This sustainability report 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,” “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; and (9) 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 sustainability 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.
Sustainability and Accountability are Building a Bigger, Stronger Wabtec

The year 2019 was a transformational one for Wabtec, culminating in a historic merger that brought together strong businesses with unique technologies that are paving the way for sustainable transportation.

Together we’re building a leading, Fortune 500 company by developing innovative technologies and driving responsible operations across more than 150 locations around the globe. We are growing a transformative culture that prioritizes sustainability and safety while developing solutions that will accelerate the future of transportation.

The rail industry has been a cornerstone of the global transportation system for more than a century – moving billions of tons of freight and billions of people around the world every year. It is fundamentally the most cost-effective and energy-efficient mode of transport. As passenger and freight demand is expected to double by 2050, rail will continue as the most sustainable way to move people and goods over land.

As the world’s foremost rail technology company, we will lead the way in creating a more sustainable freight and passenger transportation network. Our values are based on safety, innovation for customers, operational excellence, and teamwork. As we continue on our course toward a more sustainable Wabtec, these values, along with the United Nations (UN) Sustainable Development Goals (SDGs), align our commitment to our people, the environment, and society as a whole. This commitment is critical to Wabtec’s future, as well as the future of our stakeholders, partners, and the communities in which we operate.

Our position as a global leader also gives us a unique perspective on the global megatrends that are impacting our customers and other stakeholders, namely: climate change, automation and digitization, and urbanization.

We’ve seen a dramatic shift in the response towards climate change, as global temperatures continue increasing, severe weather events are more frequent, and efforts to reduce our environmental impact gain steam. As digital technologies accelerate progress on the UN SDGs, automation will continue to play a role of growing importance in the transportation sector. With 60 percent of the world’s population expected to live in cities by 2030, growth in urbanization means that more people will depend on public transit to get around and freight rail to deliver the goods and products they need.

Wabtec is well positioned to respond to these megatrends, as we lead the drive towards autonomous systems; apply digital technologies...
to optimize our operations by using less fuel and generating less emissions; and continue to meet the sustainable transportation needs of the growing cities around the world through our Shift to Green efforts.

To deliver on our vision for a sustainable future requires commitment at every level of Wabtec. Meritocracy, diversity, and integrity are the cornerstones of our company, and we are focused on creating a more inclusive culture that empowers people to lead and drive breakthrough innovation.

Our sustainability strategy takes the long view by creating a governance framework that prioritizes continuous growth in our sustainability practices across the board.

In this report, we are announcing a series of aggressive goals to improve our performance on global environmental, social, and governance (ESG) matters. In key areas, we are committing to a 30 percent improvement by 2030. Our “30 by 30” strategy sets clear, defined metrics and makes it easy for us and others to measure our progress.

By focusing on sustainability and accountability, and with an incredible team behind us, I’m confident we will achieve our goals and build a bigger, stronger Wabtec well positioned to move and improve the world.

Rafael Santana
President & CEO

By 2030

30% of net sales will be driven by Wabtec's eco-efficient portfolio

Greenhouse gas emissions intensity and energy intensity will be reduced by 30%

See pages 44-45 for complete list of ESG goals and metrics.
Wabtec is a leading global provider of equipment, systems, digital solutions, and value-added services for the freight and transit rail sectors. Drawing on over 150 years of experience, we are leading the way in safety, efficiency, reliability, innovation, and productivity. Whether it’s freight, transit, mining, industrial, or marine, our expertise, technologies, and people – together – are accelerating the future of sustainable transportation.
Freight

From the food on our tables to the products we purchase, freight rail is part of an integrated, efficient, and cost-effective network fueling the world’s economy. Today, more than 20 percent of the world’s freight is moved by a Wabtec locomotive and more than 30 percent of all products transported through North American shipping ports are tracked by Wabtec software.

Wabtec’s compelling and comprehensive portfolio includes locomotives, a broad selection of mission-critical components, advanced braking systems, Positive Train Control (PTC) systems, digital solutions to drive the future of autonomous operations, and lifecycle service offerings to help customers realize the most value from their investment.

With best-in-class manufacturing facilities, global services delivery, and unrivaled product breadth, Wabtec is the rail industry’s one-stop-shop.

* based on 2019 revenue

Transit

With its exceptional fuel economy and low emissions, public transportation is one of the most environmentally-friendly modes of transport to move people – fast and safe. At Wabtec, we provide products and services to virtually every major rail transit system around the world, supplying an integrated series of brakes, doors, and components for commuter and metro cars, as well as buses, that deliver safety, efficiency and passenger comfort.

We offer an extensive array of products, from pneumatic, electronic, and hydraulic brake equipment, to HVAC and sanitation systems. Each of our products draws on our deep experience tailoring components to meet the specific needs of our customers and are manufactured using the latest technologies.

* based on 2019 revenue
Building a More Sustainable Future

At Wabtec, we believe performance drives progress, and are committed to developing sustainable transportation solutions that move and improve the world.

Our stakeholders — from investors to employees — are increasingly interested in how we are addressing environmental, social, and governance (ESG) issues. To that end, we are working collaboratively with governments, customers, employees, and other stakeholders to identify the issues most relevant to the transportation industry and the role Wabtec must play to build a more sustainable future.

Throughout this report, we outline our sustainability strategy; detail the governance mechanisms that support our progress and accountability; highlight our efforts to embed sustainability into our processes, technology, and operations; and identify a set of long-term goals that impact both the company and the world around us.

Wabtec’s focus over the past year has been on defining our values, harmonizing policies, developing common processes and systems, and integrating our talent and capabilities across the enterprise. This report is reflective of these actions and our commitment to transform not only the company, but to create a more sustainable freight and transit transportation network.

Looking forward, Wabtec will take critical steps to strengthen these efforts, including a comprehensive materiality assessment to further reflect stakeholder feedback on risks and opportunities and adoption of an accepted reporting standard to improve transparency.

It is also critical that we continue to embed our sustainability principles into our newly created processes. At Wabtec, we are committed to being part of the solution by making sustainability how we do business and develop solutions for our customers, investors, employees, and stakeholders around the world.
OUR MISSION

Performance that drives progress. We create transportation solutions that move and improve the world.

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. These help us capitalize on market opportunities and reduce safety and environmental risks, while creating value for our customers, employees, and other stakeholders.

SUSTAINABILITY PRINCIPLES

Innovating with Purpose
We are committed to developing responsible and sustainable products that minimize the 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.
Corporate Governance

Governance Framework

Risk Management and Compliance

Responsible Business Practices
CORPORATE GOVERNANCE

Governance Framework

Sustainability at Wabtec means operating in an ethical and socially responsible manner, maintaining a culture of safety, protecting the environment, supporting our communities, and developing our employees.

As we continue our sustainability journey and our support of the United Nations Sustainable Development Goals, we are committed to ensuring sustainability is a fundamental and integral part of how we do business.

Our strong governance framework creates long-term value for our shareholders and guides decision making around how we operate, innovate, and drive growth. This governance framework starts with Wabtec’s Board of Directors and its committees who oversee the execution of the company’s environmental, social, and governance (ESG) strategy as part of their oversight of Wabtec’s overall business, and extends to Wabtec’s Sustainability Task Force—a dedicated team with overall responsibility for the company’s sustainability strategy. In particular, the company’s Nominating and Governance Committee assists the Board in its oversight of Wabtec’s sustainability strategy and execution against ESG goals; review of climate-related risks and opportunities; enterprise risk strategy and management systems; environmental, health, and safety matters; and public policy and advocacy efforts.

Board of Directors
Wabtec’s Environment, Health, and Safety (EHS) Subcommittee—a standing subcommittee of the Nominating and Governance Committee—oversees and receives regular updates on the execution of the company’s environmental, social, and governance strategies.

Sustainability Task Force
Dedicated team with overall responsibility for the company’s sustainability strategy.

Driven by responsible business practices, external policies, and frameworks to guide our actions.
CORPORATE GOVERNANCE

Risk Management & Compliance

Risk is an inherent part of conducting global business. Wabtec regularly identifies and monitors business risks through an internal management system and engages with third-parties in constructive regulation and public policy discussions that benefit employees, customers, and shareholders. We manage operational, strategic, financial, and compliance risks in several ways including, but not limited to, the Enterprise Risk Management (ERM) program, our compliance program, and Speak Up employee hotline.

Each year, we conduct a comprehensive ERM assessment by reviewing risk information from our business units, regional leaders, functional partners, and subject matter experts. To better inform our decision making, we evaluate risks at both the business unit and enterprise levels. The risks evaluated in the ERM process cover a broad range of issues, including legal and regulatory compliance, and climate risk. Reporting metrics, risks and mitigation strategies are regularly reviewed by senior leadership, as well as shared quarterly with Wabtec’s Board of Directors.

In relation to Wabtec’s compliance program, we focus on various risk mitigation elements including: policies and procedures, training and communications, consultation with independent experts, risk assessments, and confidential reporting and investigations. Key cross-functional partners in the enterprise-level program include Legal, Compliance, Internal Audit, and Human Resources, as well as a dispersed global network of Compliance Champions promoting Wabtec’s Speak Up culture and employee hotline. These support functions, along with other subject matter experts, assist business leaders in implementing the necessary controls and processes to promote compliance and protect the company. Through these programs, Wabtec can better manage risk and gauge the potential impact of various outcomes on our ability to achieve our strategic goals.
CORPORATE GOVERNANCE

Responsible Business Practices

Wabtec believes we are not only responsible for doing things right, but it’s our obligation to do the right things. We act with integrity and treat every employee, customer, and vendor with trust and respect.

Guiding our actions are the following responsible business practices:

**Code of Conduct**

Our Code of Conduct is the cornerstone of how we operate and ensures that our employees uphold the highest commitments to safety, fair competition, and anti-corruption, as well as avoid any potential conflicts of interest. Wabtec conducts employee Code of Conduct training, which includes certification by an employee that they have read, understand, and will comply with the company's Code of Conduct.

**Supplier Code of Conduct**

Our Supplier Code of Conduct governs a rigorous qualification process, as well as all facets of our relationships with suppliers and includes specific expectations regarding environmental, health, safety, labor, human rights, security, and privacy matters. To ensure suppliers understand our expectations and integrity standards, we request that suppliers respond to a self-assessment questionnaire, and based on risk factors, we perform select on-site audits to validate their compliance. Wabtec has audited approximately 10 percent of our suppliers in high-risk countries. By 2030, it is our goal to increase the audit coverage of all suppliers in high-risk countries to more than 90 percent.

**Human Rights Policy**

As a diversified, global company, Wabtec takes human rights issues very seriously. Our approach to those challenges starts with the company's Human Rights Policy, which outlines our commitment to respecting human rights wherever we operate.

**People First Policy**

We believe that protecting the health and safety of our people and the environment is the responsibility of everyone at Wabtec. Our People First Policy outlines the company's focus on protecting our employees; complying with environmental, health, and safety laws; and measuring and continuing to improve our environmental and safety performance.

**Conflict Minerals Policy**

Wabtec sources materials from a network of roughly 16,000 suppliers who ship more than 160,000 parts every year. A key consideration in the procurement of these materials is responsible sourcing. Tin, tantalum, tungsten, and gold (3TG), commonly referred to as conflict minerals, have been associated with human rights violations in the Democratic Republic of Congo (DRC) and surrounding countries. At Wabtec, we will not provide support to, nor condone the sourcing of minerals that directly or indirectly benefit armed groups in the DRC or adjoining countries. Our Conflict Minerals Policy complies with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. It outlines clear expectations for our suppliers on this matter and we conduct comprehensive and rigorous assessments to ensure compliance. A supplier's failure to adhere to this policy or take corrective action when required may lead to the termination of our business relationship.

**Public Policy Approach**

As part of our commitment to the communities where we operate, we engage in policy discussions where they matter to our company and our customers, as outlined in our approach to Public Policy. We want policy makers to understand our business, our products, and the contributions we make to society across the world. Strategic decisions about particular advocacy positions are made at the highest levels and public policy expenditures are reviewed annually by the Board of Directors. Wabtec does not make political contributions, and we do not have a political action committee. Furthermore, we comply with all regulations, registration, and reporting requirements applicable to advocacy.
Innovating with Purpose

Technical Innovation

Unlocking the Path to Autonomous Operations

Decarbonizing Global Transport

Advancing a Circular Economy
INNOVATING WITH PURPOSE

Technical Innovation is at our Core

Today, rail represents the most cost-effective, energy-efficient mode of moving people and freight on land. Current trends indicate that freight and passenger activity will more than double by 2050 as stakeholders look to solutions that address the need for cleaner, more energy efficient transport.

Wabtec is well positioned to meet that challenge.

Technical innovation and environmental stewardship are at our core. We integrate sustainability into our product development processes, reuse materials, and develop technologies for sustainable transportation. The result is a product portfolio that promotes safety, sustainability, and reliability; reduces energy consumption and improves fuel efficiency; reduces air emissions and minimizes noise; expands the use of alternative fuels; and protects the planet through ecologically sound production processes.

Innovation and sustainability define Wabtec

- Advanced adhesion controls system to improve traction efficiency for heavy haul locomotives
- Train energy management for freight applications
- AC electric drive system for mining ultra-class trucks
- Fully electronic SIL 4 brake system in transit
- Electronic Train Management System (PTC) in freight industry
- World record for high speed train (357 mph) equipped with Wabtec doors, brakes, and pantographs
- Tier 4 engine without aftertreatment
- Metallic 3D printed parts for rail production
- CO₂ neutral HVAC system with same performance as traditional refrigerants
- Battery-electric freight locomotive
While batteries have gone mainstream in the automotive industry, the rail industry has lagged behind — until now. Wabtec is pioneering the application of battery technology for heavy haul locomotives, which typically can pull a freight train loaded with five thousand tons of cargo. In 2020, the company built the FLXdrive™ locomotive: the world’s first 100-percent battery electric locomotive. The locomotive features an overall train energy management system, including approximately 20,000 battery cells. With up to 6,000 kWh capacity that replaces a traditional diesel engine and alternator, the FLXdrive, when used in combination with regular diesel electric locomotives, can reduce overall train fuel usage and emissions by 10 to 30 percent when compared to a traditional consist.
**Locomotive Efficiency**

**Tier 4**
Designed to meet the U.S. Environmental Protection Agency’s (EPA) most stringent Tier 4 emission standards, this first-of-its-kind locomotive has more than 1,000 in service today and is delivering a 70 percent reduction in emissions.

Wabtec’s growing fleet completed more than 100 million miles of service, the equivalent of hauling freight to the surface of Mars.

This breakthrough engine technology has been adapted for marine use. This solution is in-engine, less complex to install, easy to operate, and allows customers to save up to 75 percent of valuable cargo, fuel, and accommodation space due to its smaller size. Customers also avoid needing to plan for urea logistics and handling on board. In 2020, 100 orders for Wabtec’s marine engines were completed.

**FDL Advantage**
There are approximately 10,000 FDL locomotives currently operating in heavy-haul applications around the globe and many are approaching their second or third overhaul. To improve the efficiency of these locomotives, Wabtec introduced FDL Advantage in 2020. This program provides an innovative upgrade solution to existing FDL engines and significant fuel savings at the Tier 1+ emission level. With this next-generation solution, we reduce fuel consumption by up to 5 percent.

**Auto Engine Start/Stop**
Wabtec has equipped more than 14,000 locomotives with auto-engine start/stop capabilities, which stops an engine during extended locomotive idling periods based on environmental conditions – thereby reducing noise, emissions and eliminating up to 6,500 gallons of fuel per locomotive per year.

**Electric Drive Systems**
Wabtec produces industry-leading optimized electric drive systems for mining trucks.

With more than 5,000 drive systems currently in our installed base, Wabtec is a recognized industry leader in mining electrification – serving mines with over 300 million hours of proven operation.

Wabtec technology delivers roughly 5 percent fuel savings over mechanical drive powered mining trucks. Wabtec’s electric propulsion and electric auxiliaries will also be important enablers for the transition of mining trucks to alternative fuel sources, including natural gas, trolley, battery, and hydrogen fuel cell. Under trolley operation, it is estimated that a Wabtec-powered mining truck could reduce diesel consumption at a mine site by over 50 percent – thereby reducing both cost and greenhouse gas emissions.
INNOVATING WITH PURPOSE

Unlocking the Path to Autonomous Operations

Transportation customers are increasingly seeking ways to optimize their operations, use less fuel, and generate fewer emissions – all while adapting to demand and keeping their employees and passengers safe.

Wabtec developed a comprehensive set of applications that deliver demonstrable impact across the transportation landscape – from asset reliability to network optimization.

These solutions include Wabtec's Trip Optimizer™, an intelligent cruise control system for trains, that is EPA-certified and reduces locomotive emissions by roughly 10 percent. Trip Optimizer is installed on over 11,000 locomotives globally, saving 400 million gallons of fuel. It reduces carbon emissions by over 500,000 tons per year – the equivalent of removing 100,000 cars from the road.

With SmartHPT™, we enhanced the benefits of Trip Optimizer to the environment and our customers by providing advanced features, which deliver approximately 5 percent of additional fuel savings by optimizing train performance for a given horsepower per trailing tonnage of the train.
Wabtec’s Movement Planner™ system optimizes the mainline network by providing real-time rail traffic planning and optimization, enabling freight to move more efficiently using existing rail networks, thereby reducing energy use, emissions, and waste.

Wabtec RailConnect™ Transportation Management System is the backbone operational system for short-line and regional railroads that advances network optimization. This solution enables the efficient movement of over nine million carloads of freight annually, lowering greenhouse gas emissions by up to 75 percent on average when compared to truck transport.

Finally, as America’s freight railroads strive towards an accident-free future, Wabtec continues to lead a tireless commitment in leveraging technology to address the major causes of accidents — track, equipment, and human error. Widespread deployment of new technologies like Wabtec’s I-ETMS™ to meet Positive Train Control (PTC) requirements in the U.S. are also opening the door to an exciting new era of safety and efficiency improvement for freight railroads. PTC communications provide an important backbone for the digital railroad and is helping to deliver increased visibility, which leads to improved preventative maintenance, reduced dwell or idle fuel consumption, enhanced reliability, and improved safety performance.
INNOVATING WITH PURPOSE

Decarbonizing Global Transport

The need for innovative low-carbon technologies and transformative solutions that reduce energy consumption and waste, as well as unlock decarbonization pathways for transportation are paramount.

Decarbonizing the transportation sector will mean addressing a disparate collection of transportation methods, and driving a shift to transit – the cleanest, most efficient mode. New technology breakthroughs will be required to sufficiently decrease CO2 emissions, and policy and industry investment will help advance infrastructure development.

Wabtec is taking on the challenge of mitigating climate change and advancing the shift to transit by developing innovative technologies that boost transit efficiency and reduce carbon emissions.

Our commitment: safer, smarter, and greener.

We are creating improved HVAC systems – with low global warming impact – that deliver the same level of performance as traditional units. When combined with Wabtec’s intelligent management system, they can reduce energy use on a train by up to 30 percent.

Wabtec has also designed new friction materials to radically reduce braking dust emissions by up to 90 percent. Combined with our innovative brake disks, they can drastically reduce maintenance and cleaning costs for rail operators. We are also rethinking train components, to make them lighter for greater fuel efficiency.
Our **Metroflexx brake system** is the industry’s most advanced mass transit brake control. Designed to meet customer and regulatory demands, Metroflexx significantly reduces the weight, energy consumption, lifecycle cost, and braking distance. Metroflexx was designed with sustainability in mind – 95 percent of the system’s parts can be recycled at end of life.

Transit operators and passengers are demanding clean air. Wabtec’s latest air filtration innovation, **BlueFilter™** provides fresh and clean air onboard metro and railcars by removing more than 90 percent of contaminants per air cycle compared to today’s standard filters.

Finally, we are developing pioneering technologies for electric bus and ferry charging stations that deliver power in minutes, while reducing transportation’s carbon impact. Fully automated and fast-connecting, Wabtec’s ferry and water taxi charging stations offer high- and low-voltage capabilities, as well as AC and DC charging power.

As the world continues to change and urbanization, digitization, eco-efficiency, and use of autonomous operations accelerate, Wabtec continues to be at the forefront of developing smart solutions for the challenges of today and tomorrow.

20% of Wabtec’s net sales today is derived from the company’s eco-friendly product portfolio. The company is on track to achieve 30% by 2030.
Wherever possible, we strive to provide customers with quality equipment that delivers the best value for their business, while striving to maintain a circular flow of materials, energy, and water throughout the manufacturing process.

Additive Technology

Starting with our engineering and manufacturing expertise, Wabtec uses additive manufacturing technology (commonly called 3D printing) in its fabrication processes to reduce material and energy waste associated with the making of parts or complex assemblies. Through the use of additive technologies, production waste can be reduced by 70-80 percent and time to market has been significantly shortened by up to 90 percent. In 2019, Wabtec produced over 1,250 additive prototypes and was the first rail supplier to introduce metallic 3D printed parts in production on rolling stock in North America. Wabtec plans to use additive manufacturing in the production of over 25,000 parts by 2025.

Remanufacturing

We also aim to keep our products in circulation for as long as possible through processes that reduce waste, extend the life of equipment and drive costs savings for our customers. Remanufacturing is at the heart of these efforts and focuses on returning end-of-life components, engines, and freight and passenger locomotives to same-as-new condition.

Today, remanufacturing brings roughly 296 million pounds of end-of-life material back
to global remanufacturing facilities annually, which is then reused or remanufactured (79 percent), and recycled (20 percent), with less than one percent waste. Given the significant role remanufacturing plays in our sustainability efforts, through investment in technology, the company has set a goal to increase by 10 percent reuse and remanufacturing on its newest technology products by 2030 – further reducing waste and minimizing the need for raw material, energy, and water to produce new parts.  

10% increase in reuse and remanufacturing on new technologies by 2030

Modernizations
Wabtec’s modernization program is a pivotal example of the company’s remanufacturing and sustainability commitment. Modernizations breathe new life into aging locomotives, some more than 20-years-old, resulting in up to 15 percent improved fuel efficiency; roughly 40 percent increase in reliability; approximately 50 percent increase in haulage ability; and up to 20 percent reduction in maintenance, repair, and overhaul expenses. Customized modernization solutions can range from control system upgrades, to complex restorations that transform an aging DC locomotive into an AC locomotive outfitted with state-of-the-art digital technology. Over the last decade, Wabtec has transformed more than 2,000 locomotives for customers worldwide.

Predictive Maintenance
Finally, we have developed digital solutions that leverage Wabtec’s remote monitoring and diagnostics capabilities to enable customer service facilities to prepare for inbound assets, customize their required work scopes, and reduce the amount of time a locomotive spends in the shop. These efforts are helping reduce dwell time in the yard by up to 40 percent and eliminating fuel consumption by up to 4,000 gallons per locomotive per year.

BY THE NUMBERS

**REDUCE**
In an engine overhaul, **99 percent** of the weight of a locomotive engine is reused, requalified, remanufactured, or recycled.

**REUSE**
More than **50 percent** of an approximately 400,000-lb locomotive is reused in Wabtec’s modernization program.

**REBUILD**
More than **half** of a locomotive’s critical components will be reused, rebuilt, or remanufactured at least three times over their useful life.
Driving Responsible Operations

Energy and Emissions

Employee Health and Safety

COVID-19
Beyond creating better, more sustainable products and services for our customers, Wabtec is committed to improving the way we operate, reducing our impact on the environment, and protecting the health and safety of our employees and partners. In 2019, the company continued its focus on implementing Lean manufacturing across our operations, and building a culture of safety aligned with our core value of “Safety First.” The result: streamlined operations, reduced energy consumption, and fewer injuries.
SUSTAINABLE & SAFE OPERATIONS

Environmentally Responsible Operations

At Wabtec, we are working to strengthen our position as a sustainable company while improving energy and resource efficiency.

While efforts to reduce our environmental footprint have been underway for many years, we committed to completing a comprehensive assessment of greenhouse gas (GHG) emissions, energy use, water, and waste consumption across the combined company in 2019 to set a baseline to measure our continued progress. In 2020, we announced a corporate goal of a 30 percent reduction of both greenhouse gas emissions intensity and energy intensity by 2030.

To reach these goals, we are focused on streamlining the company’s global footprint, reducing GHG emissions in our operations, and transitioning to renewable energy in select markets. In addition, we are continuously looking for ways to strategically locate our operations alongside our customers as a means to localize the sourcing of raw materials, minimize product transportation, and develop local talent.

Developing products that help our customers reduce GHG emissions is critical to our value proposition as a business, but we also have a responsibility to reduce emissions within our own operations. In 2019, we emitted a total of 384,475 metric tons of Scope 1 and 2 emissions in units of carbon dioxide equivalents (or CO₂e).

We calculate GHG emissions on the basis of the Corporate Standard of the Greenhouse Gas Protocol of the World Resource Institute (WRI) and of the World Business Council for Sustainable Development (WBCSD). Direct GHG emissions (Scope 1) arise from sources in the company’s ownership or under its control. Indirect GHG emissions (Scope 2) refer to consumption of purchased electricity and district heating. In 2019, we started to assess (Scope 3) emissions from our value chain, such as business travel and product transportation.

Although we have significant work ahead to achieve our 2030 corporate targets, examples of Wabtec’s commitment in this area are already underway. In early 2020, we broke ground on a new German Sustainable Building Council (DGNB) Gold-certified property in Bochum, Germany with sustainability and efficiency features that create a net reduction of 500 tons of CO₂ per year. Additionally, the plant will use geothermal heat and features 781 photovoltaic panels.

Wabtec partnered with ERM to review its greenhouse gas inventory methodology and prepare the emissions estimate for 2019.
Powering the Electrical Grid and Reducing Energy Use

While conserving energy is a critical part of our sustainability strategy, we also look for innovative ways to reuse energy and reduce our demand for energy. At Wabtec’s Grove City, Pa. engine plants, we can produce up to 3,500 engines per year. Our engines, both new and remanufactured, require exhaustive testing to ensure functionality. In order to reduce the impact of these operations on the environment, energy generated from the combustion of fuel during engine testing is returned to the local grid as electricity.

In 2019, Wabtec returned more than six million kWh to the grid. Similar test cell technology is at work in Wabtec’s Erie, Pa. plant as well. Today, we can regenerate up to 3,300 kWh of energy from each engine test cell – ensuring that energy used in engine tests does not go to waste. In 2019, our Erie facility returned over one million kWh to the grid.

In addition to these efforts, Wabtec facilities are implementing seven energy savings initiatives including installing LED lights and solar panels, investing in energy-efficient windows and HVAC systems, and establishing renewable energy capabilities to further reduce our impact on the planet.

In Leipzig, Germany, the installation of a 750 kW solar power plant on the roof of two production halls has delivered 30 to 50 percent of the site’s total power consumption and feeds energy back to the public grid when production is higher than consumption. Likewise, the installation of solar panels at our Tianjin, China third-rail manufacturing site has generated over 3,000 kWh per year. Across China, Wabtec facilities have saved roughly 40,000 kWh per year by installing more than 1,200 LED lights.

Reducing Waste

To help meet our goal of advancing the circular economy and reducing the resource-intensity of Wabtec’s operations, we have instituted recycling programs and other waste reduction initiatives across the company.

At our facilities in China, we eliminated more than 2,600 pounds per year of hazardous waste. And in Erie, Pa., our extensive recycling program led to the recycling of more than 500 tons of cardboard since August 2015 and 1,750 tons of wood since 2017. Across plants in France and India, we also deployed programs to compost food and other organic waste products — thereby reducing our impact on landfills and overall carbon footprint.

At other facilities, teams implemented employee-led initiatives to further reduce our environmental impact. Several sites in France, India, and the UK provided reusable water bottles and grocery bags to employees to reduce the use of single-use plastic cups, bottles, and bags in offices and at home. Wabtec’s facility in Nanjapura, India implemented a plastic-free drive, in which volunteers collected almost 500 pounds of roadside plastic waste and disposed of it appropriately. Together, our teams are working to reduce the amount of waste created, recycle more materials, and reduce single-use plastic.

In 2019, Wabtec returned more than six million kWh to the grid. Similar test cell technology is at work in Wabtec’s Erie, Pa. plant as well. Today, we can regenerate up to 3,300 kWh of energy from each engine test cell – ensuring that energy used in engine tests does not go to waste. In 2019, our Erie facility returned over one million kWh to the grid.

In addition to these efforts, Wabtec facilities are implementing seven energy savings initiatives including installing LED lights and solar panels, investing in energy-efficient windows and HVAC systems, and establishing renewable energy capabilities to further reduce our impact on the planet.

In Leipzig, Germany, the installation of a 750 kW solar power plant on the roof of two production halls has delivered 30 to 50 percent of the site’s total power consumption and feeds energy back to the public grid when production is higher than consumption. Likewise, the installation of solar panels at our Tianjin, China third-rail manufacturing site has generated over 3,000 kWh per year. Across China, Wabtec facilities have saved roughly 40,000 kWh per year by installing more than 1,200 LED lights.
The conservation of water is critical to our operations and the communities in which we operate. Parts and product washing are core to our operations, and thus, water reuse and recycling is an important part of our sustainability efforts. Across the company, we aim to reduce both the use of water and the impacts of our operations on water quality. In 2020, using the World Resources Institute’s (WRI) Aqueduct Global Water Risk Tool, we analyzed roughly 250 sites to assess water stress, impact from climate change, and flood risk. Based on this assessment, we identified 23 manufacturing facilities in areas including India, Mexico, Spain, and the U.S. with greater than 80 percent water scarcity, according to WRI, and are implementing strategies to reduce the quantity of freshwater consumed. In 2019, these Wabtec facilities used nearly 39.6 million gallons (149,997 cubic meters) of water. Our commitment is to reduce water consumption at manufacturing sites in water-scarce regions by 30 percent by 2030 through a series of water conservation programs. Nowhere is water scarcity felt stronger than among Wabtec’s facilities in India, where groundwater resources have been depleted due to intensive farming. The Hosur and Marhorwa facilities implemented rainwater harvesting systems to collect and recharge water.

Today, water scarcity affects four out of every 10 people, and current trends indicate the problem will escalate, according to the World Health Organization and the United Nations. By 2025, 66 percent of the world’s population could be living in water-stressed regions.

**Protecting Our Water Supplies**

Access to a plentiful water supply is a challenge in many regions of the world. However, it can be particularly acute in India. Rainwater harvesting is one of the most effective methods of water management and water conservation. It is also one of the most promising alternatives for supplying freshwater in the face of increasing scarcity and escalating demand in rural and urban areas.

At Wabtec’s facility in Hosur, India the team relies on an intricate system of percolation pits and wells to collect rainwater that is used for gardening, irrigation, and many other purposes. In 2019, more than 13 million gallons of rainwater was harvested, of which roughly 10 million gallons was purified and recharged into ground water. In addition, the Hosur facility has implemented a zero liquid discharge approach to water in which all wastewater is purified and recycled; therefore, leaving zero discharge at the end of the treatment cycle. This advanced wastewater treatment method that includes ultrafiltration, reverse osmosis, and evaporation/crystallization has replenished nearly four million gallons of water used for gardening and flushing across the site. The site, which was built with a focus on maximizing sustainability, is equipped with solar panels that reduce power use from nonrenewable sources — preventing roughly three tons of CO₂ from being released into the environment. The site also leverages bio-composters to repurpose food and garden waste.

By 2025, Wabtec aims to be 100 percent energy self-sufficient in Hosur.
SUSTAINABLE & SAFE OPERATIONS

Creating Safe Environments

Employee health and safety is the foundation on which Wabtec was built. As we drive toward a more sustainable future, that includes a continuous focus on our safety-first culture.

When it comes to employee safety, every initiative is viewed through the lens of our People First policy, which outlines our commitment to provide safe work environments for our employees and to meet or exceed environmental, health, and safety (EHS) laws and regulations in the places where we operate. We also endeavor to continuously improve and foster a culture that proactively addresses hazards, encourages learning, and drives the company towards its goal of zero accidents and zero EHS non-compliance events.

In 2020, the company relaunched the Environment, Health, and Safety component of the Wabtec Management System (known as the “EHS WMS”) to strengthen our management system approach to addressing EHS risks and promote the consistent implementation of best practices across all of our global manufacturing and services sites, regardless of how local laws are implemented or enforced. The EHS WMS establishes standard expectations in 13 core competency areas, including leadership and accountability, regulatory applicability review, EHS processes and systems, risk assessment, safety defenses, exposure defenses, environmental defenses, and contractor management. Operational sites are measured against these EHS program expectations.

In addition to defining “what” Wabtec sites must do to implement a robust management system, the EHS WMS is supported by a series of core requirements that outline “how” our operations teams must plan, do, check, and act in critical areas of health and safety, such as machine safety, electrical safety, lifting operations, lockout/tagout procedures, and forklift and material handling, among others. With the help of this comprehensive system, our operating units comply with all applicable laws, regulations, and customer requirements, satisfy our corporate expectations, and improve site-level EHS performance.

In addition, the company’s EHS WMS is directly aligned to accepted international standards, such as ISO 14001 for Environmental and ISO 45001 for Occupational Health and Safety. Several Wabtec sites, particularly those in our Transit segment, additionally pursue third-party certifications as validation that they have the appropriate EHS systems in place.

In 2020, 26 percent of Wabtec’s sites received ISO 14001 certification and 23 percent are ISO 45001 or OHSAS 18001 certified.

2019 marked the 12th consecutive year of injury rate reductions across Wabtec’s vast operations.

- 0 Fatalities
- 1.08 Recordable Injury and Illness Rate
  Recordable injuries per 200,000 hours worked
- 0.41 Lost-Time Case Rate
  Work-related injuries resulting in lost time per 200,000 hours worked
- 70 sites with zero recordable injuries

Additional safety measures will be implemented to reduce the recordable workplace injury and illness rate by 30% by 2030.
As part of Wabtec’s continuous improvement culture, the company launched a Lean transformation model in 2020 that extends across the enterprise and is focused on 10 key value streams. Through these efforts, the company is introducing process improvements and management systems across the organization to maximize the flow of value produced for the customer, remove waste, empower employees, and optimize the enterprise.

Safety in Action

The invention of Wabtec’s pillar product, the air brake for freight locomotives, was born of a desire by our founder George Westinghouse to solve a pressing safety issue of his time – prevention of fatalities on railroad tracks. Emerging health and safety concerns within our global operations still require that same type of ingenuity and passion.

Each year, Wabtec awards the George Westinghouse Award for Safety to honor a manufacturing operation that has the best performance, as measured by recordable injury and illness rate. This year’s recipient of the award was the Saltillo locomotive cab manufacturing plant located in Arteaga, Coahuila in Mexico. The site had zero recordable injuries in the 2019 calendar year as a result of the execution of a detailed risk reduction plan, investment in training, implementation of Lean, and safety awareness programs designed to energize employees and support families. Site accomplishments include: investment in systems to mitigate fall hazard risk on the rooftop and when working on locomotives, installation of additional controls for combustible dust, a summer experience for children of employees, and an employee Health and Safety campaign focused on hand safety.

Our Locomotive plant in Contagem, Brazil also stands out as a global example of innovation and safety. Their best-in-class model of employee and management engagement – the Shared Safety Program – holds everyone accountable for the safety of others. In 2019, they continued to strengthen this model, using Lean as a vehicle for incorporating safety into operational process changes and focusing on hazards that result in significant injury. The work on the mixed model moving line is one example of this integration. In recent years, the facility faced space constraints, leading to a shift from a static manufacturing line to the first mixed moving manufacturing line. In doing so, the facility improved safety while also freeing up space and increasing capacity.

Finally, Wabtec’s commitment to safety extends into our customer sites as well. Wabtec and partner Kamkor Locomotives earned a top safety award from Kazakhstan Temir Zholy, the national railway company of Kazakhstan, for the implementation of lock out, tag out, and stop work authority programs. These programs promote worker health and safety by ensuring dangerous machinery is properly shut off and not started again prior to the completion of needed maintenance and repair work.
In 2020, the COVID-19 pandemic disrupted not just our industry but the world. The pandemic has reinforced the importance of keeping Wabtec employees safe and healthy while keeping essential rail services and the global economy moving. As a company we were quick to adapt.

When the pandemic began, Wabtec launched its COVID-19 Crisis Management Team, which met daily to focus on three key elements: protecting our people, serving our customers, and ensuring business continuity. The Crisis Management Team assessed and responded to the extraordinary challenges at hand and implemented contingency plans across our operations and supply chain to ensure a safe and responsible continuation of service. They also developed comprehensive guides for preparing facilities and offices to welcome employees back.

Within our manufacturing operations and business office locations, responding to the COVID-19 pandemic meant learning quickly and adapting to a rapidly changing external landscape. Manufacturing and office locations were required to implement nimble risk assessment methodologies, provision computers and rethink work practices to allow for remote working or social distancing, develop new procedures for workplace entry, strengthen site-level crisis management teams, and implement new tools for rapid communication with site employees. Site leaders and people managers were trained on techniques for communicating transparently and navigating complex business decisions during a crisis.

Wabtec’s response to the pandemic has also extended to the communities in which we operate. Many of Wabtec’s teams provided extraordinary support to their local communities and frontline workers during this time.

As the global pandemic continues to evolve, Wabtec is committed to using the lessons from the crisis – including learnings about our connectedness to the community, the importance of contingency planning, and leading with transparency – to make our operations more resilient. By working together and fostering a culture of continuous improvement, Wabtec is changing how we drive a more sustainable future.

Protecting Our People, Serving our Customers, Supporting our Communities

- Wabtec used additive technology to produce thousands of face shields forExcela Health, a leading healthcare system provider in Pennsylvania. These masks are critical for frontline healthcare workers responding to the COVID-19 pandemic.
- Our teams in Tennessee and the UK quickly provided radiators for generators at the University of Southern California Hospital and East London’s ExCeL Exhibition Centre, which both delivered emergency medical care during the pandemic.
- In France, United States, and the Czech Republic, our team members made tens of thousands of masks to protect their co-workers and to distribute to first responders as they fight the COVID pandemic.
- In Brazil, local teams delivered thousands of meals to families struggling from the pandemic.
- Around the world, the Wabtec Foundation provided monetary support and led volunteer efforts to support those communities most hard hit by COVID-19.
Photo: The Swabhiman Training Centre is a flagship community development program supported by Wabtec, which empowers women through vocational training.

Empowering People & Communities

Talent Development

Diversity and Inclusion

Investing in Communities
Empowering People & Communities

At Wabtec, our roughly 27,000 employees are the bedrock of our success. Collectively, they are taking on some of the world’s toughest transportation challenges through the creation of advanced technologies, next-generation manufacturing, and sustainable innovation.

Business success in a rapidly changing world depends on access to the best possible talent, skills, and ideas. To drive innovation and maintain our global leadership position, we must continue to attract and retain the brightest thinkers and doers, and foster a culture rooted in innovation, collaboration, inclusiveness, and continuous improvement.

We also must continue to celebrate learning and development. At Wabtec, we strive to provide team members opportunities to explore different career paths by moving between business units, locations, and job functions, as well as learning through a variety of formal and informal educational programs.

Our vision requires commitment at all levels of Wabtec, and it starts with a foundation of equal employment opportunity. Meritocracy, diversity, and integrity are the cornerstones of our company, and we are focused on creating a more inclusive culture where people are empowered to lead. To accelerate the future of transportation, we seek to create an environment that values differences in thought, background, gender, and race.

In addition, we are committed to making the world better. It’s been our goal – and part of our business – for over 150 years to do well by doing good in the communities where we operate. To have meaningful, sustainable impact, we take a holistic approach to engaging our communities through charitable and philanthropic efforts and explore ways to amplify our impact by engaging our team members as volunteers.
EMPOWERING PEOPLE AND COMMUNITIES

Investment in Talent: Attract, Retain, Develop

Wabtec’s continued success as a global leader in the transportation industry centers on ensuring a strong global workforce that can contribute the right skills, in the right places, to achieve our strategic objectives.

As many experienced professionals approach retirement age, we are also faced with the challenges – and opportunities – of attracting new talent to our organization.

In 2019, Wabtec, through relationships with global partners and universities, actively engaged in events and workforce development programs such as job fairs, hackathons, robotics competitions, diversity hiring engagements, and more to better meet the needs of our current business and the future demands of the market.

In addition, we actively recruit college graduates to work alongside professionals on challenging projects shaping the transportation industry. Our two-year Leadership, Expertise, Advancement and Development (LEAD) program 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 on 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. Approximately 20 percent of Wabtec’s Equipment and Services engineering and operations leaders are graduates of LEAD. We are focused on growing this program to support our global talent pipeline.

Building on the success of these efforts, we launched the Wabtec Leadership Academy in 2019, a bespoke development program for high-potential leaders. The program was designed to accelerate the development of leaders and support cultural integration, while focusing on business performance. Developed in partnership with Ashridge Business School in the UK, this program includes 12 months of intense instruction, as well as business projects sponsored by Wabtec’s CEO and senior leadership team.
In the area of employee personal and professional development, we strive to create a learning culture and offer educational assistance to help our team members enhance their business skills and pursue advanced professional or academic credentials. In addition, our comprehensive learning and development program provides training courses to all employees through Wabtec’s Learning Management System (LMS) as well as in-classroom training. These courses develop team members’ personal skills, support managers as they work to develop their teams, and assist leaders and champions of change as they seek to implement new strategies or change processes. In 2019, employees received on average seven hours of training each through Wabtec’s LMS. This included more than 200,000 hours of training completed on 60,000 courses, as well as over 10,000 hours of in-classroom training.

In addition to skill building, we ensure that employees are trained on the latest integrity, compliance, and governance regulation to ensure they continue meeting Wabtec’s high ethical standards.

Outside of structured learning opportunities, Wabtec offers networking via communities, forums, and ongoing mentorship that encourages and facilitates knowledge sharing and personal growth. For example, within Wabtec’s technology organization we focus on a knowledge cascade known as “Deep Smarts.” It works like a telephone tree, starting with one subject matter “expert” and spreading through ever-expanding tiers of learners (or “nextperts”) who become future experts, capable of innovating our next generation of technology. Instead of relying upon the experts to “push” knowledge out, it enlists learners in “pulling” the knowledge out, then passing it to others who can benefit. The expert saves time and the learners better internalize the lessons by engaging in meaningful dialogue. This knowledge sharing program also results in professional growth. Over the last five years, nearly 40 percent of Wabtec’s nextperts have been promoted to larger roles.

Training 2019 by the Numbers

- More than 1,500 courses available to Wabtec employees.
- More than 200,000 total hours of training completed by Wabtec’s global employees.
- Each employee received an average of 7 hours of training.
- 10,000 hours of in-classroom training completed.
- 1,000 Wabtec certified technicians globally.

We depend on talented people to run and repair our equipment in some of the harshest environmental conditions around the world – from the deserts of Egypt to the frozen tundra in Kazakhstan. People across the world are eager to take on these roles – they just need training and mentorship to help them get started. Wabtec’s comprehensive service technician training program does that by training and certifying technical assistants globally. To date, more than 1,000 certified technicians have completed Wabtec’s services training program that features classroom and in-person training opportunities, often working with local governments and institutions to provide additional degree opportunities that otherwise would not be available.

As an Egyptian, I am proud to help my country expand its infrastructure and am grateful for the skills I have been taught and the team I work alongside.

Medhat Mohamed
Egyptian National Railways
Field Service Technical Specialist
EMPOWERING PEOPLE AND COMMUNITIES

Performance Driven Approach

Since the creation of the new Wabtec, we have updated our performance management process to make it more meaningful and better aligned with our operating model.

We remain committed to a strong pay-for-performance philosophy that aligns individual performance, behaviors, and business results with individual rewards. Key to this approach are: ambitious, yet achievable, individual, team, and enterprise goals and measurements; continuous feedback loops between leaders and employees about progress toward those goals; increased differentiation of rewards; and meaningful mid-year and year-end discussions. To encourage adoption of these practices, in 2019, Wabtec launched training and resources for managers about how to conduct reviews and provide constructive feedback to employees.
EMPOWERING PEOPLE AND COMMUNITIES

Fostering a Culture of Diversity & Inclusion

The global nature of where we operate and live reflects diversity and inclusion in everything we do.

We believe this diversity strengthens our innovative capacity, unleashes the full potential of our employees, and ultimately contributes to our business success. Therefore, we are committed to ensuring a diverse and inclusive workplace that respects and seeks the unique talents, experiences, and viewpoints of all our employees. Valuing everyone’s contribution isn’t just something we talk about. It’s what we seek to put into practice each day.

Our pledge to diversity is a global commitment that reaches across the entire company – starting with Wabtec’s Diversity and Inclusion Council, established in 2020 and led by members of Wabtec’s executive leadership team who oversee global diversity and inclusion policies and initiatives. This effort will extend to all managers and supervisors accountable for developing and progressing our global inclusion initiatives. Increasing representation of women and people of color continues to be a high priority for the company.

Wabtec’s Employee Resource Groups – open to all employees – are an important element of our diversity and inclusion efforts. These groups include:

- African Heritage Forum
- Asian Pacific Forum
- Hispanic / Latino Forum
- LGBTYA Forum
- MyAbilities Forum
- Veterans Forum
- Women of Wabtec

The forums are designed to take an active role in personal and professional development across all phases of a person’s career, provide a forum to build strong relationships and allies through networking, as well as create a medium for sharing, learning, and supporting one another to become better colleagues and leaders. Beginning in 2020 and beyond, these forums will also help facilitate skills development, as well as workshops and training on unconscious bias, diverse workstyles, promoting gender balance, and the importance of allies and sponsorship.

2019 Results

- 16% female representation globally
- 18% female representation among salaried employees
- 25% representation among people of color across total U.S. workforce
- 19% representation among people of color across U.S. salaried employees

2030 Diversity Goals

- 20% female representation globally
- 25% female representation among salaried employees
- 30% representation among people of color across total U.S. workforce
- 25% representation among people of color across U.S. salaried employees
EMPOWERING PEOPLE AND COMMUNITIES

On Track in India

Sitting on a stretch of land that spans over 200 acres is Wabtec’s state-of-the-art locomotive factory in Marhowrah, India.

One of the key steps the company needed to address at the time of construction was how to identify and equip the workforce that would staff the plant. Finding thousands of local, skilled talent for functions that spanned engineering, sourcing, manufacturing, services and more, who were willing to work out in remote locations like Marhowrah, Roza, Uttar Pradesh and Gandhidham, was a major challenge.

To tackle this need, the company recruited from 20 local colleges across Bihar, UP, Jharkhand, and Orissa. Students were put through a two-year training program to develop technical knowledge and skills, as well as enhance their confidence and other professional skills. Today, more than 70 percent of the facility’s workforce is from Marhowrah and its surrounding communities, and over 25 percent of the workforce is female.

In addition, to empower and engage employees on the factory floor, Wabtec adopted a high performance team structure to organize and achieve team-based goals in a manufacturing setting. Each team is responsible for one of the many functions on the factory floor – ranging from assembly to testing, light and heavy fabrication and painting.

The introduction of high performing teams has drastically changed how work was done. Previously I was focused on my own work and role. The high performance team structure ensures that we contribute to the team’s best interest. This approach has been key to focusing on critical aspects of the manufacturing process, but has been even more valuable in helping me find my voice and build confidence.

Amrita Bharti
Wabtec employee
For over 150 years, Wabtec has been driven by a commitment to have meaningful, sustainable impact in the communities where we live and work. Key to this focus is a holistic approach to how we invest in our communities that spans direct grants from the Wabtec Foundation, employee matched gifts, educational scholarships, United Way programs, and employee volunteerism.

While Wabtec’s philanthropic efforts make an impact locally each year, our 2020 commitment stands out as we came together to help during the COVID-19 pandemic. Across the world, Wabtec teams are giving back to their communities in a variety of ways.
Since 1995, Wabtec employees in Erie, Pa., have conducted the Bids for Kids program and raised over $2.1 million for local charities, including Boys & Girls Club, Make-A-Wish, and Shriners Hospitals for Children. In 2020, more than $170,000 was raised through this program.

In South Carolina, the Wabtec team is very active in the community – collecting and donating school supplies to provide to underprivileged children across Spartanburg County, raising funds through local United Way programs, as well as raising awareness and monetary support for life-saving research for breast cancer patients and survivors.

In addition, Wabtec has been doing its part to increase diversity externally and in the legal profession through initiatives aimed at engaging with diverse talents at the high school, law school, and post-law school levels. The company sponsors and works extensively with the Legal Prep Charter Academy in Chicago, Ill., a free, open-enrollment legal-themed public high school that was founded in 2012 in one of the most economically disadvantaged neighborhoods in Chicago. Through mock trials and other legal programs, Wabtec team members volunteer with students to teach them valuable life skills, including public speaking, critical thinking, and advocacy.

Wabtec has partnered with Penn State University for the last eight years across Western Pa. to support Girls Who STEAM, a week-long science, technology, engineering, arts, and math (STEAM) camp. The free program, which engages middle school girls in underserved areas of Western Pa., is focused on encouraging a lifelong interest in STEAM subjects.

Girls are paired with female mentors from Wabtec and introduced to topics such as robotics, electronic circuits, chemistry, structures, energy, and more. Other women—Wabtec engineers, interns, and faculty members from Penn State Behrend—lead classroom and lab sessions.

Since its inception, more than 400 girls have participated in the program.

Investment in Education
In 2010, the Wabtec Foundation established a scholarship program to assist the children of its global employees. Scholarships are offered each year for full-time study at an accredited college or university of the student’s choice. More than $300,000 in scholarships have been awarded through this program.
As Science, Technology, Engineering and Math (STEM) education expands globally, a teacher- and student-focused approach ensures that no one is left behind. For many students, especially those growing up in underserved communities, succeeding at math and science is not a matter of skill, it’s a matter of access.

Across Europe, the Wabtec team helps students gain 21st century jobs by learning the technical skills needed to thrive. We actively support programs that are tailored to local markets, where teachers are well-equipped and well-trained, and students get hands-on experience needed in the workplace.

For example, in the United Kingdom, a team of Wabtec volunteers work with local community schools and more than 1,000 students by participating in job-shadowing programs, resume writing workshops, and career discussions. The team also works with local organizations to engage veterans in skill-building and career transitioning programs.

In addition to training, we are also committed to tackling community and health challenges at large. In Gennevilliers, France, roughly 100 Wabtec employees participated in the 42 Challenge, which consisted of walking 42,000 steps per week. More than 7 million steps were taken – raising more than €10,000 for the

l’Étoile de Martin Association, which funds pediatric cancer research and supports programs for children and families battling cancer.

Employees also partnered with Victor Pauchet Clinic and joined thousands of runners and walkers to raise monetary support and awareness for breast cancer research.

In Avellino, Italy, the Wabtec team led fundraising efforts in partnership with the Association Fraternita di Misericordia di Avellino to supply vehicles for the mobility and transport of seniors and people with physical disabilities.
Latin America
In Brazil, the Wabtec team conducted a used clothing drive in partnership with the Social Fund of Solidarity to collect coats and shoes for those in need.

Since 2015, Wabtec employees have also partnered with the Center for Valorization of Life, Federal Council of Medicine, and the Brazilian Association of Psychiatry on fundraising efforts to support suicide prevention, as well as led volunteer programs to improve literacy among low-income children and fundraising efforts to support cancer research.

In addition, more than 200 employee volunteers participated in mentoring programs for at-risk youth, where volunteers are matched with students over a six-month program. The goal of the program is to share advice, discuss life and on-the-job experiences, and help the students reach their full potential.

China
Wabtec employees have long supported Junior Achievement through hands-on curriculum delivered by classroom volunteers. Through this program, our volunteers share career advice and teach students about workforce readiness, entrepreneurship, and financial literacy.

Wabtec volunteers also spearheaded the “Colorful Dream” campaign in response to the COVID-19 crisis. Local children designed over 70 pieces of art that were auctioned to raise funds for China Youth Development Foundation.

In addition, the team donated technology devices and accessories to underprivileged communities, including Qinjiazhuang, as well as free optical care in Shanghai.

Australia
The summer of 2020 in Australia brought with it the worst bushfires the country had ever seen with 34 lives lost, 18.6 million hectares of land burnt, more than 3,500 homes destroyed, and billions of animals killed or displaced. In response to the devastation, the Wabtec team came together for fundraising activities across the country – donating over AU$12,000 to the Australian Red Cross Bushfire appeal to provide instant support to those who needed it most.
India

Wabtec’s commitment to our communities encompasses both philanthropic and economic development investments—and we know that every local community has its own unique needs. Our facility in Marhowrah, India is one case study on Wabtec’s Corporate Social Responsibility (CSR) efforts in action by supporting infrastructure and development initiatives to help advance and grow a community. With a robust engagement approach that includes 12 local villages home to 38,500 residents, the Marhowrah team drives a series of flagship CSR investment initiatives. From providing education and skills development opportunities, to directly enhancing rural infrastructure by installing 118 solar streetlights across the villages, to health care and women’s empowerment, our Marhowrah team is doing their part to be good neighbors.

In particular, the Swabhiman Training Centre is a flagship community development program supported by Wabtec, which empowers women through vocational training. 270 women have graduated from the tailoring and personal care program, and about 46 percent (125) are now earning independently. Additionally, in Dharwad, India, Wabtec supports the Rehabilitative Assistance for People in Distress (RAPID) program which provides vocational training for 50 widowed and impoverished women. RAPID has 100 percent job placement upon completion of the program.

The Shashiksha Education Equity Program is an employee volunteer program that promotes equity in the education system. Wabtec employees visit local schools to teach those who may otherwise lack a quality education. There are currently more than 450 students enrolled in grades 1-8 and at least 10 Wabtec engineers volunteer to teach students on Saturdays. Additionally, Wabtec engineers have invested in updating infrastructure to improve the learning environment, including installing new flooring, providing bench desks, and refreshing the look of the school with fresh paint and other repairs.

Finally, in an effort to improve community healthcare, Wabtec established a permanent, free healthcare clinic at Tejpurwa Village. Roughly 1,000 villagers a year benefit from the services offered by the clinic.

“I gained a tremendous amount of self-respect through the Swabhiman Training Centre.”

Bindu Devi
former student who now runs her own beauty parlor
# ESG Data & Goals

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Baseline (’19 YE)</th>
<th>2030 Goal</th>
<th>Measurements &amp; Perspective</th>
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<tbody>
<tr>
<td><strong>Innovation</strong></td>
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| Increase net sales driven by Wabtec’s eco-efficiency portfolio | 20% share of net sales | 30% share of net sales | 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: 
- >90% recyclable 
- Improving resource efficiency and/or emissions reductions by >5% 
- Extending a product life by at least five years |
<p>| Increase end-of-life material that is recycled, reused, or remanufactured | 296 million pounds of end-of-life material is recycled, reused, or remanufactured | ↑ by 10% | End-of-life material is returned to Wabtec and then recycled, reused, or remanufactured. |
| <strong>Operations</strong> | | | |
| Reduce greenhouse gas emissions | 46.9 metric tons of CO₂e per million-dollar net sales | ↓ by 30% | Greenhouse gas emissions intensity is calculated as normalized metric tons of Scope 1 and 2 emissions in CO₂ equivalents per million-dollar net sales. The calculation methodology was based on the Corporate Accounting and Reporting Standard and Scope 2 Guidance of the Greenhouse Gas Protocol of the World Resource Institute (WRI) and of the World Business Council for Sustainable Development (WBCSD). |
| Reduce energy use | 0.66 Megajoules per dollar net sales | ↓ by 30% | Energy intensity is calculated as normalized Megajoules (Higher Heating Value) of energy (purchased electricity and other fuels) use per dollar of net sales. |
| Reduce water consumption in areas of water scarcity | 39.6 million gallons of water | ↓ by 30% | ~20 of Wabtec’s current manufacturing facilities are located in areas with greater than 80 percent water scarcity, as defined by the World Resource Institute. |</p>
<table>
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<tr>
<td><strong>Safety</strong></td>
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<tr>
<td>Reduce workplace injury and illness rate.</td>
<td>1.08</td>
<td>↓ by 30%</td>
<td>The workplace injury and illness rate is calculated for every 200,000 hours worked by all employees.</td>
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<td><strong>People</strong></td>
<td></td>
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<tr>
<td>Increase representation of females in the</td>
<td>16%</td>
<td>↑ global</td>
<td>Wabtec prioritizes diversity, inclusion, and integrity throughout all aspects of our operations. We continue to develop new programs that promote diverse perspectives within Wabtec and throughout the community.</td>
</tr>
<tr>
<td>global salaried workforce.</td>
<td>female; 18% of the salaried workforce is female.</td>
<td>workforce to 20% representation</td>
<td></td>
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<tr>
<td>Increase the representation of people of</td>
<td>25%</td>
<td>↑ to 30%</td>
<td></td>
</tr>
<tr>
<td>color in salaried workforce in the U.S.</td>
<td>people of color; 19% of salaried employees are people of color.</td>
<td>of U.S. workforce</td>
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<td><strong>Communities</strong></td>
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<tr>
<td>Increase Wabtec's investment in sustainability</td>
<td>10%</td>
<td>↑ to 45%</td>
<td>Through Wabtec's &quot;Caring for Our Communities&quot; program, we have set clear guidelines for how we can best impact our local communities and support employee volunteerism efforts. We are committed to being stewards of the communities where we have facilities and where our people live.</td>
</tr>
</tbody>
</table>