

A woman with curly brown hair and a young child are looking out of a train window. The woman is smiling and looking towards the right. The child is also smiling and looking out the window. The background shows a cityscape with trees and buildings, slightly blurred. The image is split into two main sections by a curved line. The left section shows the woman and child, and the right section is a light blue background with text.

2023 Sustainability Report

Revolutionizing the way the world moves for future generations



2023 SUSTAINABILITY REPORT

About This Report

The 2023 Wabtec Sustainability Report presents our environmental, social, and governance (ESG) information, including policies, goals, and activities; qualitative and quantitative data pertaining to topics that are material to us, as defined below; and evaluations of our opportunities and risks. When we use the terms “Wabtec,” “company,” “we,” “us,” or “our” in this report, we mean Wabtec Corporation and its subsidiaries, on a consolidated basis, unless otherwise stated or implied through the context. The reporting period covered by this report spans the fiscal year ending December 31, 2022, unless otherwise noted. In some cases, we also share highlights from programs and initiatives in 2023 to provide more up-to-date information to our stakeholders. By producing this report, we aim to enhance our transparency and improve stakeholder engagement by delivering key insights into our sustainability strategy and initiatives.

Reporting Guidelines and Content

We have sought to provide information on our programs consistent with the framework outlined by the Sustainability Accounting Standards Board (SASB). We are also guided by international guidelines and conventions such as the United Nations Global Compact and the United Nations Sustainable Development Goals, among others. We plan to continue to enhance our reporting under these and other reporting standards as we progress along our sustainability journey and expect to issue a report aligned with the recommendations of the Task Force on Climate-related Financial Disclosures in 2024.

“Materiality” refers to our list of sustainability priorities: topics our stakeholders deem important and which further our ESG goals. It should not be confused with materiality used in accounting standards or under U.S. federal securities laws.



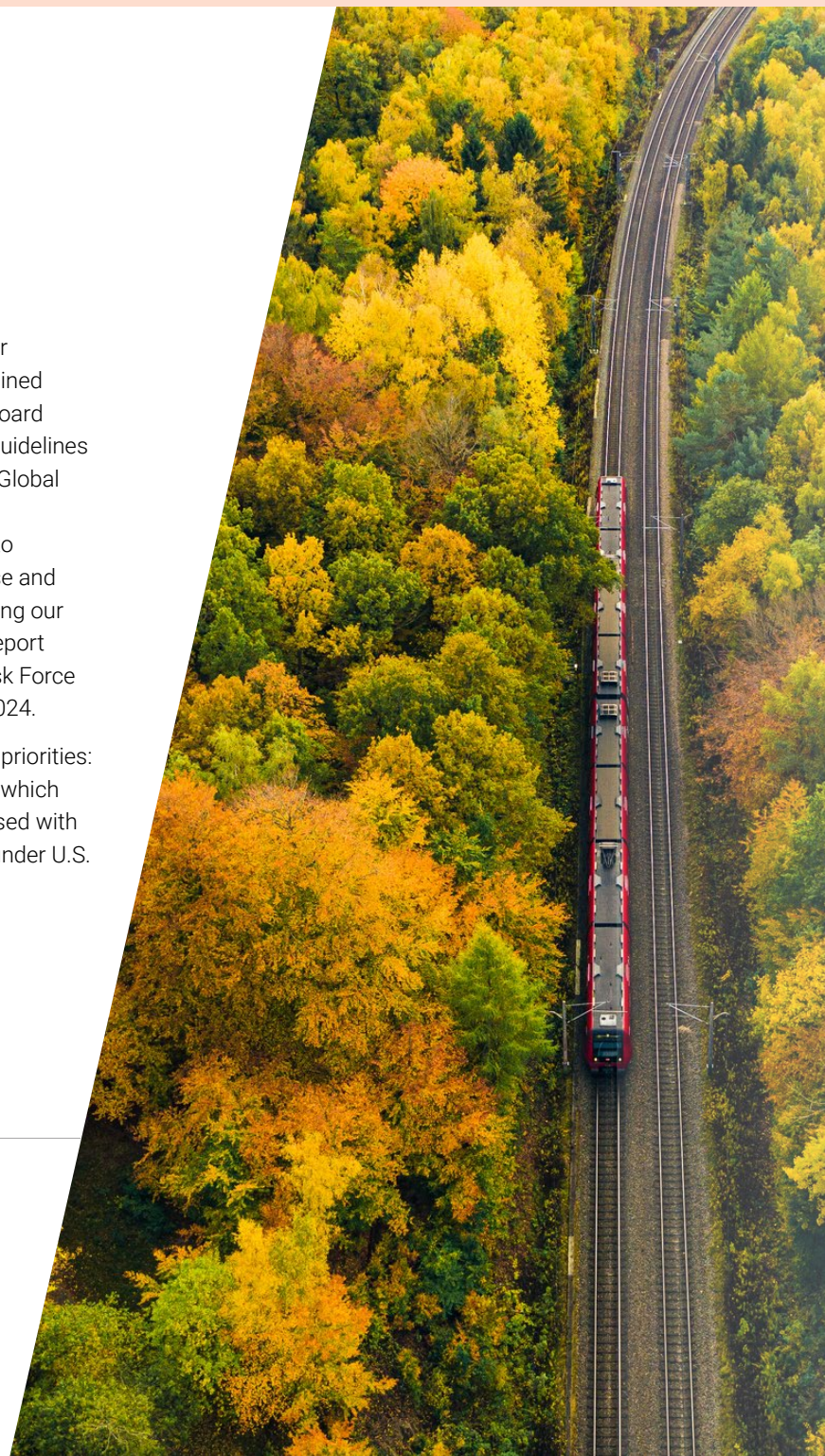
Additional Information

- [2023 Proxy Statement](#)
- [Annual Report](#)
- [Green Finance Framework](#)
- [Sustainability Website](#)



Contact Us

Wabtec welcomes feedback and enquiries from our stakeholders at sustainability@wabtec.com.



Revolutionizing the way the world moves for future generations

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Discover how Wabtec is advancing more sustainable railway solutions at [WabtecCorp.com/Sustainability](https://www.WabtecCorp.com/Sustainability).

Certain statements in this report constitute “forward-looking” statements as that term is defined by the Securities and Exchange Commission. Find our disclaimer related to forward-looking statements on [page 66](#) of this report.



“Our vision extends to a future where the global rail network is decarbonized. Through advancements in rail utilization, alternative fuels, and cutting-edge locomotive technologies, we are steering the rail industry toward a cleaner future, with Wabtec leading the way.”

Rafael Santana
President and CEO

WABTEC 2023 SUSTAINABILITY REPORT

Letter from Rafael Santana, President and CEO

For more than 150 years, Wabtec has consistently been at the forefront of transforming the transportation sector. Today, in a world confronted by significant environmental challenges, our commitment **to revolutionizing global mobility for the benefit of future generations** is more pertinent than ever.

Our commitment to this vision represents the very essence of who we are. To bring this aspiration to life, we have established a strong framework anchored in environmental, social, and governance principles that align with our broader growth strategies. Serving as our north star, these principles guide us as we navigate towards a cleaner, safer, and more inclusive future that not only propels our business forward, but also ensures the well-being of our customers, our employees, and the communities we proudly serve.

Our journey toward sustainability is rooted in action. We continue to make significant strides toward fulfilling our pact, a testament to our strategy that is built on innovative technologies, responsible operations, and empowering people and communities.

Operating globally at the intersection of commerce, opportunity, potential, and possibility, Wabtec is a proud and valued partner in the near flawless choreography required to move humanity forward and power the human experience.

As a technology company carrying forward the legacy of trailblazers like George Westinghouse, Thomas Edison, and Louis Faiveley, we are paving the way by creating purpose-built offerings that help enhance productivity, improve safety, and advance sustainability in our customers' operations.

A Pact for Impact

Beyond the industry-leading products, upgrade choices, and digital solutions we offer, our people are on a quest to improve every facet of Wabtec's own operations with the intent to reduce waste, local air pollution and greenhouse gas (GHG) emissions. By challenging our teams to craft smarter, more efficient, and more effective ways to deliver impact, we are making progress every day.

Our vision extends to a future where the global rail network is decarbonized. Through advancements in rail utilization, alternative fuels, and cutting-edge locomotive technologies, we are steering the rail industry toward a cleaner future, with Wabtec leading the way.

Advancing our strategy takes immense collective effort and here are just a few examples of our accomplishments in 2022:

- Our global fleet of more than 23,000 locomotives in service, collectively rode over 1.8 billion miles, and helped end-customers eliminate over 138 million metric tons of GHG emissions by choosing rail over road transportation.
- Wabtec's remanufacturing solutions accounted for about 336 million pounds of end-of-life material being returned to our global remanufacturing facilities; 82% of these materials were made fit for reuse, and the remaining materials were recycled.
- Wabtec was awarded Norfolk Southern's inaugural Thoroughbred Sustainability Partner Award, which recognizes partner companies who are leaders



in the categories of energy efficiency, innovation, and environmental stewardship.

- Our Transit Green Friction product reduces fine particulate matter emissions by up to 90% when metro trains brake at stations.
- Over 11,000 locomotives around the world are equipped with Wabtec's Trip Optimizer™ smart cruise control system. Since its launch in 2009, this technology has enabled our global customers to save 685 million gallons of diesel or avoid 7 million metric tons of GHG emissions. Trip Optimizer can be added to existing locomotives to help improve efficiencies and reduce emissions.
- We cemented collaborative research and development agreements (CRADAs) with Oak Ridge, Argonne, and Sandia National Labs, three of the United States' premier centers of excellence for energy-related solutions. The aim is to lower emissions across the rail industry using hydrogen.

While dedicated to innovation for our customers, we are also committed to undertaking responsible operations. Wabtec is proactively advancing toward its environmental targets by enhancing energy and resource efficiency. Across our global teams, we are embracing lean principles to identify and execute energy savings, waste reduction, and resource extending projects. Initiatives such as investing in solar arrays and engine testing for power generation underscore our commitment to minimizing our footprint and maximizing resource efficiency.

A Culture of Caring

At Wabtec, we cherish a people-first culture, and this lens fuels our determination to foster a diverse and inclusive

workforce that feels seen, heard, and experiences a sense of belonging. We recognize that our success hinges on our ability to harness the diversity of perspectives, experiences, and cultures among our team members in order to advance our mission.

Building a robust global workforce with the right skills and mindset is pivotal. Our commitment toward continuous improvement for our employees is unwavering. We offer career opportunities to explore diverse career paths across business units, locations, and job functions. Learning and professional development through both formal and informal training programs is an integral part of this commitment.

In a world where clean energy is the future, collaboration is key to ensuring global access to safe, sustainable, and reliable transportation solutions. With our offerings spanning over 100 countries, Wabtec is dedicated to working in concert with key stakeholders including customers, government partners, and employees, to create a more sustainable future. To succeed, we engage with diverse audiences to develop approaches, policies, and technologies that are tailored to the unique needs of each market.

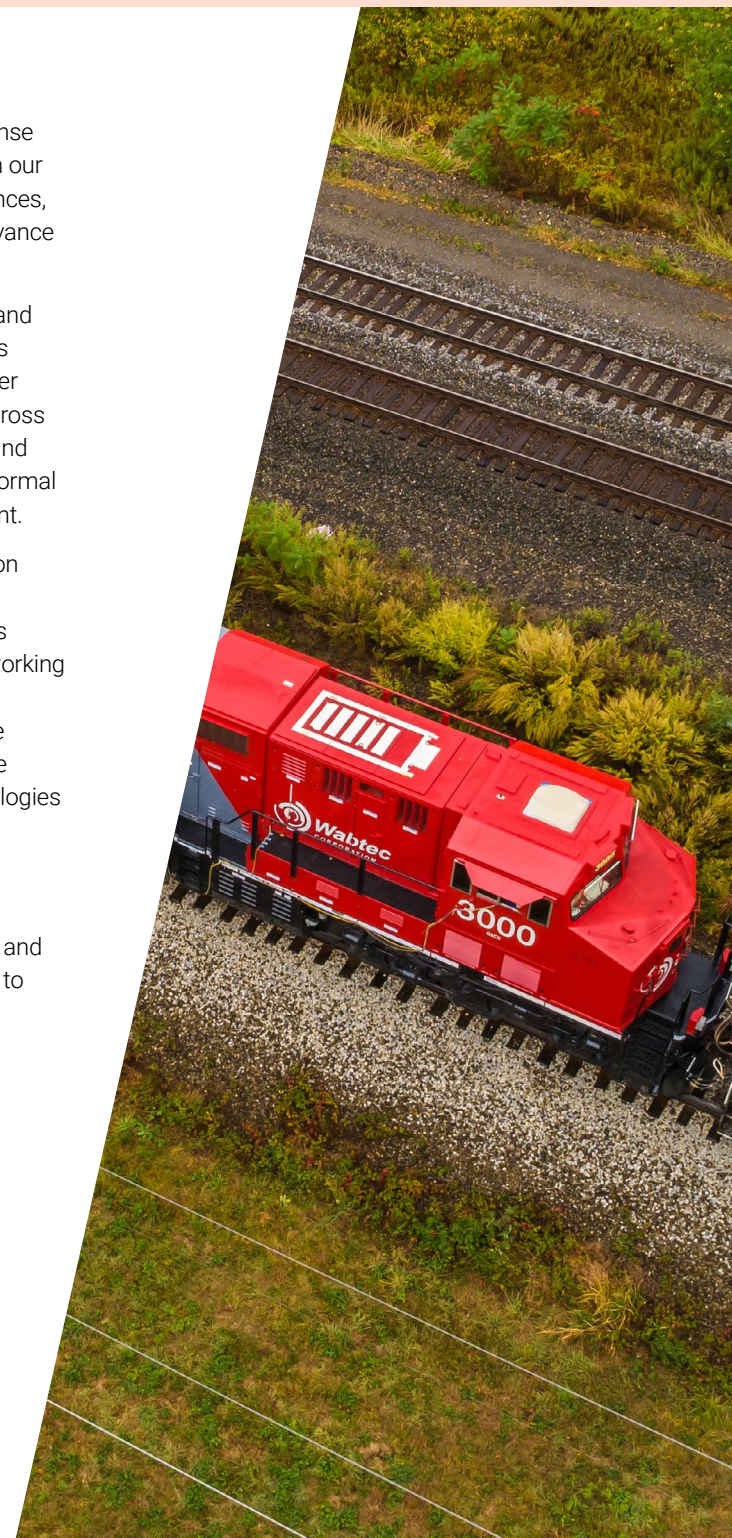
Sustainability must be sustained, and therefore this is an ongoing journey for our teams at Wabtec. Very few companies operate from the vantage point that we do, and therefore few, if any can, truly have the scale of impact to which we aspire in the rail industry.

Toward that end, I invite you to come aboard.

Rafael Santana

President and CEO

"Sustainability must be sustained, and therefore this is an ongoing journey for our teams at Wabtec. Very few companies operate from the vantage point that we do, and therefore few, if any can, truly have the scale of impact to which we aspire in the rail industry."





WABTEC 2023 SUSTAINABILITY REPORT

About Wabtec

Wabtec is one of the world's largest providers of value-added, technology-based locomotives, equipment, systems, and services for the global freight rail and passenger transit industries. We also serve customers in the mining, marine, and industrial markets. Our highly engineered products enhance safety, improve productivity, and reduce emissions and maintenance costs for our global customers.

In 2023, after years of growth and expansion, we took the next step on our journey to become **One Wabtec** by aligning the behaviors of our legacy companies and evolving our shared culture. We launched our new cultural blueprint after hearing from over 2,200 diverse stakeholders around the globe, including our customers, team members, managers, senior leaders, and Board of Directors.

Wabtec is one of the world's largest providers of value-added, technology-based locomotives, equipment, systems, and services for the global freight rail and passenger transit industries.

**OUR VISION**

Revolutionizing the way the world moves for future generations.

**OUR MISSION**

Unlock our customers' potential by delivering innovative and lasting transportation solutions.

**OUR VALUES**

At Wabtec, our purpose stems from four values that shape our core identity. These values are woven throughout our global operations, and they motivate us to build lasting connections.

**People First**

We care about relationships. Whether it's for each other or our customers, we do the right thing. People, and their safety, top our list.

**Expand the Possible**

We look for ways to improve what we create and how we do it. We are lifelong learners. We are obsessed with making things better to drive exceptional results.

**Embrace Diversity**

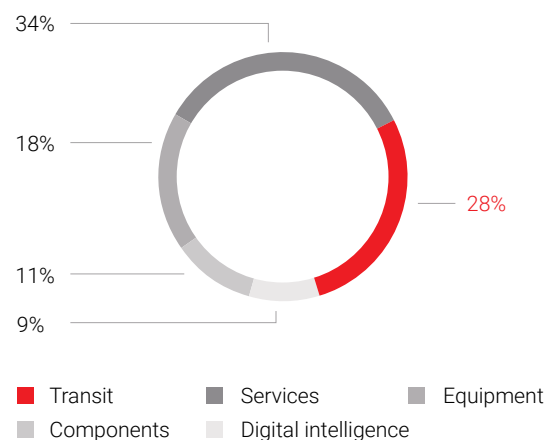
We celebrate a variety of experiences, expertise, and backgrounds, and aspire to create a place where we all belong.

**One Wabtec**

We are one global community that works together to achieve our shared Mission. Wherever we go, we go there together.

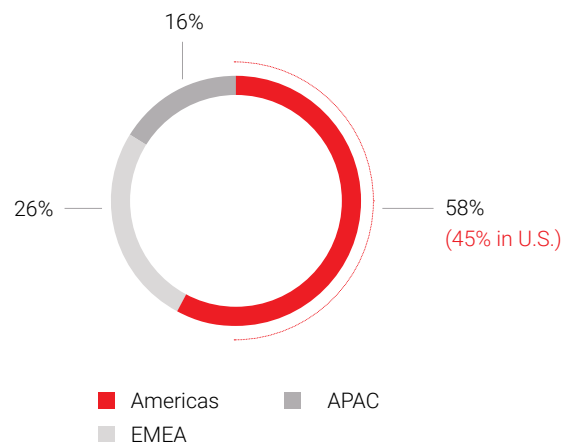


PORTFOLIO

\$8.4B 2022 Revenues**FREIGHT**
72%**TRANSIT**
28%

The freight rail industry mobilizes the world's economy, and Wabtec plays a major role in facilitating that economic growth. Our best-in-class manufacturing facilities, global services, and unrivaled product breadth bring fuel-efficient locomotives, components, and digital solutions to our customers. Wabtec locomotives move 20% of the world's freight and Wabtec software tracks over 9 million rail carloads in North America each year and over 30% of all containers moved through North American ports.

BROAD SCALE IN GLOBAL MARKETS



Passengers worldwide use transit for affordable, low-emissions, safe, and convenient mobility solutions. With the largest product portfolio of the industry, Wabtec offers state-of-the-art solutions for our transit customers' unique specifications for brakes; heating, ventilation, and air conditioning (HVAC); doors; passenger information systems; and many others. Wabtec serves the majority of the world's major rail transit systems. We supply integrated solutions for all rail segments from high-speed trains to metro, as well as buses, with systems and components that improve safety, efficiency, and passenger comfort.

**50+** countries with
Wabtec operations.approximately
27K
employees**40%****60%**

— U.S. employees

— Non U.S. employees

INVESTING IN RAIL

approximately
6-7%

target annual organic investment in technology and engineering as a percent of sales.

**2x**

freight and passenger activity projected to more than double by 2050.

**22x**

fewer deaths and injuries per year than trucking.

**>4x**

more fuel efficient than trucking.



Sustainability Approach

Sustainability Strategy

Message from Our Chief Strategy and Sustainability Officer

Recent Awards and Recognitions

Prioritization and Management of ESG Issues

2030 Goals and Progress

Scope 3 Emissions



SUSTAINABILITY APPROACH

Sustainability Strategy

Unlock our customers' potential by delivering innovative and lasting transportation solutions.



OUR SUSTAINABILITY VISION

Wabtec is committed to sustainable value creation. Our strategy is to contribute to a better, more sustainable world through our unique business offerings, leading technologies, and sustainable business practices while creating value for our customers, employees, and other stakeholders.



OUR SUSTAINABILITY PRINCIPLES



Innovating with Purpose

We are committed to developing responsible and sustainable products that minimize our impact on the planet.



Driving Responsible Operations

We are committed to providing safe work environments and products that enable productive and efficient use of resources.



Empowering People and Communities

We are committed to driving an inclusive culture grounded in integrity, committed to the development of, and investment in, the communities where our teams live and work.





SUSTAINABILITY APPROACH

Message from Our Chief Strategy and Sustainability Officer



Sustainability is a collective journey, and we believe collaborating with the entire ecosystem, including internal teams, customers, end-users, suppliers, industry associations, communities, governments, and investors, will empower us to succeed. This cooperation is rooted in the fact that rail is the most sustainable means of moving people and goods over land. At Wabtec, we are committed to accelerating a modal shift to rail and contributing to a significant reduction in the environmental impact of transportation worldwide.

In 2023, Wabtec elevated our commitment by creating a new role, Chief Strategy and Sustainability Officer. I am deeply humbled by the importance of the mission and honored to serve in this role. While the position is new, Wabtec's commitment is not. Wabtec has a long history of proactively developing innovative solutions for our customers and improving our resource efficiency across our global operations. Prior to 2023, I served as the President of our Transit segment and oversaw several initiatives that helped generate significant performance improvements for customers, while pushing our systems toward a more sustainable future. The following pages provide details related to some of these advancements, such as innovations in HVAC and braking products, life cycle assessments, and investments in renewable energy projects at manufacturing sites.

Our sustainability strategy is centered around three core principles: Innovating with Purpose, Driving Responsible Operations, and Empowering People and Communities. Wabtec's recently established vision, "Revolutionize the way the world moves for future generations" is deeply intertwined with these sustainability principles. We know that our position, as one of the largest providers of locomotives, equipment, and systems to the global rail freight and transit industries comes with a significant responsibility to provide solutions for the challenges we collectively face. We actively engage with our stakeholders and listen to their expectations, while crafting a comprehensive plan for the future of mobility. In this report, you will learn about our ongoing efforts to make a positive impact in these areas.

We are not content with the status quo and are committed to continuous improvement. In this year's report, we are disclosing our complete Scope 3 emissions for the first time. As detailed on [page 17](#), Use of Sold Products is our largest Scope 3 category, and our customers' use of our freight locomotives is the largest source of emissions in this category. Our Scope 3 strategy will focus on activities we can control and that have the greatest impact — the continued development of innovative solutions to enable our customers to further reduce emissions. Our next-generation products, coupled with the modal shift to rail, are expected to lead to emission reductions for the global transportation system that will far exceed the potential change in our absolute Scope 3 emissions. We are now developing a relevant target covering Scope 3, as well as completing a scenario-based climate risk analysis, both of which will be published in 2024.

We invite you to explore the following pages; they reflect how we are already making a positive impact. Even more important, these pages demonstrate our dedication to expanding the possible and contributing to a better, more sustainable world through our unique business offerings, leading technologies and innovations, and our extraordinary global teams.

Lilian Leroux

Chief Strategy and Sustainability Officer



SUSTAINABILITY APPROACH

Recent Awards and Recognitions

**DEUTSCHE BAHN AND GERMAN MINISTRY OF TRANSPORTATION**

German Award for Sustainability Projects in the "Technology, Environment Protection & Health" category and a Sustainability Award from Deutsche Bahn for The Green Air HVAC solution in 2022

**NORFOLK SOUTHERN**

2023 Thoroughbred Sustainability Partner Award

**DISABILITY: IN**

2023 Best Place to Work for Disability Inclusion: Disability Equality Index

**HUMAN RIGHTS CAMPAIGN**

Foundation Corporate Equality Index 2022

**NEWSWEEK**

America's Most Responsible Companies

**HUMAN RIGHTS CAMPAIGN**

Wabtec Brazil – 2023 Best Companies for LGBTQIA+ People to Work: 100% HRC Equidad BR

**GREAT PLACE TO WORK CERTIFICATIONS**

Wabtec Transit sites in Hosur, Baddi, and Bahadurgarh, India, as well as Wabtec India Technology and Engineering Center based in Bengaluru and Hyderabad

**TOP EMPLOYER AWARD**

2023 Top Employer Awards for our sites in Italy and Spain

**INTERNATIONAL RAILWAY INDUSTRY STANDARD**

Gold Certification at site in Avellino, Italy

**S&P GLOBAL COMMODITY INSIGHTS**

24th Annual Platts Global Energy Awards Commercial Technology of the Year Award for FLXdrive™ Battery Locomotive

**BUSINESS INTELLIGENCE**

2022 Product of the Year Sustainability Award for FLXdrive™ Battery Locomotive



SUSTAINABILITY APPROACH

Prioritization and Management of ESG Issues

Wabtec completed our first ESG materiality assessment in 2020 to prioritize topics encompassing the most significant impacts on our customers, communities, and the world.

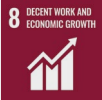
These material topics are at the core of our sustainability strategy, as they have the highest relative priority to Wabtec and external stakeholders, and directly align with our action plans and key performance indicators highlighted throughout this report.



UNITED NATIONS GLOBAL COMPACT

Wabtec is a signatory to the UN Global Compact, in support of achieving the UN Sustainable Development Goals. Our participation in this initiative demonstrates our existing and ongoing commitment to the UN Global Compact sustainability principles. The Wabtec sustainability activities and goals described in this report align with the UN Sustainability Goals shown below.



Our Sustainability Principles	UN Sustainable Development Goals ¹	Description of Alignment
 Innovating with Purpose	   	The rail industry has been a cornerstone of the global transportation system for more than a century. It is fundamentally the most cost-effective and energy-efficient mode of transport. Investment in the future of rail benefits both urban and rural communities. As such, rail is an important driver of economic growth and job creation. Wabtec is well positioned to respond to these megatrends, as we continue to meet the sustainable transportation needs of growing cities around the world through our leading technologies and innovations that reduce emissions, energy consumption, and waste.
 Driving Responsible Operations	  	We are committed to improving the way we operate, reducing our impact on the environment, and protecting the health and safety of our employees and partners. We strive to provide customers with quality equipment that delivers the best value for their businesses, while reducing our operational carbon footprint and maintaining a circular flow of materials, energy, and water within our manufacturing process.
 Empowering People and Communities	   	Diversity strengthens our innovative capacity, unleashes the full potential of our employees, and ultimately contributes to our business success. Increasing representation of women and people of color continues to be a high priority for the company. When it comes to nurturing our people, we continue to provide robust learning and development opportunities to help all Wabtec employees reach their full potential. In addition, we partner with local institutions and charities to provide educational opportunities for young scholars.

¹ The United Nations Sustainable Development Goals (UNSDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the UNSDGs is inherently subjective and dependent on a number of factors. It is reasonable to expect that parties could reach alternative decisions as to whether certain projects, initiatives, investments, or other aspects of our business contribute to a particular UNSDG.



SUSTAINABILITY APPROACH

KEY STAKEHOLDER ENGAGEMENT

Wabtec analyzes and updates our material topics periodically as the ESG landscape and our business evolve. We regularly engage with our key stakeholders to maintain strong relationships and build trust.





SUSTAINABILITY APPROACH

Industry Association
Involvement

Wabtec frequently engages and collaborates with industry leaders and suppliers in the pursuit of a more sustainable and ethical future. We engage industry stakeholders through membership or involvement in forums and working groups.



Association of American Railroads, an industry trade group representing primarily the major freight railroads of North America.



ASLRRA (American Short Line and Regional Railroad Association).



UNIFE (Union des Industries Ferroviaires Européennes, or European Rail Supply Industry Association), an association of Europe's rail supply industry from rolling stock manufacturers and infrastructure suppliers to system integrators and engineering companies.



FIF (Federation des Industries Ferroviaires Françaises), French Railway Industries Association.



VDB (Verband der Bahnindustrie in Deutschland), German Rail Industry Association.



ASSIFER (Associazione delle Industrie Ferroviarie), Italian Rail Industry Association.



MAFEX (Asociación de la Industria Ferroviaria Española), Association of the Spanish Railway Industry.



RIA (Railway Industry Association), UK Rail Industry Association.



Confederation of Indian Industry

CII (Confederation of Indian Industries), a non-government, non-profit organization to create and sustain an environment conducive to the development of India.



Swissrail, association of the Swiss railway industry.



ARA (Australasian Railway Association), the peak body for the rail sector in Australia and New Zealand.



Infrastructure Partnerships Australia, an industry think tank and an executive member network, providing research focused on excellence in social and economic infrastructure.



Ai Group® (The Australian Industry Group)



ABIFER (Brazilian Association of Railway Industry), an association to promote the growth of the railway industry installed in Brazil.



ARIA (African Railway Industry Association), a member-driven community that seeks to improve the competitiveness of the African Rail Industry in global export markets.



Railponsible, an industry initiative focused on improving supply chain sustainability.



Fuel Cell & Hydrogen Energy Association, an industry association in the United States representing more than 90 organizations advancing production, distribution, and use of hydrogen energy.



Responsible Minerals Initiative, a program that advocates for the elimination of conflict minerals in products.



IEC (International Electrotechnical Commission), an organization developing railroad industry-specific standards for cybersecurity, such as IEC 63452.



SUSTAINABILITY APPROACH

2030 Goals and Progress

Achieved
 On Track
 Below Plan

Focus	2030 Goal	2019 Baseline	Progress	2022 Performance	Page
Innovating with Purpose					
	Increase net sales driven by Wabtec's eco-efficiency portfolio¹ to 30% share of net sales	20% share of net sales		22.5% of revenue from eco-efficiency product portfolio, representing a 12% increase vs. 2019 baseline, and an increase vs. 2021 (22.3%).	21
	Increase end-of-life material² that is recycled, reused, or remanufactured by 10%	296 million pounds of end-of-life material is recycled, reused, or remanufactured		336 million pounds of end-of-life material is recycled, reused, or remanufactured, representing a 14% increase vs. 2019 baseline.	27
Responsible Operations					
	Reduce operational greenhouse gas emissions³ by 50%	365 thousand metric tons of carbon dioxide equivalent (CO ₂ e)		235 thousand metric tons of CO ₂ e, representing a 35% decrease vs. 2019 baseline.	33
	Reduce water consumption in areas of water scarcity⁴ by 30%	43.9 million gallons of water		36.0 million gallons of water, representing an 18% reduction vs. 2019 baseline.	35
	Reduce workplace injury and illness rate⁵ by 30%	1.08		0.85 , representing a 20% decrease vs. 2019 baseline.	39

¹ Wabtec's eco-efficiency portfolio is measured by net sales from products, systems, and digital technologies related to energy efficiency, environmental, and resource efficiency. Eco-efficient products are defined as those meeting at least one of the following criteria:

- More than 90% recyclable.
- Improving resource efficiency and/or emissions reductions by more than 5%.
- Extending a product life by at least five years.

² End-of-life material is returned to Wabtec and then recycled, reused, or remanufactured.

³ Total GHG is measured as the combination of Scope 1 and market-based Scope 2 and has been assured by a third party.

⁴ Approximately 20 of Wabtec's current manufacturing facilities are located in areas with greater than 80% water scarcity, as defined by the World Resource Institute.

⁵ The workplace injury and illness rate is calculated for every 200,000 hours worked by all employees and contingent/temporary workers.



SUSTAINABILITY APPROACH

2030 Goals and Progress

Achieved
 On Track
 Below Plan

Focus	2030 Goal	2019 Baseline	Progress	2022 Performance	Page
Empowering People and Communities					
Increase the representation of people of color in our U.S. workforce	Increase people of color in the U.S. workforce to 30%	25.5% of U.S. workforce are people of color		25.1% , a 5% increase from 2021 (23.8%).	<u>49</u>
	Increase people of color in the salaried workforce in the U.S. to 25%	19.4% of salaried employees are people of color		21.5% , representing an 11% increase vs. 2019 baseline, and a 10% increase vs. 2021 (19.6%).	
Increase representation of females in our global salaried workforce	Increase females in the global workforce to 20%	15.7% of global workforce is female		17.5% , representing an 11% increase vs. 2019 baseline.	<u>49</u>
	Increase females in the salaried global workforce to 25%	17.8% of the salaried global workforce is female		19.8% , representing an 11% increase vs. 2019 baseline.	



SUSTAINABILITY APPROACH

Scope 3 Emissions

Highlights

- + In 2023, we **established our approach and methodologies** for tracking and monitoring our Scope 3 emissions, including estimates for categories of Scope 3 where we lack direct access to the relevant data.
- + In this report, we **disclose** our Scope 3 emissions data.
- + In 2024, we aim to **establish interim Scope 3 targets** in those categories most relevant to Wabtec.

In 2022, Wabtec committed to provide a full inventory of Scope 3 emissions, defined as indirect GHG emissions from sources not owned or controlled by Wabtec but related to our activities. To gain clearer insight into the impacts of our Scope 3 emissions, we partnered with the British Standards Institution (BSI) to evaluate and measure the carbon emissions across our value chain. We utilized guidance developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) to calculate our Scope 3 emissions. This report includes our first Scope 3 emissions disclosure, which has been validated through third-party limited assurance.

2022 Scope 3 Emissions Summary

Scope 3 Category	metric tons CO ₂ e
Category 1 — Purchased Goods and Services	1,060,000
Category 11 — Use of Sold Products	48,600,000
Other Categories	340,000
Scope 3 Total	50,000,000

For a full list of Wabtec's Scope 3 categories, see [page 67](#).

Wabtec's most relevant categories of Scope 3 GHG emissions stem from Purchased Goods and Services (Category 1) and Use of Sold Products (Category 11). The latter is our largest Scope 3 category, at more than 97% of Wabtec's estimated total Scope 3 emissions. The remaining categories of our Scope 3 emissions are either not relevant or immaterial, representing collectively less than 1% of our estimated total Scope 3 emissions.

Our Scope 3 Use of Sold Products (Category 11) accounts for the forward-looking, projected lifetime emissions of products sold in the calendar year, including emissions associated with the extracting, processing, and transporting of energy consumed by the end-users of our products. Within this category, the largest source of GHG emissions is from our customers' use of our freight locomotives. These customer-use emissions comprise a large part of the future Scope 1 emissions of our railroad customers.





SUSTAINABILITY APPROACH

UNDERSTANDING THE IMPACT OF OUR SCOPE 3 EMISSIONS

It is important to note Wabtec's products and services drive the reduction of global cumulative emissions. The industries we serve already provide some of the most efficient means of transporting goods and people. With that in mind, our efforts to support a modal shift to rail provides immediate reductions to GHG emissions around the world. Rail is the least carbon-intensive, safest, and most efficient way to move goods over land — with a fuel efficiency per ton-mile more than four times better than trucking. Because GHG emissions are directly related to fuel consumption, moving freight by rail instead of truck lowers GHG emissions by up to 75%. Analysis of federal data by the American Association of Railroads (AAR) shows if 10% of the freight shipped by the largest trucks traveled by rail instead, annual GHG emissions in the U.S. would fall by more than 20 million tons.¹

A modal shift to rail will enable a significant reduction in GHG emissions world wide despite Wabtec's increase in Scope 3 absolute emissions from manufacturing additional locomotives. As global freight volumes increase and more goods are transported by rail, the demand for locomotives is expected to increase. However, the overall emissions reduction benefits from shifting to rail — a more energy efficient and safer mode of transportation — would greatly exceed the change in Wabtec's own Scope 3 absolute emissions. Moreover, adoption by our customers of Wabtec's next-generation technologies — such as our biofuel and battery locomotives, our digital solutions, and our future hydrogen-powered locomotives — will drive further reductions in our customers' Scope 1 and 2 emissions and Wabtec's Scope 3 emissions intensity.

Our Scope 3 strategy focuses on what we can control and where we can make the greatest impact. We are developing innovative products and services that enable further emissions reductions and support our customers with their transition to a clean energy economy. Our biofuel and battery locomotives, our digital solutions used to improve fuel efficiency and expand rail capacity, and our future hydrogen-

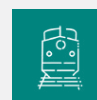
powered locomotives will help reduce our customers' Scope 1 and 2 emissions, while lowering Wabtec's Scope 3 emissions intensity. For more details and carbon emissions impact data, see the Innovating with Purpose section of this report on [page 19](#). Wabtec is also focused on a variety of innovative products that reduce Scope 3 emissions in categories other than freight. For example, in the transit space, we are continuing to create innovative HVAC systems to reduce global warming potentials and identify ways to reduce weight in our products, driving reduced GHG emissions for our customers. See our transit product innovations on [page 25](#).

In support of the goals of the Paris Agreement on climate change, Wabtec has committed to set near-term targets in 2024 for those Scope 3 categories material to Wabtec and where Wabtec can make the greatest impact, primarily our Use of Sold Products (Category 11). We strive to ensure our GHG emissions data for Scope 3 are meaningful, measurable, and verifiable, reflecting the carbon footprint of our true value chain. We are also committed to continued public reporting and engaging proactively with our stakeholders on our Scope 3 progress and strategy.

Moving 10,000 tons 1,000 miles^{1,2}



847 metric tons CO₂e



212 metric tons CO₂e

¹ <https://www.aar.org/wp-content/uploads/2023/06/AAR-Climate-Change-2023-Report.pdf>.

² Based on 2023 EPA Scope 3 CO₂e/ton-mile emission factors for transportation and distribution.



Innovating with Purpose

Commitment to Sustainable Products

Providing Sustainable Pathways for Freight

Providing Sustainable Pathways for Transit

Modernizations and Remanufacturing

Product Quality and Safety



INNOVATING WITH PURPOSE

2022 Highlights

- + Our fleet of more than 23,000 locomotives globally traveled over **1.8 billion miles** and helped end-customers eliminate over **138 million metric tons of GHG emissions** by choosing rail over truck transportation.
- + Our Transit Green Friction product line reduces fine particulate matter (PM) emissions during metropolitan rail station braking by **up to 90%**.
- + Remanufacturing brought approximately **336 million pounds** of end-of-life material back to global remanufacturing facilities, with **82% being reused or remanufactured** and **18% recycled**, leaving less than 1% waste.



INNOVATING WITH PURPOSE

Commitment to Sustainable Products

Wabtec's products and services have delivered sustainable value throughout our over 150-year history, and we continue to identify new opportunities for improvement.

We commit to developing responsible and sustainable products that improve our impact on the planet. Our approach to this commitment involves:

- Capitalizing on opportunities related to new product advancements and innovations that include the adoption of emerging technology to help address key societal and transportation sector challenges.
- Partnering with customers to promote the circular economy by developing new and innovative solutions to improve operational efficiency, reduce emissions, and conserve resources from their existing assets used in the freight rail and passenger transit sectors.
- Designing products that support both short, medium, and long-term carbon reduction targets to drive continuous improvement from customers' current diesel fleets to their future zero-emissions fleets without impacting operations.
- Developing a resilient business model capable of meeting societal expectations for continuous improvement.

We continue to invest in innovation with approximately 6–7% technology and engineering spend per year (as a percent of sales).

In line with the United Nations Sustainable Development Goals, and in support of the clean energy transition, we're leading the drive toward a more efficient, low-carbon rail industry. With the combination of improvements in rail utilization and developments in advanced alternative-power locomotive technology, Wabtec is taking a multifaceted approach to addressing customer and sustainability goals.

From pioneering advancements to current signaling systems and network efficiency solutions, we are striving to increase the rail capacity to move more freight by train. Wabtec is working to reduce existing locomotive fleet emissions through fuel-efficiency solutions and testing renewable diesel and biodiesel. We are leading the development of alternative propulsion technologies such as the first heavy-haul 100% battery electric locomotive. Wabtec is also implementing energy-reducing technologies for the passenger transit sector. Through these initiatives, we further our mission of unlocking our customers' potential.



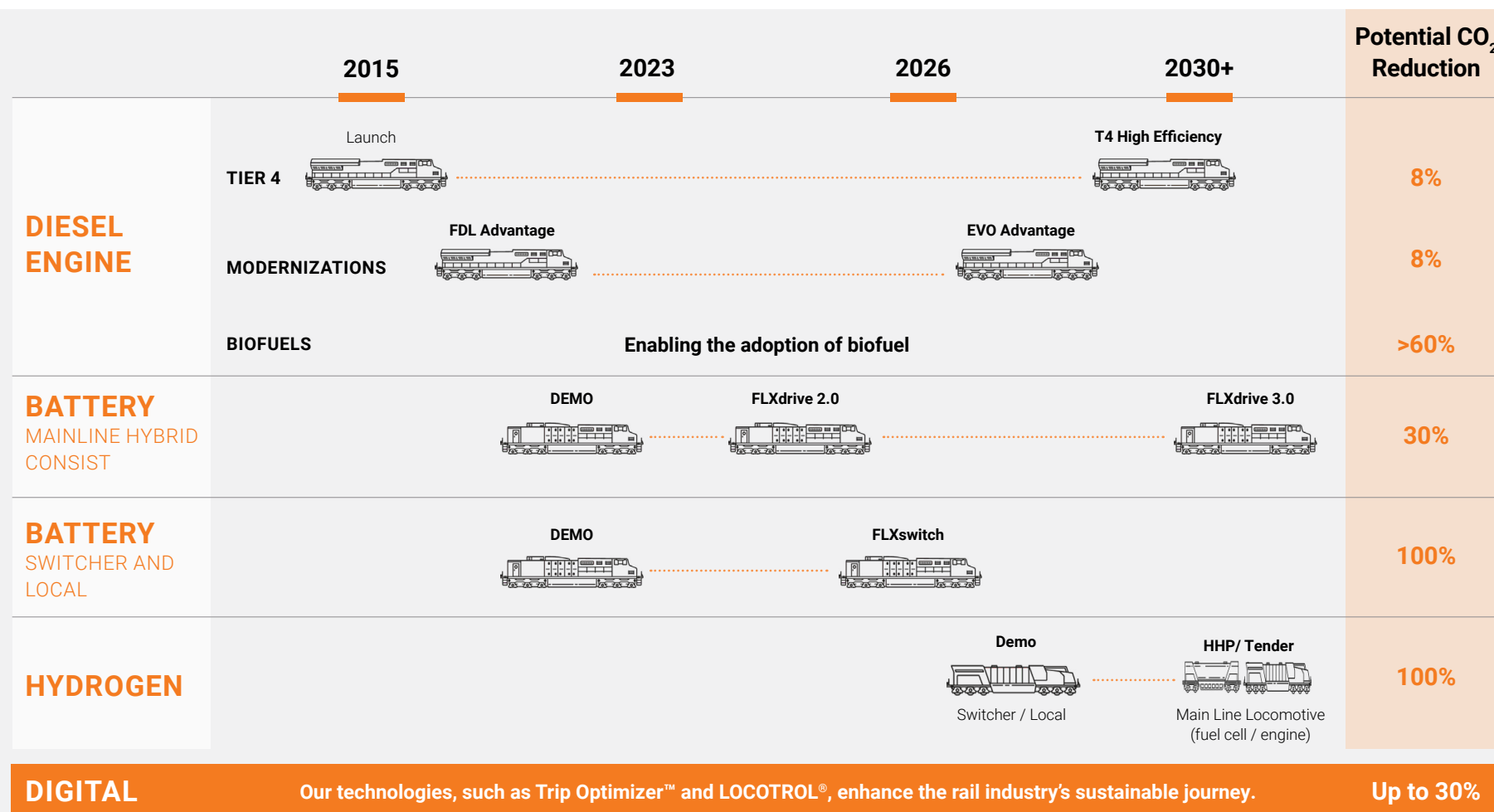


INNOVATING WITH PURPOSE

Providing Sustainable Pathways for Freight

All of Wabtec's Class I customers have committed to science-based targets for their own GHG emissions. The mix of Wabtec products and technologies used by customers will vary depending on the railroad's fleet mix, operations, routes, and energy needs. As customer needs vary, Wabtec is utilizing a flexible and growing portfolio of products and innovative technologies across both our large installed base and new assets to support customers' sustainability goals and targets.

Locomotive technology road map for sustainability





INNOVATING WITH PURPOSE

ENGINE AND SYSTEMS UPGRADES

Our engine and systems upgrades are a cost-effective way for railway customers to progress toward their emissions targets and meet environmental standards by retrofitting their existing fleets. Through systems upgrades, our customers achieve accessible results that further their sustainability ambitions without sacrificing their operations.

- **FDL Advantage (FDLA)** is an upgrade to existing FDL engines that provides on average 5% fuel savings at the Tier 1+ emission level.
- **Evolution Series Line** meets the most stringent emissions standards established by the U.S. Environmental Protection Agency for reduction in nitrogen oxides (NOx) emissions at 76% and reduction in PM emissions at 70% from the Tier 3 standards. NOx contributes to local air pollution and causes acid rain, negatively impacting soil and water quality. PM is a primary pollutant tracked and monitored for air quality, due to its negative impacts on human health.
- **Other system upgrades**, provide further fuel savings, such as converting from direct current to alternating current systems with a 4% reduction in fuel usage.

DIGITAL SOLUTIONS

Wabtec's suite of advanced digital and technological solutions enhances rail network optimization.

- Our **Trip Optimizer™ smart cruise control system**, which can be added to existing locomotives, helps improve fuel usage and reduces emissions. The system is installed on 11,000 locomotives globally. It has enabled our global customers to save 685 million gallons of diesel, which is equivalent to 7 million metric tons of CO₂e.

- Our **LOCOTROL® Distributed Power System** helps increase throughput and reduce operating costs on longer and heavier trains by reducing the total load per mile distributed across trains. Over 20,000 systems have been deployed.

BIOFUELS

Alternative fuels are an important piece of the rail decarbonization puzzle, as they enable swift uptake through their use in existing assets. We are advancing the adoption of biodiesel and renewable diesel fuels to help reduce the environmental impact of combustion engines through our partnerships and research initiatives. A few of our partnerships in 2022 and 2023 include the following:

- Union Pacific Railroad began testing B20/R80, a mixture of 20% biodiesel and 80% renewable diesel, on trains powered by Wabtec FDL engines operating in California. In 2023, testing began for FDLA locomotives running 100% renewable diesel. Union Pacific aims to increase the percentage of low-carbon fuels consumed to 10% of its total diesel consumption by 2025 and 20% by 2030.
- BNSF Railway and Wabtec partnered in a project to quantify the impact of B20 on emissions, durability, and performance in Wabtec Tier 3 and Tier 4 Evolution Series locomotives in California.
- CSX partnered in a project to test B20 on FDLA modernized locomotives in Florida.
- Canadian Pacific Railway (CPR) is testing B20 on FDL engines in the Canadian coal loop.

The variety of tests and fuels will allow us to approve the use of up to 20% biodiesel and up to 100% renewable diesel on the four major Wabtec locomotive engine types.



Wabtec holds **periodic alternative energy conferences** with customers, employees, key vendors, and industry experts to create a forum to educate, create awareness, and share ideas on innovative technologies. The conference ends with small group break-out sessions that address solutions for decarbonizing the railroad industry.



Wabtec created a **freight rail carbon calculator**, an internal tool that looks at the sources of carbon emission and analyzes "what if" scenarios to assist customers in developing a path forward to reaching their sustainability goals.



Wabtec was **awarded Norfolk Southern's inaugural Thoroughbred Sustainability Partner Award**, which recognizes Norfolk Southern partner companies who are leaders in the categories of energy efficiency, innovation, and environmental stewardship. Wabtec was recognized for our innovations in modernizing locomotives and significantly contributing to a more sustainable future.



INNOVATING WITH PURPOSE

FLXdrive™ LOCOMOTIVES

To support the freight industry's sustainability and transition to a zero-emissions economy, Wabtec developed the world's first heavy-haul, 100% battery electric locomotive called FLXdrive™.

Wabtec is designing our portfolio of FLX products to be easily customizable and fit the needs of different operating environments. In 2024, Wabtec is expected to release a more powerful FLXdrive™ ranging from 7 to 8 megawatt hour (MWh) nameplate capacity for line-haul operations, and a FLXswitch at 2.7 MWh nameplate capacity for railyard switching operations.

The FLXdrive™ locomotive recharges its own battery while operating with its regenerative braking energy management system when the train brakes. For line-haul operations, the FLXdrive™ is operated as a part of the train consistent with diesel-power locomotives to reduce emissions by up to 30% across the entire train. This is accomplished by layering in Wabtec's Trip Optimizer™ system, an intelligent cruise control system programmed to respond to complex track routes and determine the most energy-efficient speed profile.

HYDROGEN STRATEGY

Beyond renewable fuels and fuel efficiency efforts, the rail industry requires new technologies to achieve its decarbonization targets. Hydrogen technologies present some of the most promising solutions for long-haul freight operations. Research, development, and demonstration are still needed to unlock the potential of hydrogen. Wabtec seeks strategic partnerships along our value chain that allow the company to most effectively leverage our internal capacity and strengths, while capitalizing on the strengths of others.

In 2022, Wabtec entered collaborative research and development agreements (CRADA) with Oak Ridge National Laboratory (ORNL) and Argonne National Laboratory (ANL), two of the United States' premiere centers of excellence specializing in energy-related solutions. Together, we aim to lower emissions with hydrogen technologies across the rail industry. Initially the project will focus on developing and testing engine retrofit solutions to enable existing fleets to offset diesel usage with carbon free hydrogen. This technology will build on Wabtec's Evolution engine product offering and provide a lower cost path to quickly decarbonize the existing fleet while new technologies continue to be developed. With a service life of more than 20 years, replacing an entire fleet of locomotives would take decades and be cost prohibitive. We are developing technologies to allow our customers to transition fleets to zero-emissions energy sources over time. The goal of the hydrogen internal combustion engine (ICE) project is to enable CO₂e reductions from a significant portion of the roughly 8,000 locomotives already in use in North America and provide a bridge to zero-emissions technologies within the rail industry. We also have a CRADA with Sandia National Laboratories to evaluate hydrogen safety risks of the locomotive and tender.

On a separate research track for our next generation hydrogen locomotives, we are collaborating with technology partners to develop next-era locomotives capable of using hydrogen fuel cells as an alternative power generating source.

As of August 2023, Wabtec has entered into agreements with customers in North and South America and Australia for the purchase of FLXdrive™ battery powered locomotives. The first FLXdrive™ locomotives are expected to be delivered in 2024.

"The results from this collaborative research and development agreements with Argonne and Oak Ridge National Laboratories will contribute greatly to decarbonization of the rail industry using hydrogen. It will help position the technology to be cost effective and practically implemented for rail operations."

Eric Gebhardt

Wabtec's Chief Technology Officer

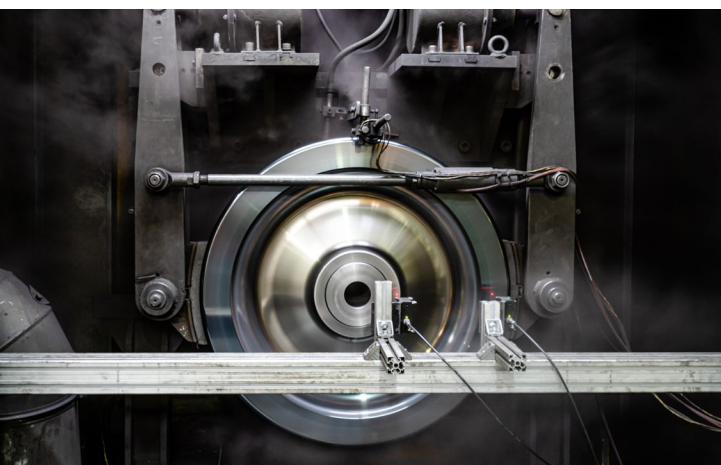


INNOVATING WITH PURPOSE

Providing Sustainable Pathways for Transit

Wabtec's transit solutions are critical to the success of the rail industry's sustainable journey. Our materiality assessment shows our transit customers (operators and car builders) have a strong interest in a comprehensive approach to sustainability.

Operating across 15 separate product lines — including brakes, doors, air conditioning, couplers, and passenger information systems — each of these technologies and products help generate significant savings for Wabtec's transit customers, while pushing transit systems toward a more sustainable future. This includes the following strategies:



Systems or Strategies	Description	Impact
 Mass Reduction of Components	The weight of the train and its components have a direct role to play in reducing a train's energy consumption. Wabtec's latest portfolio of rail technologies, such as Metroflexx and Regioflexx, delivers significant improvements over the last generation of products.	Our latest product portfolio offers¹: + Up to 12% weight reduction. + Up to 21% energy consumption reduction.
 Innovations in HVAC Systems	HVAC is the second largest consumer of power on a train. Our innovations are creating efficiencies and lowering GHG emissions.	Green Air reduces the global warming potential by a factor of 10,000 to 30,000 versus other frequently used synthetic alternatives. FreshAir® allows savings of up to 30% of HVAC energy consumption.
 Improved Braking Systems	Our Green and Blue Friction products improve sustainability across the life cycle of the products. They produce fewer fine PM emissions, create less noise, and are addressing expected regulatory changes in several markets.	Green Friction can reduce PM emissions by up to 90%. Our braking systems are designed to be 95% recyclable.
 Port Charging Systems	Onshore power supply technologies, like ShoreCONNECT and FerryCHARGER, charge electric batteries in ships and reduce local air pollution from engine use when docked.	In 2022, our port charging systems saved more than 200,000 metric tons of carbon dioxide emissions.

¹ Calculation based on doors, brakes, HVAC, and passenger information systems installed on a train, versus the previous generation of products.



INNOVATING WITH PURPOSE

INNOVATIONS IN HVAC SYSTEMS

Wabtec developed and piloted our transit **Green Air** system in 2022, which supports the Montreal Protocol's goal of phasing down hydrofluorocarbons (HFCs) used in refrigerants. Our Green Air HVAC system uses R290 refrigerant, presenting significantly lower emissions potential compared to the most commonly used R-134a. R290 has a global warming potential (GWP) of just 0.06¹ compared to R-134a with a GWP of 1,300.

Wabtec's **FreshAir®** patented solution is the smart optimization of the external fresh air introduced in proportion to the actual passenger loading of the car. This solution, which is effective in both heating and cooling modes, allows operators to save up to 30% of HVAC energy consumption compared to its standard configuration and can be adapted to any HVAC system.

THE FUTURE OF BRAKING SYSTEMS

Wabtec's Green Friction and Blue Friction Lines are a transit solution designed to bring three dimensions of sustainability to customers.

- **Our products minimize environmental pollution.**
 - Our Green Friction product portfolio was developed in partnership with Île-de-France Mobilités and Régie Autonome des Transports Parisiens, which operates both the Paris metro and suburban line to improve air quality. It is designed to reduce the amount of fine PM emissions generated from braking by up to 90%, an impact independently verified by University of Naples researchers. PM is a pollutant with significant negative health impacts, and this product design reduces the amount entering crowded metro stations in urban centers.

- Our Blue Friction products minimize the use of chemicals or materials that have the potential to pollute water and harm marine life, such as chromium.

- **Our products use low-carbon intensity manufacturing.** We're investing in solar arrays that will supply renewable energy to help cover the electricity requirements of our Friction products, which are produced at four main sites in Germany, India, Italy, and the United States. Our site in Germany has installed solar arrays, while we are in the planning stage in Italy (near-term) and the U.S. (long-term).
- **These lines of products are closing the manufacturing loop.** We refurbish worn out back plates of our Friction products. To achieve this, we developed a Becorit Modular Brake System (BMBS) at our site in Germany. Plates can be refurbished for reuse by replacing worn back plates up to five times.

These three dimensions: sustainable design, low-carbon intensity manufacturing, and circular production create a repeatable sustainable model that is being applied to other product lines.

PORT CHARGING SYSTEMS

Wabtec announced our HYPOBATT (hyper powered vessel battery charging system) project in 2022, as part of the European Union's Horizon Europe initiative. As part of the initiative, Wabtec will collaborate with a consortium of 18 partners for the duration of the 42-month project to develop a megawatt-charging standard and infrastructure for use by ferries in European ports. Wabtec's state-of-the-art charging solutions, like FerryCHARGER, will serve as the blueprint for the project.



The Green Air HVAC solution received two awards in 2022:

The German Award for Sustainability Projects in the "Technology, Environment Protection & Health" category and a Sustainability Award from Deutsche Bahn. The awards are a testament to the innovative success of Wabtec's Transit business – including our Green Air product – and our efforts to support our customers with transforming the sustainability practices of the transit industry.

"We are convinced our Green Friction product represents the future of braking in urban environments with underground sections. It's a global challenge that we discuss with railway operators from all over the world."

Pascal Schweitzer

President, Wabtec Transit

¹ 2023 Conversion Factor for GHG Reporting (version 1.1) published by UK Department for Energy Security and Net Zero and Department for Environment, Food and Rural Affairs.



INNOVATING WITH PURPOSE

Modernizations and Remanufacturing

Modernization solutions deliver up to:**25%**

improved fuel efficiency.

40%

increase in reliability.

2000+

locomotive modernizations completed in the past decade.

20%

reduction in maintenance, repair, and overhaul expenses.

55%

increase in haulage ability.

Wabtec supports a circular economy with our long-standing modernization service, which drives positive environmental impacts by reducing waste, extending the life of equipment, and increasing fuel efficiency. These impacts lead to dual benefits of cost savings and emissions reductions for our customers.

Our customers' locomotive investments reach their end of life after approximately 20 years on average. Wabtec helps our customers transform their existing assets through modernizations that return end-of-life components, engines, and freight and passenger locomotives to same-as-new condition.

As part of our modernization efforts, Wabtec has a Pre-Owned program, which provides a range of high-performance locomotives that are equipped with original design specifications, maintenance records, and operational histories. The company certifies the locomotives through a rigorous 275-point inspection process to ensure each is roadworthy and meets our standards.

In 2022, remanufacturing brought approximately **336 million pounds** of end-of-life material back to global remanufacturing facilities. With **82% being reused** or remanufactured and **18% being recycled**, leaving less than 1% waste.

When Wabtec takes apart locomotives for modernization purposes, **50% of the steel in each locomotive is reused** in one form or another during the remanufacturing process. Wabtec has surpassed the **reuse of 100,000 tons of steel in the remanufacturing process since 2015** at its three modernization manufacturing facilities.





INNOVATING WITH PURPOSE

Product Quality and Safety

Wabtec puts safety at the forefront of our product design and performance. Our products are used in critical rail infrastructure that transports people, raw materials, and manufactured goods. As we develop traditional and innovative products, digital solutions, and alternative fuels, we adhere to product safety and testing standards and requirements that comply with the laws and regulations in the markets where our products are sold.

PRODUCT OVERSIGHT

Wabtec is committed to strong product safety and quality systems management. As of 2023, 80% of Wabtec's facilities are International Organization for Standardization (ISO) quality management standard, ISO 9001 certified. Wabtec's Product Safety and Compliance groups are dedicated to a two-pronged approach to product safety; they not only work to design safe products, but also investigate potential safety concerns with previously delivered products.

Our design process is structured such that hazards and safety concerns are identified and addressed as early as possible in the design life cycle. Internal processes provide for the independent evaluation of the designs by the Product Safety and Compliance groups. We also assess our products to ensure compliance and required certification to applicable regulatory requirements.

For example, our locomotives and marine engines that operate in the United States are covered by certificates of conformity to the U.S. Environmental Protection Agency (EPA) regulations governing emissions, and our locomotives are compliant with the crashworthiness design requirements established by the U.S. Federal Railroad Administration (FRA). Our Positive Train Control (PTC) I-ETMS® product conforms to the U.S. FRA regulatory requirements governing positive train control systems. Regioflexx is our latest SIL 4 (Safety Integrity Level 4)¹ development, providing the full set of braking functions required for regional and high-speed trains.

Through our incident investigation processes, we review safety-related incidents in our industries to understand any potential implications to our products. We also maintain transparency around our product safety concerns through a customer notification protocol.



In December 2022, our site in Avellino, Italy received **International Railway Industry Standard (IRIS) Gold recognition for quality performance at its highest level of excellence, the Gold level. The IRIS Gold is the highest level of excellence, which only two other sites in the rail industry have achieved.**

¹ Safety Integrity Level (SIL) relates to the ability of a safety-related system to achieve its required safety functions; SIL 4 is the highest level of SIL.



INNOVATING WITH PURPOSE

Supply Chain Product Safety

In our supply chain product safety management approach, we have adopted the Production Part Approval Process (PPAP) framework to approve suppliers and monitor their performance. Through this process, Wabtec's Product Safety groups evaluate the product's potential impact on safety. We review how well the part or component aligns with the regulatory requirements to meet standards, using metrics such as failure rates, and factor this rating into the overall system-level product safety evaluation.

Wabtec is strategically incorporating CENELEC EN 50126¹ and associated standards into our digital and electronic products development processes.

This risk-based assessment process will evolve Wabtec's product safety approach to further align with expectations of many of our global customers.

In 2022, we began to use the CENELEC standards in the development of select products, including FLXdrive™, Precision Dispatch System (PDS), and PTC equipment. We also hired additional safety engineers to prepare to fully implement the process. Throughout 2023, we have expanded training for team members and are developing new procedures and internal policies aligned with CENELEC.

COMMITMENT TO SAFER RAIL OPERATIONS

Wabtec's digital technologies are designed to address the major causes of accidents on the rail — track, equipment, and human error — to support a stronger rail industry. Our safety-enhancing digital technologies embed stronger digital analytics using image recognition, historical and real-time data, and networked sensors to provide internal safeguards and remove human error from rail operations. Examples include:

- **Wireless Crossing Safety:** An overlay to existing track circuits that improves safety while increasing average train speeds and optimizing crossing-activation times.
- **Asset Management product line (Track IQ):** The most comprehensive wayside condition monitoring portfolio available on the market today. The portfolio includes imaging and detection of bearing, brake assembly and bogie performance characteristics, and health.
- **I-ETMS® (Interoperable Electronic Train Management System):** A safety overlay that integrates new technology with existing train management and operating systems, providing a "safety-net" designed to help prevent train-to-train collisions, overspeed derailments, intrusions into established work zones, and unintended train movements from a railroad switch left in the wrong position.



In 2022, we released our new Wabtec Digital Mine product, Generation 3 Collision Avoidance System (Gen 3 CAS). The unique capabilities of the new system will drive performance and safety improvements at the customers' mining operations. The mining industry has some of the highest rates of accidents worldwide. Anti-collision technology has proved an effective means of reducing incident rates in the industry. By July 2023, Wabtec received a total of 3,500 orders from three major global mining companies for the product.



¹ European Committee for Electrotechnical Standardization (CENELEC) EN 50126 is a standard to be used to specify and demonstrate reliability, availability, maintainability, and safety of a rail system.



Driving Responsible Operations

Commitment to Climate Action

Reducing Energy Use and Greenhouse Gas Emissions

Implementing Water Optimization

Managing Waste

Sourcing Responsibly

Environment, Health, and Safety

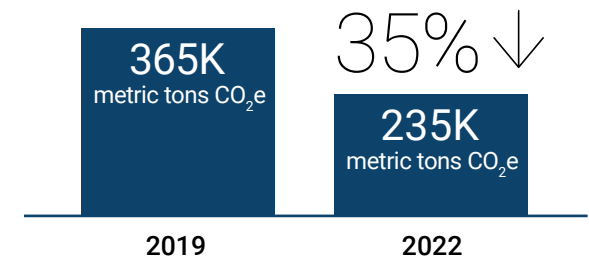


DRIVING RESPONSIBLE OPERATIONS

2022 Highlights

Greenhouse Gas Emissions

- + In 2022, we replaced our GHG and energy intensity goals with an absolute emissions goal to **reduce our Scope 1 and 2 emissions by 50%** by 2030 from a 2019 baseline.
- + We **reduced our absolute Scope 1 and 2 total emissions by 35%** from the 2019 base year.



Safe Work Environment

- + We achieved a **20% reduction** in the total recordable injury and illness rate in 2022 compared to our 2019 baseline.
- + **175 operations leaders from over 26 countries** participated in Wabtec's EHS Operations Leadership course.





DRIVING RESPONSIBLE OPERATIONS

Commitment to Climate Action

Wabtec recognizes the urgent need to lower the impacts of climate change to preserve a sustainable future for generations to come. We have aligned our operational framework with the Paris Agreement and its science-based goal of limiting the Earth's temperature increase to less than 1.5 degrees Celsius. It is our aim to ensure GHG emissions data and goals are meaningful, measurable, and verifiable, reflecting the carbon footprint of our true value chain. Climate action is a core component of our sustainability strategy, and we set targets to allow our stakeholders to measure our steady progress toward reducing the impacts of climate change.





DRIVING RESPONSIBLE OPERATIONS

Reducing Energy Use and Greenhouse Gas Emissions

We take action to reduce GHG emissions across Wabtec's value chains and help Wabtec partners across their value chains reduce GHG emissions.

Our approach to energy reduction includes policies and organizational partnerships that:

- Support the renewable energy transition and the efficient use of natural resources.
- Contribute to the success of the energy transition by improving the energy efficiency of Wabtec's products and operations.
- Integrate renewables into Wabtec's products and operations and enable the adoption of new and emerging renewable energy and resource management solutions.

In 2022, we set our Scope 1 and 2 absolute emissions targets to 50% reduction by 2030 with a baseline year of 2019. We then created a roadmap to achieve the target over a seven-year time horizon, outlining our investments in renewables, energy management strategies, and energy reduction projects at major manufacturing sites. Our main priorities are streamlining the company's global footprint, optimizing both process and infrastructure-related energy use, and transitioning to on-site renewable energy sources. We have made tremendous progress toward that target, accomplishing 35% reduction in 2022.

ENERGY USE

Reducing energy use in our operations is the first way we mitigate climate change. As part of our roadmap to reducing emissions, we aim to invest a part of our annual utility spend in operational energy efficiency projects.

Six of Wabtec's manufacturing facilities use a standardized approach to energy conservation by achieving certification for the ISO 50001 energy management standard. These sites have a dedicated energy efficiency policy, stated commitment from site leadership, and a site team that collects, tracks, and regularly reviews energy usage data to strategically manage energy usage reductions. Given the effectiveness of this approach, we have plans to expand our number of certified facilities.

Wabtec also conducts third-party energy audits at our large manufacturing sites, as well as lean workouts (kaizens) focused on eliminating energy waste.

At our smaller sites, our facilities managers conduct regular internal energy audits aligned with best practices. At some locations, these occur annually, while others are much more frequent. We use these assessments to identify and prioritize opportunities for improved energy and resource efficiency. Our most frequently applied strategies include intelligent controls and building automation, upgrades to LED lighting, waste heat recovery, compressed air, and equipment upgrades.



SPOTLIGHT

Our employees in Tours, France, hosted a contest to generate new ideas for an energy-saving campaign. The winning idea, "Two Minute Environment," asks employees to take two minutes to pay attention to their environmental impact throughout the work day and turn off all energy-consuming equipment before leaving. Employees participate whether they are in the office or on the plant floor.



DRIVING RESPONSIBLE OPERATIONS

RENEWABLE ENERGY AND ELECTRICITY

Another way we reduce our GHG emissions is by investing in renewable sources of energy in our manufacturing operations. In 2022, six new solar projects were completed at Wabtec sites in China, France, India, and Italy. These projects led to CO₂e savings of more than 500 metric tons in 2022, and they will continue to provide additional savings each year.

To further address our Scope 2 emissions, we are committed to enhancing our renewable energy strategy by purchasing low or zero-emissions power, launching an initiative to explore long-term renewable contracts.

In 2022, Sustainability Champions were identified at each of our global manufacturing locations. These champions are responsible for driving employee engagement at their individual sites, and they interact closely with the Global Operations Sustainability Council, which is the steward of the overall sustainability strategy at our manufacturing plants and services locations. The Sustainability Champion program has helped Wabtec improve the bottom line through efficient energy management, including installation of LED and motion-activated lighting and implementation of solar panels to car parks. In addition to these champions, our Transit division organizes Sustainability Forums in which teams have goals and incentives for addressing their impact, conserving resources, and identifying practical ways to improve energy use in their work.

Illustrative Scope 1 and Scope 2 Projects

At our facility in the Czech Republic, we lowered the electricity demand for heating and cooling at our facility using heat exchangers. They pre-adjust the temperature of outside air by shifting hot or cool air from the indoors, depending on the season.



Working toward sustainability is a way of life at our Wabtec site in Piossasco, Italy. In 2022, the first phase of the solar project was constructed. The first panels are capable of producing 97 kilowatt hours (kWh) of power, equal to 5% of the Piossasco plant's annual electricity needs.



Wabtec's site in Grove City, Pennsylvania, conducted lean workouts to identify projects that could eliminate energy waste at the plant. The team uncovered a tremendous opportunity to use the energy untapped from the diesel engine testing performed at the plant to power the site. The power generation can be redirected to address more than 40% of the Grove City site electrical usage, enough energy to power 1,000 average households in the U.S.



Our Shanghai and Tianjin sites in China launched solar power generation projects in 2021 that paid dividends in 2022. In Tianjin, solar generated 73 megawatt hours (MWh) of electricity, reducing GHG emissions by 45 metric tons, while lowering the electric bill by 3,900 Renminbi (RMB), which is approximately \$550 per month. The Shanghai site is in the midst of a four-phased solar project, with the first two parts completed last year. The project is currently generating 300 MWh of power and has delivered electricity cost savings of 190,000 RMB, which is approximately \$26,000 annually.





DRIVING RESPONSIBLE OPERATIONS

LIFE CYCLE ASSESSMENT

In 2022, we began a program to assess the environmental impacts of products across our Transit business. This life cycle assessment (LCA) process plays a key role in our product sustainability strategy as it will be used to understand and improve the environmental footprint of our products through various design and manufacturing changes. The aim of our program is to consider the GHG emissions and resource efficiency impacts of select products from “cradle to grave,” by evaluating the upstream and downstream emissions generated in their production. For each product, we have created a roadmap of deployment of improvements..

In our LCA approach, we chose to implement a software tool that serves as the central platform for calculating, tracking, and monitoring product carbon footprints. This allows us to understand how our design choices and other considerations impact emissions across the entire life cycle of our products, including the sourcing of raw materials, manufacturing, shipping, product use, and end-of-life processing. The program not only evaluates potential environmental impacts, but it also identifies opportunities for cost savings, resource preservation, and risk management.

Implementing Water Optimization

We recognize the importance of conserving water, especially in water-stressed regions. We established a goal of reducing our water consumption by 30% by 2030 from a 2019 baseline. Our strategy targets sites located in water scarce regions with a high or extremely high water stress rating from the World Resources Institute’s Aqueduct.¹

In 2022, we reduced water consumption at these facilities by 18% compared to the 2019 baseline, from 43.9 million gallons to 36.0 million gallons. Our current strategies to reduce water consumption include operational changes to conserve usage, as well as methods to reuse water for other applications. Looking forward, we expect to improve our impact through additional efforts in reclaiming water and reducing our consumption.

Managing Waste

Wabtec is actively working to reduce waste from our operations with innovative strategies around the globe. Our lean transformation model focuses on driving process improvements and management systems to reduce waste.

Many of these waste management actions are implemented at a local level, where solid waste and effluents are tracked by our individual manufacturing sites. We are in the process of expanding the waste data collection process to ensure the corporate total is representative of the waste from all facilities.



SPOTLIGHT

Responsible operations are a key focus of Wabtec’s China team. Since 2019, all sites in China upgraded their faucets with sensors to save water. The Shijiazhuang site improved its watering and irrigation system, cutting its annual water consumption nearly in half. This saves enough water to supply an average American family with daily water needs for approximately 11 years.



¹ <https://www.wri.org/aqueduct>.



DRIVING RESPONSIBLE OPERATIONS

SOLID WASTE

Some of Wabtec's solid waste is generated from the material used to manufacture our products. Since these materials are mostly steel and other recyclable metals, we are able to recycle most of this waste. For example, as products near their end of life or overhaul conditions, Wabtec collects these components as inputs to our remanufacturing processes. Wabtec evaluates the returned component condition during our teardown and inspection processes according to strict criteria. As components are inspected, some material falls outside of the allowable limits. We call this material "fallout," and it is aggregated through our Manufacturing Execution System (MES) by technician inputs throughout the remanufacturing process. Since we use mostly metallic materials, we are able to utilize mature recycling processes for our fallout materials.

Another large portion of material is able to be remanufactured to meet like-new criteria and sent back out in service for reuse. As new products are being introduced, such as the FLXdrive™ battery locomotive or advanced fuel injection systems, we continually evaluate our component life cycles and leverage additional recycling opportunities to reduce landfill use and conserve natural resources globally.

EFFLUENTS

We aim to reduce liquid waste from our operations through recycling solvents used in cleaning operations, as well as tracking machining coolant quality to maximize lifetime. These techniques reduce wastewater treatment, as well as hazardous liquid waste.

ADDITIVE MANUFACTURING

Wabtec has continued to invest in additive manufacturing to provide improved products for our customers and tools for our engineers to deliver successful outcomes. This investment now includes five additive facilities, 11 production machines, and a variety of materials to use for different applications. Additive manufacturing has also been used to improve our operational processes and reduce unnecessary waste in the production process of components. This operational improvement is exhibited in several ways including **weight reduction**, **speed to market**, and **inventory management**.

- Additive manufacturing can reduce production waste up to 80% and significantly shorten the time to market of components.
- Additive manufacturing can enable small units of minimum order quantities (MOQ) since tooling is not needed on the front-end of the process. This limits waste considerably by only ordering what is required.
- Across the company, Wabtec has used additive manufacturing to produce over 100,000 components since 2020.



SPOTLIGHT

The Shanghai, China, site reduced the amount of wastewater associated with one of its cleaning processes from 150 to 20 tons, a greater than 80% improvement in 2022.



SPOTLIGHT

The solvent recycling machine at Contagem, Brazil, is an example of frontline employees having a big impact on Wabtec's sustainability progress. After a lean training exercise, a frontline worker in Wabtec's Contagem facility came up with the idea to recycle paint solvent, harsh chemicals that are harmful to the environment. The recycling machine finally became operational in 2021 and meaningfully reduced the plant's costs, and allowed the reuse of some of the solvent.



DRIVING RESPONSIBLE OPERATIONS

Sourcing Responsibly

Wabtec recognizes the potential impacts of our supply chain on the environment and the local communities where we source materials and products for our own operations. We commit to ensuring our suppliers comply with our supplier standards and work with them to improve their environmental and social targets and commitments.

SUPPLIER STANDARDS

Our suppliers are an important part of our Wabtec operations, and we continuously collaborate with them to advance their sustainability awareness and capabilities.



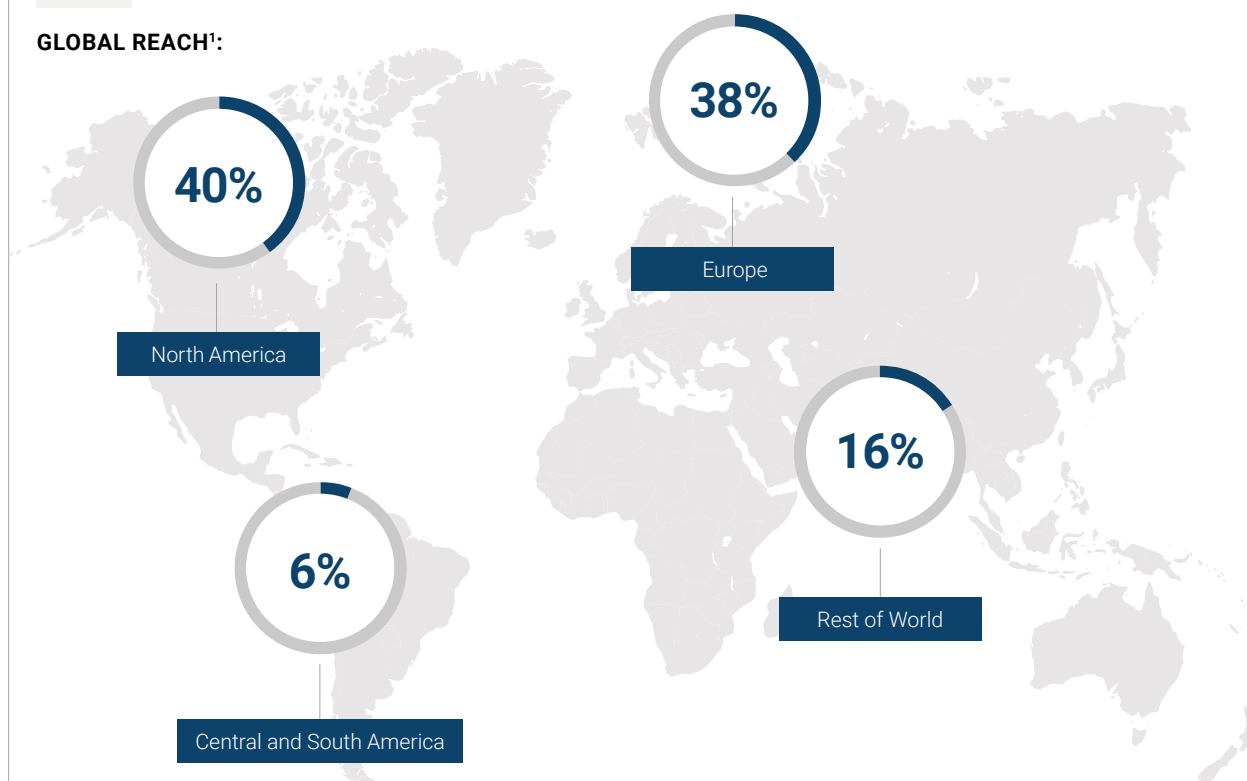
ABOUT OUR GLOBAL SUPPLY CHAIN:

**27,000**

direct and indirect suppliers.

**\$4.5B**

global purchasing volume.

GLOBAL REACH¹:

¹ Distribution based on the number of suppliers in each region.



DRIVING RESPONSIBLE OPERATIONS

Supplier Requirements and Policies

- **Supplier Code of Conduct:** Wabtec's business units use standard terms and conditions for suppliers that incorporate Wabtec's Supplier Code of Conduct. This code sets specific expectations regarding suppliers' compliance with laws and regulations linked to environmental, health, safety, labor, human rights, security, and privacy.
- **Human Rights Policy:** Wabtec's Human Rights Policy outlines our commitment to respecting human rights wherever we operate and requires our suppliers and other business partners to do the same. The policy prohibits any form of forced, involuntary, or child labor in our operations and includes specific commitments to continuously identify, prevent, and mitigate any adverse impacts of our activities. Wabtec evaluates the risks of human rights violations and modern slavery within our direct operations and supply chain.
- **Modern Slavery and Human Rights Statement:** Our Modern Slavery and Human Rights Statement details our approach to managing supply chain risks associated with forced labor and human rights violations. In our efforts to strengthen our assessment and review of suppliers, we also issued a self-assessment questionnaire focused on modern slavery and human rights risks to evaluate high-risk country suppliers. Based on results from assessments that have been received, Wabtec is working with suppliers to strengthen commitments to further reduce the potential risk of modern slavery in the overall supply chain. We are committed to working with our suppliers to

eradicate modern slavery in our supply chain and continue to measure our program's effectiveness.

- **Responsible Minerals Policy:** In 2023, Wabtec expanded our Conflict Minerals Policy to include cobalt and mica by establishing a Responsible Minerals Policy. The policy outlines our commitment to minerals sourcing done in an ethical and sustainable manner that safeguards the human rights of everyone in our global supply chain. It also incorporates the Organization for Economic Co-operation and Development due diligence guidelines and resources developed by the Responsible Minerals Initiative (RMI).

Supplier Review and Assessment

We regularly audit suppliers in high-risk countries using the supply chain risk management tool to enhance our understanding of risks to our supply chain. We use those findings to lessen the impact of disruptions, drive operational efficiencies, and accelerate integration synergies.

Supply Chain Risk Management

Supply chain risks have presented significant challenges across the global economy in recent years. To address these risks, we enhanced our process in 2022 to classify our highest risk events, notify our senior level executives, and determine and implement risk response strategies on a monthly basis.

As part of this process, we incorporate insights from a supply chain risk management tool that we introduced in 2021. The tool strengthens our understanding of the potential impact of risks with data analytics. This

risk management tool incorporates over 100 different indicators, including cyber-attacks, financial, human rights and other metrics. In the first eight months of 2023, we identified, assessed, and responded to 160 risk events related to these indicators.

ESG Supplier Rating

Wabtec implemented an ESG tool to assess suppliers' overall ESG performance in 2023. Leveraging publicly available information, the tool helps assess various characteristics around overall environmental, social, and governance metrics. Wabtec plans to use this information to identify future areas of collaboration with suppliers.

SUPPLIER DIVERSITY

To further Wabtec's sustainability goal of Empowering People and Communities, we prioritize supplier diversity as part of our supply chain strategy. About 6% of our freight equipment suppliers, both direct and indirect, are diverse. These suppliers include woman, LGBTQ+, and veteran-owned businesses and other dimensions of diversity. Wabtec partners with procurement teams and customers to build a more inclusive and diverse economy.



DRIVING RESPONSIBLE OPERATIONS

Environment, Health, and Safety

Putting people first is how we do business at Wabtec. Our Environment, Health, and Safety (EHS) program has a longstanding commitment to continuously improve and foster a culture that proactively reduces risks and hazards in our operations, protects the environment, ensures regulatory compliance, and encourages learning and development.

EHS GOVERNANCE

Our [EHS Policy](#) outlines our commitment to creating safe work environments for our employees and business partners and meeting or exceeding EHS laws and regulations where we operate. Our People First culture emphasizes the early and proactive identification of hazards, and lifelong learning about safety and environmental protection with the goal of achieving zero accidents. The Global EHS team conducts monthly EHS operating reviews with the Executive Vice President for Global Operations to communicate operational risks and key performance indicators to senior management.

We relentlessly pursue safe work environments throughout our policies, training, and culture. To align safety standards across our teams, our joint management and EHS committees drive collaboration and continuous improvement at Wabtec's operational sites. Our EHS initiatives are jointly led by employees and managers at operational sites across Wabtec. Frontline supervisors and plant managers are likewise critical stewards of our EHS culture with their

decision-making and employee coaching roles. They significantly influence the outcomes of our EHS initiatives, and they work tirelessly to foster a safe work environment.

Our Operations teams use a variety of tools for training, risk reduction, and systems evaluation to enhance our culture of workplace safety:

- **Gemba Walks and Muster Meetings:** Leadership engagement activities on the shop floor that are critical to focus employees' attention on safety.
- **Concern Reporting/Red Flag Conditions:** A mechanism to ensure employees have an avenue to escalate concerns and track them to closure.
- **2-Minute Warning:** A risk assessment tool that encourages team members to stop and assess risk before beginning work.

2022 EHS Outcomes:

0
fatalities.

79
operational sites with
0
reportable injuries.

20%
total recordable injury and illness rate
reduction from our 2019 baseline.





DRIVING RESPONSIBLE OPERATIONS

COMPLIANCE ASSURANCE

Wabtec's EHS management system (EHS WMS) reduces risks and implements best practices across our global manufacturing and services sites in a consistent, centrally coordinated manner. It establishes standard expectations in 12 core competency areas, including EHS leadership, regulatory applicability review, risk assessment and safety, exposure, and environmental defenses.

Managers at our sites assign owners to each core competency area to effectively assess site-level risks and address them with appropriate processes. We measure the operational sites on how well they implement the EHS WMS, validating site self-assessments to apply our framework effectively and consistently across the entire organization.

Our EHS WMS also contains core requirements regarding the steps teams should take to meet our expectations for critical areas of machine safety, electrical safety at lockout/tagout, lifting operations, and air, water, and waste management. This system ensures our operating units comply with all applicable EHS laws and regulations, satisfy our corporate expectations, and continuously improve site-level EHS performance.

RISK REDUCTION

To ensure operational accountability for EHS across all levels of Wabtec, we use standard metrics (both lagging and leading indicators) and structured management reviews to track and measure EHS performance across all our operational sites. Each site is responsible for developing a risk reduction plan to drive site or project-level actions related to risk reduction, employee engagement, and continuous EHS improvement.

The partnership between Operations and EHS teams to eliminate and reduce hazards and risks within Wabtec's operations is fundamental to improving our EHS performance. In 2022, we improved our focus on proactive risk reduction by conducting monthly incident review sessions with our site Operations and EHS teams. Our teams review common incidents, discuss corrective actions, and share best practices. We also deployed an enterprise-wide electronic EHS concern reporting tool to make it easier for our team members to raise an EHS concern at any time. By tracking and comparing participation, number of concerns, and closure rates, we plan to use this tool as a leading indicator of EHS leadership commitment and employee engagement across Wabtec's operational sites.

2022 Insights:

- **42 Wabtec sites externally certified to ISO 14001, ISO 45001, and/or OHSAS 18001.**
- **At least one EHS WMS element audited and validated at 56% of sites exceeding our goal of 20%.**

2022 Insights:

- **More than 49% of corrective actions from incident learning events included engineering solution or hazard elimination.**
- **Out of 7,219 EHS concerns reported, 99% addressed.**
- **Out of 588 near misses reported, 87% closed.**



DRIVING RESPONSIBLE OPERATIONS

LEARNING AND DEVELOPMENT

Wabtec's Learning Management System ensures we effectively deploy and monitor EHS training across the enterprise. The platform contains more than 1,300 online courses on EHS topics and can be adapted to include site-specific content that is curated by EHS professionals for classroom and hands-on experiences. All employees must meet the minimum expectations for EHS training defined in our standard learning matrix. Required training in this matrix is assigned based on job function and/or specialized task.

In 2022, Wabtec continued our EHS leadership training course aimed at building the skillsets of general managers and plant managers to empower them as critical stewards of our EHS culture. This course instills Wabtec's EHS expectations of its operational leaders by providing an awareness of EHS impacts and legal and compliance responsibilities, practical tips for achieving and maintaining EHS excellence, and ideas for cultivating a positive culture and engaging employees to take ownership for EHS. Since 2021, approximately 175 leaders from over 26 countries have attended the training.

We also are committed to continuing education and development of our EHS professionals. In 2022, we implemented a new EHS professional onboarding program to ensure new hires develop a strong connection to Wabtec's EHS network and jumpstart their awareness of our processes and tools. Other professional development routinely occurs through business and/or regionally aligned hubs and EHS Summits. Held biennially, EHS Summits bring together EHS professionals from across our main business segments for a multi day learning and networking experience. The event includes presentations from Wabtec's senior leaders or external experts on emerging topics in the EHS field, group audits, or other hands-on training activities.



Wabtec holds annual Safety Days to celebrate safety milestones across our workforce. The event is a week long celebration around the globe where our sites and individual employees compete for safety awards and recognition based on a pre-established theme. In 2022, we challenged all employees to apply the Plan-Do-Check-Act cycle to every aspect of their daily lives. In 2023, the theme was People First. Wabtec's annual Safety Days emphasize everyone has a responsibility to ensure a safe and healthy work environment by owning their impact on the well-being of others and taking action when they see something amiss.





Empowering People and Communities

Commitment to Our People

Investing in Our People

Promoting Diversity, Equity, and Inclusion

A Just and Sustainable Transition

Caring for Our Communities



EMPOWERING PEOPLE AND COMMUNITIES

2022 Highlights

- + Significant year-over-year progress on all diversity, equity, and inclusion targets, such as an **11% increase in female representation globally.**
- + **Great Place to Work certification** for Wabtec Transit sites and Wabtec India Technology and Engineering Center based in India.
- + Since Bids for Kids launched in 1995, the community event has raised approximately **\$2.3 million** for local charities in Western Pennsylvania.



EMPOWERING PEOPLE AND COMMUNITIES

Commitment to Our People

Wabtec's employees are a core strength of our global operations. One of our core values is People First, and we continuously support our valuable workforce by engaging with our team members in a responsible and fair manner. We honor the combined skills, knowledge, and diverse backgrounds and experiences they bring to our organization. Our employees stand behind our sustainability goals and provide

meaningful contributions to ensure our progress toward them.

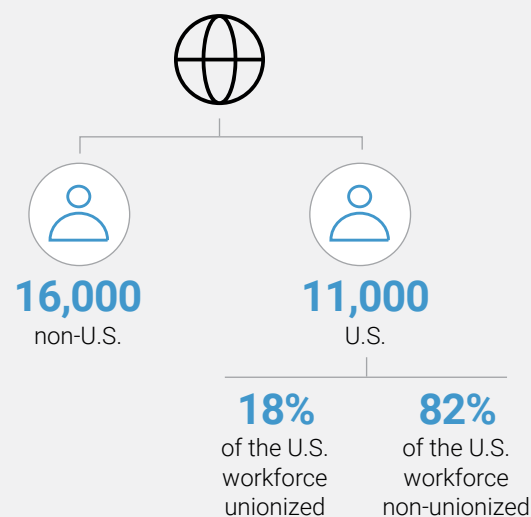
Wabtec supports our employees' right to freedom of association and promotes strong dialogue and engagement with labor representatives where trade unions or other forms of employee representation are present. Through our collective bargaining activities, we fully comply with the labor management laws and

standards in every country where we operate. At the same time, we extend the same respect and fair treatment to all of our non-represented employees.

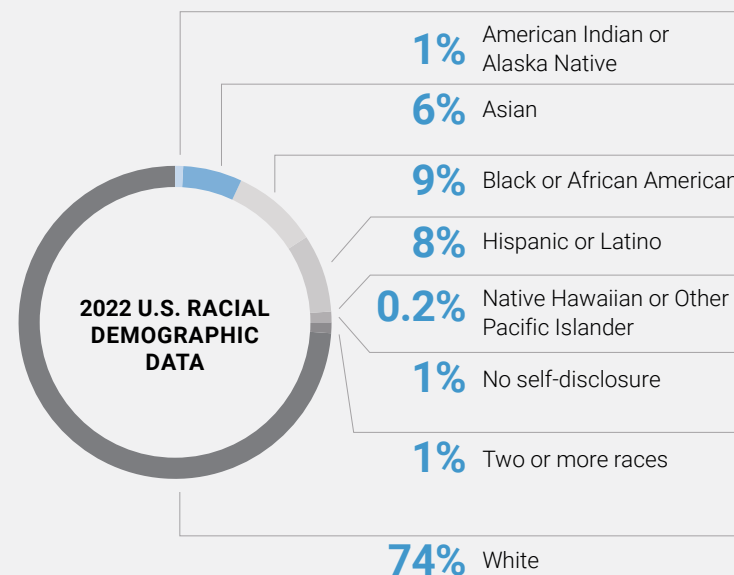
Our employee relationships are the foundation of our strong reputation, and we continuously strive to cultivate a trusted, safe, and respectful workplace environment where our employees feel comfortable raising concerns and contributing their ideas.

ABOUT OUR WORKFORCE

27,000 EMPLOYEES

 (excluding 7,000 contingent workers)

WOMEN REPRESENT:





EMPOWERING PEOPLE AND COMMUNITIES

Investing in Our People

Our employees are a valuable asset to our organization, and we believe in supporting them in ways that help them achieve their full potential. By recruiting the best talent, ensuring they receive attractive benefits and wellness opportunities, and delivering professional training and advancement opportunities, we commit to serving our employees' best interests.

RECRUITMENT AND RETENTION

Wabtec's workforce is driving innovation across the global rail industry, making it vital for us to attract and retain the best talent.

Our approach to talent attraction is through diverse recruitment efforts by leveraging our Vision, Mission, and Values, storytelling, commitment to diversity and inclusion, career growth, competitive total rewards offerings, and long-standing innovation as a company. In 2022, we hired 6,400 new employees globally, and overall annualized attrition is 19% with voluntary attrition being 11%.

At Wabtec, we strive to retain our talent by providing equal opportunities for all of our employees to succeed. We strongly believe by investing in our workforce and providing them with the necessary tools, we can gain a competitive advantage for our organization while also creating a positive work environment. Our processes are designed to create the ideal environment for our employees.

Here are a few examples of how we achieve this goal:

- We prioritize the long-term career development of our employees. We work closely with all of our employees to create a personalized career development plan that identifies their strengths,

interests, and objectives. Through this plan, we outline specific steps they can take to achieve their goals, providing them with access to various tools.

- We encourage leaders to have regular career conversations with their employees, separate from performance discussions.
- We want our employees to explore different business units and functions within the organization and pursue new opportunities that align with their career aspirations.
- We offer access to a range of training and development opportunities, including on-the-job training, workshops, online courses, and tuition reimbursement.

Wabtec also has a robust goal setting and performance development process. It helps employees and the business align on priorities and expectations, track progress, and continue to grow.





EMPOWERING PEOPLE AND COMMUNITIES

COMPENSATION

Our approach to compensation embeds pay-for-performance considerations, aligning individual performance, behaviors, and business results with rewards. To establish fair and attractive compensation, we evaluate multiple factors such as an employee's role, experience, job location, and performance. In addition to evaluating merit-based factors, we also benchmark compensation to the external market using market data.

HEALTH AND WELLNESS

Wabtec commits to ensuring our employees have full access to health benefits and wellness programs to meet comprehensive physical and mental health needs that underpin a healthy life. We believe our employees perform their best work when they are rewarded for their efforts and safeguarded with strong health and wellness benefits.

Our benefits packages are designed to help our employees succeed in both the workplace and their communities. We offer healthcare and wellness benefits, retirement benefits, an Employee Assistance Program, and paid time off.



SPOTLIGHT

In 2023, Wabtec launched a new wellness global benefit, Headspace for Work. All employees were provided access to hundreds of meditations and exercises for stress, focus, sleep, and movement. The app has content in French, German, Spanish, Portuguese, and English.





EMPOWERING PEOPLE AND COMMUNITIES

TRAINING AND DEVELOPMENT

Wabtec offers a variety of learning content for all of our employees through our online educational platform, LinkedIn Learning. Content spans deep technical skills, soft skills, leadership training, and general career development representing over 50,000 skills, 13,000 courses, and more than 12 languages. LinkedIn Learning continues to expand and refresh content to remain contemporary.

In 2022,

>6,100

unique employees
completed

>9,000

courses.

Employees in

43

different countries
spent a little over

>13,000

hours leveraging
LinkedIn Learning
throughout 2022.

During 2022, employees
started almost

57,000

courses and watched

>246,000

videos.

Our two-year Leadership, Expertise, Advancement, and Development (LEAD) program is the primary path for university graduates into Wabtec. LEAD offers an immersive learning experience in the fields of engineering, operations, finance, and IT along with extensive leadership training designed to build the next generation of leaders. On average, there are 100 participants in the LEAD program that rotate between business units every six months to work on strategic projects and assignments, gain exposure to senior leadership, and build their global professional network. We are focused on strengthening this program to support our global talent pipeline.

In addition, Wabtec recognized our first graduating class of the Propel leadership development program created for mid-career employees and designed to cultivate and accelerate individual leadership and growth for our women engineers around the world. Program participants have the opportunity to hone key skills, network, gain visibility with senior leadership, and strengthen cross-cultural awareness. The program includes stretch assignments, high-impact projects, and a custom curriculum supported by ongoing feedback and mentorship from senior leaders.

- In 2022, our Transit division launched two new educational programs, **Sustainability e-Learning** and **Climate Fresk**, to heighten our employees' awareness about our climate-related ambitions. Our Sustainability e-Learning modules focus on environmental challenges, key sustainability concepts and approaches, and Wabtec's sustainability goals, while our Climate Fresk workshops center on interactive problem-solving activities linked to climate change. These training programs fill an important gap toward creating a common understanding and sense of empowerment toward solving climate change challenges across our organization. Learn more about our development and training activities in the A Just and Sustainable Transition section of this report on [page 53](#).



- After completing our initial pilot of the training in 2021 and 2022, we held large Climate Fresk workshop events for 180 Transit leaders and engineers in 2023. To date, 500 Wabtec employees have participated in the workshop and we aim to increase that number to 4,000 by 2025.



EMPOWERING PEOPLE AND COMMUNITIES

ENGAGEMENT

Engaging with our employees is one of the ways we ensure we better understand and serve their needs. Our employee engagement approach combines leadership messages from Wabtec's headquarters, along with local engagement strategies tailored to the needs of a particular Wabtec site. No matter the site, the touch points are frequent, and they allow opportunities for both salaried and hourly employees to engage with business and plant leadership. The types of engagements include:

- **Daily** meetings before each production shift to discuss production needs, concerns, and safety issues.
- **Weekly or biweekly** meetings held by "continuous improvement" committees, which are composed of hourly employees and used as a forum to share information with leadership, resolve issues, and discuss opportunities for continuous improvement.
- **Weekly** resource for news called WABtalk to celebrate business successes, regional events, and personal achievements of employees.
 - In 2022, WABtalk devoted an entire issue to Wabtec's sustainability priorities and how innovative technologies are meeting global challenges.
- **Monthly** newsletters distributed to segments of the business.
- **Monthly** business leader updates with Q&A sessions.

- The November/December 2022 issue of the Freight Equipment's team Same Track newsletter was devoted to sustainability.
- **Monthly** employee engagement committee meetings to discuss items related to company culture and safety.
- **Quarterly** all hands meetings to discuss the business and regional priorities, key initiatives related to employee health and wellness, sustainability and other matters of interest, typically concluding with a Q&A session for employees to raise questions or concerns.

To further embed sustainability practices into our operations, Wabtec added opportunities to further educate our workforce on sustainability challenges and opportunities in the rail industry.

For example, in June 2023, Wabtec hosted Nobel laureate Jean Jouzel at a Sustainability Roundtable in the corporate offices in Paris, France. As a world-renowned leader in climate change research, he shared his perspectives on climate issues, the impact of transport, and the challenges facing the rail industry.





EMPOWERING PEOPLE AND COMMUNITIES

Promoting Diversity, Equity, and Inclusion

We are committed to creating a diverse and inclusive workforce built on the foundation that all employees treat each other with respect and dignity. Consistent with our company's culture and values, we cultivate a workplace where everyone feels safe bringing their authentic selves to work every day with our Diversity, Equity, and Inclusion (DE&I) program.

In addition to our 2030 diversity goals, we also assess the global gender and U.S. racial diversity of our workforce by employment status. By evaluating this information, we can better understand how to enhance our diversity, not just for our overall workforce, but across every level of our organization.

COMMITMENT TO DE&I

Wabtec's position as a global leader in the rail industry means it is vital for our workforce to reflect the vibrant diversity of the cultures and identities shared by the customers and stakeholders we serve around the world. Our continued success is made possible by creating an inclusive and equitable workplace that serves the needs of our diverse employees. We deeply respect our employees' unique backgrounds, experiences, and differences. Workplace diversity not only contributes to our success as a proven source of innovation, but also remains central to our core value of putting People First.

Enhancing the diversity of an organization requires the commitment and dedication of the leadership. Our executive-led Diversity and Inclusion Council oversees global diversity and inclusion policies and initiatives, and in 2023, Embrace Diversity was added as a corporate value.

Our Board of Directors is also a key partner in overseeing our investment in diversity, inclusion, and equity efforts. Although the Board does not establish specific goals with respect to diversity, the Board's overall diversity is a significant consideration in the director nomination process. Our Board of Directors consists of individuals who bring valuable diversity to the Board in terms of gender, ethnicity, race, industries represented, experience, age, and tenure. The directors range in age from 51 to 79. Five of our directors (55% of the Board) represent diversity of gender, race, and ethnicity. Five of our directors have served on the Board for less than five years.

MAKING PROGRESS ON DIVERSITY GOALS

At Wabtec, we recognize the importance of achieving a higher representation of diverse employees throughout our global operations. This is why we have committed to proactively attracting and retaining more people of color in our U.S. workforce and women across our global workforce. A key pillar of our diversity and inclusion strategy is inclusive hiring. Wabtec supports this goal through engaging with more than 10 diversity recruiting partners. These partnerships position Wabtec to grow our internship pipelines, leadership development programs, and positions at all levels in the organization. In 2022, we have made significant progress toward all of our 2030 diversity and inclusion targets from the prior year.





EMPOWERING PEOPLE AND COMMUNITIES

WORKFORCE DIVERSITY TRAINING

Our employees depend on an inclusive culture where they feel comfortable to bring the depth of their experience to work each day. We prioritize training to ensure our entire workforce respects and honors their peers. Over the past few years, we deployed a variety of learning resources and opportunities, starting from the top and cascading down, with a deliberate focus on our leaders. Training for leaders has included interactive virtual sessions, self-guided digital learning, and other opportunities to engage with and practice strategies to activate inclusive leadership behaviors.

Our partnership with MindGym, a leading psychology-based training and development company, helped us establish a basis for our training. Over time, we've continued to refine our company-wide DE&I training by centering our work on behaviors that foster inclusion. Not merely a one-time event, our training is part of an ongoing initiative to provide our leaders with tools and resources to regularly engage with employees about workplace inclusion. Over 7,000 salaried Wabtec employees participated in this training globally.

We aim to expand the number of our employees who attend the training and build upon our existing progress. Learning courses such as Building Bridges, Minus the Bias, and The In Crowd provide leaders with

critical skills to encourage inclusion. Leadership training is a crucial opportunity for leaders to drive progress and take tangible steps toward creating a more diverse and inclusive workplace. These courses provide guidance and effective solutions to build belonging and bridge differences, while eliminating any form of exclusion in our workplace.

EMPLOYEE RESOURCE GROUPS

Wabtec encourages our employees to join Employee Resource Groups (ERGs) to enhance the diversity and inclusion of our workforce. As employee-led and managed groups, our ERGs foster a workplace where people treat each other with respect and dignity, diverse perspectives are sought and encouraged, and everyone feels safe bringing their authentic selves to work.

Open to all employees, our ERGs are a valuable forum through which our employees can interact and develop personally and professionally. The groups hold networking events with company leadership, manage formal mentoring programs, sponsor career training geared specifically toward their members, and invest in the communities in which we operate. We have approximately 2,700 ERG members globally.



SPOTLIGHT

At Wabtec's Transit manufacturing center in Hosur, India, the Pink Line initiative was launched to provide women meaningful employment opportunities in manufacturing. The Pink Line has won a number of awards in India, including the top prize for People Practices in Manufacturing.





African Heritage Forum

The African Heritage Forum formed a partnership with the Thurgood Marshall College Fund. As part of that partnership, Wabtec participated in "The Pitch" national competition, which welcomed 150 students from over 40 Historically Black Colleges and Universities (HBCUs). It was a five-day event that challenged students to step outside their comfort zones to think through real-life problems, learn business modeling, practice canvas design thinking, and pitch to a group of professional judges.



Asian Pacific Forum

Wabtec Asian Pacific Forum participated in the Society of Asian Scientists and Engineers eight-week Top Gun Leadership Academy to develop leadership skills and confidence for new managers.



Hispanic / Latino Forum

The Hispanic and Latino Forum hosted a virtual mentoring session with engineering students from the National University of Nuevo Leon in Mexico to provide mentorship and the ability to practice speaking English.

Organizational Partners



LRW (League of Railway Women)



SWE (Society of Women Engineers)



NSBE (National Society of Black Engineers)



SHPE (Society of Hispanic Professional Engineers)



SASE (Society of Asian Scientists and Engineers)



Hiring our Heroes



Out & Equal



MyAbilities Forum

"Duoday" represents just a part of the initiatives that cover the European Week for the Employment of People with Disabilities, which takes place in November. MyAbilities participated in Duoday by connecting a disabled person with a company employee, and together the "duo" actively participated as much as possible in the usual tasks of the employee.



Women of Wabtec

The Women of Wabtec created a scholarship program for female students in the diesel technology program at Montana State University-Northern. The scholarship provides financial assistance, mentorship, and networking opportunities for female students.



Pride Forum

Wabtec signed the Human Rights Campaign's (HRC) "Count Us In" pledge. The HRC is the largest lesbian, gay, bisexual, transgender, and queer (LGBTQ+) civil rights advocacy organization in the U.S. The pledge brings businesses together in allyship for the LGBTQ+ community.



Veterans Forum

In Erie, Pennsylvania, the Veterans Forum, MyAbilities ERG, and members of the Wabtec Leadership Development program worked on a Build-a-Wheelchair® volunteer project in support of two non-profit organizations (VA Medical Center and Chosen, Inc). Build-a-Wheelchair® is a program that assists American veterans and others with various mobility challenges.



SPOTLIGHT

In 2023, Wabtec published our first Reconciliation Action Plan in Australia (Reflect RAP), a formal statement documenting how the company will support reconciliation with Aboriginal and Torres Strait Islander peoples in Australia. Through these actions, Wabtec aims to provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity.



SPOTLIGHT

In 2023, Wabtec's President and CEO signed the CEO Letter on Disability Inclusion, a formal commitment to advance opportunities for people with disabilities and benchmark the company's disability inclusion journey using the Disability Equality Index.



EMPOWERING PEOPLE AND COMMUNITIES

A Just and Sustainable Transition

Wabtec supports the ambitions of the Paris Agreement and the UN Sustainable Development Goals to ensure a just, inclusive, and sustainable transition as the world moves to a clean energy economy. We recognize our role in ensuring that our employees have the right skills and training to succeed, as well as the need for continued engagement with, and investment in, the communities where we operate. Moreover, Empowering People and Communities is at the core of who we are and one of the three founding principles of our sustainability strategy. As stated on [page 49](#) we are committed to driving an inclusive culture grounded in integrity, committed to development and investment in the communities where our teams live and work.

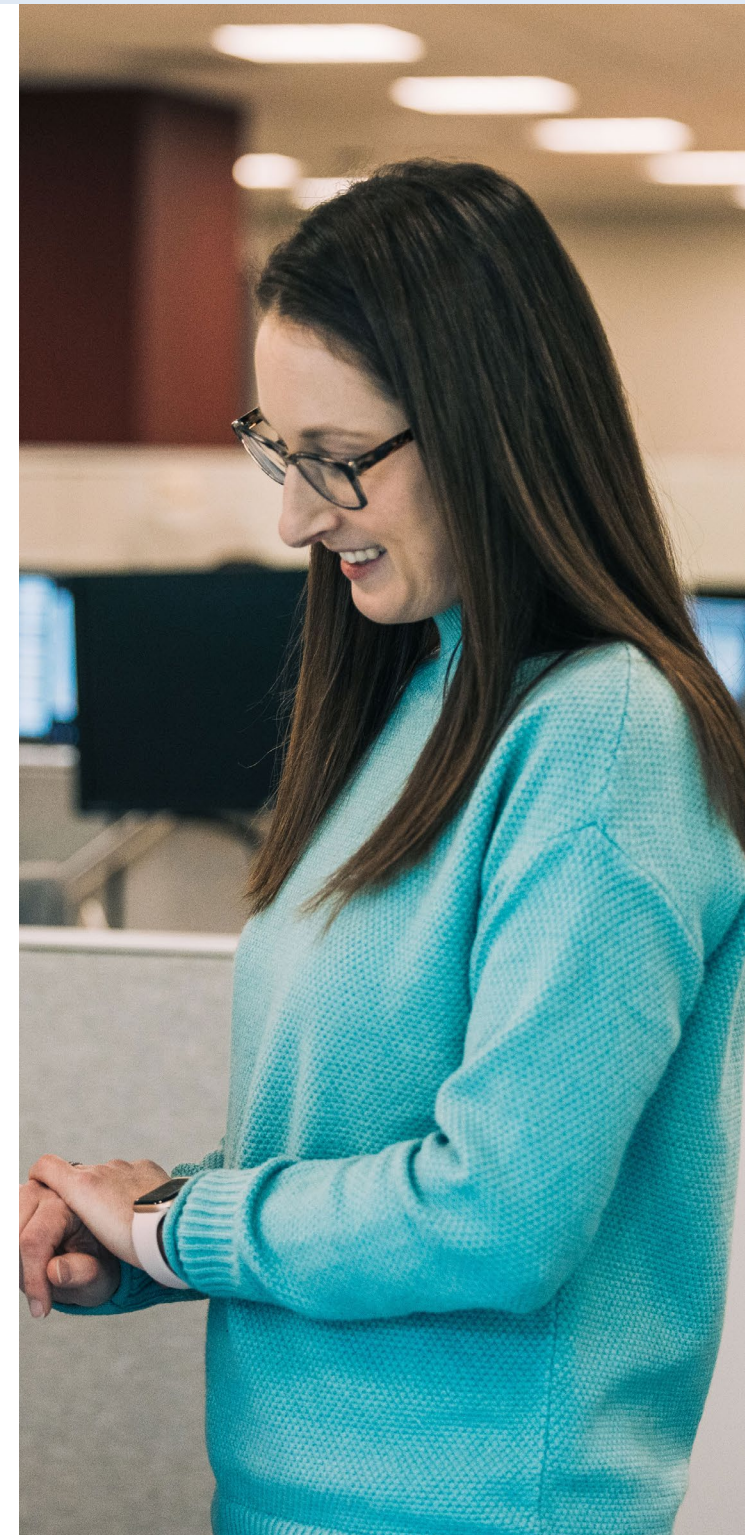
Wabtec's Sustainability Taskforce is working to incorporate "just transition" principles related to stakeholder engagement, workforce development, and community involvement into its overall strategy. Further, Wabtec's Sustainability Taskforce plans to monitor developing frameworks and disclosure standards in this area and is engaging with shareholders and other investors as we seek to enhance our future disclosure on this topic.

In this report, we enhanced our disclosure in key areas related to employee engagement, workforce development, and investment in local communities. Throughout the more than 150 years of our company's history, we have worked closely with our employees and communities to create shared value throughout innumerable technological and other changes in our industry. By engaging with Wabtec employees and local communities to evaluate the potential opportunities and impacts related to Wabtec's efforts to enable decarbonization of the rail industry, we aim to help our employees and local communities succeed during the clean energy transition.

ENGAGEMENT

As the world addresses climate change and transitions to a clean energy economy, there is no one-size-fits-all approach. Wabtec has operations in over 50 countries and sells products in more than 100 countries. Each country will deploy different approaches, policies, and technologies to meet the clean energy transition needs of a particular market. The pace of change will undoubtedly vary among countries and regions.

We believe that our business is positioned for growth across a range of decarbonization pathways. To enable shared value from lower and zero carbon solutions for the global rail industry, Wabtec must engage with a wide range of stakeholders, including governments, local communities, customers, employees, and employee representative bodies, suppliers, industry leaders, and educational institutions. See Stakeholder Engagement and Innovating with Purpose sections on [pages 13 and 19](#). We also regularly engage with our employees in a variety of forums, at different levels and frequencies. Recognizing that the needs and concerns of our employees vary by plant site, our engagement strategies provide flexibility for our local leaders to tailor their approach at the local level. For more information about our employee engagement, see [page 48](#) of this report.





EMPOWERING PEOPLE AND COMMUNITIES

WORKFORCE DEVELOPMENT

With the transition to a fully decarbonized rail network likely to occur over the next decades, Wabtec believes it is important to ensure that our workforce has the right skills and training for each stage of the transition. The skills required for future lower- and no-carbon transportation products and solutions are closely related to the skills needed for our existing offerings, but we appreciate — as with all technological innovation — the need for continuous improvement. As such, we offer our development opportunities to our employees through tuition reimbursement programs, internal re-skilling and up-skilling opportunities, partnerships with community colleges, and educational opportunities related to sustainability. On [page 47](#) of this report, you will find a presentation of the Training and Development of Wabtec's employees. As part of this effort, we offer on our sustainability training on our e-learning platform to help raise the awareness of all employees on topics related to sustainability.

We also seek out opportunities to partner with customers, academic institutions, and government bodies to compound our efforts in this area.

COMMUNITY INVOLVEMENT

At Wabtec, we recognize the importance of engaging with local communities where we live and operate. Some of our existing projects are discussed on the right side of this page.

By continuing projects like these and others featured in the Caring for Our Communities section of this report on [page 55](#), we aim to support the communities in which we operate and the rail industry as a whole.

Workforce Development

- **Fort Worth, Texas:** We initiated an apprentice program for the highly skilled machinist position. It is a year-long program, with both hands-on and classroom learning opportunities. Also in Fort Worth, we have been partnering with technical colleges to develop welders. Welding is a precision practice and is extremely important in the manufacturing of locomotives.
- **Grove City, Pennsylvania:** We partner with a local technical school, called Venango Technology Center, and employees utilize our tuition reimbursement program to progress into other highly skilled roles. Our Grove City site also offers online and hands-on training and apprenticeship programs for certain positions.

Community Involvement

- **Politecnico di Torino** — In 2023, Wabtec entered a strategic collaboration with Politecnico di Torino (Polytechnic University of Torino), accredited as one of the best technical universities in Europe, to define and implement shared research, innovation, and education projects. Through participation in international and European projects, as well as advanced training and education, students will gain unique hands-on opportunities to learn new technical skills. Wabtec will provide access to internship programs, workshops, seminars, and other training initiatives, and will foster a new generation of rail industry professionals.
- **Marhowra, Bihar, India** — Our manufacturing plant in Marhowra, Bihar, has set a new benchmark to have a diverse and talented workforce from Bihar and Jharkhand. Wabtec's outreach programs in and around the Marhowra factory have fueled vocational training and educational equity, enabling community development in the region. The programs have prepared and supported over 600 female entrepreneurs. They have also trained engineers from the local polytechnic school with smart welding skills needed to secure employment.



EMPOWERING PEOPLE AND COMMUNITIES

Caring for Our Communities

Every day, Wabtec works to make the world a little bit better. It's been our goal – and part of our business – for over 150 years. Led by the Wabtec Foundation, our philanthropic arm, we commit to improving the health, safety, and viability of our communities and addressing critical needs with meaningful, sustainable impact. We donate to communities where we operate in an effort to support local communities, address humanitarian crises, and provide disaster relief.

In 2022, our communities faced devastating natural disasters and the lingering impacts of multiple crises. Our Caring for our Communities program donated a total of \$580,000 to over 170 recipients to positively impact our communities around the world.

Bids for Kids raised more than \$150,000 for local charities in Erie and western Pennsylvania in 2022. The funds support important community programs at Erie's Boys & Girls Club, Make-A-Wish, and Shriners Hospitals for Children, as well as the Boys and Girls Club of Western Pennsylvania in Pittsburgh. Since Bids for Kids auction started in 1995, the community event has raised approximately \$2.3 million for local charities.

CARING IN INDIA

In 2023, Wabtec completed a refurbishment project of a Zilla Parishad School in Mahalunge, Pune, India, in partnership with the Ennoble Social Innovation Foundation. Wabtec has committed to refurbish two schools in Pune, India, in the community of Wabtec's India Global Sourcing Organization operations. Together, the projects will benefit more than 2,400 students.

CARING IN THE UNITED STATES

Wabtec Foundation donated \$25,000 toward Red Cross relief efforts in Florida to support communities after the devastating impacts of Hurricanes Ian and Nicole. Approximately 700 Wabtec employees are located in Florida. The donation supported the Red Cross in providing meals, overnight stays, supplies, and medical needs to impacted community members in need.

Our Wabtec Foundation also supported the United Way of Erie County and its mission to reduce poverty with a \$124,000 donation. The donation is the result of our 2022 United Way campaign where employee contributions are combined with a 50% match from the company.

CARING IN UKRAINE

In support of Ukrainian refugee relief efforts, Wabtec Foundation donated \$100,000 in March 2022, split evenly between the International Rescue Committee (IRC) and World Central Kitchen. These organizations are active in the region helping the growing number of civilians leaving Ukraine.

“Wabtec is committed to the well-being of people in our operational areas. We’ve made an impact at 50 schools in India this year. The students at two Pune schools will benefit from infrastructure improvements, which provide a cleaner, safer, and better overall learning environment.”

Sajid Iqbal

Vice President, Human Resources and Corporate Social Responsibility for Wabtec India



A background image of a city skyline at night, with numerous skyscrapers illuminated and their lights reflecting on a body of water in the foreground. A large, semi-transparent teal circle is overlaid on the right side of the image, containing the title and a list of topics.

Establishing a Foundation of Governance and Ethics

Overseeing ESG

Managing Risk

Advancing Ethics and Compliance

Cybersecurity and Data Privacy



ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

2022 Highlights

- 
- A photograph of three smiling professionals in an office setting. In the foreground, a Black man with a beard, wearing a blue button-down shirt and a gold watch, stands with his arms crossed. Behind him, a blonde woman and a brown-haired woman are also smiling.
- + Board of Directors with **45% having tenures of less than five years** and **55% racially or gender diverse**.
 - + **Independent lead director** with robust responsibilities that were recently enhanced and fully independent board committees.
 - + **Corrective action** taken for all confirmed Speak Up concerns.



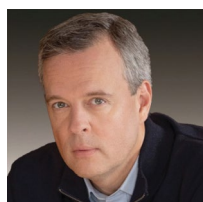
ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

Overseeing ESG

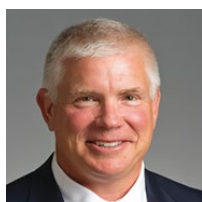
Our ESG governance framework starts with our Board of Directors, who oversee the execution of the company's ESG strategy within their oversight of Wabtec's overall business, risks, and opportunities. Our Board reviews ESG matters at least two times a year.

This framework is supported by our broader Enterprise Risk Management (ERM) process, which is our primary vehicle for assessing and managing operational, strategic, financial, and compliance risk. An ERM report, with the status of relevant mitigation measures, are reviewed with the Board twice a year.

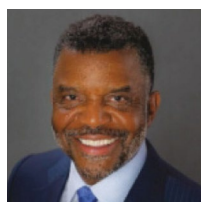
BOARD OF DIRECTORS



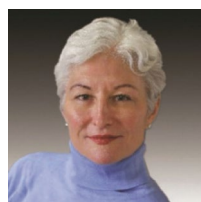
Rafael Santana
President
and CEO



Lee C. Banks
Independent
Director



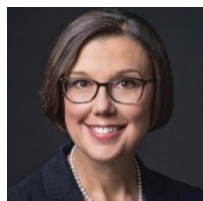
Byron S. Foster
Independent
Director



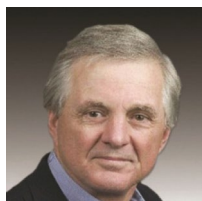
Linda A. Harty
Independent
Director



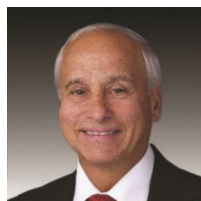
Brian P. Hehir
Independent
Director



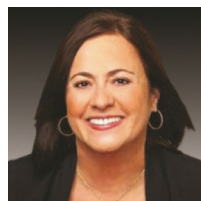
Beverly A. Babcock
Independent Director



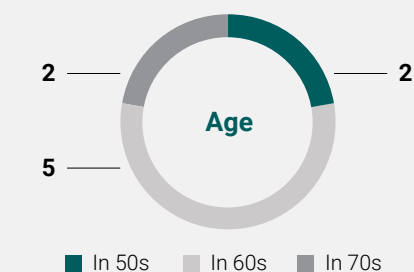
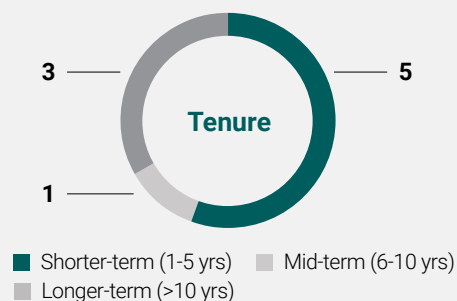
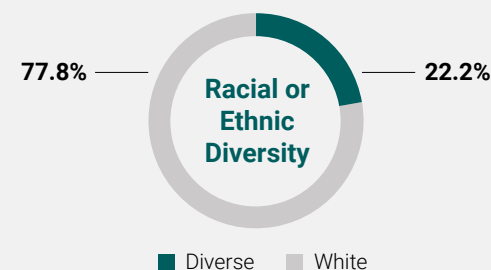
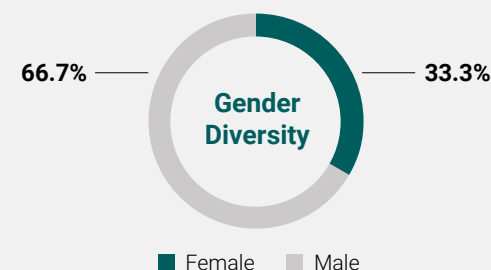
William E. Kassling
Vice Chair of the
Board



Albert J. Neupaver
Chairman of the
Board



Ann R. Klee
Independent
Director





ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

BOARD COMMITTEES

Wabtec's Board delegates certain ESG responsibilities to committees and receives regular updates on committee activities.

Governance and Sustainability Committee	Audit Committee	Compensation and Talent Management Committee
Oversees sustainability strategy and execution toward ESG goals, climate-related risks and opportunities, enterprise risk strategy and management systems, EHS matters, and public policy and advocacy efforts and ensuring that the Board's members reflect diverse backgrounds to effectively guide oversight of the areas of ESG.	Oversees ESG related to ethics, integrity, and compliance, and audit and financial controls, reporting, financial impacts, and disclosures.	Oversees ESG related to key compensation and benefits plans; executive compensation strategy, structure, and mix; leadership performance, development, talent management, diversity, equity, inclusion, and succession; and compensation-related ratings and disclosures.

MANAGEMENT OF ESG

Wabtec manages ESG topics through executive oversight and cross-functional, collaborative teams.

Chief Strategy and Sustainability Officer Newly established role in 2022	Sustainability Task Force	Supported by Enterprise Risk Management
Reports directly to Wabtec's President and CEO, and meets regularly with the Board and stakeholders to discuss Wabtec's ESG strategy and performance. Has oversight responsibility for the company's sustainability strategy and initiatives, and leads internal activities to drive progress across Wabtec's value chain.	Meets quarterly with the Chief Strategy and Sustainability Officer to advance the company's sustainability strategy, and is composed of leaders across all functions and business segments, including EHS, Operations, Engineering, Finance, Sourcing, Legal, and Human Resources.	Guards against ESG risks as a critical risk area evaluated as part of our ERM process. Controls are identified for response and migration of those risks through an annual ERM report.



ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

Managing Risk

Given Wabtec's leading global position as a provider of equipment, systems, digital solutions, and value-added services for the freight and transit rail sectors, preparation and resilience are critical to how we do business. We routinely monitor risks, ensure swift response, and evaluate improvement areas for our risk management strategy.

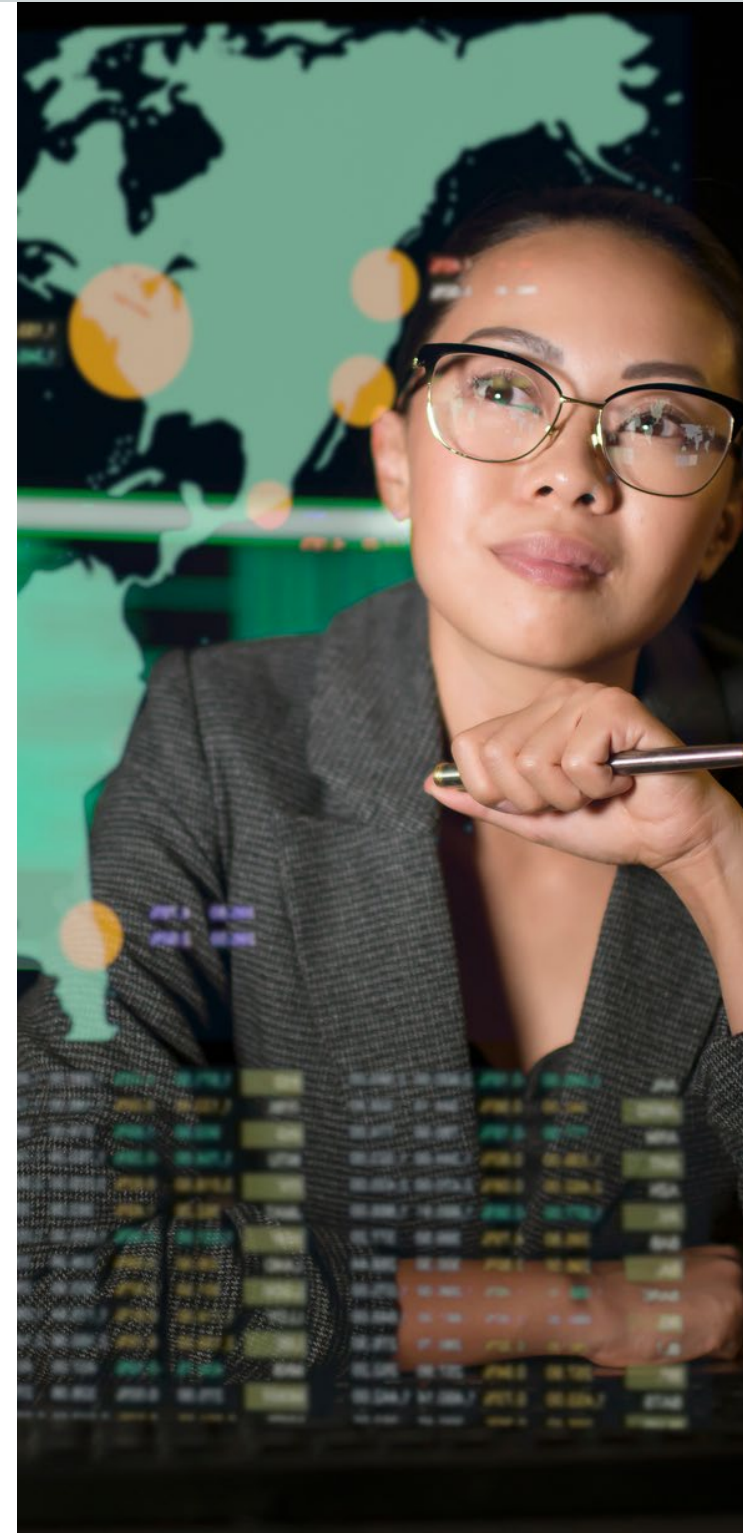
Our Board of Directors, primarily led by the Audit Committee, is responsible for overseeing and monitoring the material risks facing the company. Our ERM process is central to our risk management process.

CLIMATE RISKS

As global climate change impacts intensify, affecting diverse regions of the global economy, Wabtec recognizes the undeniable reality of climate physical and transition risks. To mitigate these risks, we commit to reducing GHG emissions as an urgent short and long-term priority, and we are taking meaningful and deliberate steps to support the transition to a clean energy economy within our operations and by supporting the adoption of low-carbon fuels and developing alternative propulsion technologies for the rail industry. We believe our efforts create a strong competitive differentiator for our business strategy. For more information about our climate risk mitigation activities, see [Innovating with Purpose on page 19](#) and [Commitment to Climate Action on page 32](#).

As part of our annual ERM process, Wabtec assesses short, medium, and long-term risks related to global climate change and added climate change as a risk category in 2021. In the short term, Wabtec and the global rail network is vulnerable to the physical impacts of climate change, including rising temperatures and more frequent fires, earthquakes, floods, tornadoes, hurricanes, and dangerous weather conditions. Disruptions from these conditions have the potential to interrupt global rail service. Long-term climate change conditions and disruptions also have the potential to impact Wabtec's business.

Climate change transition risks could subject Wabtec to further regulation that affects our operations and products. The potential challenges posed by evolving climate change policy and prospective regulations are heavily dependent on the nature and degree of such regulations and the extent to which it applies to our industry. In addition, potential market shifts driven by the climate-based strategic actions of our customers and government incentives could reduce product demand.





Recently, the global transportation sector has been characterized by rapid changes in technology. Risks of this type include delays in the development and/or adoption of new technologies designed by Wabtec to accelerate the transition to a low-carbon economy for our customers in the rail industry. In addition, the release of new technologies from competitors and changing customer demand could significantly impact Wabtec's revenue and market share. Beyond technology readiness, there are several challenges that must be addressed to enable commercial adoption of alternative propulsion technologies like battery or hydrogen. These include interoperability and infrastructure for battery charging and hydrogen refueling, electrical grid capacity and reliability, and supply chain constraints for critical minerals. Although uncertain, these developments could increase costs and/or reduce the demand for Wabtec products.

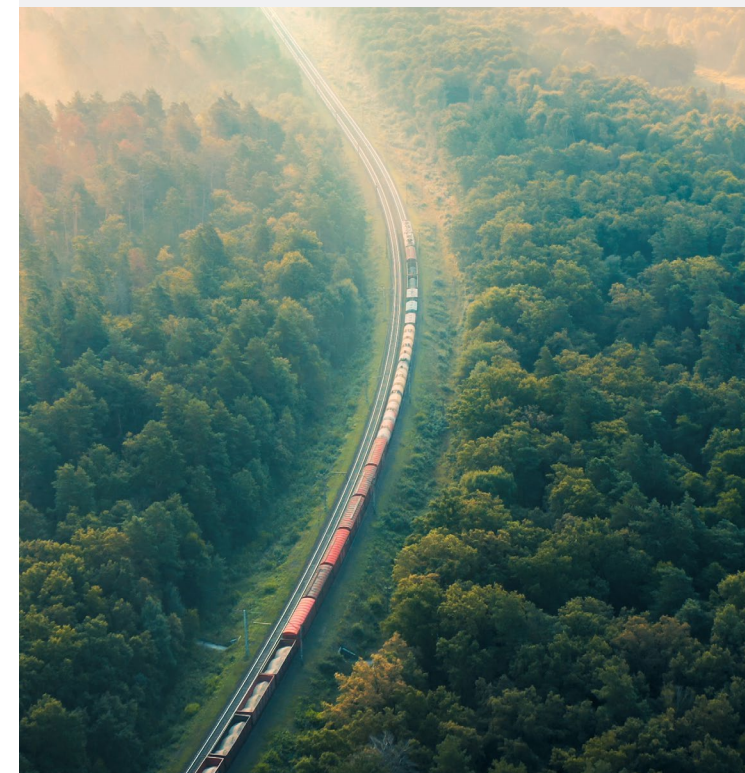
We acknowledge the potential for policy-linked transition risks from regulatory measures to limit greenhouse gas emissions through international treaties or domestic legislation. Our main sources of Scope 1 and 2 greenhouse gas emissions stem from our manufacturing and service operations. Likewise, emissions arise from Scope 3 midstream and downstream operations, including the use of our locomotives and other products. Finally, although beyond the control of the company, the use of fuels and related products by Wabtec's customers also results in greenhouse gas emissions that may be regulated.

While we cannot predict the timing and scope of such policy, technology, and commercial impacts on Wabtec's operations and products, specific actions necessary to respond to identified risks and opportunities are integrated into our annual strategic planning. These measures include development of an enterprise-wide product sustainability claims approval process, third-party assurance of ESG disclosures, and strategic partnerships with key customers, suppliers, and other partners. The Audit Committee also added climate change as a priority risk category within Wabtec's ERM process. This ensures the company's climate actions are aligned with industry benchmarks. It also ensures the Board's oversight of the company's execution and progress toward our recently announced GHG reduction targets for Scope 1 and 2 emissions and commitments related to Scope 3 disclosure and target setting.

Wabtec is committed to seizing the opportunities presented for our innovative products and services to enable a zero-emissions transportation future, and we are confident in our ability to deliver the pragmatic and visionary technologies our customers need to thrive in the clean energy economy.

More to Come:

We are committed to enhancing our disclosure of our climate-related risks and opportunities. In 2024, we plan to report under the framework established by the Task Force on Climate-related Financial Disclosures. We are initiating a comprehensive risk and opportunity analysis with the help of an independent consultant to further inform our climate risk strategies and reporting.





ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

Advancing Ethics and Compliance

At Wabtec, we're always searching for new ways to operate more responsibly and safely as we deliver on our mission to revolutionize the way the world moves for future generations. We pride ourselves on having a culture of integrity, ethical decision-making, and compliance with Wabtec's values, safety, and accountability for employees, suppliers, and the communities where we live and work.

Our approach to ethics and compliance encompasses:

- Upholding ethics and integrity in Wabtec's business by ensuring transparency in financial practices.
- Conducting business with the highest standards of ethics and integrity and in compliance with applicable national and local laws and regulations, including but not limited to regulations addressing bribery, corruption, antitrust, money laundering, insider trading, and sanctions.
- Implementing and leveraging appropriate safeguards and controls which are intended to prevent, detect, and respond to unlawful and unethical conduct.
- Advancing practices that encourage reporting instances of noncompliance, and implementing corrective actions that prevent recurrence.
- Training Wabtec's personnel and relevant third parties on identifying and addressing compliance risks and unethical conduct.
- Promoting ethics and compliance throughout Wabtec's value chain, especially among suppliers.

To further our ongoing commitment to compliance, integrity, and fairness, Wabtec has a Code of Business Conduct and Ethics (Code of Conduct) that applies to all employees and contingent workers. The Code of Conduct is the foundation of our Global Ethics and Compliance program. Employees are required to

comply with applicable laws and regulations in every jurisdiction in which Wabtec does business and to act fairly in their dealings with customers, suppliers, other partners, and each other.

Wabtec's Code of Conduct, Supplier Code of Conduct, Responsible Minerals Policy, Modern Slavery and Human Rights statement and policies can be found on our [Compliance, Integrity and Risk Management](#) webpage. See [page 38](#) for more information on our responsible sourcing and supplier policies.

We inform and provide training to our employees about the Code of Conduct and other compliance policies. Training is provided regularly to select Wabtec personnel on key compliance topics with a particular emphasis on personnel who work in functions or areas with an elevated risk for compliance violations. Additional compliance training, including those addressing bribery, corruption, data privacy, antitrust, cybersecurity, money laundering, discrimination, harassment, insider trading, sanctions, export control, product regulatory, EHS or other significant compliance risk areas, is provided to select personnel using a risk-based approach. Wabtec's selected agents, suppliers, administrative service providers, independent third parties, and other relevant business partners also receive relevant and appropriate training and communication to address compliance risks associated with their dealings with Wabtec.

The Audit Committee of the Board reviews and oversees Wabtec's policies and procedures to promote and monitor legal, ethical, and regulatory compliance, and receives periodic reports regarding performance of Wabtec's Global Ethics and Compliance program.

Open reporting without fear of retaliation is a cornerstone of Wabtec's commitment to integrity and is one of the best indicators of employee engagement on ethics and compliance expectations. In 2022, the majority of concern raisers at Wabtec identified themselves, demonstrating trust in the reporting system. Multiple channels are available to raise concerns, including the ability to report anonymously by phone or electronically. All concerns are investigated, and corrective actions are implemented for all confirmed allegations.



ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

ANTI-CORRUPTION

Wabtec is committed to complying with all applicable anti-bribery laws, prohibits bribery in all business dealings with government or private sector entities, and maintains strong controls to prevent and detect bribery. Wabtec's employees, officers, directors, and non-employees who act on our behalf are required to conduct business with the highest standards of ethics and integrity, and in compliance with all applicable laws and regulations, including, without limitation, the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act of 2010, and laws passed under the EU Anti-Money Laundering Directive. Wabtec's commitment to integrity and compliance is addressed in Wabtec's Global Compliance program, Code of Conduct, and all associated policies and procedures. Doing things right and doing the right thing are of the utmost importance to Wabtec. Compliance and accountability are essential to Wabtec's ability to conduct business in a global marketplace at the highest ethical and legal standards.

TRADE COMPLIANCE

Wabtec is committed to compliance with all export control, sanctions and customs laws, and regulations in all jurisdictions in which we operate. International trade laws regulate the movement of goods, services, and technology across borders for various reasons, including national security and foreign policy, and also apply to certain financial transactions and transactions with individuals, companies, and countries of concern. Trade compliance is part of Wabtec's Code of Conduct with which all employees must adhere, and Wabtec has adopted business-wide trade compliance processes to ensure global consistency and compliance.





ESTABLISHING A FOUNDATION OF GOVERNANCE AND ETHICS

Cybersecurity and Data Privacy

Cybersecurity and data privacy are critical to strengthening the security of our Wabtec operations, products, projects, and services, which rely heavily on information technology. Our approach to cybersecurity and data privacy includes:

- Investing in cybersecurity measures and adapting to business risks presented by technology and digitization.
- Protecting Wabtec's proprietary information and intellectual property.
- Ensuring the responsible management and use of data, including data from customers, employees, and suppliers.
- Protecting data collected by Wabtec products.

INDUSTRY BEST PRACTICES

We address cybersecurity and data privacy risks throughout the life cycle using industry best practices developed by organizations such as the ISO 27001 and IEC 62443 – Cybersecurity Best Practices. Wabtec also maintains Systems and Organization Controls (SOC) 1 Type 2 certification for select digital products, as well as cyber liability insurance coverage in amounts sufficient for our level of risk.

OVERSIGHT

Cybersecurity is an important topic for Wabtec's Board of Directors. Our Audit Committee regularly reviews reports from the Chief Information Officer and Chief Information Security Officer containing information about cyber-risk management and the status of projects to strengthen cybersecurity effectiveness. Our approach to cybersecurity includes acceptable use, risk management, data privacy, education and awareness, security incident management and reporting, identity and access management, third-party management, security (with respect to physical assets, products, networks, and systems), security monitoring, and vulnerability identification.

AWARENESS AND MONITORING ACTIVITIES

Wabtec maintains a global incident response plan and regularly conducts exercises to help with our overall preparedness. We evaluate our response readiness to a cyber incident through Wabtec's business continuity planning process. Wabtec also takes ongoing measures to improve and update our Cybersecurity program, including independent third-party assessments, penetration testing, and scanning of our systems for vulnerabilities. Finally, Wabtec engages in regular security awareness training to highlight and educate our employees on how to identify and mitigate cybersecurity risks at the individual level.

Wabtec detected a cyber security incident, which impacted the company's network, on June 26, 2022. We promptly activated incident response protocols by shutting down certain systems and beginning an incident investigation, which is ongoing. We also notified law enforcement authorities and engaged legal counsel and other third-party incident response and cybersecurity professionals. Through our ongoing efforts to address the security breach, we are committed to ensuring the safety and security of our private data.

DATA PROTECTION

Our risk management processes serve to preserve the data protection of sensitive and confidential customer information, which we collect, process, and retain. The types of data we collect include proprietary business information, personal data, and other information, some of which may be subject to privacy and security laws, regulations and/or customer-imposed data protection controls. Wabtec's Data Protection Information Security Policy and Product Cyber Security Policy describe the technical, physical, and administrative controls used to protect the confidentiality, integrity, and availability of information provided to, and managed by, Wabtec.



Appendix

Forward-Looking Statements

Corporate GHG Inventory

Sustainability Accounting Standards Board Index



APPENDIX

Forward-Looking Statements

This document contains forward-looking statements, which concern future circumstances and results and other statements that are not historical facts. Forward-looking statements are sometimes identified by the words “believe,” “commit,” “continue,” “could,” “endeavor,” “estimate,” “expect,” “goals,” “may,” “potential,” “predict,” “seek,” “target,” “will,” or other similar words or expressions. These forward-looking statements are based on current expectations and reflect assumptions about future market conditions, operations, and results. Accordingly, forward-looking statements are subject to risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Factors that could cause actual results to differ materially from such plans, estimates, or expectations include, among others, (1) Wabtec’s ability to implement its business plans, productivity improvements, and cost control objectives, including with respect to strategic ESG initiatives and goals; (2) changes in the legal and regulatory environment, including environmental, health, and safety regulations, and taxes and tariffs; (3) changes in general economic, political, and/or industry specific conditions, including increases in competition, changes in freight or passenger rail traffic and customer demand, advances in technology, and changes in governmental policies relating to ESG issues; (4) acquisition and investment-related risks, including risks associated with past acquisitions and our increased presence in emerging markets; (5) ability to attract, hire, and retain key personnel in line with our strategic ESG priorities; (6) changes in the expected timing of projects or initiatives related to our ESG goals; (7) increases in manufacturing and compliance costs, including additional costs related to the implementation of ESG initiatives; (8) the effects and costs of actions by third parties, including government agencies; (9) negative perceptions among investors regarding our environmental, social or sustainability projects, or controversies involving the environmental, social or sustainability impact of our business or industry; (10) potential disruptions, instability, and volatility in global markets from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (11) cybersecurity and data protection risks; and (12) other risk factors as detailed from time to time in Wabtec’s reports filed with the Securities and Exchange Commission (SEC), including Wabtec’s annual report on Form 10-K and other filings made with the SEC.

The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this report. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or developments, changes in the assumptions on which they were based, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Information in this document should not be considered as part of, and is not incorporated by reference into, any registration statement, prospectus, offering memorandum, or other financing related document.





APPENDIX

Corporate GHG Inventory

The Wabtec GHG inventory follows the GHG Protocol and has undergone third-party verification by Bureau Veritas.

2022 Scope 1 and 2 Summary

Absolute GHG Data	metric tons CO ₂ e
Scope 1	129,787
Scope 2, Location-based	139,044
Scope 2, Market-based	105,540

2022 Scope 3 Summary

Scope 3 Category	metric tons CO ₂ e
Category 1 – Purchased Goods and Services	1,060,000
Category 2 – Capital Goods	109,000
Category 3 – Fuel and Energy-Related Activities Not Included in Scope 1 and 2 ¹	69,000
Category 4 – Upstream Transportation and Distribution	85,100
Category 5 – Waste Generated in Operations	8,930
Category 6 – Business Travel	8,020
Category 7 – Employee Commuting	36,000
Category 8 – Upstream Leased Assets	not relevant
Category 9 – Downstream Transportation and Distribution	not relevant
Category 10 – Processing of Sold Products	not relevant
Category 11 – Use of Sold Products ²	48,600,000
Category 12 – End-of-Life Treatment of Sold Products	18,200
Category 13 – Downstream Leased Assets	not relevant
Category 14 – Franchise	not relevant
Category 15 – Investment	4,320
Scope 3 Total	50,000,000

¹ Upstream emissions of purchased energy including transmission and distribution losses.

² Total emissions include upstream emissions of fuel consumed by the end-users of our products (i.e., customers' Scope 3 Category 3 emissions).



**BUREAU
VERITAS**

Bureau Veritas

Bureau Veritas UK Ltd. (Bureau Veritas) was engaged by Wabtec to provide third-party verification of our Scope 1, 2 and 3 GHG emissions data, as well as water consumption data in water-scarce areas, for the period from January 1 to December 31, 2022. Bureau Veritas performed this limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised Edition. Visit our website to view the assurance statement.



APPENDIX

Sustainability Accounting Standards Board Index

Designation: Industrial Machinery and Goods.

The SASB Standards, now a part of the International Financial Reporting Standards (IFRS) Foundation, is a set of standards that guides the disclosure of financially material and decision-useful sustainability information to investors. The table below maps Wabtec's disclosures to the Industrial Machinery and Goods (RT-IG) Sustainability Accounting Standards for calendar year 2022.

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference Location
Energy Management	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-IG-130a.1	(1) 3,759,545 GJ	For more information on the topic, please refer to the section on Reducing Energy Use and Greenhouse Gas Emissions.
	(2) Percentage grid electricity		Percentage (%)		(2) 37%	
	(3) Percentage renewable		Percentage (%)		(3) 0.4%	
Employee Health and Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	RT-IG-320a.1	(1) 0.85	For more information on the topic, please refer to the section on Environment, Health, and Safety.
	(2) Fatality rate				(2) 0	
	(3) Near miss frequency rate (NMFR)				(3) 2.08	
Fuel Economy and Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	RT-IG-410a.1	Not applicable as Wabtec manufactures non-road equipment (provider of locomotives, value-added, technology-based equipment, systems, and services for the global freight rail and passenger transit industries). For more details on our product portfolio, please refer to our 2022 Annual Report , pages 4–6.	
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	62.5 gallons per hour	
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.3	Not applicable as Wabtec manufactures non-road equipment (provider of locomotives, value-added, technology-based equipment, systems and services for the global freight rail and passenger transit industries). For more details on our product portfolio, please refer to our 2022 Annual Report , pages 4–6.	
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4	(1)(a) 2.26 g/kWh (1)(b) 8.81 g/kWh (2)(a) 0.02 g/kWh (2)(b) 0.08 g/kWh Metrics on sales-weighted emissions of NOx and PM of on-road medium and heavy-duty engines and other non-road diesel engines are omitted due to lack of applicability.	



SASB Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference Location
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and analysis	N/A	RT-IG-440a.1	Wabtec manufactures a wide range of products that contain certain critical materials such as tantalum and tungsten, but Wabtec does not purchase ore or unrefined materials directly from suppliers. We rely upon third-party suppliers, including certain single-sourced suppliers, for various components for our products. In the event of a shortage or discontinuation of certain raw materials or key inputs, we may experience challenges in sourcing some of our components to meet our production requirements. Over the last year, supply chain disruptions have caused component and chip shortages, resulting in an adverse effect on the timing of the company's revenue generation. In addition, escalation of cost of such minerals as well as disputes with significant suppliers, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. Wabtec actively focuses on increasing supplier diversity and, where possible, Wabtec implements a multisource strategy.	For more information on our risks associated with raw materials, please refer to our 2022 Annual Report , pages 17–21 and our Conflict Minerals Report .
Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	U.S. \$2,819 M (revenue from Wabtec Freight Services)	For more information on our remanufacturing, please refer to the section Modernizations and Remanufacturing.
Activity Metric	Number of units produced by product category	Quantitative	Number	RT-IG-000.A	1,455 (engines and power generating equipment)	For more information on our business segments and products, please refer to our 2022 Annual Report , pages 4–6.
Activity Metric	Number of employees	Quantitative	Number	RT-IG-000.B	27,000 (as of 12/31/2022 and excluding contingent workers)	For more information on our approach to talent attraction, retention, and engagement, please refer to the section on Empowering People and Communities and our 2022 Annual Report , page 11.



Wabtec Corporation

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