

Press Release

Munich, March 11, 2020

Knorr-Bremse launches next phase of its climate strategy with a commitment to climate neutrality from 2021 onwards

- **Knorr-Bremse renews its commitment to ESG excellence with a strong focus on its renewed climate strategy**
- **Scope 1 and 2 CO₂ emission reduction in line with Science Based Targets initiative and Paris Climate Agreement**
- **Knorr-Bremse aims to halve its CO₂ emissions by 2030**
- **Climate neutrality from 2021 onward, aided by purchasing renewable energy and carbon offsetting**
- **Investments will focus on energy efficiency and own generation of renewables**

Munich, March 11, 2020 – Knorr-Bremse, the global market leader for braking systems and other rail and commercial vehicle systems today announced a renewed, ambitious climate strategy. Knorr-Bremse will invest in energy efficiency and own generation of renewable energy. In parallel the company will increase its purchase of renewable energy, green electricity products and certificates. With this Knorr-Bremse will halve its CO₂ emissions by 2030 in accordance with the goals of the Paris Climate Agreement and beyond this commits to climate-neutrality across all global operations from 2021 onwards.

Knorr-Bremse has renewed its commitment to ESG (Environmental, Social, Governance) excellence with an ambitious renewed climate strategy aimed at near-term climate neutrality.

“Knorr-Bremse recognizes climate change as one of the most pressing challenges of our time. As an internationally operating industrial company, Knorr-Bremse considers climate protection as a key corporate responsibility and aims to make a significant contribution to climate neutrality,” says Bernd Eulitz, CEO of Knorr-Bremse. “We have set the ambitious target of cutting our locations’ CO₂ emissions by 50 percent by 2030 at the latest and beyond this of reaching climate neutrality as early as 2021. These targets are in line with the requirements derived from climate science to limit global warming to a maximum of 1.5°C and go beyond the goals of the Paris Climate Agreement.”

To achieve the decarbonization goal, Knorr-Bremse aims to halve the CO₂ emissions generated by the energy consumption of its plants and offices around the world and by its vehicle fleet by 2030. This corresponds to an average reduction of 4.2 percent per year compared to the 2018 baseline of 143,000 metric tons of CO₂.

Three levers to halve Scope 1 & 2 CO₂ emissions

Knorr-Bremse will apply three levers to achieve a 50 percent reduction in CO₂ emissions from its own operations (Scope 1) and from external energy sources (Scope 2). First, the company will invest in energy efficiency measures and transition to lower-carbon fuels for heating and in its vehicle fleet. Second, Knorr-Bremse will invest to increase the share of own generated renewable energy at its locations around the world. Third, Knorr-Bremse will increase its purchasing of renewable energy through long-term power purchase agreements, green electricity products and certificates. The majority of Knorr-Bremse’s environmental investments are earmarked to be in energy efficiency and own generation of renewable energy.

Starting in 2021, Knorr-Bremse aims to reach climate neutrality by further increasing the share of renewable energy beyond the 4.2 percent reduction target and – only to the extent necessary – offsetting remaining emissions with high quality certificates. The development and adoption of the company’s climate strategy meets the requirements of the international Science Based Targets initiative of WWF, CDP, World Resources Institute and UN Global Compact for corporate climate targets (Scope 1 and 2) in line with the findings of climate science.

Knorr-Bremse aims to further contribute to climate action by extending its approach to relevant sources of CO₂ emissions in the up- and downstream value chain (Scope 3), as well as further analyzing climate-related opportunities and risks along the value chain.

Renewed climate strategy forms part of Knorr-Bremse’s commitment to society

Knorr-Bremse formulated its first climate strategy back in 2015, committing to achieving climate-neutral organic growth by 2020 at its 43 most energy-intensive sites. This means that by 2020, operational CO₂ emissions shall not exceed the 2015 baseline. As things stand today, the company will achieve this goal of its initial climate strategy.

The renewed climate strategy forms part of the company’s commitment to society. In 2019 the global leadership team of Knorr-Bremse decided to especially focus on five of the 17 UN Sustainable Development Goals in order to meet the economic, social and environmental challenges of our time. These are SDG 13 “Climate Action”, SDG 5 “Gender Equality”, SDG 8 “Decent Work and Economic Growth”, SDG 9 “Industry, Innovation and Infrastructure” and SDG 12 “Responsible Consumption and Production”.

Knorr-Bremse (ISIN: DE000KBX1006, Ticker symbol: KBX) is the global market leader for braking and 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 29,000 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2019, Knorr-Bremse’s two divisions together generated revenues of EUR 6.9 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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