

# TENNECO

## 2021 SUSTAINABILITY REPORT

Covering Environmental, Social and Governance (ESG) Progress

REPORTING PERIOD:

January 1, 2021 to December 31, 2021

Get Started





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## About This Report

We have prepared this report in accordance with the Global Reporting Initiative (GRI) Standards and cover metrics within the Sustainability Accounting Standards Board (SASB) Auto Parts Industry Standards. This fourth annual Sustainability Report incorporates our material topics and strategy framework, updated since our last report published in September 2021. The report covers our performance from January 1 to December 31, 2021, unless otherwise stated. It has only been 9 months since our last report was published because we are changing our reporting cadence to the first half of the year. We welcome feedback at [Sustainability@tenneco.com](mailto:Sustainability@tenneco.com).

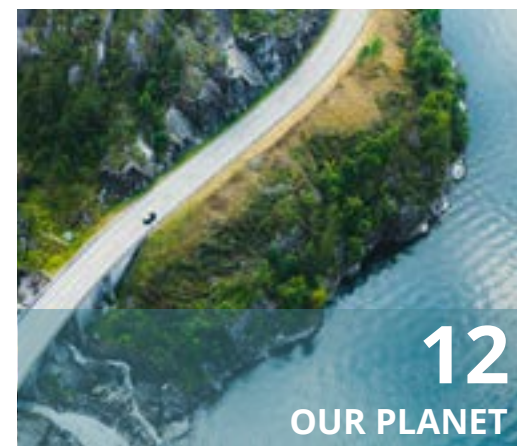
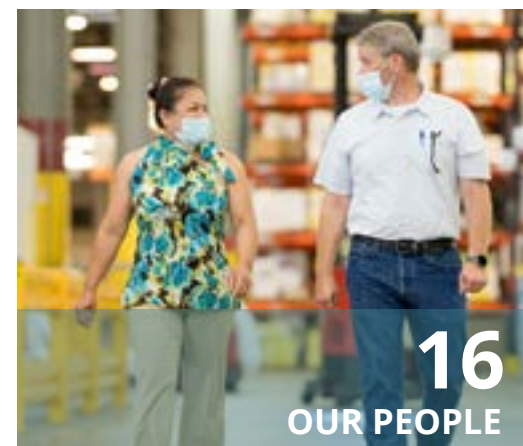
We do not currently seek third-party assurance of report data. An Internal Audit Department (IAD) advisory assessment was conducted to review the sustainability report data for our SASB metrics to assess the business unit and corporate processes and determine if the controls operate at a level of precision sufficient to identify material errors or omissions.

The global COVID-19 pandemic continued to affect our operations at Tenneco during 2021. Some team members continued to work from home, and we paused production at various facilities throughout the year. Because of these impacts, our 2021 performance metrics do not reflect normal operations.

This report includes forward-looking statements. Please refer to our Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q and other filings with the U.S. Securities and Exchange Commission (SEC) for information regarding the risks and uncertainties that could cause our results to differ materially.

### SUGGESTED LINKS:

[2021 10-K](#)



## FROM THE CEO



*“We understand how important a robust ESG program is not only to our own corporate growth, but to the world around us.”*

In 2021, Tenneco continued to enhance its Environment, Social and Governance (ESG) initiatives because we understand how important a robust ESG program is not only to our own corporate growth, but to the world around us. While challenges continued in our global supply chain, we remained focused on keeping our colleagues safe and improving our ability to operate our business in a sustainable way, with our team members working tirelessly to ensure that our corporate values were instilled and demonstrated in every facet of our business.

We are extremely fortunate that so many individuals — from our own team members to our customers and stakeholders — have made ESG goals their own priority as well. With that in mind, in late 2021, we announced a new set of long-term sustainability targets that we aim to achieve by 2030. As you’ll see in this report, we are already making great progress toward fulfilling these commitments, and I look forward to reporting our success stories in the future.

We kept a strong focus on team member safety in 2021, as we maintained an overall injury incident rate well below the industry benchmark; moving forward, we’ll continue to work to drive it even lower. Tenneco continues to make inclusion and diversity a business priority; now in its second year, the IDEA Board (Inclusion, Diversity, Equity and Action) leads our efforts to align the values of diversity with our operating strategies, with the goals of improving business performance, creating opportunities for team members and strengthening our culture. During the year, we launched three business resource groups — women, young professionals, and African heritage — to foster open dialogue and offer them more opportunities to grow, learn, and showcase their skills.

Tenneco has made significant progress toward its environmental goals as well, particularly lowering greenhouse gas emissions. In 2021, we achieved a 10% reduction in greenhouse gas emissions intensity and an 8% reduction in energy use versus a 2019 baseline. We also saw a 15% reduction in water withdrawal and a manufacturing waste recycling rate of 78%. We are proud of achieving these milestones in our sustainability journey, and we strive to keep making progress as we return to a more standard set of business operations post-pandemic.

Finally, I am proud that we delivered these results — despite the challenging times — the right way, with Integrity Always. Our recent designation as one of the World’s Most Ethical Companies by Ethisphere is proof of our commitment to live and lead with our shared core values.

Thank you to each of our global team members, whose dedication will always drive Tenneco’s success and who always find a way to Make Tomorrow Better.

**Brian Kessler**  
Tenneco CEO

# 2021 HIGHLIGHTS

As we continue to advance our sustainability efforts and measure our improvement, we are proud to report our 2021 accomplishments and share our progress with our stakeholders. Our 2021 performance highlights include:

- Overall, met 2021 sustainability goals early and announced new goals to drive progress. This progress is being tracked annually.
- Awarded Compliance Program of the Year Award by Compliance Week.
- Appointed a dedicated ESG team, including a Senior Vice President and Chief ESG Officer who reports directly to the CEO.
- Appointed a Vice President of Global Talent, Inclusion & Culture.
- Established the Energy and Supply Chain Councils to help operationalize our goals.
- Published a new [Supplier Code of Conduct](#) to communicate our requirements related to corporate social and environmental responsibility.
- Worked towards implementing an ESG Supplier Self-Assessment program.
- Initiated Scope 3 emissions screening process.
- Improved Tenneco's CDP Carbon Disclosure rating from a D to a B-.
- Received a silver medal from EcoVadis.

## Our People



**18%**  
reduction in injury incident rate<sup>1</sup>  
compared to a 2019 baseline

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**20%**  
of U.S. team members are ethnically diverse<sup>2</sup> at the manager level and above

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**21%**  
of team members are women at the manager level and above

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**56%**  
of manufacturing sites certified to ISO 45001 Health & Safety Management System

## Our Planet




**8.3%**  
reduction in energy use compared to a 2019 baseline

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**9.8%**  
reduction in greenhouse gas emissions intensity (Scope 1 and 2) compared to a 2019 baseline<sup>3</sup>

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**78%**  
of waste from manufacturing was recycled

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**84%**  
of manufacturing sites certified to ISO 14001 Environmental Management System

## Our Products



**30+**  
world-leading brands

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**15**  
brands are 100+ years old

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**41%**  
of revenue from products that contribute to fuel efficiency and/or emissions reduction<sup>4</sup>

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**99%**  
of manufacturing sites certified to IATF 16949 Quality Management System

## Our Governance<sup>5</sup>




**11**  
Board members

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**10**  
independent directors and 1 independent chairman

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**36%**  
of Board members are women

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**9%**  
of Board members are ethnically diverse<sup>2</sup>

<sup>1</sup> Incident rate = Total number of recordable cases x 200,000/Total work hours.

<sup>2</sup> Native Hawaiian or Other Pacific Islander/Asian/Hispanic or Latino/American Indian or Alaska Native/Black or African American/Two or more races.

<sup>3</sup> Intensity normalized by total revenue.

<sup>4</sup> This reflects Clean Air and Powertrain segments only.

<sup>5</sup> As of 12/31/2021.



# OUR SUSTAINABILITY JOURNEY

## Stakeholder Engagement

We recognize the importance of communicating and engaging with our stakeholders, including team members, customers, investors, communities, suppliers, government and regulatory agencies, and trade associations on a regular basis. These engagements help maintain positive relationships with these groups, which all play a key role in the success of our business and sustainability strategy. See [Appendix A](#) for a summary of our engagement activities with key stakeholders, including the frequency of our engagements and relevant topics.

## Materiality Assessment

In 2020, we engaged a third party and conducted a comprehensive materiality analysis to identify ESG topics that were most salient and prioritized by our internal and external stakeholders. We used the Global Reporting Initiative (GRI) definition of materiality, including topics that reflect a reporting organization's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders.

To start, we identified 25 issues in key areas that could directly or indirectly impact our business. The topics ranged from economic, environmental, social, and governance issues. These issues were identified based on competitive industry benchmarking and research. As part of the assessment, we interviewed 38 internal stakeholders and performed desktop research on more than 10 external stakeholders to understand the significance of each topic. Key internal stakeholders who provided input for the assessment included, but were not limited to, the Board of Directors and leaders from Legal, Communications, Information Security, Investor Relations, Finance, Operations, Supply Chain, Product Quality, and our Business Segments (Clean Air, Powertrain, Motorparts, and Performance Solutions). These functional leaders were asked to rate the identified economic and ESG topics on a scale of 1 to 7, based on their perceived importance and impact on Tenneco's business. After consolidating all internal and external views of material topics to our business, we hosted a workshop to validate the prioritized material and important topics.

## Material Topics

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Corporate governance

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Energy and greenhouse gas emissions

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Ethics and compliance

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Inclusion, Diversity and Equity

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Labor relations

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Occupational health safety

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Product efficiency

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Product innovation

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Product safety and quality

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Responsible sourcing

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Talent attraction and retention

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## Important Topics

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Air quality

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Circular economy

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Climate change

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Communication and marketing

---

Community involvement

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Conflict materials

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Consumer demand

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Cybersecurity and data privacy

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Economic development

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Human rights

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Operational waste

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Supply chain management

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Talent development

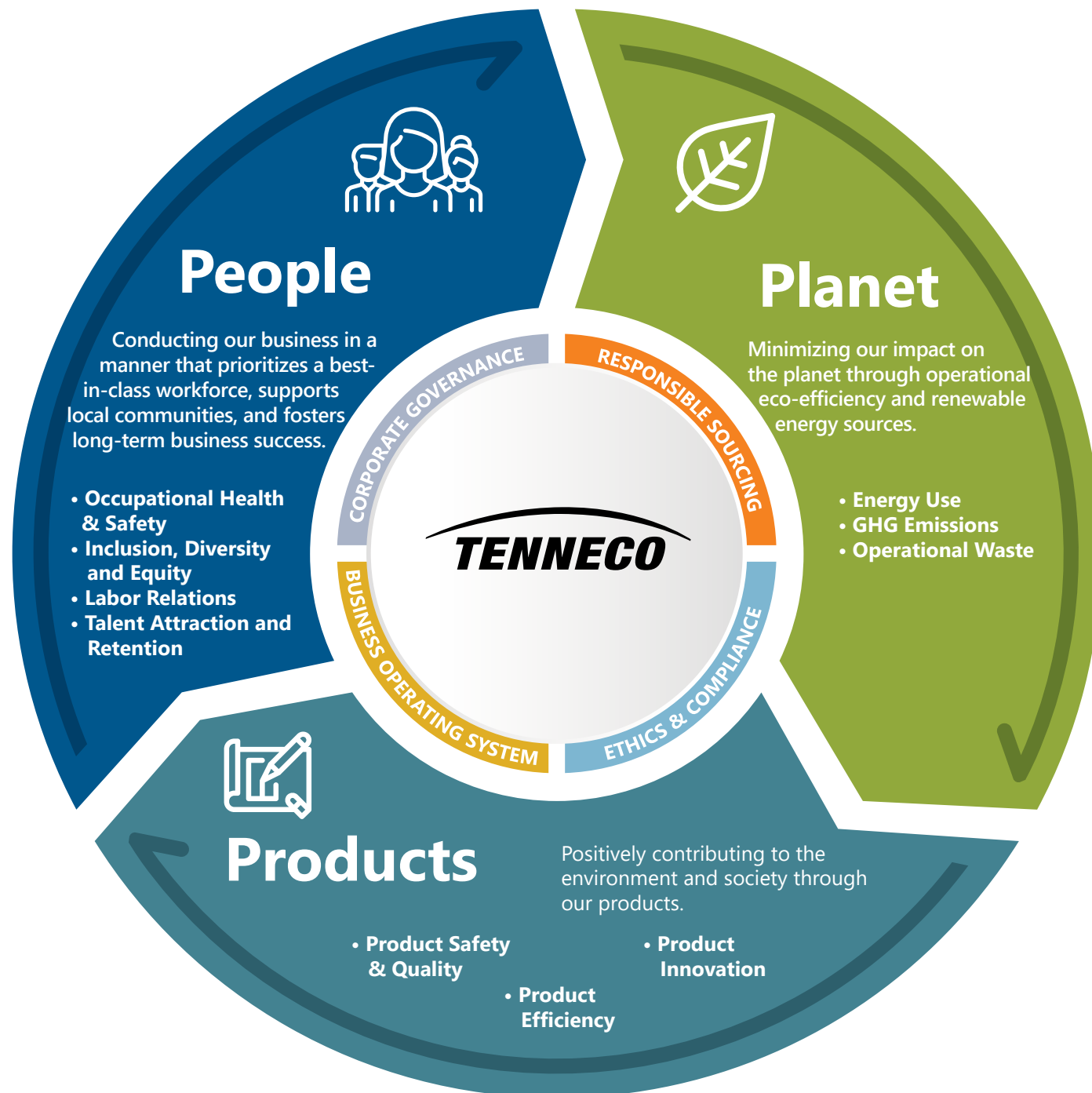
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Water

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## Strategy Framework: The Road to Making Tomorrow Better

We focus our efforts on our key impacts and have developed a framework to align our strategic approach to sustainability. Based on Tenneco’s ESG priorities, we organized three pillars—People, Planet, and Products—to define our future performance and recognize opportunities for improvement across our business. Our strategy, The Road to Making Tomorrow Better, reflects stakeholder input, material topics, and critical elements of our culture. We continue to operate with a foundation of responsibility and accountability as we implement our strategy to generate positive impacts related to sustainability. Recently, we developed ESG dashboards that include our goals. These dashboards will be used operationally to monitor our progress and plans.



## Sustainability Goals

To guide our strategy, we established goals in 2021 that will drive our performance. These goals incorporate our baselines and offer opportunities to create measurable impacts, which we believe can be a competitive advantage. Our progress in each of the areas below can be found in the various sections of the report.

Material Topic	Tenneco’s Goal	Progress
Inclusion, Diversity and Equity	<ul style="list-style-type: none"> <li>• Increase gender diversity to one-third females globally at manager level and above by 2030.</li> <li>• Increase U.S. minority group representation to one-third at manager level and above by 2030.</li> </ul>	p.21
Greenhouse Gas Emissions	<ul style="list-style-type: none"> <li>• Reduce Scope 1 and Scope 2 GHG emissions intensity by 30% by 2030 from a 2019 baseline.</li> </ul>	p.13
Energy Use	<ul style="list-style-type: none"> <li>• Decrease operational energy demand by 10% by 2030 from a 2019 baseline.</li> <li>• Source 15% more renewable energy by 2030.</li> </ul>	p.13
Operational Waste	<ul style="list-style-type: none"> <li>• Reduce waste to landfill by 20% by 2030 from a 2021 baseline.</li> </ul>	p.15
Product Safety and Quality	<ul style="list-style-type: none"> <li>• Achieve 100% certification with IATF 16949, ISO 9001 or other applicable quality management standards for manufacturing sites by end of 2025 to standardize quality governance.</li> </ul>	p.35
Supplier Management	<ul style="list-style-type: none"> <li>• 100% of strategic partners reaffirm their commitment to the Tenneco Code of Conduct by the end of 2022.</li> <li>• 100% of Tenneco’s top sustainability “high-risk” and/or “high-impact” suppliers complete a self-assessment questionnaire by the end of 2022.</li> </ul>	p.31
Conflict Minerals	<ul style="list-style-type: none"> <li>• Develop a strategy by 2024 to phase out, where possible, 3TG smelters and refiners nonconformant with RMI in the supply chain.</li> </ul>	p.33

## Next Steps on our Journey

To more fully embed sustainability into our culture, we have established two working groups under the Energy Council to drive energy efficiency and renewable energy procurement. Additionally, we are exploring science-based targets to enhance our ambition to reduce greenhouse gas emissions. Moving forward and building on this report, Tenneco is committed to:

- Evolving our ESG strategy, including our goals and key performance metrics;
- Sharing best practices actively, internally and externally;
- Developing a strategy to assess our climate change risks and opportunities;
- Exploring science-based targets and long-term alignment with the Paris Agreement;
- Embracing continuous improvement and evaluating program effectiveness; and
- Reporting our progress against Tenneco’s ESG goals and objectives.





# OUR COMPANY

We are committed to helping our customers, team members, and communities build a sustainable future. This focus includes a formal policy that outlines Tenneco’s commitment to enabling a healthier and more productive world and building a sustainable future.

Sustainability is at the core of our strategy and operations and supports our corporate value to continually Make Tomorrow Better. We are proud that we are providing solutions for global mobility markets—today and tomorrow.



We Are Tenneco (video)

**SKIP TO:**

[Tenneco Overview](#)







[Tenneco Values](#)

[2021 Awards and Honors](#)

[Responding to COVID-19](#)



## Tenneco Overview

 <b>71K</b> team members	 <b>\$18B</b> in revenue	 <b>196</b> manufacturing sites
 <b>29</b> aftermarket distribution centers and warehouses	 <b>38</b> globally networked engineering and technical centers	 <b>30+</b> widely known and respected automotive brands

Tenneco (NYSE: TEN) is one of the world’s leading designers, manufacturers, and marketers of automotive products for original equipment and aftermarket customers, with full year 2021 revenues of \$18 billion and approximately 71,000 team members working at more than 260 sites worldwide. Through our four business segments, Motorparts, Performance Solutions, Clean Air, and Powertrain, Tenneco is driving advancements in global mobility by delivering technology solutions for diversified global markets, including light vehicle, commercial truck, off-highway, industrial, motorsport, and the aftermarket.

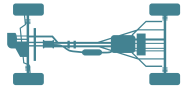
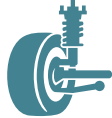


We serve our global aftermarket and original equipment customers with design, engineering, manufacturing, and distribution capabilities. Our advantaged global end-to-end supply chains and a portfolio of more than 30 of the market-leading brands, products, and technologies make us a trusted partner and competitive player in the industry.

Tenneco is primed to enter the future as a solutions provider that is known for “Driving Advancements in Global Mobility” and providing solutions for cleaner, more efficient, comfortable, and reliable vehicle performance. We are also committed to supporting the market transition within the automotive industry to alternative fuels and the global adoption of electric vehicles.

## Our Global Presence



## Our Business Segments

 <b>Motorparts</b> Designs, manufactures, sources, markets, and distributes a broad portfolio of leading brand-name products in the global vehicle aftermarket while also servicing the original equipment service (OES) market.  Motorparts products are marketed and sold under industry-leading brands including Monroe®, Champion®, Öhlins®, MOOG®, Walker®, Fel-Pro®, Wagner®, Ferodo®, Rancho®, Thrush®, National®, Sealed Power® and others.	 <b>Performance Solutions</b> Designs, manufactures, markets, and distributes a variety of ride performance solutions and systems to a global original equipment (OE) and aftermarket customer base.  Includes noise, vibration and harshness performance materials, advanced suspension technologies, ride control, systems protection, and braking.	 <b>Clean Air</b> Designs, manufactures, and distributes a variety of products and systems made to reduce pollution and optimize engine performance, acoustic tuning, and weight.  Supports primarily light vehicle, commercial truck, off-highway, and motorcycle customers.	 <b>Powertrain</b> Designs, manufactures, and distributes a variety of OE powertrain products for light vehicle, commercial truck, off-highway, and industrial applications.  Supports customers for use in new vehicle production and OES parts to support their service and distribution channels.
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# Tenneco Values

We cultivate a winning culture based on our core values that guide our thinking, behaviors, and success. We pledge to maintain accountability and preserve our stakeholders' trust as we drive our business forward. Our core values reflect our dedication to lead with Integrity Always, to act as One Team, to produce solutions that Make Tomorrow Better, and to perform with a Will to Win. Together, we create a stronger Tenneco through our dedication to upholding these values and achieving operational excellence.



## Integrity Always

- Do the right thing the right way
- Speak up
- Own it



## One Team

- Take care of each other
- Embrace our differences
- Succeed together



## Make Tomorrow Better

- Turn problems into solutions
- Create what's next
- Passion to learn



## Will to Win

- Seek flawless execution
- Create customer fans
- Make a difference





# 2021 Awards and Honors



## Company

- Compliance Week Magazine — Compliance Program of the Year

## Motorparts

- Carzone Customer Award for Top Suppliers for 20 Years Partnership
- Auto-Wares 2021 Sales & Marketing Supplier of the Year
- Auto Parts Associates (APA Group) Marketing Supplier of the Year
- XL Parts Supply Chain Excellence Award

## Performance Solutions

- PACCAR Quality Achievement Award
- General Motors Supplier Quality Excellence Award

## Clean Air

- Toyota Motors North America Excellent Supplier Diversity Award
- Volvo Eicher Commercial Vehicles (VECV) Best Supplier — Supply Chain Management Award
- 2021 Volvo Sustainable Supply Chain Award — Chengdu, China
- Daimler India Commercial Vehicle (DICV) Best Supplier — Partnership Award
- General Motors Supplier Quality Excellence Award
- Mahindra Supplier Excellence Special Appreciation Award

## Powertrain

- General Motors Supplier of the Year Award
- Great Wall Motors Best Supplier Award
- KTM Top Supplier Award



# Responding to COVID-19

As the COVID-19 pandemic continued into 2021, with waves of outbreaks and surges caused by new variants spreading around the world, Tenneco continued our efforts to care for our team members and deliver for our customers. As an essential business and manufacturer, we understand that we are a critical part of society, and for us to deliver on our customer commitments, the safety and well-being of our team members must always be a top priority.

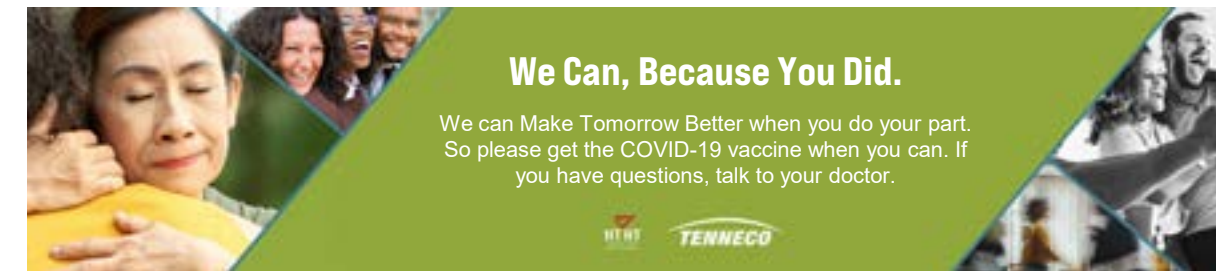
In early 2021, Tenneco supported countries to roll out COVID-19 vaccines. We encouraged our team members globally to be inoculated. Our COVID-19 Vaccine Task Force, which was assembled to advise our leadership team on vaccine strategy, has a mission to support our teams and their families — helping in any way we can — to get immunized.

We extended the Healthy Team, Healthy Tenneco — an educational program that originated as a way to roll out enhanced COVID-19 safety protocols throughout the enterprise — to include our vaccination campaign. The theme was: We Can, Because You Did. It encouraged our teams to think broadly about positive impacts we could make if each of us did our part in getting immunized. We also celebrated our team members who were vaccinated through an internal social media campaign, #IGotMyShot. Leaders and team members throughout the organization proudly shared pictures of themselves being inoculated, encouraging coworkers to do the same.

Our call to action on vaccination yielded results. Events were held for Tenneco team members all over the world to support immunization. For example, Tenneco was among the first companies to provide team members with vaccine shots as part of a joint U.S.-Mexico program that provided vaccines donated by the U.S. to inoculate Mexican citizens working in U.S.-run plants at the border. The program helped immunize nearly the entire Tenneco workforce in those locations.

To further support the effort, our Vaccine Task Force developed a Conversation Guide to COVID-19 Vaccines to help our teams have productive conversations about inoculation. We supplemented this guide by hosting sessions that helped our leaders have open and honest conversations with their teams, as well as share accurate and timely information with team members, all while addressing concerns and rumors with respect and empathy.

Tenneco remains vigilant as countries and communities continue to manage the COVID-19 pandemic and transition from a state of emergency to a changed world. As part of this recovery, we have evolved the Healthy Team, Healthy Tenneco campaign into an overall wellness program, providing education and support for good health habits for our teams and their families. This is part of our continued promise that the health and safety of our team members remain our top priority.







# OUR PLANET

Minimizing our impact on the planet through operational eco-efficiency and renewable energy sources is our goal.

Throughout our operations, we strive to protect our planet and limit environmental impacts as part of our commitment to responsible production. We focus on efficiently managing our energy consumption, emissions, operational waste, and water usage to reduce our environmental footprint.

## **SKIP TO:**

[Energy and Greenhouse Gas Emissions](#)

[Operational Waste and Water](#)

## **SUGGESTED LINKS:**

[Environmental, Health and Safety Policy](#)

[2021 CDP Response](#)




# Energy and Greenhouse Gas Emissions

Our environmental strategy focuses on reducing energy consumption and evaluating opportunities to incorporate renewable energy into our operations. We recognize our responsibility to reduce our contribution to climate change, and we continue to assess our strategy to mitigate climate-related risks. As a global organization with a significant footprint, we are focused on making improvements in energy efficiency and limiting emissions at our sites.

## Management Approach

### Our Focus


As we continue to pursue new opportunities for reducing our environmental impacts and preventing pollution, we have established sustainability goals to reduce our carbon footprint and drive our strategic impacts:

Goal	Progress
 Reduce Scope 1 and Scope 2 GHG emissions intensity by 30% by 2030 from a 2019 baseline.	9.8% reduction vs. 2019 baseline.
Decrease operational energy demand by 10% by 2030 from a 2019 baseline.	8.3% reduction vs. 2019 baseline.
Source 15% more renewable energy by 2030.	Established a 10% baseline in 2021.

Our teams and business units across the company collaborate closely to achieve our goals for energy management and emissions reduction. In 2021, we formed the Energy Council and two associated working groups to drive renewable energy procurement and reduce overall energy consumption. At the front line, global operation teams maintain responsibility for energy management activities. As we pursue our renewable energy goals, we have upgraded our reporting systems to track renewable energy programs across the company.

## Environmental and Energy Management Systems

To align with best practices, we manage our global manufacturing sites in accordance with the ISO 14001 Environmental Management System and ISO 50001 Energy Management System standards. These frameworks provide guidance to improve our management efforts and validate our approach through certifications. As of 2021, 84% of our global manufacturing sites were certified to the ISO 14001 standard and 12% of our global manufacturing sites were ISO 50001 certified. It is our long-term vision that all our manufacturing sites would be certified to these or similar external standards.

**84%** 

of manufacturing sites maintained ISO 14001 Environmental Management System Certification.

### Initiatives

In 2021, the working groups under the Energy Council kicked off work to develop a Tenneco roadmap for a transition toward green energy and a playbook for implementing energy efficiency projects across our global operations. Thirteen pilot sites across the organization were selected for energy assessments to help identify opportunities for improvement.

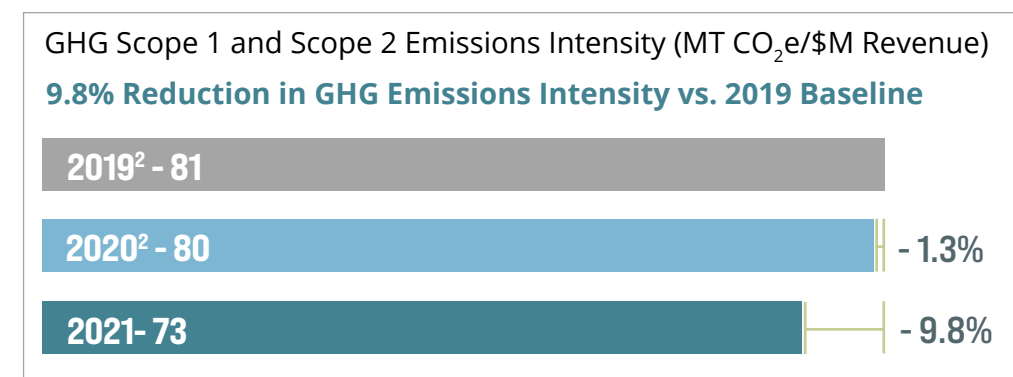
In addition to developing the energy efficiency playbook, the energy efficiency working group is focused on leveraging existing best practices across the organization as well as promoting and supporting energy reduction initiatives within the business segments. These initiatives will support Tenneco's progress toward our 2030 goals, and will also prepare for longer-term goals that we are exploring, including carbon neutrality and science-based targets in alignment with the Paris Agreement.

## Performance

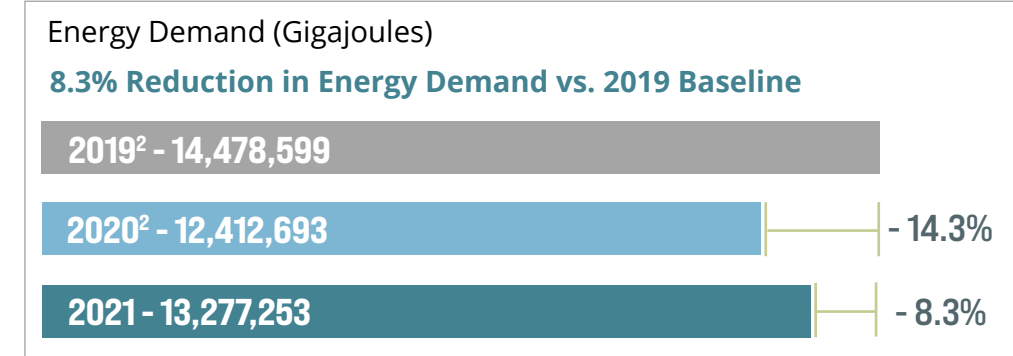
We report on our carbon footprint through the CDP Climate Change questionnaire and measure our progress using multiple indicators to inform our energy and climate change management strategies. For more information, please see our [2021 CDP response](#).

Our 2021 metrics reflect continuous improvement, but we do acknowledge that 2021 was an extraordinary year due to the impacts of the COVID-19 pandemic. We strive to focus on reductions from our 2019 baseline year in alignment with our goals.

### GHG Emissions<sup>1</sup>



### Energy Demand



<sup>1</sup> Excludes emissions related to company cars, select storage facilities and small offices not currently tracked in our systems estimated to represent less than 1% of total emissions.

<sup>2</sup> Due to an enhancement in our data management system in 2021 leading to improved quality of ESG information, we have restated 2019 and 2020 data.

See [Appendix D](#) for additional data.





## THE ROAD TO MAKING TOMORROW BETTER:

### Energy Management at Greenville, Michigan and Napoleon, Ohio

We proactively pursue opportunities to reduce energy use and associated emissions. In October 2021, the Greenville, Michigan facility partnered with General Motors (GM) on energy efficiency opportunities through the concept of energy hunts, where a list of potential improvements is ranked based on various criteria. GM provided advice and helped the facility develop an action plan, leading to both energy reduction and cost savings initiatives.

Our plant in Napoleon, Ohio, has worked with the City of Napoleon and Efficiency Smart, a program that helps businesses use less energy and save money through energy efficiency strategies. Since the inception of the program, the plant has achieved a 30% reduction in energy use and culminated in \$2.5 million in total cost savings over the lifetime of the new and upgraded equipment from energy efficiency projects.

These projects show our collaborative approach to drive energy efficiency in operations. As we progress towards our goals, we will continue to invest in projects and partnerships that improve efficiency in our sites.

## THE ROAD TO MAKING TOMORROW BETTER:

### Renewable Energy and Cogeneration at Mondovi, Italy; Palmela, Portugal; and Chengdu, China

There were two facilities that installed solar photovoltaic panels in 2021. The Mondovi, Italy facility installed a one megawatt (MW) solar photovoltaic system and a combined heat and power plant (CHP) with a methane gas engine that helps with efficient heating and cooling in the facility. It is estimated that the installations will supply about 47% of the facility's overall energy demand and reduce 360 metric tons of carbon emissions annually. In Portugal, the Palmela facility installed a 102 kilowatts (kW) photovoltaic system. The project was accomplished through a 10-year energy contract, resulting in annual energy savings.

Our effort and progress in pursuing renewable energy is recognized by our customers. Our Clean Air Team in Chengdu, China received the Volvo Sustainable Supply Chain Award for utilization of green power. In January 2021, the Chengdu team successfully switched all its electricity to 100 percent green energy, reducing 1,800 tons of greenhouse gas emissions every year.

Sourcing green energy is one of our core strategies in reducing emissions. As we continue to manage our carbon footprint, we will seek and act on renewable energy opportunities whenever we can.



# Operational Waste and Water


## Operational Waste

As a global business, we have an extensive waste footprint and directly affect local communities through our sites. We strive to be responsible stewards of our environment by reducing our resource consumption and waste production. To mitigate risks of pollution, landfill runoff, and other negative impacts from waste, we have established processes to target our waste generation and improve our management efforts across our business units.

## Management Approach

### Strategy

Through our environmental management system, we track diverse waste streams closely to identify opportunities to reduce resource consumption, reuse materials, and increase recycling efforts. Our enterprise-wide goal to reduce operational waste and drive our strategic impacts includes:

Goal	2021 Progress
 Reduce waste to landfill by 20% by 2030 from a 2021 baseline.	Initiated the development of a strategic plan for achieving the goal.

### Initiatives

We have engaged in projects that address our waste generation that provide tangible benefits for Tenneco. We have implemented waste reduction initiatives that prevent waste from reaching landfills, such as recycling mechanisms and technologies.

## Performance

Metric <sup>2</sup>	2021 <sup>1</sup> (Metric Tons)	Percentage Total
Waste from manufacturing	159,932	100%
<b>Hazardous and non-hazardous waste</b>		
Hazardous waste	33,229	21%
Non-hazardous waste	126,703	79%
<b>Waste Recycling and Disposal</b>		
Waste recycled	125,165	78%
Waste to Landfill	30,394	19%
Waste incinerated and other disposal methods	4,373	3%

<sup>1</sup> Due to an enhancement in our data management system in 2021 leading to improved quality of ESG information, we have shifted our baseline from 2019 to 2021.

<sup>2</sup> Waste data represents approximately 80% of manufacturing sites.



## THE ROAD TO MAKING TOMORROW BETTER:

### Waste Management at Mogi Mirim, Brazil, and Bengaluru, India

In 2021, our site in Mogi Mirim, Brazil concluded a Zero Landfill project, reaching a historic milestone of 100% reuse of waste produced by the facility. In a rings and pistons facility in Bengaluru, India, the team implemented projects that focused on waste reuse and recycling. The facility minimized the use of coolant by implementing a filtration system. It allowed the site to reuse coolant by 79%, equivalent to 6,288 liters per day. Oil disposal was also reduced by 95% through filtering and reclaiming the material in the hydraulic systems of the press machines. Further, the facility executed projects that decreased the generation of oil-based grinding muck and cotton waste as well as the utilization of chromic acid. Additionally, the site recycled 100% of aluminum chips and cast-iron rejects by melting them in its in-house furnace. We always look for opportunities to reduce and recycle waste and will continue to optimize our waste management strategies.

## Water

We aim to be responsible consumers of water by considering water-related impacts in our strategy, and recognize that the severity of water stress might increase in certain regions. We work to optimize our overall water footprint by including water-related risks in our assessments and identification of opportunities for improvement.

In 2021, we continued to implement ongoing projects that promote water conservation and water treatment. These initiatives have included implementing controllers to reduce water flow during idle times, improving processes to support effective wastewater treatment and reuse, installing hydrometers to monitor consumption, enhancing structures to maintain water quality, and providing efficient water faucets.



## THE ROAD TO MAKING TOMORROW BETTER:

### Water Management at Gliwice, Poland

We proactively address water reduction and wastewater treatment through facility upgrade and optimization programs. Our Ride Control team in Gliwice, Poland successfully developed and implemented a new and highly-advanced wastewater treatment facility—the first of its kind for Tenneco. The Zero Liquid Discharge (ZLD) Wastewater Treatment Plant (WWTP) enables the site to reuse more than 95% of the treated wastewater, representing a major savings in water and demonstrating our commitment to operating with respect for the environment.

Gliwice’s new ZLD-WWTP purifies wastewater from several sources within its operation, including chrome plating, painting, and washers. The treated water complies with the drinkable water directive in Germany, one of the highest drinking water quality standards in Europe. The advanced system applies four different treatment processes: physical-chemical, biological, reverse osmosis, and ultra-polishing by means of evaporation and crystallization. By the end of 2021, more than 700 m<sup>3</sup> of treated water had been recovered and reused at the site since the system went online in July 2021. As we optimize our operations, we will continue to evaluate feasible technologies and strategies that help us reduce our water footprint.

## Performance

### Water Use

Water Intensity (Megaliters/\$M Revenue)

**17.8% Reduction in Water Intensity vs. 2019 Baseline**



Water Withdrawal (Megaliters)

**15.1 % Reduction in Water Withdrawal vs. 2019 Baseline**



<sup>1</sup> Due to an enhancement in our data management system in 2021 leading to improved quality of ESG information, we have restated 2019 and 2020 data.

See [Appendix D](#) for additional data.





# OUR PEOPLE

Conducting our business in a manner that prioritizes a best-in-class workforce, supports local communities, and fosters long-term business success.

Our team members are the source of our leadership and the driving force behind our innovation. Their health and safety remains our top priority; we recognize the risks of operating in manufacturing facilities. We also strive to retain the most skilled talent by continuing to promote their well-being, fostering an inclusive environment, and providing opportunities to grow and develop their careers. In 2021, we enhanced resources for our workforce during a difficult year as we continued to improve our strategy and support our team members.

## **SKIP TO:**

[Occupational Health and Safety](#)  
[Talent Attraction and Retention](#)  
[Inclusion, Diversity & Equity](#)  
[Labor Relations](#)  
[Community Involvement](#)

## **SUGGESTED LINKS:**

[Health & Safety Policy](#)  
[Basic Working Conditions Policy](#)  
[Tenneco Code of Conduct](#)

# Occupational Health and Safety

The health and safety of our workforce is at the forefront of our business. We continuously strive to improve our health and safety strategy through risk management and hazard mitigation. Our commitment to the health and safety of Tenneco team members applies to all our locations and every level of the organization.

## Management Approach

### Our Standards

In alignment with our Tenneco values and our [Environmental, Health and Safety \(EHS\) Policy](#), we commit to comply with all EHS regulations and requirements. Our EHS policy was updated in 2021 to emphasize greater alignment with our core values and commitments to providing safer working environments, preventing pollution, and improving resource efficiency.

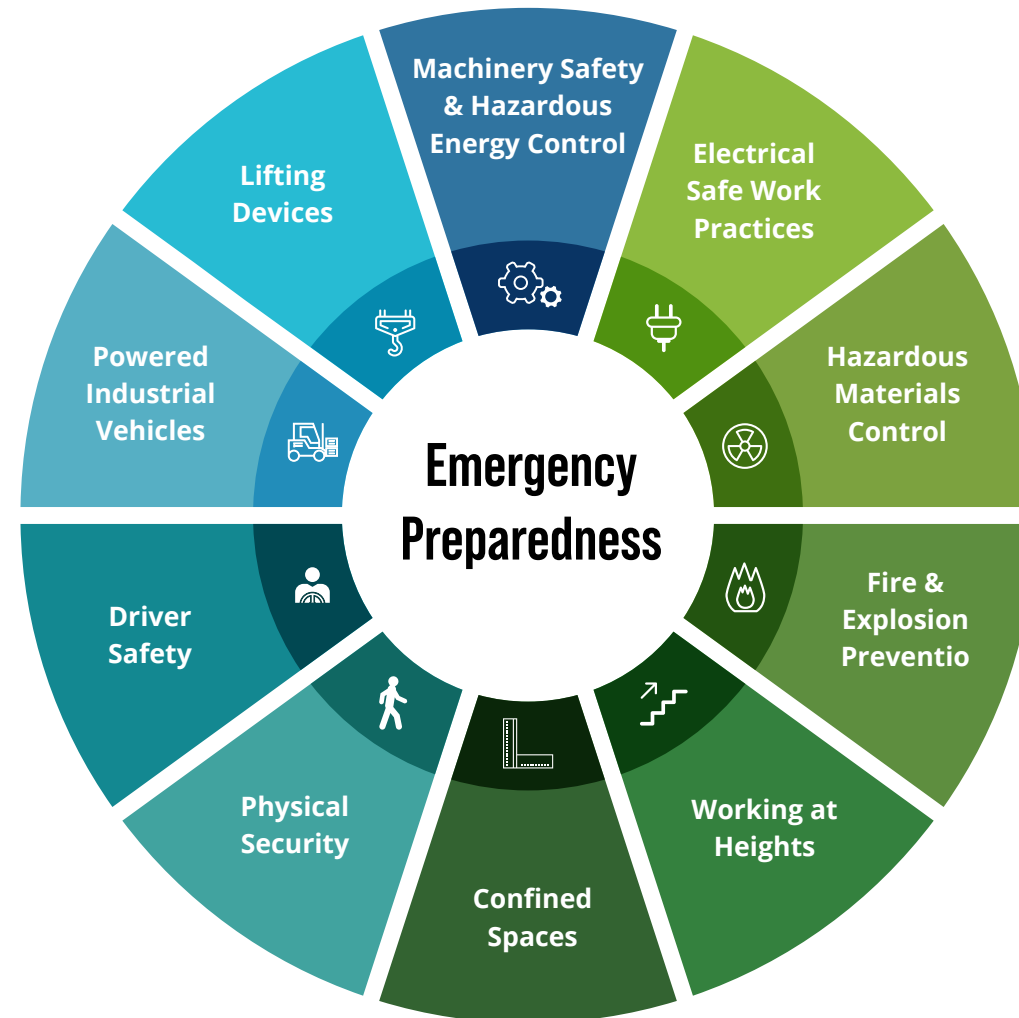
Tenneco’s occupational health and safety management system aligns with ISO 45001 or Occupational Health and Safety Assessment Series (OHSAS) 18001. These management systems cover all workers, including full-time and temporary team members, contractors, and visitors. Our health and safety management systems are audited in accordance with the standards to verify conformance. We strive for 100% of our manufacturing sites to be certified to either ISO 45001 or OHSAS 18001, and we have achieved a 56% certification rate so far. Conformance to these international standards sets the foundation for our teams to engage in hazard identification, risk mitigation, and corrective and preventive actions.

**56%**



**of our manufacturing sites are ISO 45001/OHSAS 1800 certified. Our goal is 100%.**

Throughout our process, we strive for zero work-related injuries and illnesses by continuously improving our approach to health and safety. All safety incidents, including near-miss events, are required to be reported to ensure that we review opportunities to prevent incidents from reoccurring. We continue to proactively enhance our safety program with the aim to contribute to a better tomorrow.



## Hazard Identification and Mitigation

Tenneco’s High-Risk Activities Program has identified 10 hazards that can lead to life-changing consequences and, as a result, we have implemented requirements for all divisions and sites to follow. All sites are required to assess exposure for each of the 10 high risk activities. In addition to risk assessments, facilities must ensure compliance and conformance with all safety protocols and provide appropriate resources for implementing and ensuring ongoing adherence to program requirements.

The High-Risk Activities Program holds plant management accountable for the delivery of action plans and elimination of risks. Roles and responsibilities are clearly defined for hazard management in each high-risk activity. Team members who work with the activities are involved in the risk assessment and improvement process. The sites use the hierarchy of controls to continuously reduce their risk levels beyond minimum requirements.

## Impacts from COVID-19

To support our team members during these challenging times, we have implemented our Healthy Team, Healthy Tenneco program, which was established to facilitate access to supportive health materials and services in response to the COVID-19 pandemic. We continue to promote vaccination among our team members and provide educational materials and resources as needed.

## Employee Training

We actively invest in thorough safety training programs for our team members to contribute to a safe workplace, prevent injuries, and maintain compliance. We host monthly EHS meetings to share best practices and provide ongoing learning opportunities for our team members to become active problem-solvers. Across our business units, we provide new hire training, job-specific task training, refresher training for tasks that pose additional risks, regulatory required training, and safety culture training. We currently offer about 75 courses for team members through our corporate EHS library to develop and enhance their safety skills and awareness.

## Performance

Increase compared to 2020 can be attributed to more work hours and higher employee turnover. Our EHS team is focused on our High Risks Activities Program to reduce the number of incidents stemming from high-risk activities.

Incident Rate<sup>1</sup>

### 17.9% Reduction in Incident Rate vs. 2019 Baseline



*In addition to our team members, our incident rate and lost time case rate include the available data for contractors working on the production floor. We plan to collect contractor data separately in the future, and we continue to improve processes to record company-wide data in a centralized system.*

<sup>1</sup> Incident rate = Total number of recordable cases x 200,000/Total work hours. We used OSHA standards to compile the data.

See [Appendix D](#) for additional data.



## Contractor Safety

Through the controls in our Contractor EHS Management Process, contractors and all other third-party team members working in our workplace with oversight from Tenneco team members follow the same safety requirements as our team members. Our contractor safety program establishes processes to identify, communicate, evaluate, and control hazards. We also inform contractors of key regulatory requirements and highlight Tenneco's standards that exceed regulations. We continue to monitor safety criteria and require contractors to attend training to maintain compliance with our procedures for safe work.



### THE ROAD TO MAKING TOMORROW BETTER:

#### Implementing Our Hand Safety Program

Hand injuries remain the main type of work-related injuries within our operations. We launched our Hand Safety Program in 2019 to prevent various types of hand injuries and have implemented it across two business units. This program provides locations with a six-week introduction platform for team members to assess shop floor activities. We improved hand safety by providing a knowledgeable training team, engaging team members to understand the hand safety principles, and communicating across the business to build confidence and encourage improvement. We look forward to the continued rollout and expansion of the program. The Hand Safety Program reduced recordable hand injuries by 22% from 2020 to 2021 for the Performance Solutions and Motorparts business units.

#### Number of hand injuries within the Performance Solutions and Motorparts business units.

2019 - 152

2020 - 59

2021 - 46





## Talent Attraction and Retention

Our global workforce is our most important asset because our people drive the success of our business and continuously serve our customers. To further enhance the capabilities of our team members, we foster a culture that emphasizes skill development and career advancement through coaching, training, and performance and talent management. In 2021, we invested in LinkedIn Learning to provide our 18,000 salaried team members with options to learn and take charge of their own professional development. We formally launched our enterprise-wide On-Ramp Program for all frontline leaders in three major languages. Approximately 400 leaders were trained through the process.

Additionally, in 2021 we modified our performance management process to include assessments on key behaviors, Values in Action, that measure and reward how people work in addition to the goals they achieve.

### Management Approach

#### Engagement

We promote talent attraction and retention through a cross-functional approach that involves our Enterprise Talent Acquisition team, our Human Resources department, and the leaders of Tenneco. In 2021, listening to feedback continued to be critically important in the wake of the pandemic and other socioeconomic issues, including increased need to prioritize the health and well-being of team members. In early 2022, we ran an engagement survey to capture feedback for the 2021 period, and we will continue to conduct periodic surveys in order to solicit inputs about team member engagement and experience, which help us identify target areas for improvement to make Tenneco a great place to work. Since 2018, our engagement score across the enterprise has improved while participation has increased. As we focus on future growth, we will strive to celebrate the value of our diverse team members, highlight available opportunities, and support professional growth and advancement.

#### Talent Development

We invest in our team members by offering a wide variety of learning and skill development programs that improve their capabilities. We empower team members through our progressive “learn-do-lead” approach to train our future leaders. Our courses include information on technical skills and content to promote inclusion, diversity and equity; improve ergonomics and health; handle transitions at work; and support well-being through work-life balance. Tenneco also offers training for supervisor development on topics such as personal development, change, coaching, and management.

### Talent Recruitment and Integration

In addition to our global recruitment process and career postings, we advertise positions to over 17,500 community-based organizations that promote diversity in recruitment. In addition, we post all of our positions to job boards targeted to individuals with disabilities to ensure disabled candidates are considered in the recruiting process. After selecting qualified candidates, we have a robust orientation program to onboard our new hires and welcome them to Tenneco. Through this program, we train team members about the Tenneco Vision and Values, our Code of Conduct and company policies.

### Succession Planning

We conduct annual talent reviews of our salaried workforce to assess development plans and identify high-potential talent for career development opportunities and roles with greater responsibility. As part of these efforts, we establish succession plans for critical leadership roles at Tenneco, and we aim to increase retention by developing and promoting our team members.

We have established tools to evaluate team members based on modern behavioral science principles. We assess team members' ability to learn and grow, their emotional intelligence and their motivation to contribute beyond their required responsibilities. By assessing the potential growth of team members and identifying talent gaps, we gain insights into opportunities for developing skills and updating our strategy for talent acquisition and succession planning.



## OUR FOUR CORE DEVELOPMENT PROGRAMS



### Value Stream Simplification Training

- Promotes awareness about how we simplify our operations to create superior financial returns
- Provides a deep understanding of what areas of the business drive the most value for our stakeholders, and conversely what areas drive complexity and distractions that create waste
- Develops strategies by identifying our priority markets and customers and creating intense focus on delivering superior product solutions to meet their needs
- Delivers sustainable, profitable growth by aligning our human and financial capital on these priorities while minimizing complexity and waste



### Rotational Program

- Identifies high-potential, early-career professionals to meet the future leadership needs of our business
- Participants complete a rigorous assessment process, receive focused skill development through classroom training and one-on-one mentorships and address business challenges across multiple locations and functions of our operations



### Management Development Center

- Participants complete predefined assessment tools, such as case studies, competency-based interviews, team collaboration exercises and individual exercises
- Provides detailed feedback and encourages attendees to establish a personal development plan



### Power Up

- Serves as a standardized program for European plants
- Aims to foster entrepreneurial attitude, increase agility, enhance ability to make strategic decisions and create awareness about changing market needs



## Talent Attraction and Retention (continued)

### Performance Reviews

To provide continuous guidance and support for professional and personal growth, we have a target to complete performance reviews with 100% of team members. Through these performance assessments, we enable ongoing mentoring and identify opportunities for career development. These reviews also allow us to establish strategic performance objectives and continually refine our process to promote a high level of performance. As part of the review process, we reward and recognize our team with a Pay for Performance philosophy, where team members are measured on what they deliver to contribute to our goals and how they do it to showcase our values. We believe that the process by which team members achieve results matters as much as what they achieve.

### Compensation and Benefits

In addition to fair compensation, we offer both benefit and contribution retirement plans to which Tenneco contributes on behalf of plan participants. As part of our Annual Incentive Plan, eligible team members are entitled to an annual cash incentive based on the overall performance of the company. Team members may earn their incentives based on individual achievements or the performance of their business units. Our approach to compensation supports our efforts for talent attraction and retention.

### Contractors

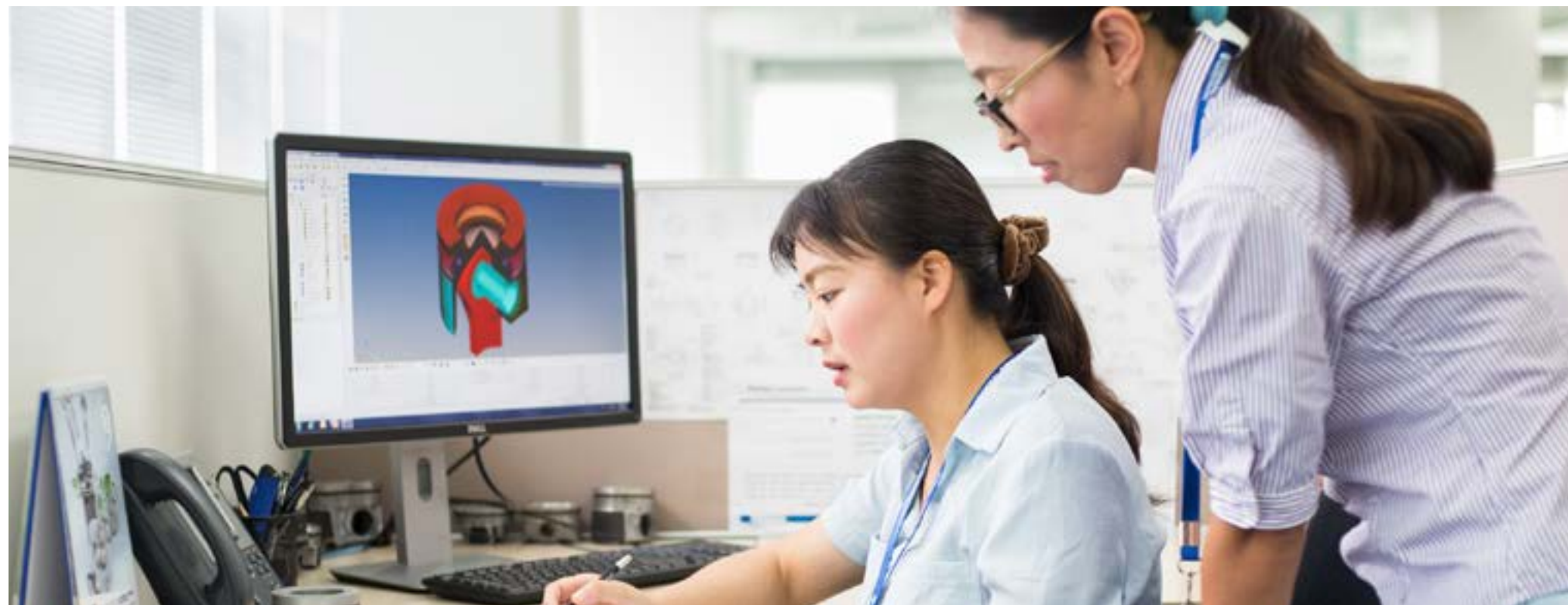
We use non-employee workers occasionally to flex our manufacturing workforce for meeting non-permanent increases in customer demand. However, we do not see this as a significant portion of our workforce and do not experience significant variation in employment numbers due to seasonal employment.

### Performance

#### Average Annual Training Hours Per Salaried Team Member



See [Appendix D](#) for additional data.



### THE ROAD TO MAKING TOMORROW BETTER:

#### Training Our Leaders

Our most recent initiative, The On-Ramp, is a leadership program designed to train rising leaders and improve collaboration across the company. To foster positive and lasting relationships, we execute this training over eight weeks for a set number of hours per week. Leaders from different functions within Tenneco teach the course so that participants can learn directly from experienced professionals. The program was deployed in five regions including North America, Latin America, EMEA, China and India, and is available in English, Spanish and Chinese. This training is highly interactive to promote engagement and learning opportunities. Ethical decision-making, leadership in values, and compliance are also core training elements. In 2021, we began scaling up program deployment and trained nearly 400 frontline leaders. Key achievements in 2021 included:

- 90% of the On-Ramp participants are more motivated to apply new skills
- 79% of the participants strongly agreed or agreed that the program has resulted in increased team productivity
- 92% of the participants indicated that this program increased their engagement in being a leader in the organization

In 2022, we will continue to expand the program by training 500 leaders.





# Inclusion, Diversity and Equity

As a global company, we recognize the diversity of the communities where we operate and the need to promote inclusivity. Our geographical markets have unique requirements, and we continue to leverage the experiences and insights of our team members to meet these needs and differentiate Tenneco as an industry leader. At Tenneco, we believe that a commitment to inclusion, diversity, and equity (ID&E) is a business imperative, not just the right thing to do, because it allows us to become an employer of choice who can attract, develop and retain the best talent.

- Become an employer of choice who can attract, develop and retain the best talent;
- Drive innovation and meaningful results through high-performing diverse teams who deliver an unmatched customer experience;
- Develop leaders that champion a culture of inclusion and engagement; and
- Help strengthen the communities where we live and work.

## Management Approach

### Policies

We are committed to promoting a welcoming environment and celebrating the diverse backgrounds of our team members through our Valuing Global Diversity Policy. Our Equal Employment Opportunity Policy and Harassment-Free Workplace Policy describes how we protect the rights of our team members.

### Leadership



In 2021, we continued the work that began in 2020 with the establishment of the IDEA (Inclusion, Diversity, Equity, Action) Board. The IDEA Board consists of a team of high-performing, influential leaders that reflect the geographic, business, gender, ethnic, and racial diversity of Tenneco. Leading

the IDEA Board is our Chief Counsel of Securities & Transactions, who coordinates the team in the development, implementation, management, and data-driven goal setting for our inclusion, diversity, and equity strategy.

Our Vice President of Global Talent, Inclusion & Culture reports to the Chief Human Resources Officer and leads our efforts to attract and develop diverse talent, improve engagement, foster inclusion, and support all team members throughout their careers. We developed and implemented an overall ID&E strategy as well as a five-year roadmap to our 2030 Diversity Goals and to drive a culture of inclusion, diversity, and equity.



**Deb Sinta**  
Vice President, Global Talent, Inclusion & Culture

“In pursuit of the ‘S’ in ESG, our organizational communication of specific diversity goals shows a level of commitment that is driving real progress and results. We have redoubled our efforts to ensure that we are creating an inclusive environment where diversity is valued and appreciated.”

## Global Diversity Awareness Month

In October 2021, Tenneco recognized Global Diversity Awareness Month — an annual worldwide celebration focusing on understanding the value and differences of all human beings regardless of their nationality, ethnicity, race, sex, gender, ability, etc.

Tenneco celebrated the month through a series of diversity and inclusion initiatives, programs, and events across the Tenneco global footprint. The array of activities included an educational component and an important launch of ongoing programs focused on driving inclusion, diversity, equity, and change. The events were:

- **Inclusion, Diversity & Equity (ID&E) Awareness and Education — Week of Oct. 11:** We kicked off of an ongoing series of learning opportunities to better educate and highlight the importance of ID&E to business success. The first program was an interactive, online and multi-media training focused on the basics of Diversity and the topic of Unconscious Bias.
- **Local Action Teams (LATs) — Week of Oct. 18:** The Action Teams were rolled out and activated in five regions including APAC, India, EMEA, Latin America and North America. LATs is responsible for helping deliver the IDEA Board’s mission and vision regionally, while providing valuable local feedback and input back to the IDEA Board to ensure programs and activities are making an impact.

- **Business Resource Groups (BRGs) — Week of Oct. 25:** We launched three Business Resource Groups (BRGs) and began education and awareness building programs, including:

1. Women’s BRG
2. Young Professionals and Early Career BRG
3. Black/African Heritage BRG



The BRGs are affinity-based groups to help those underrepresented in the workplace and drive engagement, promote team member development, create opportunities, and provide a diverse perspective. The BRGs were created by team members and for team members, championed by executive leaders, visibly leveraged, and supported.



**Kevin Freeman**  
Chair of the IDEA Board

“Global Diversity Awareness Month is a time to celebrate the positive impact diverse voices can have on a company, its community, and society at large. It’s also a time to reflect on the obstacles and barriers present in workplaces around the world today and the steps we can take, as companies and as individuals, to overcome them.”

We have committed to achieving one-third of both gender and U.S. minority group representation by 2030. We will do that by actively managing recruitment, turnover, and talent movement within the pipeline.

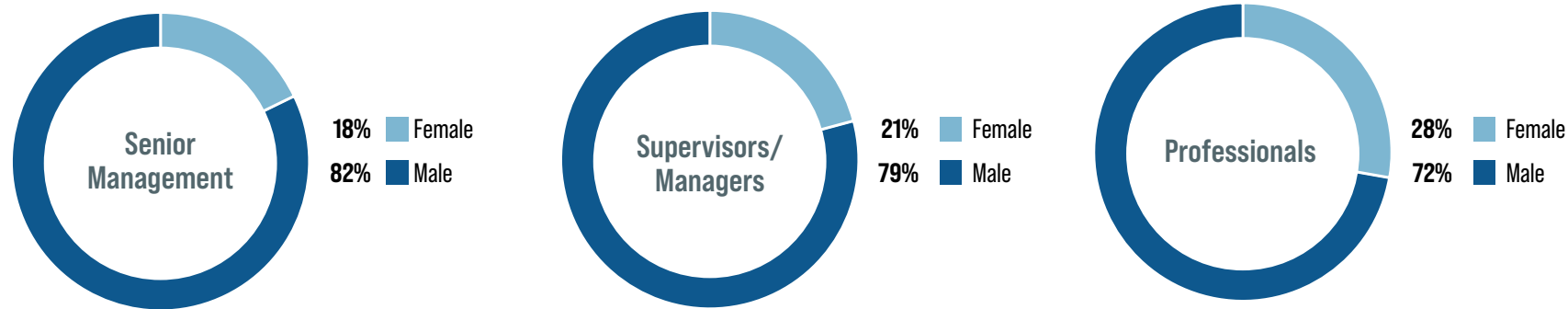
Goal	2021 Status
Increase gender diversity to one-third females globally at manager level and above by 2030.	21%
	20%
Increase U.S. minority group representation to one-third at manager level and above by 2030.	



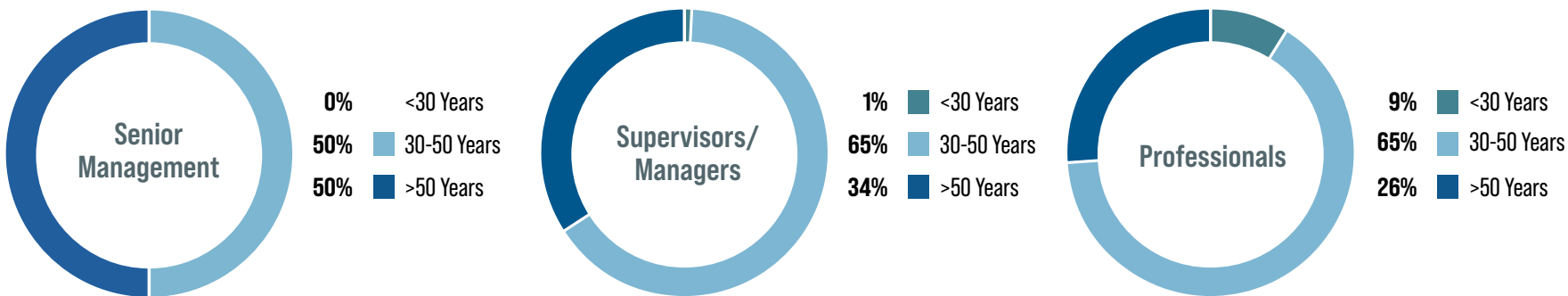
## Performance

### Diversity of Team Members

#### GENDER



#### AGE



#### OTHER INDICATORS OF DIVERSITY

	Senior Management	Supervisors/Managers	Professionals
U.S. Ethnic Diversity <sup>1</sup>	17%	22%	19%

<sup>1</sup>Native Hawaiian or Other Pacific Islander/Asian/Hispanic or Latino/American Indian or Alaska Native/Black or African American/two or more races.

See Appendix D for additional data.

### THE ROAD TO MAKING TOMORROW BETTER:

#### Increasing Female Representation

Given the recommendations from the CEO and two board members, our Vice President and Chief ESG Officer, Kim Yapchai, was selected to the 2022 DirectWomen Board Institute Class, which constituted highly accomplished female lawyers chosen through a rigorous selection process from the largest private companies and organizations in the United States. The class is designed to position outstanding women lawyers for service on corporate boards to address key business issues such as board governance and ESG. Tenneco fully supports the mission of DirectWomen to increase the representation of female attorneys on corporate boards.

Our focus on Inclusion, Diversity, Equity and Action is beginning to produce results. From 2019, gender diversity at the Senior Management Level improved 1% and 6% at the Executive band level. U.S. Ethnic Diversity improved 6% at the Senior Management level and 8% at the Executive band level compared to 2019.

In 2021, we once again celebrated International Women’s Day (IWD) across our locations by acknowledging and celebrating women globally for their contributions and efforts, including our teammates who are critical to our success at Tenneco. As part of the day’s events, more than 3,500 team members across the enterprise tuned in to view one or more of the company’s five Town Hall meetings featuring panel discussions with key business leaders about the journey of women in leadership at Tenneco and how we can help promote inclusion and diversity in all aspects of our business. Thousands of team members wore purple shirts in support of International Women’s Day. The theme for 2021 was #ChoosetoChallenge. The celebration was such a success, we repeated it in 2022 as you can see in the picture below where team members are committing to break the bias.





# Labor Relations

As a global business, we commit to fair labor practices and respect human rights in our operations. Our [Code of Conduct](#) sets the standards for our behavior and highlights our commitment to preserving fair working conditions. Our responsibility extends to our suppliers and partners because we expect human rights to be upheld across our entire value chain. As part of our commitment, we foster collaborative relationships with our unionized workforces, promote open communication, and respect their rights. We strive to mitigate work disruption risks by continuously working to maintain fair labor standards and proactively engaging in discussions with our team members.

## Management Approach

### Standards

Globally, an estimated 62% of our team members are covered by collective bargaining agreements. In the U.S., our sites are subject to compliance under the National Labor Relations Act (NLRA), which gives team members the right to consider a third party to represent them in collective bargaining. We post information at all U.S. sites to remind team members of their rights under the NLRA. We had no NLRA violations in our facilities in 2021. Our [Basic Working Conditions Policy](#) outlines our commitment to uphold the rights of workers and respect their freedom of association.

As our policy states, we also prohibit child labor or forced labor, and we pledge to maintain fair and safe working conditions. We apply a unified approach to interactions with team members in all locations where we operate. Our principles are compatible with the following frameworks:

- The United Nations Universal Declaration of Human Rights
- The United Nations Global Compact
- The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Global Sullivan Principles of Social Responsibility

### Communication Mechanisms

We promote multiple opportunities to receive input from our team members and listen to their feedback. Each plant manager holds regular meetings to provide updates and discuss issues through proactive communication. We also maintain an open-door policy to allow any team members to bring up concerns or questions immediately to supervisors. At the start of each shift, plants hold line meetings with team members to review approaches to safety, quality, scrap, efficiency, and other relevant topics. Team members may also report any ethical issues through the Tenneco hotline, which is operated by a third party and available 24/7 in multiple languages.



## Performance

### U.S. Equal Employment Opportunity Commission charges and National Labor Relations Act violations

	2020	2021
Number of EEOC charges filed <sup>1</sup>	16	5
Number of NLRA violations	0	0

<sup>1</sup> To date, no charge has resulted in a finding in favor of the charging party.

### Percentage of total employees covered by collective bargaining agreements<sup>2</sup>

	2020	2021
Percentage of total employees covered by collective bargaining agreements in the U.S.	18%	16%
Percentage of total employees covered by collective bargaining agreements globally	53%	62%

<sup>2</sup> The changes are mainly driven by headcount reduction and restructuring related to the impact of the COVID-19 pandemic on our business.

### Minimum notice periods regarding operational changes<sup>3</sup>

	2020	2021
Minimum number of weeks' notice typically provided to U.S. employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	8.5	8.5
For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements	Varies regionally	Varies regionally

<sup>3</sup> Notice periods vary regionally. Tenneco follows all local regulations for minimum notice periods. For example, the minimum notice period for plant closure or significant reduction is 60 days of notice per the Worker Adjustment and Retraining Notification Act (WARN) Act in the U.S.



## Community Involvement

We support our local communities by donating, volunteering, and participating in events that promote engagement. We also invest in economic development by hiring locally and providing jobs for the surrounding areas.

### Management Approach

#### Community Investment

At multiple sites, we regularly engage in activities with several organizations that enhance education and opportunities for children, such as Starfish Family Services, Winning Futures, and United Way. As part of our endeavor to unite our operations and combine legacy efforts, our Ten10 Employee Recognition Program officially returned in 2021. This initiative encourages greater engagement and includes a peer nomination process for team members who live our core values of Integrity Always, One Team, Make Tomorrow Better, and Will to Win. Thousands of nominations were submitted during 2021 and narrowed down to 10 global Ten10 winners through selection committees. In addition to providing a monetary award and recognition ceremony for the Ten10 global winners, we donated \$10,000 on behalf of each winner to their selected charity.

We also strive to contribute to the economic development of our communities by supporting employment opportunities, providing scholarships, and making investments in local economies; our business continues to create more than 70,000 jobs around the world. As part of the annual [Garage Gurus Scholarship Program](#), Tenneco awarded 12 students \$2,500 toward their automotive education—all winners were accepted or currently enrolled in accredited, U.S.-based automotive technical schools, colleges and universities, or must be full-time U.S. high school students. The Garage Gurus scholarship program was established in 2015 to meet the shortage of automotive professionals and technicians throughout the industry and serve as an investment in the future. Now in its seventh year, the program has committed more than \$200,000 in tuition support to future automotive service professionals.

The COVID-19 pandemic intensified our mission to stimulate our local communities, as people around the world felt the impacts of the pandemic. To support our communities as they faced these challenges during 2021, we provided solutions to aid in the U.S. response to the pandemic by providing key components utilized in GM's production of ventilators and the development of manufacturing process for nonmedical-grade face coverings for the North American market.

We donated personal protective equipment (PPE) to frontline workers in areas where the hospitals were stressed. Our teams also organized donations of food and sanitation supplies to help people in need. Other community projects we completed in 2021 included, but were not limited to:

#### Powertrain Team in Gdańsk, Poland

In the final months of 2021, the team decided to support the Polish Red Cross in helping refugees near the Polish/Belarusian border by donating food staples, clothes, shoes, sleeping bags/thermal blankets, and money. The donations were transferred to the regional branch of the Polish Red Cross for distribution to those most in need at the border.

#### Motorparts Team in Monroe, Michigan

In November 2021, the Motorparts team participated in a volunteer event for the Ronald McDonald House (RMH) in Toledo, Ohio. This engagement was important to one of our team members, as she and her family once benefited from the stay of the house.

#### Performance Solutions Team in Wuhan, China

The team organized an activity to promote environmental protection at the Longling Mountain Ecological Park. The volunteers worked together to clean the park and help protect the natural environment.

#### Clean Air Team in Marshall, Michigan

When the Battle Creek Area Habitat for Humanity announced it was launching a program to create care packages for local homeless veterans, our Clean Air team in Marshall, Michigan offered to help. The team collected items for the care packages, including food, blankets, personal care supplies, water bottles, and much more, and donated the items to those in need.

#### Tenneco Belgium

To help support Belgium's Paralympic Team, nearly 100 Tenneco team members and their families participated in one or more out of three community race events across Belgium. All proceeds from the events went to Belgium's Paralympic Team and Dorp nr 2 Koningin Fabiola, an organization that supports and guides persons with disabilities.

#### Tenneco India

Philanthropy and community service is ingrained in the company culture at Tenneco India. From transforming local school buildings and distributing face masks, to promoting education at local schools and working with the Hampi Zoo to build animal habitats, our Tenneco India team members have spent a great deal of time giving back to local communities.

Please see [Tenneco India's 2020 – 2021 CSR Annual Report](#) for more information on these initiatives.



Sewed 400 face masks to distribute throughout the community.



Constructed day crawls for Lions and Tigers at Hampi Zoo.



Building As Learning Aids (BALA) paintings added to walls throughout the Bhiwadi School.

#### Performance

In the future, we plan to establish philanthropy-related goals. More information on the progress of these initiatives will be reported in Tenneco's 2022 report.



# OUR GOVERNANCE

Our foundation of strong governance and ethics represents our commitment to accountability, integrity, and compliance in our operations.

Our Board of Directors is responsible for overseeing management and ensuring that we serve the long-term interests of our stockholders. We recognize that sound principles of corporate governance are essential in obtaining and retaining trust and respect of internal and external stakeholders. We monitor and improve responsibility along our supply chain to maintain respect for human rights and mitigate environmental impacts from our suppliers. We also protect our systems with enhancements in security to preserve data privacy for our team members and our customers. As we continue to strengthen governance, we collaborate as One Team to achieve alignment across the whole enterprise and incorporate our values throughout our operations.

## SKIP TO:

- [Corporate Governance](#)
- [Ethics and Compliance](#)
- [Cybersecurity and Data Privacy](#)
- [Supply Chain Management](#)
- [Supplier Diversity](#)
- [Conflict Minerals](#)

## SUGGESTED LINKS:

- [Corporate Governance Plan](#)
- [Tenneco Code of Conduct](#)
- [Ethics & Compliance Hotline](#)
- [Basic Working Conditions Policy](#)
- [Supplier Code of Conduct](#)
- [Global Supplier Manual](#)
- [Conflict Minerals Statement](#)



## Corporate Governance

Our approach to corporate governance connects to our mission, values, and culture. We integrate responsibility and accountability into our governance structures to maintain oversight of our material topics and incorporate stakeholder interests into our strategy development. Through our comprehensive and effective management of corporate governance, we outline roles and expectations, set high standards of professional and personal conduct, and monitor compliance with these responsibilities.

### Management Approach

#### Board of Directors

As of December 31, 2021, the Tenneco Board of Directors was comprised of 11 members. Our experienced Board of Directors are well-positioned to provide appropriate oversight with respect to Tenneco's policies, direction, strategy, and performance. The names and business experience of each director can be found on our [website](#) and in our most recent proxy statement filing with the SEC. Tenneco's Board of Directors has three standing committees: Audit, Compensation, and Nominating and Governance. Each committee has a written charter. The Board and the committees of the Board conduct annual self-evaluations to ensure they are functioning effectively. The Nominating and Governance Committee oversees the annual evaluation process and results are reported to the Board and respective Committee chairs. See our [proxy statement](#) for more information related to our board governance.

We believe that a diverse Board composition provides significant benefits to the company. The Nominating and Governance Committee considers numerous factors when identifying and recommending nominees to the Board of Directors. Some factors include a candidate's professional experience, background, perspectives, demographics, gender, race, nationality, and age. To fulfill our commitment to inclusion, diversity, and equity, the Board of Directors added a provision in its Corporate Governance Principles to ensure that the Nominating and Governance Committee will include qualified female and minority candidates on its list of potential director candidates.

#### Outreach and Engagement

As part of our overall corporate governance, we have an ongoing outreach program to develop and maintain communication with our investors about governance and compensation issues. Our leadership team has continued to solicit stockholder perspectives and receive valuable, direct feedback on governance, executive compensation, sustainability, and related matters. Tenneco regularly participates in investor, community, and industry conferences and meetings throughout the year that cover performance and ESG topics. Stockholders may also contact the Board with any inquiry or issue by the methods described in our proxy statement.

#### Board of Directors

	2020	2021 <sup>1</sup>
Size of Board	10	11
Independent Directors	9	10
Independent Chairperson	Yes	Yes
Separate Chairperson and CEO	Yes	Yes
Committees consist of entirely independent members	Yes	Yes
Non-Management executive sessions regularly conducted	Yes	Yes
Mandatory retirement age	75	75
Annual election of Directors	Yes	Yes
Majority voting in uncontested Director elections	Yes	Yes
Diverse Board members (race and gender)	30%	36%
Comprehensive annual assessments of the Board and committees	Yes	Yes

#### Diversity of Board Directors

	2020	2021 <sup>1</sup>	
Gender	Female	30%	36%
	Male	70%	64%
Age	<30 Years	0%	0%
	30-50 Years	0%	0%
	>50 Years	100%	100%
Other indicators of diversity	Ethnic Diversity in the U.S.	10%	9%

<sup>1</sup> Data reflects status as of December 31, 2021.

## Risk Management

Our Board plays a critical role in risk oversight, including the identification and management of risk, and works closely with the leadership teams to fulfill the responsibility of risk management. Throughout the year, senior leaders of our business units and functional groups present to the Board regarding specific risks that the company faces. Management annually provides a comprehensive strategic review to the Board that includes discussions of the major risks and management strategies—including economic, environmental, and social topics.

Tenneco's Audit Committee oversees the company's compliance programs, including compliance with the company's [Code of Conduct](#) and regulations. At each regularly scheduled Audit Committee meeting, the company's General Counsel provides a report to the Audit Committee regarding any significant litigation, environmental, and regulatory risks faced by our company. The Senior Vice President and Chief ESG Officer also reports on compliance matters and initiatives. In managing remuneration, the Compensation Committee reviews our compensation structures and programs to ensure that they do not encourage excessive risk-taking.

## ESG Oversight

The Board oversees our corporate responsibility and sustainability practices and conducts at least one annual ESG review. While ultimate oversight for ESG topics falls under the purview of the entire Board, each Board committee has various responsibilities connected to sustainability matters. For instance, our Nominating and Governance Committee reviews our policies and strategies related to ESG and corporate responsibility matters that are significant to the company and our stakeholders. The Nominating and Governance Committee reviews ESG progress on a quarterly basis.

Tenneco's cross-functional ESG Council is chaired by the Global Director of Corporate Environment, Social, and Governance, who reports to the Senior Vice President and Chief ESG Officer. The Council advises management teams periodically on progress and determines how to drive long-term stakeholder value. The ESG Council is comprised of functional leaders from Environmental Health and Safety, Legal, Human Resources and Talent Management, Finance, Engineering, Supply Chain, and Logistics.

Our Senior Vice President and Chief ESG Officer reports ESG progress to the CEO, the Board, and its committees on a regular basis. This role is a member of the executive management team, which holds the ultimate responsibility of overseeing our sustainability goals and key performance indicators within our business units. The Senior Vice President and Chief ESG Officer drives a cross-functional ESG program and collaborates with other executive leaders to implement our sustainability strategy that enables a holistic approach to ESG, compliance, and risk management at Tenneco.



**Kim Yapchai**

*Senior Vice President and Chief ESG Officer*

"Tenneco's ESG program is a great example of our Values in Action: Integrity Always, One Team, Will to Win, Make Tomorrow Better. It takes a village to effect the change we need. Our team members, from the factory floor to the C-suite, are working together cross-functionally to drive our ESG strategy."





## Ethics and Compliance

We commit to high ethical standards at Tenneco because we value the trust of our stakeholders and recognize that our success depends on our culture of Integrity Always. To enable our ability to lead responsibly, we instill a foundation of ethics, train our team members to actively live and promote our values, and encourage them to speak up with any questions, concerns, or ideas. We also mitigate financial, reputational, and legal risks by maintaining compliance with international laws and local regulations throughout our global locations. As the regulatory landscape evolves, we will continue to implement mechanisms for accountability and navigate new requirements to maintain compliance.

### Management Approach

#### Code of Conduct

Our Code of Conduct guides our behavior as we evaluate decisions and operate with integrity. The Code applies to all team members and covers a broad range of topics, including compliance, conflicts of interest, data security, etc.

We modernized the Code of Conduct in 2021 to integrate our new corporate values, including a traffic light concept to illustrate dangerous situations and other improvements that make it easy to read and use. Available in 22 languages to promote accessibility, our updated Code of Conduct reflects our commitment to unite our business units and instill an ethical culture across our operations.

The Tenneco Policy System ensures consistency in our global policies across our business units and locations. We continue to evaluate our standards, implement processes to maintain compliance, and refine our policies. We also perform a periodic Legal and Compliance Risk Assessment to improve the effectiveness of our management.



### Employee Training

In connection with our new Code of Conduct launch in 2021, salaried and hourly team members received Code of Conduct training. In addition, all salaried team members annually review and certify compliance with our Code of Conduct. To supplement the Code certification, we provide online compliance training for team members to learn about a variety of risks and topics, such as respect in the workplace, ethical decision making, privacy, information security, antitrust measures, conflicts of interest, anti-corruption, and anti-harassment. We customize the training based on particular audiences and trends that we have observed from our hotline, internal feedback, law changes and control improvements.

Although we faced ongoing in-person interaction challenges in 2021 due to the pandemic, as part of the initiative of business ethics training, we were able to provide 993 interactive education sessions and reached approximately 57,000 team members to communicate our updated Code of Conduct.

### Employee Engagement

We continuously enhance communications with team members to improve their understanding of our values and ethical behaviors. In 2021, we held two virtual contests on our corporate intranet site. The first contest asked team members to submit “memes” related to fighting corruption and human rights violations. The second contest invited team members to submit videos on how they would react if asked to do something that might violate our Code of Conduct. Together, the contests resulted in approximately 52,000 views in 60 days. These contests allowed team members to demonstrate their awareness and strengthen their ability to properly respond to any instances of potential violations of business integrity. Moving forward, we will continue to provide opportunities for team members to express their commitment to compliance and look for additional ways to showcase employee achievements in this area.

Tenneco’s effort in ethics and compliance was awarded [Compliance Week’s 2021 Excellence in Compliance Award](#). Driven by the company’s core values, we utilized an approach called Tenneco GPS, which directs our choices to ensure we find the right way to do things. Included within this approach was establishing a global culture encouraging team members to speak up about their experiences, to share ideas, and to suggest improvement opportunities. Our culture is built on employee feedback and having these methods of communication available is key.

In 2022, Tenneco’s program achieved world-class recognition when it was named to [Ethisphere’s List of 2022 World’s Most Ethical Companies](#). This is recognition that we embed our values into our culture that lead to better performance.

While we expect all of our team members to exhibit the highest degree of integrity in everything they do, there is a small group that goes above and beyond — Integrity Heroes. In 2021, we featured a number of heroes by sharing their stories, about how they responded when they were faced with a questionable situation, on the company’s internal intranet site.

### Ethisphere’s List of 2022 World’s Most Ethical Companies



“World’s Most Ethical Companies” and “Ethisphere” names and marks are registered trademarks of Ethisphere LLC.

In March 2022, we were named to the 2022 World’s Most Ethical Companies by Ethisphere. As one of six honorees in the automotive industry, the recognition showcases our outstanding achievements in ethics and compliance. For more information, click [here](#).

### We Value our Speak Up Culture

We provide multiple resources for team members to report any suspected violations of the Tenneco values or Code of Conduct. Team members can discuss any concerns with their managers or Human Resources representatives, and they can use the [Tenneco hotline](#), which is available 24/7 in multiple languages through a toll-free phone number and the Tenneco website. This hotline allows anonymous reporting, where permitted by law, and is operated by an independent third party to encourage team members to freely convey any issues. We receive hundreds of reports annually, which is to be expected for a company of our size. We value when team members help us to improve. Most calls pertain to Human Resources questions, and all reports are investigated in accordance with our policies. To encourage our team members to speak up, we maintain a Non-Retaliation Policy to protect anyone who raises a concern, reports misconduct, or participates in an investigation. If team members are suspected of retaliation, we enforce strict discipline measures, up to and including termination.

## Anti-Corruption

We actively fight corruption in our industry. We prohibit bribes and the facilitation of payments with any relation to Tenneco. We recognize the higher risk of corruption in certain areas where we operate, and we acknowledge the harmful impacts that corruption can have on local communities and stakeholders. To combat these risks, we evaluate vendors for compliance with our Code of Conduct and use a risk-based, third-party due diligence screening approach for managing corruption concerns in our supply chain.

Our Internal Audit department performs bi-annual enterprise risk assessment that includes evaluation of corruption risks. In addition to training our team members on anti-corruption, we annually celebrate our positive performance on International Anti-corruption Day and highlight our best-in-class practices.

On a quarterly basis, all plant controllers, plant managers, individuals throughout the finance reporting chain and key members of senior management are required to sign certifications in support of our quarterly financial reporting process. These certifications cover a variety of topics including knowledge of any fraud or alleged fraud, absence of undue influence by management on financial reporting, and compliance with the Foreign Corrupt Practices Act (FCPA) and other applicable anti-bribery laws.

## Performance

Tenneco became subject to antitrust investigation and litigation in 2014. With the administrative closure of the European Commission's antitrust inquiry on April 27, 2017, settlements on civil putative claims in the United States and Canada, and the granting of unconditional leniency from the Department of Justice in October 2020. We do not expect to incur any additional material costs for investigations by competition agencies or civil lawsuits related to possible violations of antitrust laws relating to products supplied by us and our subsidiaries, including Federal-Mogul. The legal action in 2021 was the last remaining civil lawsuit related to this case.

To mitigate the risks of noncompliance, we took steps to prevent similar issues in the future. For example, we provided additional compliance manuals and training to our commercial teams. We also enhanced antitrust training for various business units and teams around the world. Moving forward, we will continue to raise awareness and emphasize the importance of antitrust compliance at Tenneco.

## Operations Assessed for Risks Related to Corruption

2021

Total number and percentage of operations assessed for risks related to corruption	100% of our operations are assessed and evaluated for multiple compliance and ethics risks, including risks related to corruption.
Significant risks related to corruption identified through the risk assessment	We consider operations that require contact with government officials to pose the most significant risk of corruption through bribery (obtaining government permits, cross-border logistics, sales to government entities, etc.).

## Anti-competitive behavior, antitrust, and monopoly practices

2020

2021

Number of legal actions pending during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation in which the organization has been identified as a participant	9	1
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## Losses due to anti-competitive legal proceedings

2020

2021

Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	\$33M <sup>1</sup>	\$0
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<sup>1</sup> These costs relate to prior events and do not represent new cases. Tenneco established a reserve of \$132 million in our second quarter 2017 financial results for settlement costs relating to these matters. See 2020 10-K for further detail.

## Compliance Training

2021

Percentage of total workforce trained on business ethics issues	99%
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# Cybersecurity and Data Privacy

Our Board oversees the company’s information technology risk and associated information risk management program. The Audit Committee receives information technology and cybersecurity updates that focus on program governance, control maturity, and third-party information security assurance at least twice per year, with the Board receiving a similar briefing once per year.

We have a standing Information, Security, and Privacy Executive Steering Committee that meets regularly during the year. This steering committee is responsible for approving the organization’s information security charter and authority to operate, as well as demonstrating the importance of information security and privacy risk management as critical business issues. Additionally, this committee serves as the standing Cyber-Resilience Committee in the event of a cyber-crisis affecting the organization that requires cross-functional management response.

## Management Approach

In 2021, Tenneco began execution of a five-year cybersecurity improvement program, with an initial focus on improvements in governance, operating model and organization, strategy, and third-party risk management. Significant focus was also placed on creating and maintaining a modern cyber resilience program, inclusive of threat intelligence, incident response, and simulated cyberattacks focused on identification, containment, and recovery from an incident with the intent to quickly resume operational capabilities for the enterprise.

## Industry Frameworks

Our information security programs are developed based on industry-leading frameworks, including the National Institute of Standards and Technology (NIST) and ISO 27001 standards. In alignment with the NIST and ISO frameworks, our cybersecurity and data privacy program enables the creation of governance and policy artifacts mapped to each control framework.

In 2021, 14 locations, including our headquarters, were certified as compliant with the Trusted Information Security Assessment Exchange (TISAX). In 2022, we are planning to certify an additional 10 facilities. TISAX certification is based upon the ISO 27001 families and has resulted in an information security management system (ISMS) for the enterprise.

Our risk-based information technology systems allow us to prioritize deployment of controls and routinely gauge effectiveness of the program controls against our maturity objectives. Additionally, senior management reviews the assessments and external partners validate the design and implementation of cybersecurity and privacy controls across the enterprise.

## Training

We conduct multiple levels of testing and invest in team member training to improve the resilience of our information systems and promote greater awareness of cybersecurity risks. Regular updates on cybersecurity and data privacy risks are shared with various stakeholders across Tenneco. We conduct phishing testing and enterprise tabletop testing for our cyber-crisis management and cyber-resilience capabilities annually. Tenneco provides training and awareness of information technology governance through policies and procedures, reviews information risk topics, and takes advantage of current events to educate team members and contractors interacting with Tenneco’s information system.

## Data Privacy

We aim to build trust with our stakeholders and protect their interests throughout our operations by integrating privacy into our personal data processing activities. Our [Privacy Statement](#) outlines our commitment to protecting personal information and describes the rights that individuals have and how they can exercise those rights. In alignment with our policies and our commitment to stakeholder trust, we investigate incidents and customer privacy complaints thoroughly in accordance with legislation, such as the General Data Protection Regulation (GDPR).

Because we do not have a strong business-to-consumer element, we do not obtain, process, or store a significant amount of consumer information. We do manage human resources data for our team members, and we rely on third parties to process payroll on behalf of the company’s team members.

We maintain systems, applications, and data types that are critical to business, and we recognize that loss of confidentiality, integrity, or availability poses a risk of liability to third parties and harm to the company brand, reputation, operations, or assets. We also value the management of cyber-physical risks, both internally with connected shop floor operational technology as well as product development and security. We invested in shop floor segmentation in 2021 and will continue to do so at facilities deemed critical from a risk-based perspective. Additionally, product development and security will continue to receive focus in 2022 and beyond as the automotive sector continues to migrate from internal combustion engine to autonomous and electric vehicles.

## Performance

We measure our control maturity and comprehensiveness through a strategic business partner to annually evaluate our cybersecurity program. We recognize that the landscape continues to evolve, and we continue to take preventive measures. Additionally, key performance indicators are collected and monitored to demonstrate cybersecurity and data privacy performance over time.

### Substantiated complaints concerning breaches of customer privacy and losses of customer data

	2020	2021
Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:		
Complaints received from outside parties and substantiated by the organization	0	0
Complaints from regulatory bodies	0	0
Total number of complaints	0	0
Total number of identified leaks, thefts or losses of customer data	0	0



# Supply Chain Management

Supply chain disruption is a risk to our business. In 2021, our supply chain enabled dependable production while maintaining our safety standards during the COVID-19 pandemic. We continue to monitor supplier conduct and hold suppliers accountable for meeting required environmental and social expectations, including respect for human rights. Our management strategies focus on improving the sustainability and dependability of our supply chain to promote responsibility and efficiency in support of our customers. We are a global business and have many partners across the world to aid our delivery of high-quality products and services.

## Management Approach

### Standards

We commit to the protection of human rights and responsible sourcing throughout our supply chain as outlined in our Code of Conduct, [Supplier Code of Conduct](#), and [Supplier Manual](#). In 2021, we published a new Supplier Code to communicate our ESG requirements to suppliers as they relate to business ethics, social responsibility, fair labor conditions, environment, and supply chain management.

We complete restrictive and financial screening to ensure we choose suppliers that maintain acceptable financial standing and comply with trade regulations. All new suppliers are required to complete an assessment using environmental and social criteria during their onboarding process. We also commit to monitoring compliance with our standards and expect vendors to continuously improve their performance beyond the initial screening. We have adopted the following goals, and remain on track to achieve them:

Goal	2021 Progress
 100% of strategic partners reaffirm their commitment to the Tenneco Code of Conduct by the end of 2022.	We published a new supplier code and integrated it into the supplier Terms & Conditions and on-boarding process.
100% of Tenneco’s top sustainability “high-risk” and/or “high-impact” suppliers complete a self-assessment questionnaire by the end of 2022.	Initiated the development of a strategic plan for achieving the goal.

To enforce our standards, we perform regular on-site supplier audits to review compliance with Tenneco’s standards for a safe working environment, and we also verify working conditions during the reassessment process. Supplier assessment questions touch on social, environmental, product quality, safety, and business ethics topics.

In 2021, we strengthened our supplier screening process by kicking off a project to develop and implement a systemic process for conducting supplier sustainability self-assessments and ESG risk ratings. This additional layer of due diligence supports our strategy to identify and mitigate any potential ESG risks in our supply chain. This process is expected to be launched in 2022.

If there are any ethics or compliance issues identified in supplier interactions, we take actions to immediately remediate the issue or discontinue business relationships with suppliers and other third parties that fail to meet our standards for lawful and ethical conduct. As part of our expectations, we prohibit the use of forced labor in any form, including human trafficking and slavery. To promote accountability, our Tenneco hotline offers multiple reporting channels for anyone to report any concerns or potential violations of our ethical values. We promptly investigate reports and take necessary actions to address risk. For more information, see the Ethics and Compliance section on [page 28](#).

### Sustainability of Our Supply Chain

We strive to continuously contribute to a more efficient, responsible supply chain. As part of our strategy, we aim to include our suppliers in our efforts to increase sustainability and deliver value for our customers. In 2021, we established a Supply Chain Council in order to ensure compliance with new ESG requirements and to drive supply chain ESG priorities and actions.

### Supplier Training

We continue to communicate our supplier standards and policies to our team members and vendors to maintain compliance. In addition, we conduct internal training related to forced labor and fair working conditions, and we also provide relevant materials across Tenneco to improve team members’ knowledge. To further support compliance, we require that every direct material supplier maintains a training program that covers our commitment to forced labor and working conditions. We also encourage all suppliers to take the [Automotive Industry Action Group \(AIAG\) Supply Chain Sustainability Knowledge Assessment](#) and the AIAG Supply Chain Sustainability e-Learning module.

## Performance

	2020	2021
Total number of Suppliers	45,067	44,567
Total Supplier Spend	\$9,575M	\$11,240M

	2020	2021
Percent that our supplier onboarding process required screening of new suppliers using Tenneco’s requirements including social and environmental criteria	100%	100%

Supplier Locations: North America, Europe, China, Mexico, the U.S. and India.

Materials/Inputs Supplied: Raw materials, coatings, packaging, stamping, steel, and other products.





## Supplier Diversity

Diversity improves the strength of our supply chain and the continuity of our operations. Therefore, we actively pursue partnerships to maintain a diverse supplier base and continue to promote equal access to procurement opportunities for diverse businesses. We accept supplier certifications from the National Minority Supplier Development Council, the Women's Business Enterprise National Council, the National Veterans Business Development Council, and more. Tenneco expands our supplier diversity program beyond borders, accepting certifications unique in other countries including the United Kingdom, China, Africa, and Canada. Our goal is to increase the number of qualified vendors, representing both racial and gender diversity that meets the standards for quality and value. Since 2014, Tenneco has received 24 supplier diversity awards. In 2021, Tenneco received recognition from key customers and was awarded Nissan Quality and Supplier Diversity Award and Toyota Motors North America Excellent Supplier Diversity Award, further showcasing Tenneco's commitment to sustaining a diverse supplier base.

### Management Approach

We leverage the capabilities of our existing diverse suppliers and grow our partnerships by connecting them to opportunities for business in different functions and divisions throughout Tenneco. We encourage and assist suppliers that meet eligibility requirements for certification to work with certifying councils to gain validation and secure business with Tenneco.

Tenneco is actively engaged in advocacy organizations that promote the value of a diverse supply chain and leverages opportunities to connect diverse suppliers with decision-makers and influencers. In 2021, we contributed thought-leadership to the following organizations:

- Council of Supplier Diversity Professionals Membership Committee, where we supported the mission of the council in the ongoing growth and development of supplier diversity professionals
- Great Lakes Women's Business Council Certification Committee, where we sponsored and participated in its annual conference

and impact analysis projects to promote certification of bona fide women-owned businesses

- Michigan Minority Supplier Development Council, which we assisted and supported with event planning and co-chaired the Council's Automotive Industry Group Committee to share best practices and develop common tools for enhancing supplier diversity programs in the industry
- National Veteran Business Development Council Certification and Services Committees, where we helped support the certification and programming of veteran-owned businesses

In addition, we participated in conferences, training, and events hosted by a diverse group of organizations to learn and share best practices in achieving supplier diversity. The organizations included, but were not limited to:

- Michigan Hispanic Chamber of Commerce Economic Forum
- Asian Pacific American Chamber of Commerce
- National LGBTQ Chamber of Commerce
- WEConnect International
- Women's Business Enterprise National Council
- Michigan Minority Supplier Development Council
- Small Business Administration

### Performance

The COVID-19 pandemic continues to have a major impact on our diverse suppliers, such as the sale or closure of businesses, non-renewal of diversity certifications, and supply chain disruptions. However, we recognize the importance of the diversity of suppliers, and we will continue to implement practices that will ensure a diverse supplier base.



### THE ROAD TO MAKING TOMORROW BETTER:

#### Showcasing Diverse Suppliers

To improve our performance and promote Tenneco's supplier diversity program, over an eight-month span utilizing our tailored, electronic introduction format, Tenneco introduced 17 certified-qualified diverse suppliers throughout Tenneco business groups and functions. To further enhance outreach to diverse suppliers, Tenneco hosted two new events ("One Tenneco") which included guest speakers from two customers and a pitch series in recognition of October Global Diversity Awareness month. Through various forms of communication, we promoted the value of supplier diversity throughout the Enterprise. We follow processes and procedures to maintain and track our performance with diverse suppliers and target areas of improvement.

#### Diverse Suppliers


		2019	2020	2021
Minority Business Enterprise (MBE)	Number of Suppliers	63	75	85
	Spend (million)	64	51	45
Woman Business Enterprise (WBE)	Number of Suppliers	84	88	94
	Spend (million)	49	25	39
Veteran Business Enterprise (VET)	Number of Suppliers	31	14	12
	Spend (million)	69	2	2

# Conflict Minerals

In accordance with our [Conflict Minerals Statement](#), we are committed to responsible sourcing by procuring components and materials from companies that share our values around human rights, ethics, and environmental responsibility.

## Management Approach

We comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act, supporting elimination of the use of tantalum, tin, tungsten, and gold (3TG) from improper sources that could promote abuses in the Democratic Republic of the Congo Region (DRC) or one of the DRC nine adjoining countries or countries classified as Conflict Area, High-Risk Area (CAHARA). As part of our approach, we recently adopted the following goal:

Goal	2021 Progress
 Develop a strategy by 2024 to phase out, where possible, 3TG smelters and refiners nonconformant with RMI and/or other third-party audit processes in the supply chain.	Initiated the development of a strategic plan for achieving the goal.

As part of the ongoing effort to achieve our target, we have an annual, comprehensive due diligence process for our supply chain to document the origins of minerals and review responses to our supplier questionnaires. Our suppliers are required to request information about the use of conflict minerals from their direct suppliers, who must solicit information from the next tier of vendors. We expect all suppliers to exercise this level of due diligence and report the chain of custody on these minerals to Tenneco. Our leadership teams engage the Conflict Minerals Oversight Committee on a quarterly basis, which oversees our progress for due diligence to monitor compliance with regulations.

Our relevant suppliers, who are classified as strategic and critical suppliers as defined by the Organization for Economic Co-operation and Development (OECD), are given two months to perform their downstream supply chain due diligence and complete their reports. In 2021, we contacted 185 relevant suppliers across our enterprise for a formal response through our reporting platform, leading to 44 more suppliers engaged compared to 2020. We received a 100% response rate and reviewed each submitted report. If concerns or non-compliance were found, we worked closely with suppliers to address any issues through appropriate corrective actions, including training, investigation, and remediation.

In collaboration with the Automotive Industry Action Group (AIAG) and the [Responsible Minerals Initiative \(RMI\)](#), we were able to access additional resources to conduct a more in-depth analysis on smelters and refiners (SOR) identified in our due diligence program. Utilizing the tools, we were able to provide immediate feedback on the information submitted by suppliers and ensure compliance with industry standards. In 2021, we achieved a 32% improvement in SORs classified as Conformant and Active through RMI's third-party audit process.

To improve consistency in reporting and the tools used for the process, we work closely with the AIAG, RMI, and original equipment manufacturers (OEMs). We continue to educate suppliers on requirements regarding 3TG and employ an industry-wide approach for centralized collection of information to efficiently track data and respond to customer requests. In support of the Conflict-Free Smelter Program developed by RMI, we strive to obtain information and assistance from suppliers to trace the country of origin of any necessary 3TG.

## Cobalt Reporting

As part of our continuous effort to source responsibly and align with expectations of AIAG and OEMs, we included cobalt and mica reporting in 2021 in our annual due diligence process. We added cobalt and mica to our survey because of their connections to potential human rights violations such as poor working conditions and child labor. We will continue to work with suppliers who report these elements in their supply chains to understand the sources and opportunities for conflict-free mineral sourcing. As we become more aware of minerals of concern, we will incorporate additional assessments into our reporting process to monitor performance in our supply chains.

We are actively involved in multiple industry groups to anticipate the next focus and prepare to report on additional minerals. For example, we are members of AIAG and RMI subgroups, including the Responsible Materials Information Sharing Subgroup, RMI Cobalt and Mica Task Force, the AIAG Smelter Engagement Team, and co-chair of AIAG's Global Requirement Mineral Sensing Group. Being part of these working groups addressing conflict minerals keeps us on track with emerging requirements and enables us to influence the discussion. In addition, we continue to bring awareness of conflict minerals and provide training for both suppliers and team members.







# OUR PRODUCTS

At Tenneco, we strive to positively contribute to the environment and society through our products.

Our extensive portfolio represents our culture of innovation and commitment to safe, efficient, and high-quality products that provide solutions for global mobility markets — today and tomorrow. We remain a leading global supplier in the automotive parts industry and are committed to developing sustainable processes and products that contribute to reduced greenhouse gas emissions and fuel efficiency. Our emission control products also reduce harmful criteria pollutants and enable our customers to comply with the latest emissions regulations.

We manufacture OE products for ride performance, emission systems, and powertrains for nearly all OEMs worldwide. In addition, we offer world-leading brands for innovative products, including brands that have successfully delivered solutions for more than 100 years. As our business evolves, our Motorparts and Performance Solutions business units as well as our commercial truck, off-highway, and industrial offerings, will drive our growth. We are targeting a reduction in our portfolio exposure to OE light vehicle internal combustion engines (ICEs) to less than 20% through the end of the decade.

## SKIP TO:

[Product Safety and Quality](#)

[Product Efficiency](#)

[Product Innovation](#)

## SUGGESTED LINKS:

[Product Compliance and Quality Policy](#)

# Product Safety and Quality

We succeed within the automotive parts industry because of our commitment to product quality and customer satisfaction. Maintaining high product performance and mitigating product safety risks in our facilities are how we establish our reputation as a trusted supplier. To provide reliability and protect health and safety of our customers, we implement thorough quality standards and leverage opportunities for continuous improvement in delivering superior products and meeting requirements for compliance.

## Management Approach

### Quality Management

Tenneco’s quality management systems align with ISO 9001 and International Automotive Task Force (IATF) 16949 for automotive business, AS9100 for aerospace business, ISO/TS 22163 for railway applications, and VDA 6.3 for European OEMs.

Goal	2021 Progress
 Achieve 100% certification with IATF 16949, ISO 9001 or other applicable quality management standards for manufacturing sites by the end of 2025 to standardize quality governance.	99%

These industry standards outline systemic, effective, and widely recognized procedures that direct our approach to quality management. In 2021, 99% of our manufacturing sites were certified to the IATF 16949 and/or ISO 9001 standards.

**99%** 

of manufacturing sites maintained IATF 16949 and/or ISO 9001 Quality Management System Certification.

Our business units perform assessments to identify risks in our operations and implement controls to reduce the probability of failure. We conduct safety assessments at each stage of our management process to help maintain our product quality. Once we launch our products, we collect and incorporate customer feedback to continuously improve performance. This cycle of continuous evaluation enables our thorough approach to quality and delivery of reliable auto components.

### Global Warranty Committee

The Global Warranty Committee (GWC) oversees product safety and quality to promote a cross-functional approach and manage escalation of any product warranty issues. The GWC represents executive and functional leaders from the Engineering, Quality, Manufacturing Operations and Legal departments. Our structured problem-solving process, overseen by the GWC, prevents problems and emphasizes continuous improvement to build solutions into future product development. The GWC maintains corporate-level responsibility for this system and prioritizes communication and collaboration between functions to holistically address risks. The committee has an escalation process for potential product safety and significant quality issues. Early notification and review both locally and at the corporate level facilitates learning and action where needed, which provides a robust process to determine the company’s regulatory and financial reporting obligations.

In compliance with the quality requirements for our components and systems, we report on the raw materials contained in our products to the International Material Data System (IMDS). Our Restricted Substance Management Standard (RSMS) also supports our commitment that materials in our products fully meet applicable regulatory and customer standards. Further, the RSMS standard informs our suppliers of the substances that must be excluded from Tenneco’s products. As part of our commitment, we continue to update and monitor compliance with regulations.

### Initiatives

In 2021, Tenneco adopted a new Product Compliance and Quality Policy to enhance its ability to have a holistic approach to product safety quality and compliance. A new council was established and is taking further steps to improve governance and processes, share best practices across business segments, and generate new ideas so we can further improve customer satisfaction.

### Our Quality Policy

We released a new [Product Compliance and Quality Policy](#) in early 2021 as we continued to update our approach to managing quality and safety. This framework aligns our strategy across our business units to consistently deliver effective, safe products. Our goal is to get it right the first time, every time.

### Quality Audits

In pursuing and maintaining our certification in ISO 9001 and IATF 16949 standards, we conduct third-party audits at our manufacturing sites. We also expect direct material suppliers to certify their quality management system to ISO 9001 standards. During the supplier approval process, we audit new direct material suppliers on quality management as well as conformance with our Supplier Code of Conduct.

### Customer Satisfaction

At Tenneco, we strive to exceed customer expectations by continuing to meet their needs while creating a collaborative space in order to identify future market demand. We recognize that maintaining and improving customer satisfaction is essential to our business in the industry, and we relentlessly work to deliver high-quality products to our customers.

The satisfaction of our customers is managed throughout the product realization process, from project inception to every shipment to customers. We work closely with our customers in understanding their needs and ensuring our products and services meet their specific expectations. Frequent communication with our customers, across all functions of their organization, ensures we understand current levels of satisfaction and allows us to make adjustments where needed to maintain healthy customer relationships.

We pride ourselves on being a company that is highly recognized for our excellent customer service, product quality, and our ability to create strong partnerships. We track customer scorecards closely to monitor how well our services and products meet expectations. The scorecards enable us to develop and execute actions that improve sub-optimal scores and increase customer satisfaction level.



**In 2021, we received more than 50 customer awards related to the quality of our products and services. We will continue to invest in customer engagement and harness feedback to improve our products and help shape the future of the auto industry.**



## Performance

We continually optimize our quality management process to uphold our standards and reduce the risk of malfunction. In 2021, we proactively initiated a recall of 3,700 units because the performance did not meet our standards. No fatalities or litigation were involved, and concerns were quickly addressed.

### Incidents of noncompliance concerning the health and safety impacts of products and services

	2020	2021
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary codes	0	0
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period	0	0

### Number of recalls issued, total units recalled<sup>1</sup>

	2020	2021
Total number of recalls issued	3	2
Total number of units subject to a recall	2,340	3,700

For each recall, these units represent less than 0.1% of the units shipped. No legal proceedings or passenger fatalities occurred, and there was no cost to customers to remedy the issue. The 2021 recalls related to our Motorparts business segment include:

- National Highway Traffic Safety Administration (NHTSA) Recall No. 21E027 resulted in 2,394 recalled units (MOOG Ball Joint, Part No. K500359) due to a lack of an alignment hole and installation of warning tag as well as a potentially misaligned dust boot.
- NHTSA Recall No. 21E097 resulted in 1,306 recalled units (MOOG Tie Rod Part No. EV801120; MOOG Tie Rod Part No. EV800964; and NAPA Tie Rod Part No. NCP 2693957) due to an excessive hardness condition in the stud portion that may cause the part to be brittle and susceptible to cracking and, potentially, failure.

<sup>1</sup> This table represents NHTSA recalls in the U.S. and any equivalent recalls in other countries. Tenneco is not aware of additional recalls. Tenneco identified a potential issue and voluntarily initiated the recalls.



## Product Efficiency

Tenneco develops products that support the next generation of hybrid and battery electric vehicles while also enabling more efficient internal combustion engines with fewer emissions. We drive advancements and contribute to efficiencies across a wide spectrum of vehicles, including those that incorporate hydrogen or alternative fuels, because our diverse portfolio of products applies to vehicles with multiple fuel types.

Due to our extensive experience in internal combustion engines, we can help customers align with increasingly stringent vehicle emissions regulations, manage downstream greenhouse gas emissions, and meet their ambitious fuel-efficiency targets. Simultaneously, a significant portion of our products supports the transition to electrification by applying our components to several types of vehicles, including hybrid and battery electric automobiles.

### Management Approach


Gaining efficiencies without compromising performance continues to be critical. Our ability to consistently deliver products that achieve both efficiency and performance standards factors into our success as a leading supplier. Across Tenneco, many of our products contribute to reductions in vehicle mass and emissions, support the increasing demand for electric and hybrid vehicles, and enable customers to meet fuel economy targets. Beyond the trend of light vehicles switching to electric and hybrid models, our products also help commercial truck and off-road vehicles to be more fuel-efficient and produce fewer emissions. The diversity of our capabilities allows Tenneco to facilitate the automotive market in transitioning to cleaner and fuel-efficient vehicles.

Our engineering teams direct our investments in product efficiency and create roadmaps that outline the steps required to meet customer demand and exceed expectations. We have formed an approach to develop products that enhance efficiency and performance across the lifecycle of the vehicle. Our product strategy features opportunities to target greenhouse gas emissions and vehicle propulsion efficiency while also providing fuel agnostic components as applicable and focusing on customer needs throughout the process. As part of our process for product development and launch, we identify regulatory and other risks and opportunities through our Tenneco Product Launch System. Our evaluation process includes continuous checkpoints to maintain product quality and integrity.

In addition to identifying regulatory requirements and market opportunities, our process increases the probability that our research and development investments will result in successful customer adoption. Dependent on the efficiency of our products, our customers also remain involved in our process by testing engines in the certification stage and performing durability tests for extended emissions compliance in the use phase.

Driven by fuel economy standards, we are equipped for helping global engine manufacturers meet stringent emissions regulations and drive product efficiency by prioritizing improvement programs. As we continue to pursue the growth of our business, we will continue to assess customer needs to guide our solutions in the future.

In our global technology centers, we operate numerous state-of-the-art engine test benches for all kinds of light vehicle and heavy-duty engines. We constantly improve our equipment and know-how. For instance, we recently added hydrogen engine test capabilities, inline oil consumption, and particulate emission measurement technologies.

**41%** 

of revenue from Clean Air and Powertrain products that contribute to fuel efficiency and/or emissions reduction.



### THE ROAD TO MAKING TOMORROW BETTER:

#### Supporting Emissions Reductions

The global transportation industry is taking on the challenge of decarbonizing propulsion with the goal of achieving climate-neutral mobility. In the mix of applicable and complementary technology solutions is hydrogen-powered internal combustion engines (H<sub>2</sub>-ICEs). This technology can drive decarbonization on a broad scale, especially in commercial truck, off-highway and industrial applications (CTOHI).

Tenneco's Powertrain business group are putting their comprehensive expertise to work on alternative fuel options for ICEs, leveraging their potential to minimize the carbon footprint enabling climate-neutral ICE operation. Among these options is "green hydrogen," that is, H<sub>2</sub> produced from renewable energy sources.



There are many benefits to using hydrogen to power ICEs versus its use in fuel cells. The transformation into CO<sub>2</sub>-reduced or even CO<sub>2</sub>-neutral operation of vehicles can be accelerated by using green hydrogen in powering ICEs. Further, it is a more affordable,

less complex and faster-to-market solution that also enables the continued use of existing manufacturing infrastructure.



Tenneco's Powertrain team cooperates closely with OEMs, engine manufacturers and research institutions to overcome the challenges involved with the use of hydrogen in ICEs. Our intensive research efforts with development partners have shown

promising results regarding a clean H<sub>2</sub>-burning process that enables ultra-low emissions, high thermal efficiency and high knock tolerance.

Building on its extensive experience in the development of ICE components, Tenneco is supporting OEM customers with technology and product solutions for hydrogen-powered ICE concepts. We are committed to leveraging our expertise to contribute to low-carbon mobility.



## Our Technology

Our technology advancements enable our customers to meet fuel economy regulations and reach their own emissions targets for their sustainability programs. These include:

- Supplying parts for all vehicle types, including hybrids, battery electric vehicles and hydrogen combustion engines;
- Reducing noise and vibration for quieter engines;
- Increasing engine efficiencies for commercial truck and off-highway segments;
- Reducing product mass;
- Recovering exhaust heat energy;
- Reducing copper usage and limiting friction in brakes; and
- Preventing vehicle deterioration and waste.

We design specialized coatings and components that reduce mass and friction and improve thermal and mechanical resistance, which support OEMs in reaching their goals for engine enhancements. For example, our light vehicle diesel steel pistons offer proven carbon emission reduction, and our IROX 2 polymer bearing coatings provide increased reliability to support higher-density, more efficient engines.



Tenneco participates in the yearly PACE Award innovation competition. After winning one of the prestigious awards in 2020 with our advanced IROX 2 polymer coating for engine bearings, in 2021 our Cold Start Thermal Unit (CSTU) technology was a PACE Pilot award finalist. CSTU enables advanced

thermal management in exhaust systems to meet future emissions standards without compromising fuel economy.

Our business provides the products that enable continued evolution of internal combustion engines and reduce emissions from exhaust gases. We also contribute to the transition to a low-carbon economy by delivering solutions that recover exhaust energy, reduce mass and backpressure, and improve fuel economy.

We support long-lasting operating conditions that prevent fluid leakage or vehicle deterioration, which maintain vehicle lifespans to keep them out of landfills. Together, our products enable cleaner transportation and valuable efficiency increases from multiple angles of vehicle improvement.

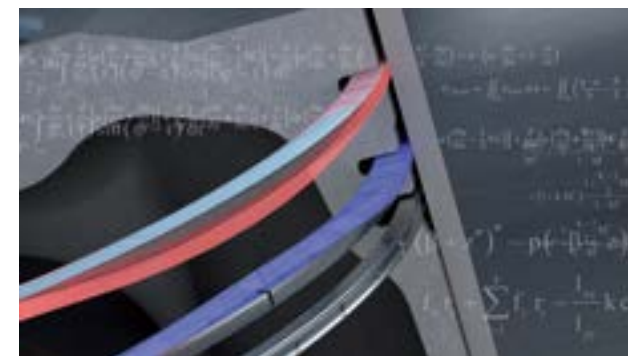
### Advanced Piston Ring Technology

#### Tenneco DLC

The Tenneco DLC (Diamond Like Coating) range of piston ring coatings, including CarboGlide and DuroGlide, provides the ultimate combination of low friction and exceptional durability in the most critical engine environments.

#### PRIME3D®

PRIME3D® is a unique and market-leading analysis tool analyzing engine conditions and their influence on emission values like blow-by, oil consumption particle, etc., based on Powertrain products and combustion systems. It predicts with a very high-performance dynamic product conditions and their influence on measurable engine conditions. This leads to a cost saving and reduction of engine development time and testing for engine manufacturers.



## Performance

Total revenue from products designed to increase fuel efficiency and/or reduce emissions during their use phase<sup>1</sup>

2020 - \$6,376 Million (41%)

2021 - \$7,402 Million (41%)

<sup>1</sup> This reflects Clean Air and Powertrain segments only.



**Tenneco is one of the first in the world to introduce a complete line of zero-copper brake pads more than 10 years ahead of mandated legislation that phased out the use of copper due to its adverse environmental impact.**

## Product Innovation

To drive our product performance, we invest in research and development and strive to differentiate our business. We continue to showcase the range of our capabilities and supply new technologies to enable the market transition as we incorporate modern advancements that support vehicle electrification, alternative fuels, and hydrogen. By anticipating market needs, we offer innovative solutions to remain a leader in this transforming industry and drive value for our stakeholders.

### Management Approach

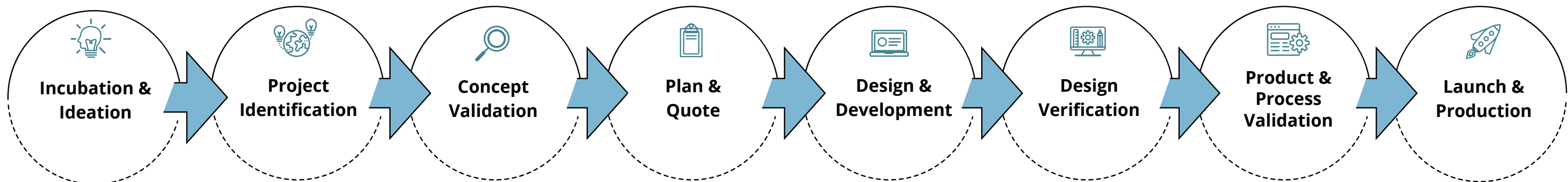
#### Our Strategy

We measure the success of our innovation by the benefits to our customers in terms of user satisfaction, costs, and environmental performance. Our business units take a cross-functional approach to oversee product innovation by driving collaboration between sales, customer applications engineering, manufacturing, product engineering, and process engineering functions. Our teams strategically determine future market needs, generate ideas for new products, solve problems through our designs, and manufacture technologies for analysis.

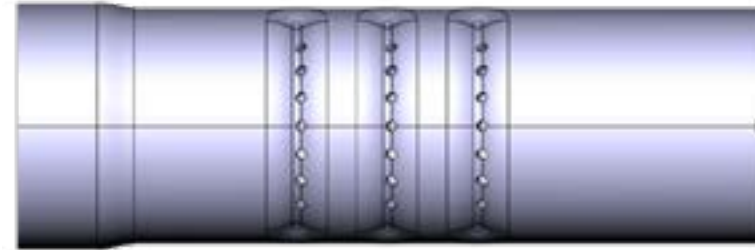
To encourage innovation across the organization, we honor innovative accomplishments of individuals and teams with yearly innovation award events and patent award celebrations. As we explore opportunities for innovation, we focus on products, processes, and customer service. Tenneco strives to enhance function and product modularity, and we also consider alternative options beyond internal combustion engines, such as fuel cells.

To deliver cost-saving benefits, we target process engineering developments. We also provide exceptional customer service by reducing development times and streamlining delivery to the market. Our process for innovation enables quicker product integration to improve customer experience.

### Our Development Process



### Standing Wave Management



This innovative strategy provides acoustic openings in pipes to reduce standing waves and tailpipe boom noise. We recognized our customers' need for both compact design and sound quality. We also developed this solution to enable customers to meet regulatory targets for criteria pollutants, fuel economy, and muffler volume. Developed for each specific application, Standing Wave Management reduces engine order noise levels, acoustic tuning volume, and hydraulic flow leakage to the surrounding environment. The reduction in complexity allows a decrease in weight and cost, and the compact design also is advantageous for use in hybrid vehicles.

We use 3D printing technology for developing prototype parts. The Powertrain segment uses 3D printing to create casting dies for aluminum pistons, and our Clean Air business segment uses design automation software to accumulate design and manufacturing rules to incorporate them into the CAD environment. This process gives a designer the capability to automatically generate 3D geometry, substantially reducing the time required to generate product designs and eliminate errors.

### Crushshield® System Protection



This self-wrapping sleeve is designed to provide superior cut through protection for electrical cables in hybrid and electric vehicles. The tough, multilayer construction enables the product to absorb and disperse energy, and the ability to prevent cut through attracts vehicle manufacturers concerned with isolating hybrid and electric vehicle cables from the vehicles' electricity conducting chassis in crash situations. In production since 2012, the first application was the Toyota Prius, and the product has now been widely adopted today for many battery electric vehicle and hybrid electric vehicle applications, with an accelerating interest from major OEMs.



### Tenneco’s Approach in the Transformation Process to Climate-neutral Mobility

We continue to advance solutions for more efficient vehicle technologies, and our overall business still benefits from the market transitions because of the range of our capabilities. As we enhance efficiency by supplying components for light electric vehicles, we have the flexibility to continue improving efficiency through the internal combustion engine in the commercial truck and off-highway segment. An increasing portion of our business supports this growing segment that may not become electric as quickly as the light vehicle segment.

#### Hydrogen

Besides electrification, the use of so-called “green hydrogen”, produced with renewable energy, is a viable solution to achieve climate-neutral mobility. Hydrogen can be used as fuel in combustion engines and in fuel cells.

Especially in the commercial truck and off-highway segment, the use of hydrogen gains strong interest. Tenneco is involved with all Powertrain components in multiple projects for hydrogen combustion engines. We are using our technological competence and testing capabilities to optimize the Powertrain and exhaust aftertreatment components specifically for the use with hydrogen, helping our customers to develop efficient and robust hydrogen combustion engines.

#### Synthetic Fuels

Synthetic fuels for motor vehicles can play an important role in achieving near-zero emissions mobility by using renewable energy sources to create a closed CO<sub>2</sub> cycle when viewed from a holistic “well-to-wheel” perspective. Developing a climate-neutral alternative to petroleum-based fuels allows Tenneco’s Clean Air experts to better manage remaining pollutants through the aftertreatment process while offering the potential for reducing overall emissions.

Synthetically produced, climate-neutral synthetic fuels (e-fuels) are particularly suitable for vehicles with traditional ICEs as well as alternative powertrains such as hybrids. Additionally, the e-fuels can be made available to consumers by using mostly existing, well-developed fuel distribution and filling station infrastructure with only minor adjustments, making the technology even more appealing as a near-term, fast-to-market solution.

To read the related press release, click [here](#).

### Electric Vehicles

As part of our commitment to improving product efficiency and limiting downstream impacts, we are a leader in the market transition to alternative fuels and electric automobiles. We are well-positioned to align our business with this global change because most of our products in our Performance Solutions and Motorparts business units are mostly fuel-agnostic and therefore can be used in hybrid and battery electric vehicles. By contributing fuel-agnostic components to these vehicles, we integrate our business with advanced technology and continue to drive improvements in efficiency across the automotive industry. In 2021, 63% of our value-add revenue is agnostic to the original equipment light vehicle internal combustion engine.

Approximately a third of the new business pipeline for Performance Solutions focuses on battery electric vehicles or hybrids. In 2021, we planned multiple launches of programs for battery electric vehicles, hybrids, or bike programs as we facilitate advancements in the industry.

In addition to fuel-agnostic products, our Performance Solutions business unit leverages knowledge of suspension bushings, subframes and mounts to achieve reductions in noise and vibration. To support electric designs, we provide technologies that reduce harsh vibrations for electric vehicles, since noise from vehicle parts becomes more evident with quieter engines. Customers use these advanced products to build noiseless electric vehicles, which present different engineering challenges compared to vehicles with internal combustion engines.

Additionally, Tenneco Braking is working on a joint project with a manufacturing partner for an innovative “Pad for Future” solution targeting autonomous battery electric vehicles. With this innovative technology, we improve friction properties to provide best comfort and performance of battery electric vehicles.



of the new business pipeline for Performance Solutions focuses on electric vehicles

### Performance

We assess our product innovation performance through unique measures and metrics for each business segment that indicate success. These include product cost leadership; superior functionality; advancement of technology; vehicle dynamics/integrated systems expertise; noise, vibration and harshness solutions; and offering leading aftermarket brands.

Metric	2020	2021
Number of parts produced <sup>1</sup>	4,816,862,704	5,387,103,943
Area of manufacturing plants (m <sup>2</sup> )	3.34 million	3.6 million

<sup>1</sup> The data included here reflects the number of parts shipped, because we do not track the number of parts produced for each business unit.

Percentage of products sold that are recyclable	2020	2021
Percentage of products sold, by revenue, that are recyclable	91%	91%







# APPENDIX

**SKIP TO:**

[Appendix A - Stakeholder Engagement](#)

[Appendix B - SASB Index](#)

[Appendix C - GRI Index](#)

[Appendix D - Performance Data](#)



## Appendix A - Stakeholder Engagement

The table below summarizes our engagement activities with key stakeholders, including the frequency of our engagements and the relevant topics.

Stakeholder	How We Engage	Key Topics of Importance
Team Members	<ul style="list-style-type: none"> <li>Hold town hall and team member meetings, global webcasts, picnics and special events, training and development, and recognition programs annually</li> <li>Participate at annual Euroforum</li> <li>Host Corporate Social Responsibility and Sustainability Council meetings quarterly</li> <li>Update Enterprise Risk Management annually</li> <li>Perform team member engagement surveys at least every two years</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Inclusion, Diversity and Equity</li> <li>Safety</li> <li>Training and development</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Participate in Ford's Partnership for a Cleaner Environment program annually</li> <li>Host customer technology days and step-level meetings with customers annually</li> <li>Participate in customer Sustainability initiatives, e.g., BMW Sustainability Training for Suppliers, Scania Sustainability Supplier Day annually, and GM's Energy Treasure Hunts</li> <li>Participate in Automotive REACH Task Force annually</li> </ul>	<ul style="list-style-type: none"> <li>Customer service</li> <li>Management of restricted substances</li> <li>Product safety</li> <li>Product quality</li> <li>Sustainability-related risks and opportunities</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Hold annual shareholder meeting</li> <li>Host quarterly webcasts to discuss financial results</li> <li>Participate in global investor and industry conferences throughout the year</li> <li>Submit quarter/annual and other SEC filings</li> <li>Share our ESG progress in dialogues with investors</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Corporate governance</li> <li>Executive compensation</li> <li>Regulatory risks</li> <li>Sustainability-related risks and opportunities</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Provide site visits and plant tours</li> <li>Partner with local charitable organizations and schools</li> <li>Support annual charitable fundraising campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Air quality</li> <li>Business performance</li> <li>Corporate giving</li> <li>Corporate taxes</li> <li>Local employment</li> <li>Safety</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Participate in Automotive Industry Action Group</li> <li>Maintain Supplier Diversity Program annually</li> <li>Perform supplier audits</li> <li>Complete screenings on new suppliers</li> <li>Communicate our new Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Conflict Minerals</li> <li>Supplier growth</li> <li>Supplier diversity</li> <li>Waste management</li> </ul>
Government and Regulatory Agencies	<ul style="list-style-type: none"> <li>Engage with the Environmental Protection Agency on emissions reduction strategies on an ongoing basis</li> <li>Conduct due diligence to ensure compliance with the German Supply Chain Act</li> </ul>	<ul style="list-style-type: none"> <li>Air quality</li> <li>Compliance</li> <li>Greenhouse gas emissions</li> <li>Public health and safety</li> </ul>
Trade Associations	<ul style="list-style-type: none"> <li>Sit on the Automotive Industry Action Group Board of Directors and the Supply Chain Steering Committee</li> <li>Participate in the Automotive Aftermarket Suppliers Association quarterly meetings</li> <li>Participate in the European Association of Automotive Suppliers Sustainability/CSR Expert Group quarterly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Public policy</li> <li>Product quality</li> <li>Product safety</li> <li>Supply chain management</li> <li>Transparency</li> </ul>

## Appendix B - SASB Index

Below is Tenneco's response to the SASB Index, an industry-specific reporting framework that allows investors to more easily compare ESG performance across industry peers. Tenneco reports under the Auto Parts industry. The response column of this table indicates where you can find more information about each topic.

Topic	Metric	Code	Response	Omission
Energy Management	<ol style="list-style-type: none"> <li>Total energy consumed</li> <li>Percentage grid electricity</li> <li>Percentage renewable</li> </ol>	TR-AP-130a.1	<a href="#">Page 13, 48</a>	
Waste Management	<ol style="list-style-type: none"> <li>Total amount of waste from manufacturing</li> <li>Percentage hazardous</li> <li>Percentage recycled</li> </ol>	TR-AP-150a.1	<a href="#">Page 15</a>	
Product Safety	Number of recalls issued, total units recalled	TR-AP-250a.1	<a href="#">Page 36</a>	
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	<a href="#">Page 38</a>	
Material Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	<a href="#">Page 33</a>	
Material Efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	<a href="#">Page 40</a>	
	Percentage of input materials from recycled or re-manufactured content	TR-AP-440b.2	N/A	This information has not been tracked in the past. We are working on ways to track it in the future.
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	<a href="#">Page 29</a>	



## Appendix C - GRI Index

GRI Disclosures		Report Section or Direct Response	Page #	Omission
<b>GRI 2: General Disclosures</b>				
<b>Organizational Profile &amp; Reporting Practices</b>				
GRI 2: General Disclosures 2021	2-1: Name of the organization	Tenneco Inc.	N/A	
	2-2: Entities included in the organization's sustainability reporting	Tenneco Overview; <a href="#">2021 10-K</a>	8	
	2-3: Reporting period, frequency, and contact point	The report covers our performance from January 1, 2021 to December 31, 2021, unless otherwise stated.	2	
	2-4: Restatements of information	Throughout the Report	N/A	
	2-5: External assurance	About this Report	2	Tenneco plans to conduct external assurance in 2023.
<b>Activities and Workers</b>				
GRI 2: General Disclosures 2021	2-6: Activities, value chain and other business relationships	<a href="#">2021 10-K</a>	N/A	
	2-7: Employees	Appendix D – Performance Data	50	
	2-8: Workers who are not employees	Talent Attraction and Retention; Appendix D – Performance Data	19-20, 49	Total number of workers who are not employees and whose work is controlled by the organization is currently not tracked. Tenneco continues to improve reporting processes and will consider working separately to collect data.
<b>Governance</b>				
GRI 2: General Disclosures 2021	2-9: Governance structure and composition	Corporate Governance	26-27	
	2-10: Nomination and selection of the highest governance body	Corporate Governance	26-27	
	2-11: Chair of the highest governance body	Corporate Governance	26-27	
	2-12: Role of the highest governance body in overseeing the management of impacts	Corporate Governance	26-27	
	2-13: Delegation of responsibility for managing impacts	Corporate Governance	26-27	
	2-14: Role of the highest governance body in sustainability reporting	Corporate Governance	26-27	
	2-15: Conflicts of interest	<a href="#">Proxy Statement</a>	N/A	
	2-16: Communication of critical concerns	Ethics and Compliance	28-29	Total number and nature of critical concerns communicated to the highest governance body information is confidential to the business.
	2-17: Collective knowledge of the highest governance body	Corporate Governance	26-27	
	2-18: Evaluation of the performance of the highest governance body	<a href="#">Proxy Statement</a>	N/A	
	2-19: Remuneration policies	<a href="#">Proxy Statement</a>	N/A	
2-20: Process to determine remuneration	<a href="#">Proxy Statement</a>	N/A		
2-21: Annual total compensation ratio	<a href="#">Proxy Statement</a>	N/A		

GRI Disclosures		Report Section or Direct Response	Page #	Omission
<b>Strategy, Policies and Practices</b>				
GRI 2: General Disclosures 2021	2-22: Statement on sustainable development strategy	From the CEO	3	
	2-23: Policy commitments	Labor Relations; Ethics and Compliance	23, 28-29	
	2-24: Embedding policy commitments	Ethics and Compliance; Supply Chain Management	28-29, 31	
	2-25: Processes to remediate negative impacts	Throughout the report	N/A	
	2-26: Mechanisms for seeking advice and raising concerns	Ethics and Compliance	28-29	
	2-27: Compliance with laws and regulations	Ethics and Compliance	28-29	
	2-28: Membership associations	Tenneco is a member of the following associations: <ul style="list-style-type: none"> <li>Automotive Industry Action Group Board of Directors and the Supply Chain Steering Committee</li> <li>Automotive Aftermarket Suppliers Association</li> <li>European Association of Automotive Suppliers Sustainability/CSR Expert Group</li> <li>Original Equipment Suppliers Association</li> </ul>	N/A	
<b>Stakeholder Engagement</b>				
GRI 2: General Disclosures 2021	2-29: Approach to stakeholder engagement	Stakeholder Engagement; Appendix A – Stakeholder Engagement	5, 42	
	2-30: Collective bargaining agreements	Labor Relations; The working conditions and terms of employment for employees not subject to a collective bargaining agreement are determined by Tenneco policies and any applicable country, federal, or state rules and regulations.	23	
<b>GRI 3: Material Topics</b>				
<b>Disclosures on Material Topics</b>				
GRI 3: Material Topics 2021	3-1: Process to determine material topics	Materiality Assessment	5	
	3-2: List of material topics	Materiality Assessment	5	
	3-3: Management of material topics	Throughout the report.	N/A	
<b>GRI 200: Economic</b>				
<b>Anti-corruption</b>				
GRI 205: Anti-corruption 2016	3-3: Management of material topics	Ethics and Compliance	28-29	
	205 - 1: Operations assessed for risks related to corruption	Ethics and Compliance	28-29	
<b>Anti-competitive Behavior</b>				
GRI 206: Anticompetitive Behavior 2016	3-3: Management of material topics	Ethics and Compliance	28-29	
	302-1: Energy consumption within the organization	Ethics and Compliance	28-29	



GRI Disclosures		Report Section or Direct Response	Page #	Omission
<b>GRI 300: Environmental</b>				
<b>Energy</b>				
GRI 302: Energy 2016	3-3: Management of material topics	Energy and Greenhouse Gas Emissions	13-14	
	302-1: Energy consumption within the organization	Energy and Greenhouse Gas Emissions; <a href="#">2021 CDP Response</a>	13-14	Energy sold data is currently not tracked. Tenneco continues to improve reporting processes and will consider working separately to collect data.
	302-3: Energy intensity	Energy and Greenhouse Gas Emissions; <a href="#">2021 CDP Response</a>	13-14	
	302-4: Reduction of energy consumption	Energy and Greenhouse Gas Emissions	13-14	Due to the global pandemic, production levels at our facilities around the world were impacted, lowering our energy demand. Our 2021 energy reduction metrics do not reflect normal operations. We are currently unable to isolate reductions from 2021 energy efficiency projects. Tenneco continues to improve reporting processes and will consider working separately to collect data.
<b>Water</b>				
GRI 303: Water and Effluents 2018	3-3: Management of material topics	Operational Waste and Water	15	
	303-3: Water withdrawal	Operational Waste and Water; Appendix D – Performance Data	15, 48	Water withdrawal from fresh water ( $\leq 1,000$ mg/L total dissolved solids) and other water data is currently not tracked. Tenneco continues to improve reporting processes and will consider working separately to collect data.
<b>Emissions</b>				
GRI 305: Emissions 2016	3-3: Management of material topics	Energy and Greenhouse Gas Emissions	13-14	
	305-1: Direct (Scope 1) GHG emissions	Energy and Greenhouse Gas Emissions; Appendix D – Performance Data	13-14, 48	
	305-2: Energy indirect (Scope 2) GHG emissions	Energy and Greenhouse Gas Emissions; Appendix D – Performance Data	13-14, 48	
	305-4: GHG emissions intensity	Energy and Greenhouse Gas Emissions; Appendix D – Performance Data	13-14, 48	
	305-5: Reduction of GHG emissions	Energy and Greenhouse Gas Emissions; Appendix D – Performance Data	13-14, 48	
<b>Waste</b>				
GRI 306: Waste 2020	3-3: Management of material topics	Operational Waste and Water	15	
	306-3: Waste Generated	Operational Waste and Water; Appendix D – Performance Data	15, 48	
<b>GRI 400: Social</b>				
<b>Employment</b>				
GRI 401: Employment 2016	3-3: Management of material topics	Talent Attraction and Retention	19-20	
	401-1: New employee hires and employee turnover	Appendix D - Performance Data	50	
<b>Labor/Management Relations</b>				
GRI 402: Labor/Management Relations 2016	3-3: Management of material topics	Labor Relations	23	
	402-1: Minimum notice periods regarding operational changes	Labor Relations	23	

GRI Disclosures		Report Section or Direct Response	Page #	Omission
<b>Occupational Health and Safety</b>				
GRI 403: Occupational Health and Safety 2018	3-3: Management of material topics	Occupational Health and Safety	17-18	
	403-1: Occupational health and safety management system	Occupational Health and Safety	17-18	
	403-2: Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	17-18	
	403-3: Occupational health services	Occupational Health and Safety	17-18	
	403-4: Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	17-18	
	403-5: Worker training on occupational health and safety	Occupational Health and Safety	17-18	
	403-6: Promotion of worker health	Responding to COVID-19	11	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	17-18	
	403-9: Work-related injuries	Occupational Health and Safety	17-18	Data of workers who are employees but whose work and/or workplace is controlled by the organization is currently not tracked. Tenneco continues to improve reporting processes and will consider working closely to collect contractor data.
<b>Training and Education</b>				
GRI 404: Training and Education 2016	3-3: Management of material topics	Talent Attraction and Retention	19-20	
	404-2: Programs for upgrading employee skills and transition assistance program	Talent Attraction and Retention	19-20	
<b>Diversity and Equal Opportunity</b>				
GRI 405: Diversity and Equal Opportunity 2016	3-3: Management of material topics	Inclusion, Diversity and Equity; Corporate Governance	21-22, 26	
	405-1: Diversity of governance bodies and employees	Inclusion, Diversity and Equity; Corporate Governance	21-22, 26	
<b>Supplier Social Assessment</b>				
GRI 414: Supplier Social Assessment 2016	3-3: Management of material topics	Responsible Sourcing	31	
	414-1: New suppliers that were screened using social criteria	Responsible Sourcing	31	
<b>Customer Health and Safety</b>				
GRI 416: Customer Health and Safety 2016	3-3: Management of material topics	Product Safety and Quality	35-36	
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Product Safety and Quality	35-36	
<b>Customer Privacy</b>				
GRI 418: Customer Privacy	3-3: Management of material topics	Cybersecurity and Data Privacy	30	
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy	30	
<b>Non-GRI Material Topics</b>				
<b>Product Efficiency (Non-GRI Topic)</b>				
GRI 3: Material Topics 2021	3-3: Management of material topics	Product Efficiency	37-38	
<b>Product Innovation (Non-GRI Topic)</b>				
GRI 3: Material Topics 2021	3-3: Management of material topics	Product Innovation	39-40	



# Appendix D - Performance Data

## Business Overview

	2019	2020	2021
<b>Business Profile</b>			
Number of team members	78,000	73,000	71,000
Revenue (Millions USD)	\$17,450	\$15,379	\$18,035
Number of manufacturing sites	217	201	196
Number of aftermarket distribution centers and warehouses	41	33	29
Number of globally networked engineering and technical centers	45	39	38
Area of manufacturing plants (square meters)	—	3.34 M	3.39M

## Environmental

	2019 <sup>1</sup>	2020 <sup>1</sup>	2021
<b>Greenhouse Gas Emissions<sup>2</sup></b>			
Direct (Scope 1) GHG emissions (MT CO <sub>2</sub> e)	261,106	219,835	235,465
Energy indirect (Scope 2) GHG emissions (MT CO <sub>2</sub> e)	1,151,163	1,008,633	1,080,791
Emissions intensity (Scope 1&2) (MT CO <sub>2</sub> e/\$M revenue)	81	80	73
<b>Energy Use</b>			
Total energy consumption (GJ)	14,478,599	12,412,693	13,277,253
Energy Intensity (gigajoules/\$M Revenue)	830	807	736
Percentage of grid Electricity	64%	65%	65%
Percentage of renewable energy consumption			10%
<b>Environmental Management System<sup>3</sup></b>			
Percentage of sites certified to ISO 14001 Environmental Management System	—	81%	84%
Percentage of sites certified to ISO 50001 Energy Management System	—	16%	12%
<b>Waste<sup>4</sup></b>			
Total amount of waste from manufacturing (MT)	—	—	159,932
Total amount of hazardous waste (MT)	—	—	33,229
Percentage of hazardous waste	—	—	21%
Total amount of non-hazardous waste (MT)	—	—	126,703
Percentage of non-hazardous waste	—	—	79%
Total amount of waste recycled (MT)	—	—	125,165
Percentage of waste recycled	—	—	78%
Total amount of waste to landfill (MT)	—	—	30,394
Percentage of waste to landfill	—	—	19%
Total amount of waste disposed – incinerated and all other (MT)	—	—	4,373
Percentage of waste disposed – incinerated and all other	—	—	3%
<b>Water</b>			
Total water withdrawn (megaliters)	8,603	7,097	7,305
Total water withdrawn from areas with water stress (megaliters)	—	—	2,320
Water Intensity (megaliters/\$M Revenue)	0.493	0.461	0.405

<sup>1</sup> Due to an enhancement in our data management system in 2021 leading to improved quality of ESG information, we have restated 2019 and 2020 GHG emissions, energy and water data.

<sup>2</sup> The calculations include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. We used emissions factors from the IEA and EPA, and used global warming potential (GWP) rates from the IPCC. We used operational control for our consolidation approach for emissions, and we incorporated standards and methodologies from the Greenhouse Gas Protocol and from GRI Standards. Excludes emissions related to company cars, select storage facilities and small offices not currently tracked in our systems estimated to represent less than 1% of total emissions.

<sup>3</sup> Scope of management system certification percentages includes manufacturing sites. The changes in ISO coverage from the reported 2020 percentages are mainly due to enhanced visibility and verification of certification status in our data management system.

<sup>4</sup> Waste data represents approximately 80% of manufacturing sites.

## Health and Safety

	2019	2020	2021
<b>Occupational Health and Safety</b>			
Recordable incident rate <sup>1</sup>	0.67	0.54	0.55
Lost time injury frequency rate <sup>2</sup>	—	—	1.33
Number of recordable work-related injuries	585	394	468 <sup>3</sup>
Number of hours worked	189,123,469	146,696,397	170,606,895

<sup>1</sup> These rates have been calculated based on 200,000 hours worked, and no workers were excluded from this disclosure. We used OSHA standards to compile the data.

<sup>2</sup> Lost time injury frequency rate = (Total number of lost time injury events) x 1,000,000 / Total hours worked company wide.

<sup>3</sup> Increase compared to 2020 can be attributed to more work hours and higher employee turnover. Our EHS team is focused on our High-Risks Activities Program to reduce the number of incidents stemming from high risk activities.

## Talent Attraction and Retention

	2019	2020	2021
<b>Average Annual Training Hours Per Salaried Team Member (Hours)</b>			
Asia Pacific	8	14	10
Americas	8	13	14
EMEA	5	8	9
Global	7	12	11

**Total Employees by Employment Contract, by Gender<sup>1</sup>****Permanent**

Male	—	77%	77%
Female	—	23%	23%

**Total Employees by Employment Contract, by Region****Permanent**

Asia Pacific	—	19%	41%
Americas	—	41%	20%
EMEA	—	40%	39%

**Temporary**

Asia Pacific	—	16%	71%
Americas	—	65%	13%
EMEA	—	20%	16%

**Diversity of Total U.S. Employees**

Percentage of Employees, U.S. Minority <sup>2</sup>	23%	—	30%
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<sup>1</sup> Information combines data for full-time and part-time employees. We do not currently track the global breakdown for full-time and part-time, but we continue to improve our reporting processes. Data was pulled from the Tenneco HR Core system. Only active and inactive company employees were included. We did not include system splits in termination reporting.

<sup>2</sup> Native Hawaiian or Other Pacific Islander/Asian/Hispanic or Latino/American Indian or Alaska Native/Black or African American/two or more races.



## Talent Attraction and Retention (cont'd)

	2019		2020		2021	
	#	% of Total Employees <sup>1</sup>	#	% of Total Employees <sup>1</sup>	#	% of Total Employees <sup>1</sup>
<b>New Hires, by Region</b>						
Asia Pacific	1,595	11%	2,139	15%	2,986	20%
Americas	6,450	20%	7,129	23%	12,258	40%
EMEA	2,465	9%	1,764	6%	2,416	8%
<b>New Hires, by Gender</b>						
Male	7,324	13%	8,066	14%	13,023	23%
Female	2,884	17%	2,966	17%	4,633	28%
Not Declared	2	0%	-	0%	4	0%
<b>New Hires, by Age</b>						
< 30 Years	4,973	39%	5,719	44%	8,969	78%
30-50 Years	4,497	11%	4,583	11%	7,458	18%
>50 Years	740	4%	730	4%	1,233	6%
	#	% of Total Employees <sup>3</sup>	#	% of Total Employees <sup>3</sup>	#	% of Total Employees <sup>3</sup>
<b>Turnover<sup>2</sup>, by Region</b>						
Asia Pacific	1,996	14%	2,530	18%	3,075	21%
Americas	6,958	23%	8,610	28%	13,137	43%
EMEA	2,926	11%	3,340	11%	3,457	12%
<b>Turnover<sup>2</sup>, by Gender</b>						
Male	8,670	15%	10,627	18%	14,494	25%
Female	3,210	19%	3,853	23%	5,174	31%
Not Declared	0	0%	0	0%	1	0%
<b>Turnover<sup>2</sup>, by Age</b>						
< 30 Years	4,404	35%	4,770	37%	7,900	69%
30-50 Years	5,492	14%	6,508	15%	8,503	20%
>50 Years	1,984	10%	3,202	16%	3,266	16%

<sup>1</sup> Reflects the number of new hires as a percentage of total headcount in that category (region, gender or age) at the end of the year.

<sup>2</sup> Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

<sup>3</sup> Reflects the total number of employees who leave the organization as a percentage of total headcount in that category (region, gender or age) at the end of the year.

## Labor Relations

	2019	2020	2021
<b>U.S. Equal Employment Opportunity Commission Charges and National Labor Relations Act violations</b>			
Number of EEOC charges filed <sup>1</sup>	8	16	3
Number of NLRA violations	0	0	0
<b>Percentage of Total Employees Covered by Collective Bargaining Agreements<sup>2</sup></b>			
Percentage of total employees covered by collective bargaining agreements in the U.S.	17%	18%	16%
Percentage of total employees covered by collective bargaining agreements globally	50%	53%	62%
<b>Minimum Notice Periods Regarding Operational Changes<sup>3</sup></b>			
Minimum number of weeks' notice typically provided to U.S. employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	8.5	8.5	8.5
Whether the notice period and provisions for consultation and negotiation are specified in collective agreements	Varies regionally	Varies regionally	Varies regionally

<sup>1</sup> To date, no charge has resulted in a finding in favor of the charging party.

<sup>2</sup> The changes are mainly driven by headcount reduction and restructuring in 2020 related to the impact of COVID-19 on the business.

<sup>3</sup> Notice periods vary regionally. Tenneco follows all local regulations for minimum notice periods. For example, the minimum notice period for plant closure or significant reduction is 60 days of notice per the Worker Adjustment and Retraining Notification Act (WARN) Act in the U.S.

## Inclusion, Diversity and Equity

	2019	2020	2021
<b>Diversity of Board Directors, by Gender, Age Group, and Ethnicity</b>			
Female	—	30%	36%
Male	—	70%	64%
<30 Years	—	0%	0%
30-50 Years	—	0%	0%
>50 Years	—	100%	100%
U.S. Ethnic Diversity	—	10%	9%
<b>Diversity of Workforce, by Gender, Age Group, and Ethnicity</b>			
<b>Senior Management</b>			
Female	—	17%	18%
Male	—	83%	82%
<30 Years	—	0%	0%
30-50 Years	—	55%	50%
>50 Years	—	45%	50%
U.S. Ethnic Diversity	—	16%	17%
<b>Supervisors/ Managers</b>			
Female	—	19%	21%
Male	—	81%	79%
<30 Years	—	2%	1%
30-50 Years	—	68%	65%
>50 Years	—	30%	34%
U.S. Ethnic Diversity	—	18%	22%
<b>Professionals</b>			
Female	—	26%	28%
Male	—	74%	72%
<30 Years	—	15%	9%
30-50 Years	—	70%	65%
>50 Years	—	15%	26%
U.S. Ethnic Diversity	—	16%	19%



## Ethics and Compliance

	2019	2020	2021
<b>Business Ethics Training</b>			
Number of interactive training sessions for ethics and compliance	—	190	993
Number of team members reached from training	—	8,600	57,032
Percentage of total workforce trained on business ethics issues	—		99%
<b>Anti-Corruption</b>			
Total number and percentage of operations assessed for risks related to corruption	—	100%	100%
Number of legal actions pending during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation in which the organization has been identified as a participant	7	9	1
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	\$0.6M	\$33M <sup>1</sup>	\$0M

<sup>1</sup> These costs relate to prior events and do not represent new cases. Tenneco established a reserve of \$132 million in our second quarter 2017 financial results for settlement costs relating to these matters; as of December 31, 2021, there was 0 remaining in the reserve.

## Cybersecurity

	2019	2020	2021
<b>Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>			
<b>Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</b>			
Complaints received from outside parties and substantiated by the organization	0	0	0
Complaints from regulatory bodies	0	0	0
Total number of complaints	0	0	0
Total number of identified leaks, thefts or losses of customer data	0	0	0
Percentage of all operational sites with an information security management system (ISMS) certified to ISO 27000 (or other equivalent/similar standard)	—	—	6%

## Supply Chain Management

	2019	2020	2021
<b>Supplier Base<sup>1</sup></b>			
Number of suppliers	—	45,067	44,567
Total supplier spend	—	\$ 9,575M	\$11,240M
<b>Supplier Diversity</b>			
<b>Minority Business Enterprise (MBE)</b>			
Number of suppliers	63	75	85
Spend (million)	64	51	45
<b>Women Business Enterprise (WBE)</b>			
Number of suppliers	84	88	94
Spend (million)	49	25	39
<b>Veteran Business Enterprise (VET)</b>			
Number of suppliers	31	14	12
Spend (million)	69	2	2

<sup>1</sup> Supplier Locations include North America, Europe, China, Mexico, the U.S. and India. Materials/Inputs Supplied include raw materials, coatings, packaging, stamping, steel, and other products.

## Product Management

	2019	2020	2021
<b>Product Safety</b>			
Percentage of manufacturing sites that were certified in accordance with the IATF 16949 and/or ISO 9001 standard	—	97%	99%
Number of recalls issued <sup>1</sup>	0	3	2
Total units recalled	0	2,340	3,700
<b>Incidents of noncompliance concerning the health and safety impacts of products and services</b>			
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0
Total number of incidents of noncompliance with regulations and/ or voluntary codes concerning the health and safety impacts of products and services within the reporting period	0	0	0
<b>Product Efficiency<sup>2</sup></b>			
Total revenue from products that contribute to fuel efficiency and/or emission reduction		41%	41%
Total revenue from products designed to increase fuel efficiency and/or reduce emissions during their use phase	\$6,516M (37%)	\$6,376M (41%)	\$7,402M (41%)
<b>Product Innovation<sup>3</sup></b>			
Number of parts produced	—	4,816,862,704	5,387,103,943
Percentage of products sold, by revenue, that are recyclable	91%	91%	91%

<sup>1</sup> Data represents NHTSA recalls in the U.S. and any equivalent recalls in other countries. Tenneco is not aware of additional recalls. Tenneco identified a potential issue and voluntarily initiated the recalls. <sup>2</sup> This reflects Clean Air and Powertrain segments only.

<sup>3</sup> The data included here reflects the number of parts shipped because we do not track the number of parts produced for each business unit.





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