

Press release

Munich, May 10, 2021

Climate Strategy 2030: Knorr-Bremse drives forward extensive climate action measures

- **Key milestone en route to carbon neutrality from 2021: CO₂ emissions reduced by 59 percent in 2020**
- **Investment in in-house energy generation from renewables and energy efficiency measures**
- **Knorr-Bremse concludes agreement with climate protection organization atmosfair gGmbH to offset 40,000 tonnes of CO₂ per year**

Munich, May 10, 2021 – Knorr-Bremse, the global market leader for braking systems and a leading supplier of other rail and commercial vehicle systems, is driving forward its climate action measures in the context of its new Climate Strategy 2030. By setting its climate goals, Knorr-Bremse is contributing to the Paris Climate Agreement to limit global heating to 1.5 degrees and aiming to halve its CO₂ emissions by 2030. This 50 percent reduction is to be achieved through energy efficiency measures and the own-generation and purchase of renewable energy. In addition, Knorr-Bremse has pledged to make its own sites carbon neutral from 2021 onwards. To do so, the Group is to maximize its sourcing of energy from renewables, while residual, unavoidable emissions are to be offset by means of high-quality climate protection certificates. For the purpose of offsetting, Knorr-Bremse has signed a cooperation agreement with climate protection organization atmosfair gGmbH.

“Thanks to our climate action measures, last year we were able to cut absolute CO₂ emissions by approximately 59 percent (2019: 10 percent) to 53,000 tonnes,” says Knorr-Bremse AG CFO Frank Markus Weber. “This is an important interim step on the way to carbon neutrality. One key factor here was the purchase of high-quality green energy certificates for all of our European, Chinese and North American sites.”

Total energy consumption at Knorr-Bremse was reduced by 4.5 percent to 406 GWh in 2020 (2019: 425 GWh). To further improve Knorr-Bremse’s energy efficiency going forward, systematic potential analyses were conducted at selected sites. The energy efficiency measures implemented in 2020 at the sites in Acuña, Watertown, Suzhou, Aldersbach and Budapest will save 2,000 tonnes of CO₂ per year. Activities included replacing lighting systems, as well as waste heat recovery and insulation measures. The savings equate to approximately 3.8 percent of Knorr-Bremse’s global CO₂ emissions. Further energy audits are planned for 2021 to identify additional potential savings.

In its efforts to halve CO₂ emissions at its sites by 2030 – emissions generated by energy consumption at its production plants around the world and by its fleet of vehicles – Knorr-Bremse is focusing on three levers. The first concerns energy efficiency initiatives and the use of low-carbon fuels in heating systems and the vehicle fleet. The second involves investing in measures designed to increase the proportion of own-generated renewable energy at Knorr-Bremse sites. And the third relates to upping the share of renewable energy sourced externally through long-term power purchasing agreements, green energy products and certificates.

Offsetting projects certified to independent Gold Standard

“As an additional contribution to climate action, we have pledged to achieve carbon neutrality at our sites from the end of 2021,” adds Frank Markus Weber. “To this end, we’re going to be increasing the proportion of electricity from renewables that we use. And we are aiming to

offset the residual unavoidable emissions in the amount of 40,000 tonnes of CO₂ by means of high-quality climate protection certificates. In this context, Knorr-Bremse has signed an offsetting agreement with the Berlin-based climate protection organization atmosfair gGmbH.”

Knorr-Bremse has selected two projects which reached the implementation stage early this year: the Clean Drinking Water project in Kenya and Tanzania, and the Efficient Wood Gas Stoves project in India. Both these carbon offset projects are certified to the independent and internationally recognized Gold Standard. These projects contribute to several UN Sustainable Development Goals (SDGs) on which Knorr-Bremse is focusing: SDG 5 “Gender Equality”, SDG 8 “Decent Work and Economic Growth” SDG 9 “Industry, Innovation and Infrastructure”, and SDG 13 “Climate Action”. The Clean Drinking Water project, run by local project partners Boreal Light GmbH and Waterkiosk Ltd, supports access to clean drinking water for rural households in Kenya and, in future, in Tanzania. In the second project, which is being implemented in collaboration with Sapient, the local project partner in Kolkata, low-income households in rural West Bengal are supplied with efficient wood gas stoves that can reduce firewood consumption by 50 to 60 percent. Reducing wood consumption also helps protect the mangrove forests of West Bengal. Both projects are being realized together with Knorr-Bremse Global Care.

Investing in own generation: new photovoltaic system in Huntington (USA)

In addition to the existing photovoltaic systems in Suzhou (China), Pune and Faridabad (India) and Munich (Germany), a new photovoltaic system will come on stream in Huntington (USA) in the course of this year. The new system will increase the own-generation of renewable energy at Knorr-Bremse from approximately 1,400 MWh/year to approximately 3,300 MWh/year. This will save around 1,000 tonnes of CO₂ per year, which equates to approximately 1.9 percent of Knorr-Bremse’s global CO₂ emissions in 2020.

As part of its climate strategy, Knorr-Bremse is also keen to purchase more renewable energy from external suppliers. In 2020, 86 percent of electricity was sourced from renewables. As in 2019, the Group’s Italian sites in Arcore and Buccinasco continue to purchase electricity from Italian hydroelectric and solar plants via green energy tariffs. Knorr-Bremse’s Austrian sites are supplied with Austrian hydroelectric power in line with a green energy tariff that came into force in 2020. Electricity generated from Spanish wind power with Guarantees of Origin (GoOs) was purchased for all other European sites. These certificates were generated by plants less than five years old. Green power with Renewable Energy Certificates (RECs) is also sourced for all Knorr-Bremse sites in China (Chinese International RECs), the USA and Canada (US RECs). The certificates from Europe and the majority of those from China are from non-supported power plants. The North American certificates are from supported plants and also carry the Green-e label.

Knorr-Bremse (ISIN: DE000KBX1006, Ticker symbol: KBX) is the global market leader for braking systems and a leading supplier of other rail and commercial vehicle systems. Knorr-Bremse's products make a decisive contribution to greater safety and energy efficiency on rail tracks and roads around the world. About 29,700 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2020, Knorr-Bremse generated in both its divisions revenues of more than EUR 6.2 billion (IFRS). For more than 115 years the company has been the industry innovator, driving innovation in mobility and transportation technologies with an edge in connected system solutions. Knorr-Bremse is one of Germany's most successful industrial companies and profits from the key global megatrends: urbanization, sustainability, digitalization and mobility.

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