

WHEREAS: Climate change is creating systemic economic, environmental, and social risks. The Commodity Futures Trading Commission recently underscored that climate change could impair the productive capacity of the U.S. economy.¹ According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degrees Celsius (1.5°C) and avoiding the worst impacts of climate change is quickly narrowing. Immediate, sharp emissions reduction is required of all market sectors.²

In response to material climate risk, the Climate Action 100+ initiative, a coalition of over 700 investors with \$60 trillion in assets, issued a Net Zero Benchmark outlining metrics that create climate accountability for companies and transparency for shareholders. Expectations include setting a net zero ambition, adopting 1.5°C aligned reduction goals across relevant emission scopes, and disclosing decarbonization strategies.³

As a leading global provider of transportation solutions, Westinghouse Air Brake Technologies Corp (“WABTEC”) creates significant carbon emissions from its value chain and is exposed to numerous climate-related risks. WABTEC states it is working to help realize a zero-emission rail network, but this long-term ambition is insufficient. The Company has not yet established a plan to achieve net zero alignment across its own value chain. The transportation sector is the largest contributor of U.S. greenhouse gas emissions and is quickly evolving in response to climate mandates.⁴ Credible climate transition planning protects against financial risk, increases economic opportunity, and prepares companies to align with climate regulations.⁵ Failure to respond to this changing environment may make WABTEC less competitive in attracting customers, may increase its cost of capital, and harm shareholders’ financial returns.

While WABTEC has committed to reduce Scope 1 and 2 emissions, these goals do not address the Company’s full value chain emissions. WABTEC discloses certain Scope 3 emissions categories but fails to disclose its full range of value chain emissions.

¹ <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

² https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

³ <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

⁴ <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

⁵ <https://assets.bbhub.io/company/sites/63/2022/09/Expectations-for-Real-economy-Transition-Plans-September-2022.pdf>; https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/003/101/original/CDP_technical_note_-_Climate_transition_plans.pdf?1643994309



Furthermore, WABTEC has not established a Scope 3 reduction target which represents a significant portion of its total emissions. By setting science-based reduction targets for its Scope 1-3 emissions, disclosing a decarbonization plan, and demonstrating progress toward achieving them, WABTEC can provide investors with assurance that it is reducing its climate contribution and addressing the physical, transition, and competitive risks associated with climate change.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its Scope 3 value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C degree goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

- Disclosure of all relevant Scope 3 emissions;
- A timeline for setting 1.5°C aligned Scope 3 reduction goals;
- A climate transition plan to achieve emissions reductions goals across all relevant emissions scopes;
- Annual reports demonstrating progress towards meeting emissions reduction goals;
- Other information the Board deems appropriate.