The Transparent Communication Issue

February 2023

SAME TRACK THE CULTURAL NEWSLETTER FOR WABTEC EMPLOYEES

Frontline Spotlight

Sahbaz Kahn and Sushant Pandey explain how transparent communication in teams helped them excel in kaizen events, which develop people as well as processes.





Leader's Letter

Justin Downs shares how transparent communication enables our goals: high performance, happy customers, and a rewarding work experience.



Competitive Edge

Anup Kolatkar discusses how we use transparent communication to strengthen our key partnerships.



Managers' Roundtable

Managers across the company share thoughts on the benefits of transparent communication.



Ted Shreve and Scott Brozell share the communication culture that contributed to the success of the Engine Test Team in Erie.



Building on Transparency A gateway to innovation and engagement

Justin Downs shares how transparent communication enables our goals: high performance, happy customers, and a rewarding work experience.



Team,

The Global Operations team motto is "We Deliver," which means we work relentlessly to exceed the expectations of our customers, our shareholders, and each other. To achieve that vision, our culture requires strong collaboration, trust, and open communication. Through a free flow of information, whether that is upward, downward, or between teams, decisions can be made more effectively and efficiently.

In this edition of *Same Track*, the focus is on transparent communication — having an honest and open sharing of information. There are many benefits to having transparent communication, including fewer barriers to innovation, greater engagement, and stronger relationships with teammates. Transparency is also critically important when it comes to safety risks and preventing injuries in the workplace.

Throughout Global Operations, we want a working environment where giving and receiving feedback is always encouraged. As you will read in this edition, more innovative solutions are possible when there is a free exchange of information as well as alignment on our business goals.

Please continue to share your thoughts on the ways we can improve how we deliver for the company, our customers, and each other. As always, I welcome your feedback.

Thank you for all the work you do,

ew Qu

Justin

TAKE THE SURVEY

We want to hear your thoughts on the Same Track newsletter, so we've created a survey for you to speak your mind. Follow the QR code to share your feedback.



Growing with Transparency Continuous improvement with communication

Sahbaz Kahn and Sushant Pandey explain how transparent communication in teams helped them excel in kaizen events, which develop people as well as processes.

Transparent communication is a skill that shows up most prominently among teams. Here, Sahbaz Kahn, Assistant Engineer, Lean in Marhowrah, and his manager, Sushant Kumar Pandey, Site Lean Manager, share what it means to embody transparent communication within their highperformance team (HPT) culture.

Information is empowering

When working with his team, Sahbaz emphasizes a style of communication that empowers everyone. "Transparent communication with coworkers builds trust. It gives everyone time to absorb the information, get a full picture of the situation, and process the information that may affect our jobs, allowing us to adjust their work if needed," says Sahbaz.

Sahbaz does this and expects the same from leadership, since communication is a two-way street. "Straightforward communication about the organization's mission gives employees a clear understanding of their goals," he says.

Sushant sees the benefits of Sahbaz's approach in action. "Sahbaz's way of prioritizing transparent communication within a team encourages his teammates to be open, trustworthy, and honest," Sushant says. "When all those attributes are present



Straightforward communication about the organization's mission gives employees a clear understanding of their goals.

within a team, everyone benefits from the improved communication. It allows us to work better together as a cohesive unit and exceed expectations."

Communication kaizens

Sahbaz has found his team's communication culture particularly valuable during kaizen events. These weeklong events bring together large cross-functional teams to carry out improvement activities.

During one of these kaizen events, Sahbaz's team used their communication skills to improve a process from multiple angles. "We developed a standard work process in the locomotive paint shop that reflects the shiftwide distribution of the entire painting process as well as the manpower distribution for each shift," he says.

Sahbaz's kaizen team worked hand in hand with the paint shop team to try out a new process and make adjustments. "After each shift, we discussed the difficulties encountered in the process and solutions to avoid the challenges in the next unit," Sahbaz says. "Any mistakes from the previous shift were addressed in the very next shift with proper communication, rather than at the end of the painting process." Communicating in this way helped the



overall efficiency of the operation and innovated the standard procedure.

Communication changes people

Kaizen events are all about continuous improvement, but Sahbaz knows it's not just the processes and hardware that are improving. "Kaizens are all about changing for the better. Change involves bringing people along as well as processes," Sahbaz says. "Wherever people come into the picture, communication and feedback become very important."

Sushant also discussed Sahbaz's skills during kaizen events. "Sahbaz is not only a good speaker, but a high-level listener," he says. "When Sahbaz leads a team for any kaizen at the shop floor level, he shows that it's equally important for him to receive feedback on his views and ideas from others, rather than all communication going one way."

Sahbaz's approach creates room for other employees to raise the bar. "He asks questions about the idea and how they can improve the kaizens further. This has not only helped him to achieve the desired output, but it showed the team how highly he valued transparency and communication," Sushant says.

A high-value investment

Sushant sees Sahbaz's communication style empower his team. He says, "When employees feel trusted to do their job, they are more likely to communicate and share information with others."

For Sushant and Sahbaz, transparency drives performance. "Workplace transparency is proven to breed long-term success," Sushant says. "Implemented properly, increased transparency creates trust between employers and employees, helps improve morale, and lowers jobrelated stress. And being transparent costs nothing, which gives it an exceptional ROI."

Competitive Edge

Testing Transparent Communication How we make the best of bad news

Anup Kolatkar discusses how we use transparent communication to strengthen our key partnerships.

At Wabtec, we face challenges that sometimes require us to deal with bad news or difficult situations. Here, Anup Kolatkar, Senior Director, Mining Global Product Quality & Field Services, shares how we can use transparent communication to solve problems for the customer and move and improve the world.

Communication matters everywhere

For Anup, transparent communication is fundamental to how we operate at Wabtec. It's the baseline for everything we do. "Communication should always be open and clear. It should happen across the board, going upward toward leaders, happening across peers, down through teams, and across the rest of the organization," he says.

This approach isn't limited to good news. "It's important that both the good and bad information is transparently communicated," Anup says. "Even if it's challenging or uncomfortable, we should be able to stay true to the principle of open communication."

Communicating transparently in more challenging times is a big ask. In Anup's role, he sees this kind of challenge with his team most frequently around quality and defects. "On my team, if we have a quality defect that could impact the customer, then it needs to be communicated quickly and resolved to minimize the impact to Wabtec and the end customer," he says.

Impacting the bottom line

Effective communication can have a significant impact on the company's success. "We want to see employees communicate a defect quickly, stop the line, and fix the issue," Anup says. "In mining alone, we spent millions in warranty and FMI last year, which is a direct impact on the bottom line."

16

Even if it's challenging or uncomfortable, we should be able to stay true to the principle of open communication.

On top of the hard costs we spend on defects, we also stake our reputation on quality — which affects ongoing business prospects. "Product quality is very important to our customers, and it should be for us, too," he says. "Customers are making the

decision whether to buy our product or not, and that decision is based on who we've been in the past, not what we promise to fix in the future."

Ultimately for Anup, the importance of transparent communication is simple. "Communication helps us reduce the number of defects, and when we do that, it helps us improve and grow as a company."

A partnership built on communication

When we're trying to deliver for our customers, there's no room for a lack of communication. "We supply drive systems to our customers like Komatsu who build massive 100-ton to 400-ton mine trucks that haul ore in global mines. These surface mines run continuously, 24/7," Anup says. "From a quality perspective, transparent communication is super important because we build the products that keep these trucks running."



In fact, Anup mentions that some of the smallest components we make could disrupt Komatsu and their end customers' mine operations, if defective. "Whether it's the wheels, the alternators, the control groups, or the retarders, many of the things we produce could stop the truck from running," he says. "A small panel defect or a small cable defect could actually stop a 400-ton truck, which would really hamper mine operations, so communication is important for protecting both our customer and the final customer."

In our relationship with Komatsu, transparent communication is a clear competitive advantage. "Caterpillar is their biggest competition, just like they're our biggest competition," Anup explains. "As our partner and our customer, Komatsu really wants transparent communication because they believe that we can solve problems together, improve, and win together, and surpass Caterpillar."

Transparency builds trust

Anup knows that transparent communication helps the people of Wabtec as well as our customers. "There are a lot of benefits for the team members and frontline leaders when we share information," he says. "When we show transparency, we're sending out a message that their opinions and presence are valued. When we readily share information, it encourages our employees to participate."

Collaboration and engagement help us all to get further in our work and to feel more rewarded by it. "Two-way communication is important for trust in the organization," says Anup. "And when people are valued, they're also more likely to feel engaged in their work, so that mutual trust is really beneficial for everyone."

How Komatsu Communicates



What makes the front page?

Late last year, two senior leaders from our customer Komatsu, Jim Mathis and Yugo San, visited our Erie and Fort Worth facilities to share the voice of the customer and strengthen our partnership together. While he was visiting, Jim Mathis shared an analogy of a newspaper to describe how they approach communication at Komatsu.

BAD NEWS IS GOOD NEWS

With a newspaper, bad news, like natural disasters or scandals, will always make the front page. It's what people need to know about, so it's communicated first. The same is true with work: We should communicate bad news quickly. Waiting to communicate doesn't solve anything, but when we're proactive, we can solve the issue and adjust plans together.

NO NEWS IS BAD NEWS

A lack of communication is really concerning. If there's no news, or no communication, that could mean something is being hidden or isn't being investigated to the extent that it should be. Or if there was a problem brought to the forefront, and then no communication afterward about how it was addressed, that can cause even more problems. Withholding communication leads to lots of problems — it's bad news.

GOOD NEWS IS NO NEWS

With a newspaper, most of the good things that happen don't make the front page or may even not be included at all — they're "no news." The same can be true at work. We should communicate the good things, but they don't need to be the highest priority. The assumption we make is that things are good unless stated otherwise.

Managers' Roundtable

Strengthening Relationships

Better communication for better teamwork

Managers across the company share thoughts on the benefits of transparent communication.

Wi co to

What does transparent communication mean to you?

Sandra: Transparent communication means trust and empathy. It's not always easy, but it builds better relationships.

Eduardo: It's the most powerful tool for a leader. You should be very honest with your team. It helps us to empower our teams, motivating them and helping them to deliver their best.

Derrick: I think it's all about building trust with my team. As a leader, there's a lot of things that I have to communicate. I've found that the more open I am and the more I explain the reasoning behind my decisions, the more accepting and understanding people are of those decisions.

Will: I think it means not holding anything back. When we're able to bring everything forward, we can utilize the best of everybody's skills and experiences for the good of all of us.



Why is it important to have transparent communication at Wabtec?

Sandra: Transparent communication encourages people to be more open to share ideas. When a person shares ideas and those are valued, people feel more engaged, so it's an important value for our company, in my opinion.

Eduardo: To realize our mission, we need to be transparent with our teams. It's the basis for moving and improving the world.

Derrick: It's important at Wabtec because we want employees to feel like they're heard

and to know their opinions matter. Whether that's positive reinforcement or constructive feedback, we want to feel like everyone's able to be heard and to listen. One of Wabtec's core values is to pursue excellence through continuous improvement, and I think the only way to do that is to listen to ideas and feedback from others.

Will: From my perspective, the importance is about team building. It gives you the ability to earn people's trust. It opens up honesty and collaboration, and when that happens, you get the free flow of ideas with the team working toward the same goal.

"

When a person shares ideas and those are valued, people feel more engaged. — Sandra



What does it look like to have two-way communication between employees and leaders?

Sandra: Two-way communication between leaders and employees is important because it creates deeper connections. There's a Gallup poll that says engagement levels increase by 30% when leaders and employees have one-on-one sessions on a frequent basis.

Eduardo: For me, the focus is to be clear with everybody every day. That's how we





Sandra Munive Senior HR Manage Monterrey, Mexico



Eduardo Moreira Manufacturing Engineering Leader Contagem, Brazil



Derrick McCoy Business Leader Operations Manager Fort Worth, Texas



Will Feeney Operations Manager Erie, Pennsylvania

practice leadership in our day-to-day routine to motivate and improve team performance.

Derrick: For me, two-way communication looks like giving and receiving feedback. As a leader, that means listening — and you actually learn a lot more when you're listening than when you're speaking. As a leader, I'm oftentimes not the expert. I've got to rely on two-way communication with my team to get to the root of a problem. When some of the details go over my head, I trust my team to make the right decision.

Will: As a leader, we all aim to have an open-door policy. To get there, you have to have good communication and back and forth between employees and leaders. When you get to that point of mutual trust, collaborating, building teams, and building

trust, that's when you get the true opendoor policy.

How can transparent communication help us move and improve the world?

Sandra: Transparent communication can result in more meaningful relationships with customers and with society. When we have that, we'll have a better world.

Eduardo: It helps us facilitate our routine as leaders with teams and to address their challenges, at the end of the day delivering better results for the company.

Derrick: Transparent communication for the business is really about bringing

teams together. I think that level of transparency builds effective teams that can solve complex problems quickly through collaboration and communication. Engaged teams are going to deliver better results for the customer, and they're going to grow better professionally.

Will: Here in propulsion, just like the rest of Wabtec, we have a ton of obstacles that we have to go through every day. In order to get through those, it takes all of us working in unison. From my leader, to me, to my staff, to their teams, if we don't have transparent communication, we don't trust each other. When we build trust, we win and lose together. And that's what we're ultimately striving for: one team, one goal.



Employee Excellence

Communication-Driven Teams

Stepping up for each other

Ted Shreve and Scott Brozell share the communication culture that contributed to the success of the Engine Test Team in Erie.



Ted Shreve, Test Cell Leader, and Scott Brozell, Test Technician, work in testing for the engine lab in Erie's global lab facilities. Thanks to the group's excellent communication, the lab experienced zero recordable injuries, zero days away from work injuries, and a 10% increase in work efficiency in 2022.

Here, they share how their team uses communication to raise the bar, and how team members go the extra mile for each other.



E-Turbo Test Cell

"For E-Turbo, we had regular discussions and face-to-face conversations with the responsible Engine Team counterpart and/or program manager on the status of the cell, facility, engine, and any near-term amendments to the test. It's refreshing when everyone is willing to step up when needed to keep moving the project forward.

"Another benefit of working with these teams is that there's always an opportunity to learn something new. The surrounding wealth of knowledge and willingness to share it helps improve us all." – **Ted Shreve**



Engine Lab

"Transparent communication is important for the overall success of the team. You can't 'win the day' only hearing the good news or only hearing the bad news. You must consider all the information and work as a team to find the best option for success." **– Scott Brozell**

"Transparency in communication is vitally important because our customers are using the information in their decision making. Lack of transparency can generate reliability issues or lackluster program launches." — **Ted Shreve**



NYCT Test Cell

"In the Engine Lab, we think of the Engineering Team as our customer. Our main goal is to perform the testing they want and provide the highest quality data in the shortest amount of time. It's a real team effort.

"Communication is key. It's important that we have daily communication on what the Engineering team wants and what issues have been found. With any new project, it's impossible to overcommunicate!" — Scott Brozell