability through product engineering, innovation, and development, in addition to reducing the environmental footprint of our operations.

POWERING
A CLEANER
TOMORROW

PRODUCT ENGINEERING

One of the greatest impacts we can have on the environment is through designing and developing products that enable ICE systems to run at peak efficiency and with lower carbon emissions.

Investing in Design and Development

To support the needs of our customers and contribute to the ongoing global energy transition, PHINIA is investing in the development of robust fuel injection components, systems, and strategies designed to meet customer efficiency goals, regional emissions compliance, and alternative fuel strategies. PHINIA's Vice President and Chief Technology Officer (CTO) manages these investments and the implementation of PHINIA's product design and development strategies, product efficiency improvements, and technical roadmaps across our product portfolio.

We have a team of over 1,500 scientists, technicians, and engineers globally. Our CTO provides regular updates to the executive Strategy Board and our Board of Directors regarding the team's progress and developments within our product portfolio.

Evolving Regulations — Expertise to Support Our Customers

Global regulations specific to the transportation industry reflect a common trend: reduce emissions and particulates to lower the environmental impact of mobility. These reductions focus on carbon emissions directly linked to engines, in addition to other pollutants such as nitrogen oxides (NO_x) emissions and particulates. Our Government Affairs team works closely with our product engineers, Sustainability Council members, and others across our operations to help our business anticipate and adapt to evolving global emissions regulations.

PHINIA has continued its long history of publishing its bi-annual emissions booklet to serve as a guide to light, heavy, and off-road vehicle and machinery emission standards around the world. It serves as an accessible online and physical reference for customers, policy makers and other interested stakeholders. The booklet exemplifies PHINIA's commitment to supporting customers in addressing the evolving vehicle emissions requirements and sharing knowledge within the automotive industry and policy communities. Based on decades of expertise and extensive product development, PHINIA is well positioned to support OEMs in meeting new and evolving regulations.

Fuel Efficiency and Alternative Fuels — Investing in Lower Transportation Emissions

We are focused on three key strategies to develop solutions designed to lower transportation emissions.

Continued enhancement and efficiency of traditional fossil fuel combustion systems.

To meet increasingly more stringent regulatory requirements and customer expectations for cleaner vehicles, our engineers innovate to optimize fuel efficiency at a systems level, from hardware components to software design. In addition, PHINIA offers aftertreatment and vapor capture technology, such as selective catalytic reduction (SCR) and evaporative canisters, to complement fuel delivery improvements.

Development of alternative fuel systems for use with lower-carbon fuels or with reuse of carbon capture in fuels.

Strategies for lower-carbon fuel vary around the world, from ethanol in Brazil to compressed natural gas (CNG) in India. Through our global portfolio of products and services, PHINIA is developing systems to meet evolving regional requirements and support lower-carbon fuel types, including ethanol, CNG, and hydro-treated vegetable oil (HVO).

Development of alternative fuel systems for use with zero-carbon fuels, such as hydrogen and ammonia.

PHINIA has adapted its core fuel injection and control technologies to utilize hydrogen fuel for both fuel cell and hydrogen ICE applications. In the last two years, PHINIA has successfully demonstrated a hydrogen combustion vehicle with performance similar to diesel combustion, with pollutant output measured far below other combustion applications.

2023 Research and Development

We made significant investments across our key strategies during 2023. We dedicated nearly half of our research and development (R&D) budget to enhancing fuel efficiency and a combined 30% to lower-carbon and zero-carbon fuel technologies development.

48% Fuel Efficiency

15% Zero-Carbon Fuels

15% Lower-Carbon Fuels

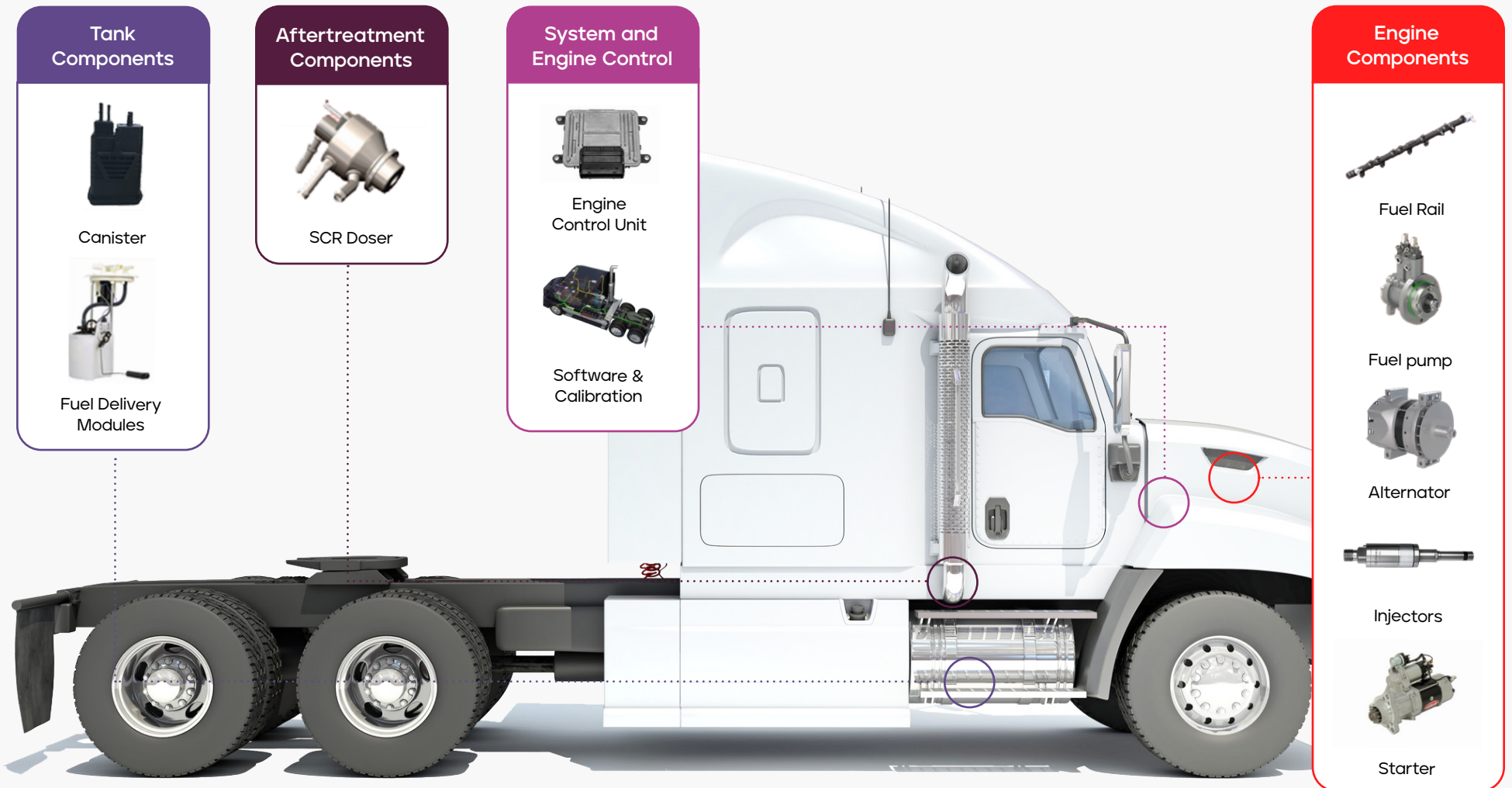**22%** Current Production Systems and Components
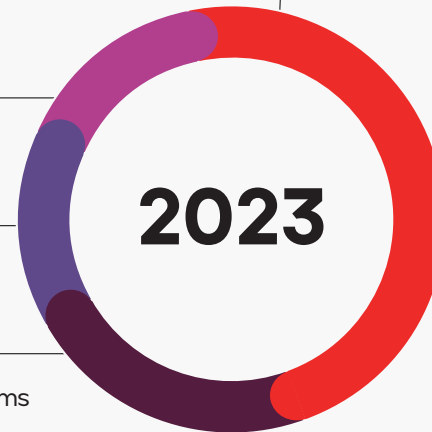
2023

30% of 2023 R&D invested in alternative fuel systems

78% of 2023 R&D investment was dedicated to fuel efficiency and alternative fuel technologies

Advancing Fuel Efficiency and Alternative Fuel Technologies for Commercial Vehicles

Commercial vehicles present a key opportunity for PHINIA to expand its product offering and support more efficient, cleaner, and alternative fuel components. Long-haul, heavy goods, and many off-road vehicles require alternatives to battery electrification. PHINIA's focus on innovation can help customers operate more efficiently and meet evolving, stringent global emissions standards.

Tank Components
- Canister
- Fuel Delivery Modules

Aftertreatment Components
- SCR Doser

System and Engine Control
- Engine Control Unit
- Software & Calibration

Engine Components
- Fuel Rail
- Fuel pump
- Alternator
- Injectors
- Starter

Hydrogen — Paving the Way for More Sustainable Combustion

Demonstrating the No-Compromise Performance of Hydrogen

PHINIA is partnering with customers and regulators to exhibit the performance and efficiency of hydrogen internal combustion engine (H_2ICE) vehicles.

The hydrogen light commercial vehicle (LCV) modification pioneered by PHINIA demonstrates the potential for near-zero tailpipe carbon emissions without compromise on performance or payload. Importantly, H_2ICE has the potential for significant reapplication of traditional combustion technology and hardware, in addition to serving as a lower-carbon alternative. PHINIA has successfully completed 24-hour road excursions under load with the H_2ICE LCV to highlight range, performance, and refuel capabilities.

Bringing Hydrogen Technology to Racing

Together with our customers, we are investigating the use of H_2ICE in racing technologies and applications. PHINIA is well positioned to support lower-carbon racing fleets and to accelerate validation in a very constrained and demanding environment. In late 2022, Alpine Racing revealed Alpenglow, a hydrogen-powered prototype vehicle that utilizes PHINIA's H_2ICE injection system technology. The Alpenglow Hy4 prototype appeared on the track at the FIA World Endurance event at Spa-Francorchams (Belgium) in May 2024, as well as at the 92nd edition of the 24 Hours of Le Mans (France) in June 2024.

Aftermarket —
Enabling existing vehicles to operate more efficiently

PHINIA's aftermarket parts help existing vehicles improve their fuel efficiency, meet the latest emissions standards, and extend their life. Improving the efficiency and longevity of existing light-duty and commercial vehicles offers economic benefits, in addition to avoiding the carbon impact of new manufacturing.

Our aftermarket portfolio includes diesel and gasoline fuel systems, engine management, and chassis and maintenance solutions, in addition to training, diagnostics, and test equipment.

Empowering Technicians Through Delphi Masters of Motion Program

Following extensive research and feedback from thousands of repair centers across Europe, PHINIA launched the Delphi Masters of Motion program in 2023. This program is tailored to empower technicians and repair center owners by providing key technical resources to enable their success. We intend to release new instructional content every week, available in multiple languages, to help provide technicians with the latest information to meet the needs of their business. By offering expert knowledge and ongoing support, alongside high-quality products, we enable technicians to stay at the forefront of the automotive industry.

The Delphi Masters of Motion program complements our e-learning Academy, a digital platform comprising more than 300+ online modules in multiple languages, and our in-person training centers based in 10 global locations. In 2023, our e-learning and in-person training programs resulted in PHINIA engaging more than 1,500 technicians and delivering more than 10,000 hours of training within Europe. With these programs, we strive to provide technicians with the support and resources to serve their business needs and confidently deliver service to their customers.

Remanufacturing — Fostering a Circular Economy

PHINIA is a leader in remanufacturing vehicle parts with five remanufacturing (reman) facilities across our global footprint. Compared to new replacement products, remanufactured original equipment parts are a more environmentally friendly and cost-effective solution for maintaining vehicle performance. Reman supports a circular economy by keeping old parts out of landfills and providing them new life.

We see a significant business opportunity in reman products and continue to invest in our capacity to remanufacture PHINIA OE products, as well as components and products from other Tier 1 suppliers.

>10,000,000

pounds of material processed for remanufacturing from 2011 to 2023 at our largest reman facility in Troy, Michigan
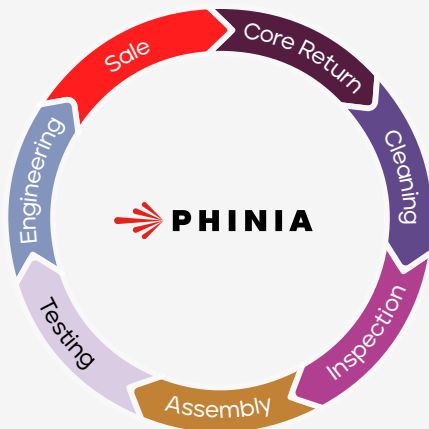
Design for Environment

We are implementing a Design for Environment process that seeks to quantify and reduce the life cycle emissions of a new product across raw material sourcing, production, distribution, use and operation, and disposal or reman. Our goal is for all significant new product development to follow this process. This will enable us to calculate the air, water, and resource impacts of such new products across their life cycle and optimize ways to minimize environmental impact. With this approach, PHINIA seeks to favorably impact and reduce carbon emissions early in the product development process.

Understanding the life cycle impact of our product design is the next step in advancing our robust engineering processes, which include full compliance with applicable International Material Data System (IMDS) and Substances of Concern (SoC) reporting.

Raw Materials → **Production** → **Distribution** → **Use/Operation** → **Disposal/Reman** →
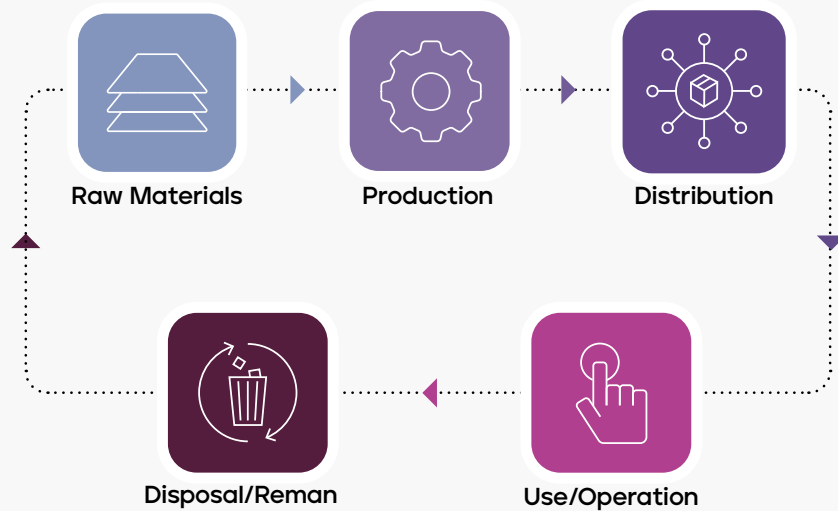
FACILITIES AND OPERATIONS

PHINIA is committed to reducing resource consumption and carbon emissions, while ensuring adherence to pertinent environmental regulations.

Guided by our Environmental Statement, we set goals and monitor performance to facilitate progress toward our sustainability ambitions. For 2023, each of our manufacturing sites targeted a 3.5% annual energy intensity reduction. Globally, PHINIA achieved a 9% annual reduction in energy intensity for 2023.

Environmental Management

Our Director of Global Facilities, Real Estate and Environmental manages our operations' environmental programs, with oversight from our executive Strategy Board. Each manufacturing facility has a designated site-level Environmental Manager responsible for implementing our environmental programs, driving continuous improvement, and proactively engaging with local teams regarding environmental regulations.

All environmental management systems at PHINIA manufacturing plants that supply to an OEM have been certified to ISO 14001. Our manufacturing facilities are currently working toward the ISO 50001 energy management standard, with 30% of our manufacturing sites that produce OE components certified as of the end of 2023. PHINIA is committed to these standards

and will utilize them to drive our environmental and sustainability programs, including optimizing energy usage and enhancing energy performance across our operations. We conduct third-party environmental, health, and safety (EHS) audits of our facilities. This activity furthers our compliance and continual improvement activities.

PHINIA strives to proactively identify activities and situations that have potential adverse impacts on the environment and take steps to mitigate or eliminate potential risks. We communicate environmental management issues and procedures through actions that include providing material safety data sheets, employee training, and EHS meetings. In the case of an incident, we have a corrective action process to drive learnings and continual improvement.

Reducing Energy Use and Carbon Emissions

In 2023, when we began our journey as an independent company, we established and implemented our environmental management and measurement processes. These processes are used to identify and share best practices across our global sites in an effort to drive energy efficiency and reduce emissions.

Our initiatives have laid the groundwork to continue our progress in reducing environmental impacts across our operations.

Key 2023 Energy and Carbon Reduction Initiatives

Smart meter installation

We began installing smart meters at all major energy consumption facilities and plan to use data monitoring to drive targeted actions and optimize our energy use.

Solar power standard

We developed and introduced a technical guide for our facilities to assess the potential for implementing solar energy generation. Through the standard, we have a template to promote cost-effective installation while maximizing energy generation. In July 2023, our Shanghai plant launched Phase 1 of a solar project to install 140 kW of panels that is expected to generate 140 MWh of clean energy.

Compressed air strategy

We developed a technical guide and strategy for reducing our compressed air generation, as compressed air is one of the largest sources of energy consumption in our operations. This strategy includes standards for compressors, smart controls, and leak minimization designed to save energy.
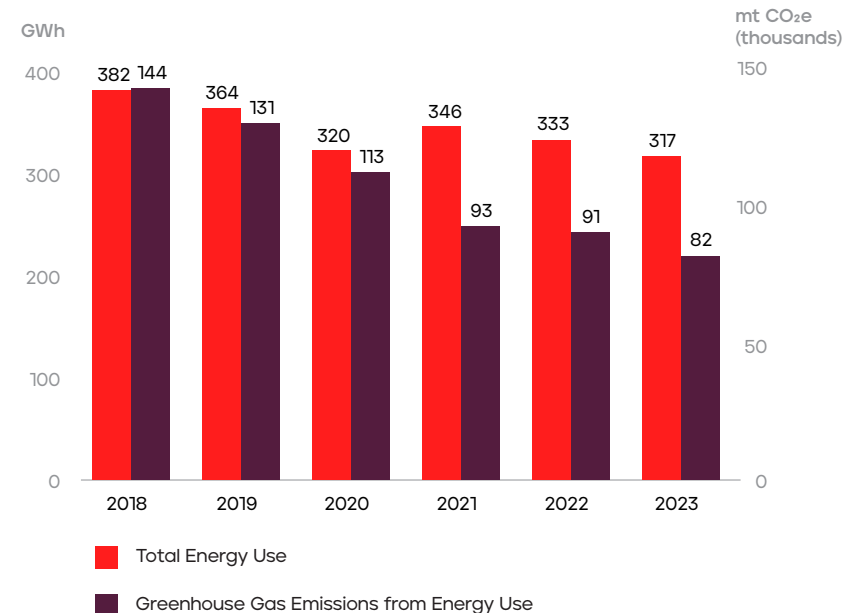
Advancing Environmental Performance

During 2023, PHINIA continued substantial progress in annual year-over-year energy consumption and carbon emission reduction.

We achieved a 4.8% annual energy consumption reduction across all sites through several projects, including heat recovery, energy management systems and controls, high efficiency compressors and chillers, and enhanced shut down procedures for idle production periods.

We also achieved a 9.9% annual reduction in carbon emissions through energy reduction, footprint optimization, and green energy sourcing initiatives.

These reductions in energy consumption and carbon emissions are a continuation of our strong performance since 2018.

GWh / mt CO$_2$e (thousands)

Year	Total Energy Use (GWh)	Greenhouse Gas Emissions from Energy Use (mt CO$_2$e thousands)
2018	382	144
2019	364	131
2020	320	113
2021	346	93
2022	333	91
2023	317	82

■ Total Energy Use
■ Greenhouse Gas Emissions from Energy Use

SOCIAL

We empower and support our employees through our talent and development programs, health and safety initiatives, and community engagement efforts.

POWERING
A MORE
INCLUSIVE
TOMORROW

OUR EMPLOYEES

At PHINIA, we develop and empower our people to reach their full potential and deliver business results while embracing our shared values. We believe the skills, experiences, and industry knowledge of our employees are critical to our success and advance our efforts in cultivating an inclusive culture, driving operational excellence, and providing innovative products and solutions that solve our customers' biggest challenges.

At December 31, 2023, we had 13,200 employees across the Americas, EMEA, and Asia-Pacific regions, with 4,600 salaried and 8,600 hourly. Unionized workers represented approximately 20% of our global workforce.

Asia Pacific	**1,600**
EMEA	**5,800**
Americas	**5,800**

Recruitment

At PHINIA, we are building a workforce that reflects the diversity of our customers, employees, communities, and other stakeholders. We actively deploy strategies to attract and develop highly qualified employees that we believe will live up to PHINIA's values and operate with an inclusive mindset.

We invest in our future early-career talent pipeline through on-site apprentice programs, co-op opportunities, intern programs, and community education outreach programs at several of our global locations. The internship program at our corporate headquarters helps to strengthen our connection with our local communities and educational establishments. These early-career programs assist us in building a talent pipeline, including across roles and functions that align closely with our *Product Leadership* value and commitment to developing innovative solutions to our customers.

As a global company with diverse staffing needs, most recruitment occurs at the local level to align with the local needs and market. We recruit by skills and experience, with our values and inclusive culture also top of mind. To help ensure we are building a diverse employee and leadership pipeline, we require all of our recruiters to provide a diverse slate of candidates for open positions.

To support our robust succession planning process and our commitment to equity, diversity, and inclusion, talent reviews are an integral and regular part of our leadership agenda. PHINIA leaders are accountable for growing and developing our future leaders and ultimately, their own successors. We promote cross-functional and cross-regional movement of talent with the goal of developing and growing leaders with a broad, diverse, and inclusive mindset. We are also further developing our strategies for empowering, recognizing, and developing our employees, including female talent.

Participated in
20+
external recruitment events

Hired
2,472
hourly employees

Made
470
salaried employee hires

Total Rewards

Attracting and retaining highly skilled candidates and employees is critical to PHINIA's success. Through our "YOU Matter" total rewards program, we deliver culturally appropriate reward and recognition programs with competitive pay and benefit categories across our countries of operations.

Globally, PHINIA's programs are tailored to geography and identified employee and business needs. We provide benefits to support health and wellness, disease prevention, management of chronic conditions, and emotional health resources.

All full-time and, where feasible for local operations, part-time employees are eligible to participate in our retirement plans, family-friendly leave programs, tuition reimbursement, and flexible work policies, unless precluded by collective bargaining agreements or national statutory plans. Our benefits toolkit is available to all global locations via our employee communications platform, CONNECT, to encourage health and wellness engagement.

We proudly recognize the great work of our employees and their contributions to our business. We have several recognition and reward programs and opportunities for employees, including those specific to our many inventors, such as an Intellectual Property Monetary Award program and Innovation Hall of Fame recognition.

Our compensation infrastructure for salaried employees provides a globally consistent framework, with appropriate flexibility and country-specific market data informing pay decisions and supporting our ability to provide market competitive compensation. We provide a competitive base salary and, for the majority of our global population, variable, performance-based pay linked to achieving financial and/or strategic operational performance goals. Our locations may provide additional compensation programs to support local market competitiveness.

In 2024, we are prioritizing optimizing benefit preferences to support employee needs and expanding our employee recognition programs.

Development and Education

Aligned with PHINIA's strategic goals and values, we provide formal development and education opportunities for our employees at all levels and stages of their career journey. We believe these opportunities enable employees to build the skills needed to reach their short- and long-term career goals. Our development and education solutions begin at onboarding and are delivered in a variety of formats, making them accessible, scalable, and translatable to meet the needs of our global workforce.

Through PHINIA University, we provide more than 50 online and in-person technical and soft skill courses. We also provide location-level training to fulfill certification requirements and annual leadership training in coordination with a third party. In 2023, we provided 15 new leader integration sessions.

All employees are expected to receive a minimum of 16 hours of training per year. In 2023, we rolled out over 950 in-person training sessions globally. Because we recognize that individuals learn differently, we promote a 70/20/10 learning and development model focused on structured training, experiential learning, and collaboration delivered to suit many different learning styles and needs.

Reverse Mentoring

In 2023, we launched our reverse mentoring program, which pairs more junior members of PHINIA with more senior employees for a long-term, relationship-driven experience.

In line with our equity, diversity, and inclusion ambitions, the reverse mentoring program is designed to promote collaboration, foster dialogue, and raise awareness and understanding of different perspectives across generations to deliver on our collective goals.

Continuous Feedback and Guidance

We believe in regular, timely feedback so we can all continuously improve. PHINIA's performance management system starts with in-year goal setting that helps employees understand their contributions to the organization's success and enables managers to identify opportunities for teams to perform to the best of their ability. It also facilitates mid-year and end-of-year feedback.

Career guidance has included career ladder initiatives, such as our international development program, which is a six-month rotation across different sites that enables employees to experience different roles and enhance their technical, leadership, or other skills. Our global engineering team also offers a short-term talent exchange program designed to strengthen capabilities and promote gender diversity and other perspectives.

Engagement and Sentiment

Creating strong engagement with our employees is a top priority at PHINIA. We promote an open feedback culture and have a variety of programs to encourage employees to share their thoughts, concerns, and experiences. We believe engaging with employees and helping them feel connected to each other and our culture enables them to thrive and make a positive impact.

At PHINIA, we encourage frequent and open conversation between leaders and employees, including through "fireside chats" across our global footprint. We have an open-door policy with all executives and the global Human Resources team. Employees are encouraged to ask questions and engage in person, as well as through our employee communications platform, CONNECT. We also share podcast episodes hosted by management and employees on various topics to provide the latest Company news and initiatives.

We frequently utilize pulse surveys and closely monitor employee turnover as part of our efforts to improve retention and identify potential opportunities for improvement. In 2024, we are rolling out a formal engagement survey that we expect to conduct every other year. Through this survey, it is PHINIA's goal to gain valuable insights into how our employees think and feel about our Company and how we may in turn address opportunities to improve the employee experience.

Fostering communication and engagement in 2023

- **50+** values discussion sessions to help employees understand our priorities as a newly-independent company

- **118+** fireside chats where leaders heard directly from our teams, reaching over 400 employees

- **133+** engagement events, such as Family Day, to foster dialogue and camaraderie

2023 Achievements and Awards

Great Place To Work®
Certificado
Dez/2023 - Dez/2024
BRASIL

Great Place To Work®
Certificado
Dez/2023 - Dez/2024
BRASIL

2023 Great Place to Work, Brusque, Brazil

2023 Great Place to Work, Piracicaba, Brazil

Equity, Diversity, and Inclusion

Our dedication to promoting a culture of inclusion and acceptance starts at the top and extends to all levels of our organization.

Our CHRO oversees the development and implementation of our equity, diversity, and inclusion (EDI) programs and initiatives across the organization, with support from our CEO, executive Strategy Board, global Human Resources team, and cross-functional employees.

Our EDI strategy and initiatives are overseen at the Board level through the Compensation Committee. We have also established an EDI Council to refine our strategic approach to EDI, drive progress on the delivery of our EDI action plan, proactively champion inclusion, and foster an environment for positive change.

We believe an equitable and diverse workforce and inclusive work environment are key to sustainable innovation and the growth of our people and business.

This belief is embedded in PHINIA's core values, with *Humility* and *Inclusivity* particularly serving as guiding forces for our culture and interactions:

Humility
Seeking out diverse perspectives and working collaboratively

Inclusivity
Recognizing our differences makes us stronger; we are bold and intentional

2023 Employee Diversity

35.3%
of total workforce are women

32.5%
of total U.S. workforce represent racial/ethnic diversity

Current Board Diversity

50.0%
of Board members are women and/or represent racial/ethnic diversity

37.5%
women

25.0%
represent racial/ethnic diversity

Top Languages Spoken at PHINIA

1. English
2. Spanish
3. French
4. Chinese
5. Romanian
6. Polish
7. Turkish
8. Portuguese
9. German
10. Hindi

Global EDI Strategy

We regularly review our strategies, programs, and processes to promote an inclusive workforce. In 2024, we are refining our global EDI strategy.

This strategy will support our ongoing commitment to fostering a work environment where employees' differences are valued, respected, and embraced and providing tools and opportunities to help all employees reach their full potential. Through this strategy, we aim to create greater focus on:

- Empowering women in the workplace, and encouraging the recognition and development of female talent
- Promoting intergenerational collaboration, dialogue, and understanding of different perspectives to deliver on our collective goals and strengthen our talent pipeline
- Leveraging our rich cultural diversity by connecting our global workforce through an environment where employees feel respected, valued, and safe to share their unique experiences
- Cultivating the development of diverse teams to drive idea generation, innovation, and execution of our strategic priorities

Fostering Inclusivity

We strive to provide inclusive work environments and promote our EDI commitment across our global footprint.

We have various sites that offer lactation rooms, unisex restrooms, and prayer rooms for our employees. In addition, we have one site with an on-premise daycare facility.

We also require that all employees receive unconscious bias training as part of their onboarding, and we make additional EDI trainings available globally on our training platforms. Our first employee belonging group (EBG), Women in Science and Engineering (WiSE), provides opportunities for employees to collaborate and support each other through organized events and shared interests. In 2024, we are introducing a framework to facilitate employee creation of additional EBGs.

As part of PHINIA's ongoing commitment to honoring the diverse backgrounds and achievements of our employees, we regularly engage in meaningful communications and initiatives to commemorate significant cultural observances and milestones.

Pay Equity

At PHINIA, we support the principle of equal pay for equal work. In 2024, we are engaging external counsel and experts to assess and advise on pay equity across our organization. We are committed to taking appropriate action, if needed, following that review to realize our commitment to equal pay.

Celebrating Our Differences

Through PHINIA's employee communications platform, CONNECT, we share educational content with employees to raise awareness of cultural events and celebrations. As a multinational organization, we believe recognition and appreciation for cultural differences is an important part of creating a greater understanding of each other.

Black History Month

In February 2024, PHINIA launched a communications campaign to honor Black History Month, intertwining PHINIA's core values with the celebration of Black heritage. Through a series of weekly posts, we not only celebrated the cultural richness and historical significance of the Black community; we also reinforced our EDI commitment.

The posts were shared via email and CONNECT and exemplified our value of embracing diversity and fostering an inclusive workplace culture. By highlighting the achievements and contributions of Black individuals, we not only honored their legacy, but also inspired meaningful dialogue and reflection within our workforce.

Cultural Observances

Throughout 2023 and 2024, PHINIA has recognized the significance of several key global and cultural observances, including Ramadan, Lunar New Year, Pride Month, and World Autism Awareness Day, through dedicated communications aimed at educating and engaging our workforce. For Ramadan, we shared a thoughtful message via CONNECT and social media, while communications for Lunar New Year, Pride Month, and World Autism Awareness Day were distributed both through email and CONNECT posts.

Women's History Month

Throughout the month of March 2024, PHINIA commemorated Women's History Month with initiatives across various locations. Our activities, ranging from inspiring testimonials to engaging events, resonated throughout our organization, amplifying the voices and experiences of women within our workforce.

The campaign is rooted in our dedication to equality and empowerment and underscores our commitment to recognizing and celebrating the invaluable contributions of women throughout history. As part of our efforts, we inaugurated a scholarship program for the daughters of our employees worldwide, providing opportunities for educational advancement and empowerment. Through a compelling video presentation, heartfelt testimonials, and a curated collection of women's quote cards, we honored the achievements and resilience of women across our global organization, fostering inspiration and unity within our workforce.

During the Women's History Month campaign, we were proud to see representation from all levels of our organization, showcasing the collective commitment to gender equality and empowerment.

Highlighting this unity, these pictures are examples of several employees making the heart gesture — a powerful symbol of love, support, and solidarity that was the official symbol of this year's International Women's Day. This simple, yet profound gesture was intended to remind employees of our shared commitment to fostering an inclusive and supportive workplace environment.
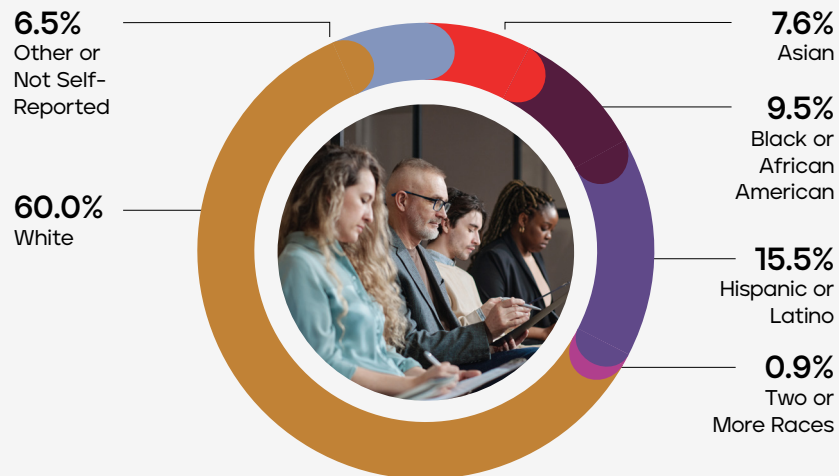
2023 Diversity Data

Women in Workforce (Global)

35.3%
Total Workforce

17.2%
Leadership*

13.5%
Engineering

25.2%
Salaried

47.1%
New Hires

40.7%
Hourly

Racial/Ethnic Diversity (U.S.)

32.5%
Total Workforce

13.7%
Leadership*

39.7%
Engineering

21.7%
New Hires

56.9%
Hourly

24.8%
Salaried

Employees by Race/Ethnicity (U.S.)

6.5%
Other or
Not Self-
Reported

60.0%
White

7.6%
Asian

9.5%
Black or
African
American

15.5%
Hispanic or
Latino

0.9%
Two or
More Races

Employees by Age Group (Global)

1.3%
19 and under

21.2%
20 – 29

29.9%
30 – 39

3.1%
60 and
over

19.5%
50 – 59

24.9%
40 – 49

* "Leadership" includes employees serving in roles that are Director level and above.

HEALTH AND SAFETY

Our commitment to employee health and safety is embedded in PHINIA's core values — through *Integrity* and *Accountability*, we expect employees to take responsibility for their decisions, do what is right, and own their actions and results.

Our dedication to promoting safety as a top priority is continually reinforced by our CEO and executive Strategy Board. PHINIA's Global Safety Policy sets out our expectations and applies to PHINIA's worldwide operations, employees, contractors, and visitors. The Global Safety Leadership Team, consisting of executives, health and safety leaders, and plant managers from all regions, establishes our strategic direction for health and safety and oversees our worker safety policies and programs. Site Health and Safety Managers are responsible for overseeing the day-to-day management of our health and safety programs.

PHINIA CEO Safety Awards

The PHINIA CEO Safety Award recognizes our facilities that achieve key safety milestones, including one million hours worked and at least 12 consecutive months without a recordable incident.

The following facilities have received CEO Safety Awards since rolling out this recognition in late 2023:

- Brusque Manufacturing (Brusque, Brazil)
- Shanghai Manufacturing (Shanghai, China)
- Technical Center Kraków (Kraków, Poland)
- China Technical Center (Shanghai, China)
- Gillingham Manufacturing (Gillingham, United Kingdom)

Health and Safety Management

PHINIA's occupational health and safety management systems serve a critical role in driving accountability for our safety performance and continually improving our safety culture. 100% of all PHINIA manufacturing plants that supply to an OEM are certified to ISO 45001:2018. As part of the safety management systems, we conduct third-party environmental, health, and safety compliance audits of our facilities. We also encourage our teams to share best practices between sites, including through safety "look across" communications. These activities encourage safety learning and drive continual improvement across the organization.

We require our facilities to report injuries and illnesses according to U.S. Occupational Safety and Health Administration recordkeeping standards, as well as other applicable reporting requirements. We establish balanced scorecards with both leading and lagging safety indicators. Each site is required to provide ongoing training and prevention initiatives, perform risk assessments and inspections, share best practices, and sponsor recognition programs. Our employee communications platform, CONNECT, also enables employees to share safety successes, best practices, and lessons learned. Through this collaboration, employees can learn from each other and continually focus on identifying opportunities to minimize or eliminate risk.

2023 Safety Performance

0.19

Total Recordable Incident Rate

In 2023, the Total Recordable Incident Rate (TRIR) of our global workforce was 0.19, which is within the top quartile and lower than the mean TRIRs for motor vehicle parts manufacturing at 1.2 and 2.7, respectively, according to the U.S. Bureau of Labor Statistics (BLS). TRIR is measured as the number of recordable incidents per 200,000 hours worked.

0.12

Lost Time Incident Rate

The Lost Time Incident Rate (LTIR) of our global workforce was 0.12, which is within the top quartile and lower than the mean LTIRs for motor vehicle parts manufacturing at 0.2 and 0.6, respectively, according to the BLS. LTIR is measured as the number of incidents with at least one day of work missed per 200,000 hours worked.

Safety PHIRST

The health and safety of our employees is a top priority at PHINIA. In 2023, we held our first annual Global Safety Week. With a focus on "Safety PHIRST," sites took part in practicing emergency preparedness, recognizing best practices, and continued learning about new safety initiatives.

Our Iasi, Romania site celebrating World Health Day

Our focus on the health of our employees extends beyond safe work environments. Through exercise initiatives, mental health programs, and other wellness activities, we focus on enhancing the health of our people in addition to keeping them safe.

COMMUNITY ENGAGEMENT

At PHINIA, we believe in supporting the communities in which we live and work and encourage employee involvement in local activities and charities. As a newly-independent company, we are developing our strategy for our global community engagement initiatives by taking a collective view into what individual sites are doing across our global footprint. Aligned with our values — including *Accountability*, *Net Zero*, and *Humility* — we expect our future efforts to focus on supporting education, a clean world, and community service.

Through our 2023 community engagement, PHINIA supported a variety of initiatives, including investments in education that we believe assist in building a strong workforce for the future.

Positively Impacting Our Communities

2023 Community Engagement

121
INITIATIVES

11
COUNTRIES

>$1.25M
DONATIONS

PHINIA Endowment at Kettering University

PHINIA donated to Kettering University, which offers degrees in science, technology, engineering, and math (STEM) and business fields, to encourage minority interest in STEM programs. We also proudly participate in Kettering University's recruitment event each year.

High School Renovation

The renovation of Mithat Pasa Technical High School was completed by the Izmir, Turkey team and the regional leadership team. The Personal Computer Lab was refreshed, various pieces of equipment were donated, and damaged walls were fixed and painted to allow for a better learning environment.

Toy and Food Donation

The San Luis Potosi, Mexico team donated toys and food to various local charities, such as Apadrina un Niño and Caritas San Luis Potosi, to benefit underprivileged local families.

#EmpowerHer Charity Bazaar

In celebration of International Women's Day, the Izmir, Turkey team participated in the #EmpowerHer Charity Bazaar, which is an initiative aimed at supporting education for young girls.

Tree Planting

The team in Gurgaon, India partnered with the Kalp Taruh project, which encourages people to plant tree saplings throughout India, to sponsor the horticulture and maintenance of Brahma Kumaris Park, Sector 15.

GOVERNANCE

At PHINIA, we have a fundamental commitment to conducting business ethically and honestly. We hold ourselves accountable to high standards in our interactions with each other, our customers, regulators, and the communities we serve.

POWERING
A MORE
RESPONSIBLE
TOMORROW

ETHICS, INTEGRITY, AND COMPLIANCE

The integrity of PHINIA and our actions are something we all own. Equally important to the success of our business is how we treat each other and how we live the PHINIA Values.

Our Guiding Principles

PHINIA's Code of Ethical Conduct (Code) defines our principles, expectations, and guidelines for appropriate business behavior. It addresses key compliance topics, including anti-corruption, conflicts of interest, and workplace behavior, as well as a prohibition on retaliation. The Code and related policies are reviewed regularly to confirm they address current and emerging compliance trends and reflect our values and culture.

We introduce PHINIA's Code to new employees and provide refresher training annually. All personnel with a PHINIA email address receive online training. Those who do not have PHINIA email addresses are trained in person with a facilitator. Other Ethics and Compliance (E&C) training is delivered based on risk, global and local trends, enforcement activity, and cultural improvements.

Compliance Governance

PHINIA's Chief Compliance Officer (CCO) reports to our Vice President, General Counsel and Secretary and oversees our E&C program. We also look to our E&C Committee, comprised of senior leaders that meet on at least a quarterly basis, for input and insight to integrate our E&C

program into the business. We have designated Local Compliance Coordinators and Privacy Delegates who regularly discuss lessons learned, emerging trends, and ideas for further ethics engagement, detection, harm mitigation, and prevention. Regular updates are provided to the executive Strategy Board, as well as the Audit Committee, which oversees the E&C program at the Board level.

We perform sanctions screening of third parties and conduct additional reviews based on evaluated risk levels and the geography, type, and industry of the entity. PHINIA's E&C program also includes monitoring and auditing through questionnaires, internal evaluations, and third-party assessments based on role, risk, and spend.

- Risk Assessment & Mitigation
- Policies, Procedures & Controls
- Training & Awareness
- Helpline & Investigations
- Third Party Risk & Due Diligence
- Auditing & Monitoring
- Governance, Resources & Improvement

Compliance Hotline and Procedures

We encourage anyone that has a concern to talk to their supervisor, manager, or any other appropriate personnel, including our executives or the Compliance Office. PHINIA has a 24/7 hotline and web portal hosted by a third party through which employees and external parties can confidentially (and anonymously, if preferred and permitted by local law) raise questions and concerns. The hotline is available in the local language of all areas in which we operate. The ability to share concerns with local, regional, and global personnel or through the hotline is communicated to all employees upon hiring and is described in our Code. We also have awareness posters displayed prominently in our facilities.

When a concern is reported, notice of the report is sent to the CCO and other designated individuals pursuant to distribution protocols. The CCO or the Compliance Office determines the appropriate person or team to investigate the report. Regardless of the intake method, concerns are followed up and tracked in the system. When appropriate, remediation, corrections, and training result, in addition to analysis of the root cause and implementation of program improvements. Retaliation is not tolerated and is cause on its own for disciplinary action up to and including termination. Updates provided to the Audit Committee of the Board include information regarding reports received, investigated, and closed.

SUPPLY CHAIN RESPONSIBILITY

PHINIA maintains high standards for human rights and environmental performance in our supply chain and seeks to ensure our suppliers meet our expectations.

Supply Chain Management

Guided by the PHINIA Supply Chain Due Diligence Statement, we are committed to being transparent about our impacts and our opportunities to foster responsible practices across our global supply chain. Our Global Supply Management Leadership Team is responsible for setting supply chain policies, and our Quality Council reviews supplier quality and escalation processes. The overall performance of our suppliers is measured within a supplier scorecard that is a major driver of our sourcing or de-sourcing decisions.

To help advance supplier sustainability performance, all suppliers with an active supplier scorecard are asked to complete the Sustainability Self-Assessment Questionnaire (SAQ) for automotive sector suppliers. As an incentive to improve sustainability performance, PHINIA recognizes the SAQ rating and incorporates it into our supplier scorecard. To promote Scope 3 emissions reductions, additional points are awarded if the supplier has greenhouse gas reduction targets for itself and its supply base.

Looking ahead, we plan to take further actions to encourage our suppliers to complete and improve upon the SAQ and demonstrate their commitment to responsible business.

Conflict Minerals

PHINIA's Conflict Minerals Statement sets forth our requirements when dealing with substances from conflict areas. PHINIA is a member of the Responsible Minerals Initiative.

We expect our suppliers to extend these requirements to their supply chains. We will endeavor to identify suppliers who do not adequately assess the sources of conflict minerals in their supply chains and will take appropriate corrective actions, which could include discontinuation of business. Non-compliance with conflict minerals requirements is a factor influencing future sourcing decisions as we seek to source materials from socially-responsible suppliers.

PRODUCT QUALITY AND SAFETY

At PHINIA, we seek to consistently provide products and services that exceed customer expectations.

PHINIA leaders take an active role in promoting a quality culture through metric monitoring and analysis, customer and supplier quality reviews, program reviews, internal audits, and other communication tools. Our Vice President, Operational Excellence oversees our quality programs, with support from the PHINIA Quality Board. The Quality Board is comprised of leaders across the organization and guides our long-term quality strategies and initiatives. The Quality Board also supports the execution of policies, procedures, and requirements within the business, conducts monthly quality reviews, and works with executives to advance our quality programs.

All PHINIA production facilities that supply to OEMs are International Automotive Task Force (IATF) 16949- or ISO 9001 quality management system-certified. PHINIA requires that our Tier 1 suppliers maintain, at minimum, ISO 9001 certification and cascade the requirement down to their suppliers as part of our supplier terms and conditions.

PHINIA Quality Award

To demonstrate our focus on quality and to recognize our facilities that embody our commitment, we launched the PHINIA Quality Award. The award recognizes facilities that achieve a successful new product launch with excellent warranty performance and customer satisfaction. Our Shanghai, China manufacturing facility received our first annual PHINIA Quality Award.

Structured problem solving contributes to PHINIA's success.

Beginning in 2022, continuous improvement efforts were accelerated with the Shanin Rolling Top 5 (RT5) process, and we initiated a training and certification process as part of the Red X program by Shainin LLC. Red X is an advanced methodology for solving technical problems that is widely used by leading automotive manufacturers and their suppliers.

In 2023, PHINIA trained 109 apprentices in the Shainin Red X Method for solving complex problems and attained over 50 Shainin certifications. Our commitment to continuous improvement was recognized by Shainin LLC with the 2024 Dorian Award for Bottom Line Improvement.

Quality Policy

PHINIA's Quality Policy includes our Key Quality Principles and assists us in achieving and maintaining a reputation of excellence. The Quality Policy is documented in our Quality Manual, which defines the scope and objectives of the Quality Management System (QMS). Our QMS documents the processes and procedures for achieving customer and regulatory requirements and helps to improve PHINIA's effectiveness and efficiency on a continual basis.

We have implemented and maintain a stable and rigorous QMS that includes details on regular employee training of product quality standards, monitoring of product reliability and performance, quality testing and incident investigation, and the corrective actions process. All sites are audited annually for adherence to product quality, as well as our processes and safety standards as part of

our QMS certification. PHINIA maintains quality targets for all of our production facilities and for our suppliers to track and drive the highest level of performance.

As part of our corrective actions process, if we are informed about a quality or safety issue, we have procedures to investigate and work to resolve it. This includes an escalation process to address the issue depending on its severity. Our Warranty Council reviews our performance and actions on a monthly basis, including reviewing and approving corrective actions. For new products, we conduct safety risk assessments following the failure mode and effects analysis (FMEA) process. The assessments include confirming product safety and regulatory compliance and are conducted in coordination with our product development and quality teams to confirm adherence to best practices.
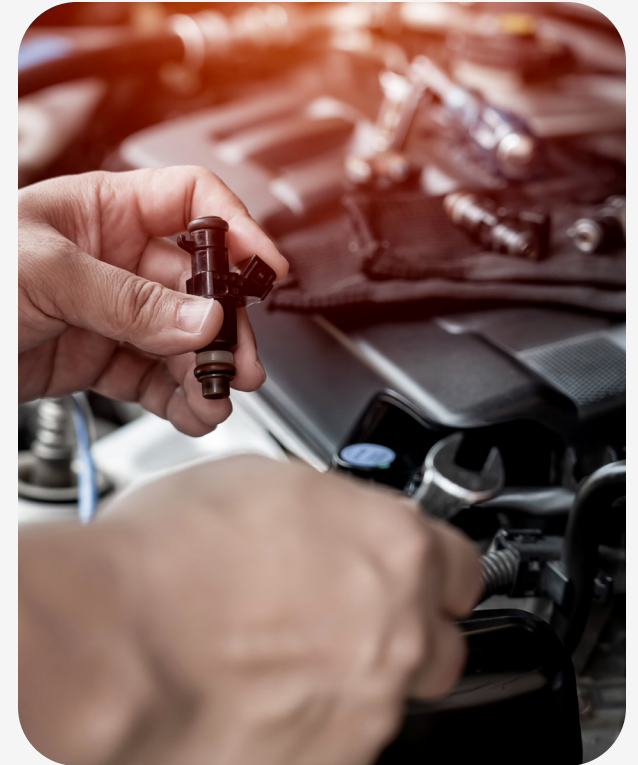
Key Quality Principles

Customer Focus

- We will consistently provide products and services that meet or exceed customer expectations and satisfy customers by meeting applicable requirements.
- We meet customer requirements throughout the product life cycle.
- All employees are committed to PHINIA's Key Quality Principles.

Quality Productions Commitment by Everyone

- Every employee is responsible for the quality of his or her work.
- Our leaders take an active role in promoting the importance of quality.
- Suppliers are valuable sources of design, cost reduction, and quality improvement ideas. We treat them as partners — with respect and integrity.

Continuous Improvement

- We believe that success will come only through continual improvement.
- When mistakes occur, we will act urgently and with integrity to identify, contain, correct, and prevent any reoccurrence of the problem.
- We will improve our business continually in quality, cost, and reliability.

DATA PROTECTION AND CYBERSECURITY

PHINIA's cybersecurity and data protection policies, processes, and strategies are informed by regulatory and business requirements, prior experiences, and industry practices. We periodically adjust these policies, processes, and strategies based on the results of assessments conducted through our Enterprise Risk Management (ERM) practices, third-party audits, independent reviews, and other processes.

Our General Counsel and CCO oversee our data protection policies, while our Chief Information Officer (CIO) and Chief Information Security Officer (CISO) oversee cyber and data security.

Regular updates are provided to the Board and Audit Committee regarding data protection and cybersecurity risks, including with respect to the assessment and management of such risks and recent developments, trends, and the general threat environment.

Data Protection

PHINIA is committed to implementing robust data privacy standards that protect individuals and their personal data, including that of our employees, customers, and suppliers. We also are committed to obtaining user data through lawful and transparent means, with explicit consent where required, and to collecting and processing data limited to the stated purpose. Personal information can be changed in some IT systems by data subjects, and, for other systems, data subjects can request personal information to be erased, rectified, completed, or amended, as required by law. Third-party contractors with whom we share personal data must adhere to and comply with all relevant data protection and security laws and regulations, as well as our data privacy, retention, and protection policies.

PHINIA

Cybersecurity

We generally approach cybersecurity threats through a cross-functional, multilayered approach, with the following goals:

- Identifying, preventing, and mitigating cybersecurity threats to PHINIA
- Preserving the confidentiality, security, and availability of the information we collect and store for use in operating our business
- Protecting PHINIA's intellectual property
- Maintaining the confidence of our customers, suppliers, other business partners, and employees
- Providing appropriate disclosure of cybersecurity risks and incidents when required

PHINIA's cybersecurity team, which is led by our CISO, is responsible for overseeing our cybersecurity and data security program, policies, and processes and their general effectiveness. The cybersecurity team, in coordination with other Incident Response Team members, works collaboratively across PHINIA to implement a program designed to protect

PHINIA's information systems from cybersecurity threats and to promptly respond to any cybersecurity incident. Consistent with PHINIA's ERM practices, our cybersecurity program focuses on the following areas:

- Cybersecurity threat surveillance, monitoring, and monthly external vulnerability assessments and annual penetration testing
- System safeguards designed to protect PHINIA information systems from cybersecurity threats
- Collaboration mechanisms established with public and private entities, including intelligence and enforcement agencies, industry groups, and third-party service providers
- Processes for identifying and overseeing cybersecurity risks presented by third-party users and systems
- Required training on cybersecurity threats and incident reporting procedures for personnel, as well as training on cybersecurity threats and acceptable use of our information systems for new hires

- Incident Response Planning that outlines an organized and timely approach for responding to and handling security incidents affecting PHINIA systems or data

Our strategy for managing risks from cybersecurity threats includes ongoing assessment and testing of cybersecurity policies and processes through audits, assessments, tabletop exercises, threat modeling, vulnerability testing, and other exercises focused on evaluating the effectiveness of our cybersecurity controls and oversight.

Third-party audits and independent reviews of our cybersecurity measures, information security control environment, and operating effectiveness are conducted on at least an annual basis to assist us with enhancing, implementing and monitoring our cybersecurity risk management programs.
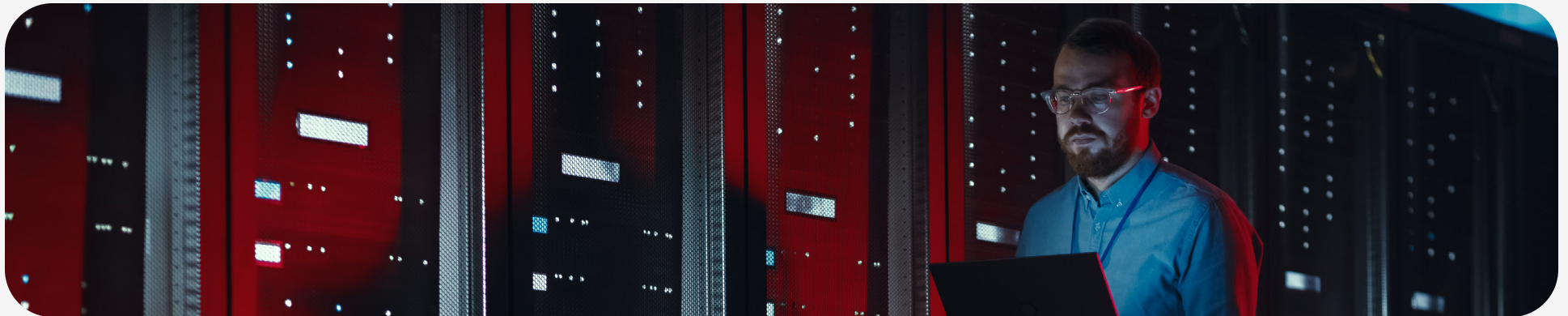
APPENDIX

## POWERING A MORE COLLABORATIVE TOMORROW

ABOUT THIS REPORT

This 2023 Sustainability Report highlights PHINIA's commitment to sustainability and provides information regarding our key strategies, programs, policies, oversight, governance, and performance across the sustainability topics we believe to be most important to PHINIA and our stakeholders. Unless otherwise specifically stated, this report covers PHINIA's performance and disclosures specific to the fiscal year ended December 31, 2023. We have prepared this report with reference to the SASB standards, TCFD recommendations, and GRI standards.

Forward-Looking Statements and Other Disclaimers

This 2023 Sustainability Report 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
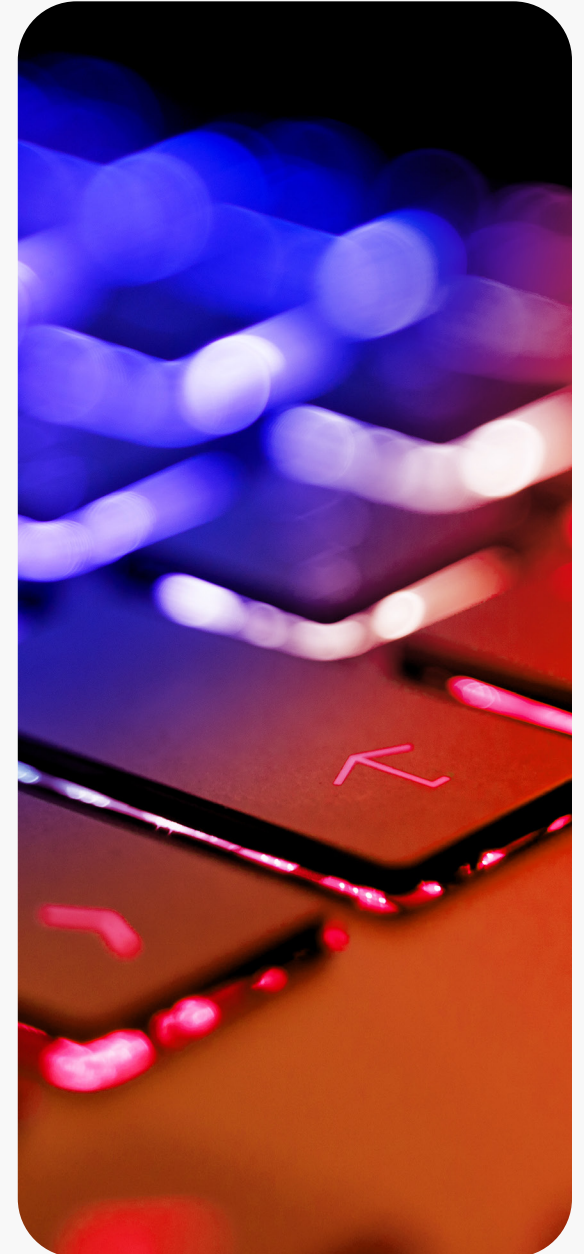
related to climate change; liabilities related to product warranties, litigation, and other claims; compliance with legislation, regulations, and policies, investigations, and legal proceedings, and new interpretations of existing rules and regulations; tax audits and changes in tax laws or tax rates 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 spin-off, 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.

This report and related information made available on or through our website does not cover all information about our business. The inclusion of information or references in this report should not be construed as a characterization regarding the materiality of such information to our business or financial results or that such information is necessarily material to investors or other stakeholders for purposes of federal, state, and local securities and other laws, regulations, and requirements.

Any goals, targets, and commitments presented or described in this report or made available on or through our website are aspirational and not guarantees or promises that such goals, targets, or commitments will be achieved. In addition, historical, current, and forward-looking information included in this report may be based on standards, methodologies, and practices for measuring progress that are still being developed, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current, and forward-looking information, including goals, targets, and commitments and underlying assumptions and data, may be subject to modifications in future reports due to developing standards, methodologies, practices, laws and regulations, unknown events and circumstances, and changes to controls and processes.

Neither future distribution nor the continued availability of this report in archive form or otherwise on our website should be deemed to constitute an update or re-affirmation of this data as of any future date. Any future update will be provided only through a public disclosure indicating that fact.

Any reference to PHINIA's support of or work, collaboration, or engagement with a third-party organization within this report does not constitute or imply an endorsement by PHINIA of any or all of the positions or activities of such organization.
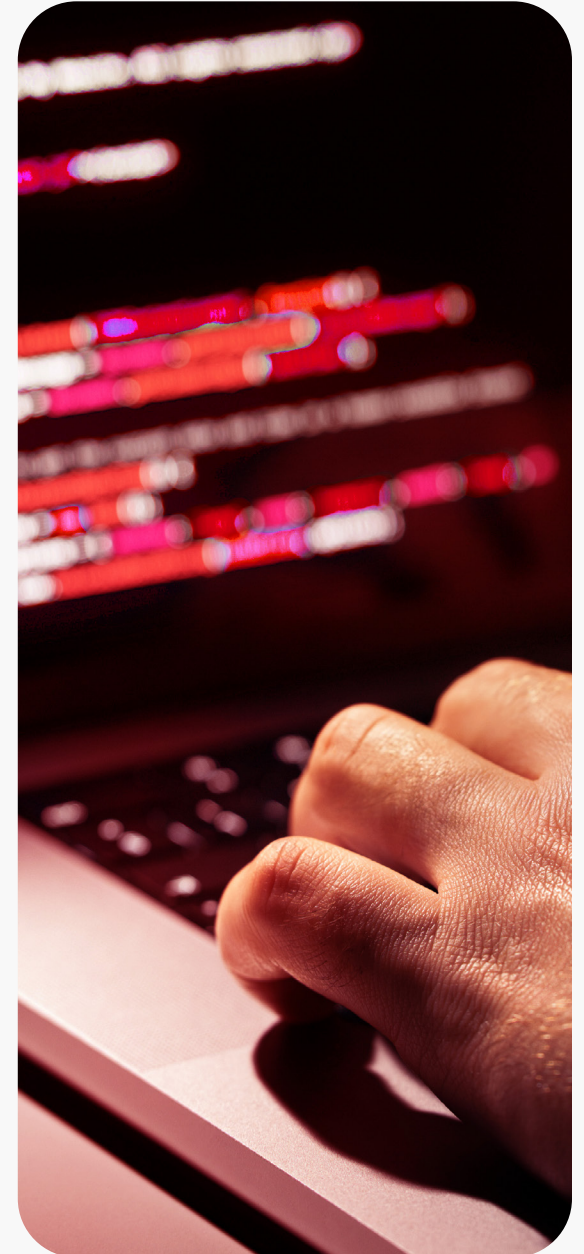
PERFORMANCE DATA TABLES

Environmental Metrics	2020	2021	2022	2023
Greenhouse gas (GHG) emissions (metric ton CO_2e)	113,183	92,593	90,761	81,798
GHG Scope 1 emissions (metric ton CO_2e)	7,372	7,824	9,738	8,952
GHG Scope 2 emissions, market-based (metric ton CO_2e)	105,812	84,769	81,023	72,846
GHG intensity (metric tons CO_2e/$mn sales)	N/A	29	27	23
Total energy consumption (GWh)	320	346	333	317
of which, grid electricity (GWh)	283	208	189	166
of which, renewable energy (GWh)	0	96	105	114
Energy intensity (MWh/$mn sales)	N/A	107	99	90

Other Metrics	2023
Total Recordable Incident Rate (per 200,000 hours worked)	0.19
Lost Time Incident Rate (per 200,000 hours worked)	0.12
ISO 14001 environmental management certified facilities (%)	100% of PHINIA manufacturing facilities that supply to an OEM are ISO 14001 certified.
ISO 45001 health and safety management certified facilities (%)	The safety managements systems at 100% of all PHINIA manufacturing facilities that supply to an OEM are certified to ISO 45001:2018.
Fatalities (#)	0
Women in workforce (%)	35.3%
Women in salaried workforce (%)	25.2%
Women in leadership workforce (%)*	17.2%
IATF 16949/ISO 9001 quality management certified facilities or in process of being certified. (%)	100% of PHINIA manufacturing facilities that supply to an OEM are IATF 16949/ISO 9001 certified.

*   Leadership includes employees serving in roles that are Director level and above.

SASB INDEX

Transportation Sector Auto Parts Industry Standard

Accounting Metric		Code	2023 Disclosure
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TR-AP-130a.1	(1) 317 GWh, (2) 52.5% grid electricity (excluding renewable), (3) 36.2% renewable. For additional details regarding energy consumption and related information, see Facilities and Operations.
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	TR-AP-150a.1	Not reported. Data generation is in progress. For details regarding environmental-related strategies and initiatives specific to our facilities and operations, see Facilities and Operations.
Product Safety	Number of recalls issued; total units recalled	TR-AP-250a.1	Zero recalls issued of products from end users. For details regarding the policies and practices specific to the quality and safety of our products, see Product Quality and Safety.
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	Not Reported. For details regarding our strategies and investments in fuel efficiency, see Product Engineering.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	We describe the key risks and uncertainties affecting our business, including those relating to our supply chain and applicable raw materials, in the "Risk Factors" section of PHINIA's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (2023 Annual Report on Form 10-K) and other reports filed from time to time with the SEC. For details regarding our policies, processes, and expectations for our suppliers, see Supply Chain Responsibility.
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TR-AP-520a.1	None. Any material monetary losses resulting from legal proceedings would be reported in PHINIA's reports filed from time to time with the SEC.
Activity Metrics	Number of parts produced	TR-AP-000.A	PHINIA Fuel Systems OE sales included 52.8 million units, kits, and assemblies. PHINIA Aftermarket sales included 37.8 units, kits, and assemblies.
	Weight of parts produced	TR-AP-000.B	Not reported.
	Area of manufacturing plants	TR-AP-000.C	240,700 square meters of manufacturing and internal warehouse.

TCFD INDEX

The below summary provides climate-related governance, strategy, risk management, and performance information aligned with the TCFD framework. For additional information regarding climate-related and other key risks and uncertainties affecting our business, see Item 1A, "Risk Factors" in our 2023 Annual Report on Form 10-K and other reports filed from time to time with the SEC.

We expect to submit our inaugural response to the annual CDP climate change questionnaire in September 2024, which will provide further information on our climate-related governance, opportunities, risk management, and performance.

Governance	
Board Oversight:	Our Board of Directors, through its Corporate Governance Committee, oversees our sustainability strategies and assessment of sustainability-related risks and opportunities, including those related to the impacts of climate change and evolving regulations, and their mitigation through periodic updates from members of the executive-level Sustainability Steering Committee and other senior leaders.
Management Oversight:	Our Sustainability Steering Committee consists of senior executives responsible for overseeing strategies across key sustainability topics within our framework, including our Vice President, Operational Excellence that oversees climate-related initiatives. The Sustainability Steering Committee provides periodic updates to the Strategy Board, consisting of our CEO and other executive leaders, on the work of the Sustainability Council and its subject matter experts leading work groups focused on topics across our sustainability framework. The Strategy Board oversees our overall sustainability strategies and goals and provides resources to execute our initiatives.
Strategy	
Climate-related Risks and Opportunities:	We have identified climate-related risks and opportunities that may impact us over the short-, medium-, and longer-term. The risks include: **Physical risks:** The physical and transitional impacts of climate change could disrupt our operations, including by impacting the availability and cost of materials within our supply chain, and increase insurance and other operating costs. These factors might also impact our decisions to construct new facilities in certain geographic locations. Extraordinary events, including natural disasters or extreme weather events — that might result from the impacts of climate change — might in the future disrupt and adversely impact our business, our global supply chain and access to necessary raw materials, and the global economy generally, potentially resulting in increased costs and the loss of sales and customers. Any of these disruptions or other extraordinary events outside of our control that impact our operations or the operations of our suppliers or customers could adversely impact our business, financial condition, or results of operations.

	Regulatory risks: The impacts of climate change continue to raise significant concern and attention worldwide, which has led to swift and stringent legislative and regulatory efforts to limit greenhouse gas emissions. Our manufacturing plants use energy, including electricity and natural gas, and certain of our plants that emit greenhouse gas might be affected by these legislative and regulatory efforts. Greenhouse gas regulations could increase the price of the electricity we purchase, increase costs for use of natural gas, potentially restrict access to or the use of natural gas, require us to purchase allowances to offset our own emissions, or result in an overall increase in costs of raw materials, any one of which could increase our costs, reduce competitiveness in a global economy, impact our reputation, or otherwise negatively affect our business, financial condition or results of operations. Many of our suppliers face similar risks. Supply disruptions relating to such regulations could result in increased costs, could jeopardize the continuity of production, and could have an adverse effect on our business, financial condition or results of operations.
Impact on Strategy	PHINIA is committed to considering the potential risks and opportunities climate change may pose to our business. From time to time, we establish new strategies and set new expectations related to the impacts of climate change and other environmental matters, including evaluating ways to reduce the resource needs of our operations and the direct and indirect environmental impacts of the supply, manufacturing, use, and disposal of our products. Our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, financial condition, and results of operations, and reputation, and increase the risk of litigation.
Climate Resilience	Executive members of our Strategy Board and Sustainability Steering Committee and senior leaders within our Sustainability Council monitor changing regulatory requirements and other impacts to our business relating to the impacts of climate change. We seek to balance operational efficiency with resilience through a diversified manufacturing and supplier base while meeting the needs of our customers.

Risk Management

Our CEO, other executive leaders, and our Board of Directors are intent on managing and mitigating various risks to our business and financial performance, including relating to the impacts of climate change and other environmental risks.

Such risk management topics are reviewed and discussed on a periodic basis with members of our Board of Directors, among our executive leaders, and across the entire organization through our sustainability governance structure. Consideration of such risks influences our business strategies, including in operating and investment decisions across our global footprint.

Metrics

Metrics	We track our Scope 1 and Scope 2 greenhouse gas emissions, energy use, and our relative efficiency performance.
Scope 1 and Scope 2 GHG emissions (2023)	Scope 1: 8,952 metric tons CO_2e Scope 2: 72,846 metric tons CO_2e

GRI INDEX

Global Reporting Initiative Standards

Statement of Use	PHINIA has reported the information cited in this GRI Index for the period January 1, 2023 to December 31, 2023 in reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Title	Disclosure Title	Location or Response
GRI 2: GENERAL DISCLOSURES 2021			
The Organization and Its Reporting Practices			
2-1	General Disclosures	Organizational details	PHINIA Inc. Auburn Hills, Michigan Who We Are (page 4)
2-2	General Disclosures	Entities included in the organization's sustainability reporting	Our Approach to Sustainability (page 10)
2-3	General Disclosures	Reporting period, frequency and contact point	January 1, 2023 to December 31, 2023 Annual sustainability@phinia.com
2-4	General Disclosures	Restatements of information	Not Applicable
2-5	General Disclosures	External Assurance	Not Applicable
Activities and Workers			
2-6	General Disclosures	Activities, value chain and other business relationships	Who We Are (page 4) Supply Chain Responsibility (page 41)
2-7	General Disclosures	Employees	Who We Are (page 4) 2023 Annual Report on Form 10-K
2-8	General Disclosures	Workers who are not employees	2023 Annual Report on Form 10-K

GRI Standard	Title	Disclosure Title	Location or Response
Governance			
2-9	General Disclosures	Governance structure and composition	Sustainability Governance (page 12) 2024 Proxy Statement Corporate Governance Board of Directors
2-10	General Disclosures	Nomination and selection of the highest governance body	2024 Proxy Statement Corporate Governance Guidelines Corporate Governance Committee Charter
2-11	General Disclosures	Chair of the highest governance body	2024 Proxy Statement Board of Directors
2-12	General Disclosures	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability (page 10) 2024 Proxy Statement Corporate Governance Guidelines and Committee Charters
2-13	General Disclosures	Delegation of responsibility for managing impacts	Our Approach to Sustainability (page 10) 2024 Proxy Statement Corporate Governance
2-14	General Disclosures	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability (page 10) 2024 Proxy Statement
2-15	General Disclosures	Conflicts of interest	Code of Ethical Conduct 2024 Proxy Statement
2-16	General Disclosures	Communication of critical concerns	Ethics, Integrity, and Compliance (page 39) Compliance Hotline and Procedures (page 40) Code of Ethical Conduct 2024 Proxy Statement
2-17	General Disclosures	Collective knowledge of the highest governance body	2024 Proxy Statement
2-18	General Disclosures	Evaluation of the performance of the highest governance body	2024 Proxy Statement
2-19	General Disclosures	Remuneration policies	2024 Proxy Statement
2-20	General Disclosures	Process to determine remuneration	2024 Proxy Statement
2-21	General Disclosures	Annual total compensation ratio	2024 Proxy Statement

GRI Standard	Title	Disclosure Title	Location or Response
Strategy, Policies, and Practices			
2-22	General Disclosures	Statement on sustainable development strategy	Product Engineering (page 14)
2-23	General Disclosures	Policy commitments	Ethics, Integrity, and Compliance (page 39) Code of Ethical Conduct Supply Chain Responsibility (page 41) Supply Chain Due Diligence Statement Environmental Statement
2-24	General Disclosures	Embedding policy commitments	Ethics, Integrity, and Compliance (page 39)
2-25	General Disclosures	Process to remediate negative impacts	Ethics, Integrity, and Compliance (page 39) Code of Ethical Conduct
2-26	General Disclosures	Mechanisms for seeking advice and raising concerns	Ethics, Integrity, and Compliance (page 39) Compliance Hotline and Procedures (page 40) Code of Ethical Conduct 2024 Proxy Statement
2-27	General Disclosures	Compliance with laws and regulations	2023 Annual Report on Form 10-K
2-28	General Disclosures	Membership of associations	Equity, Diversity, and Inclusion (page 29)
Stakeholder Engagement			
2-29	General Disclosures	Approach to stakeholder engagement	Our Approach to Sustainability (page 10) 2024 Proxy Statement Employees, customers, suppliers, shareholders, and communities.
2-30	General Disclosures	Collective bargaining agreements	Our Employees (page 24)

GRI Standard	Title	Disclosure Title	Location or Response
MATERIAL TOPICS			
GRI 3: Material Topics 2021			
3-1	Material Topics	Process to determine material topics	Our Approach to Sustainability (page 10)
3-2	Material Topics	List of material topics	Our Approach to Sustainability (page 10)
3-3	Material Topics	Management of material topics	Our Approach to Sustainability (page 10)
TOPIC-SPECIFIC DISCLOSURES: ENVIRONMENTAL			
GRI 302: Energy 2016			
302-1	Energy	Energy consumption within the organization	Performance Data Tables (page 49) Facilities and Operations (page 21)
302-2	Energy	Energy consumption outside of the organization	Not Reported
302-3	Energy	Energy intensity	Performance Data Tables (page 49)
302-4	Energy	Reduction of energy consumption	Performance Data Tables (page 49) Facilities and Operations (page 21)
302-5	Energy	Reductions in energy requirements of products and services	Product Engineering (page 14)
GRI 305: Emissions 2016			
305-1	Emissions	Direct (Scope 1) GHG emissions	Performance Data Tables (page 49)
305-2	Emissions	Energy indirect (Scope 2) GHG emissions	Performance Data Tables (page 49)
305-3	Emissions	Other indirect (Scope 3) GHG emissions	Not Reported
305-4	Emissions	GHG emissions intensity	Performance Data Tables (page 49)
305-5	Emissions	Reduction of GHG emissions	Facilities and Operations (page 21)
TOPIC-SPECIFIC DISCLOSURES: SOCIAL			
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Health and Safety	Occupational health and safety management system	Health and Safety (page 34)
403-2	Occupational Health and Safety	Hazard identification, risk assessment, and incident investigation	Health and Safety (page 34)

GRI Standard	Title	Disclosure Title	Location or Response
403-4	Occupational Health and Safety	Worker participation, consultation, and communication on occupational health and safety	Health and Safety (page 34)
403-5	Occupational Health and Safety	Worker training on occupational health and safety	Health and Safety (page 34)
403-6	Occupational Health and Safety	Promotion of worker health	Health and Safety (page 34)
403-7	Occupational Health and Safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety (page 34)
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	Equity, Diversity, and Inclusion (page 29) 2024 Proxy Statement
405-2	Diversity and Equal Opportunity	Ratio of basic salary and renumeration of women to men	Not Reported

PHINIA

2023 Sustainability Report

PHINIA Inc.
3000 University Drive
Auburn Hills, MI 48326

If you have any questions regarding the Sustainability Report,
please contact the Sustainability Team at sustainability@phinia.com.