

SAME TRACK

THE CULTURAL NEWSLETTER FOR WABTEC EMPLOYEES

Frontline Spotlight

Richard Espinoza and Kerry Girod discuss how the KG/EM mining team was able to elevate efficiency despite material shortages for overall success in 2023.



Leader's Letter

Justin Downs discusses some of the challenges we faced in 2023 and our collective efforts at responding successfully.



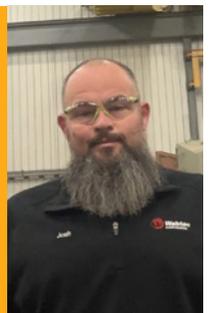
Competitive Edge

Learn about 2023's wins, accomplishments, and major obstacles, plus how we'll improve in 2024, from Justin Downs.



Managers' Roundtable

Managers from different regions discuss the ways their teams stepped up this year to support the company and deliver for customers.



Employee Excellence

Employees in Saltillo are making great progress in preparing the new site for operations, which will more than double the usable space.



Rallying from a Tough Year Moving into a more promising 2024

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Team,

This year was definitely a tough one, but I'm proud of how the team has rallied to set us up for a better 2024. We faced several major challenges, from the work stoppage in Erie to ongoing materials issues. Even so, we ended the year in a good place. I'm looking forward to having those difficulties behind us, and to all we'll achieve in the new year.

Integrating the Mining team has been a big success of this year, marked by great performance and really delivering for the customer. That's helped us close the backlog gap by almost 90%.

I also want to recognize the international team for delivering over 220 units across the board in 2023. We've continued to grow our capabilities and skill sets there, in order to become a world-class leader in locomotive production.

We've grown our talent across the entire team, with successful cross-pollination and good transitions. Our people are the most important elements of our continued success, and we're fortunate to have such great people here.

For 2024, we're expecting to see some solid volume increases for a big year. My hope is that we continue to execute well and improve our efficiency — and that we'll all keep doing the things we do to deliver for the business.

In the meantime, I wish you the happiest of holidays. Thanks for all you've done for Wabtec in 2023.

Here's to a great year in 2024!

Justin Downs

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.



Frontline Spotlight

Teaming for Success in 2023

Winning with efficiency culture

Richard Espinoza and Kerry Girod discuss how the KG/EM mining team was able to elevate efficiency despite material shortages for overall success in 2023.



Richard Espinoza

Across Wabtec, many teams have worked together to produce great results and deliver for customers in 2023. One of these amazing teams is the KG/EM mining team in Fort Worth, who battled materials shortages all year through a commitment to efficiency while expanding employees' skill sets. Here, Richard Espinoza, Button Up KG/EM Team Lead, and his manager, Kerry Girod, Coach, KG/EM Assembly Lines, share what made their team so successful in 2023.

A year of efficiency

While maintaining quality and safety, Richard made efficiency a top priority for this year. "In a production-based industry, the best way to produce results is to be efficient and to have good processes in place," Richard says. "My team has achieved that this year, and we're always finding ways to be more efficient and put out a quality product quickly."

Coming together as a team

The team was able to make much progress despite ongoing adversity. "Material shortages were a constant obstacle this year, but alongside my coach and team members, we've found creative ways to keep production going at a high level, with an emphasis on quality," Richard says. "That hard work resulted in my highlight for this year: when the KG/EM line won the Q1 and Q2 report outs."

Kerry knows Richard and the team worked hard to deliver those metrics. "I'm really impressed with the progress Richard has made this year. He added a new TM, and did a lot of cross-training to improve teaming and production," Kerry says. "I'm sure it wasn't easy. We had lots of new employees that we had to train, other employees to cross-train, and the introduction of a whole new unit (the K45), all while getting OLCs implemented for the current processes."

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I'm really impressed with the progress Richard has made this year.
— Kerry

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Accelerating in 2024

Richard is hoping to build on the strengths of the team moving into next year. "As we try to ramp up production next year, we'll have to onboard more new team members that can help us achieve our goals. It will be really important for everyone to commit to expanding our culture."

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It will be really important for everyone to commit to expanding our culture.

— Richard

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The team's drive for efficiency produced results that Kerry is proud of. "We were able to bring the KG/EM lines back much closer to the master schedule thanks to the team's hard work this year," he says. "At the beginning of the year, we were -60 on the schedule, and now we're only -10."



Richard and Kerry

Competitive Edge

Looking Back

Learning from a challenging 2023

Learn about 2023's wins, accomplishments, and major obstacles, plus how we'll improve in 2024, from Justin Downs.



While Wabtec as a whole has had a strong year, the Freight Equipment business has faced many challenges. We faced a work stoppage in Erie, encountered instability in material availability, and saw a drop in on-time delivery percentage. We worked hard to mitigate those difficulties, resulting in us meeting our customer needs, but 2023 was a difficult financial year. Here, Justin Downs, Group Vice President Operations – Freight Equipment, discusses what we faced this year as well as what to expect from Wabtec in 2024.

Fighting the battles

The year's challenges came from many different directions. Justin says, "We faced a number of different obstacles this year, whether they were industry changes, material availability, or Mod challenges. We haven't seen that in a long time. You tack that on to everything else we do day to day and it's become a real challenge to be able to get stuff out the door."

Justin says another major obstacle Wabtec faced was Erie's strike. He's

proud of the stability Erie managed to create, despite their lengthy halt in normal employee capacity. "I'm really proud of the way the team and area stepped up with the work stoppage." Justin says, "They worked long and hard hours trying to get through that piece of it."

Justin says successfully restarting work at Erie was helped by procedures that had already been put in place. "We've done a good job of making sure that we've eliminated some of the buffer and added some contingency plans, which is great."

Justin continues, "With all the challenges, from a North America perspective, it was great to have the international sites really step up and execute on the loco and components side. It's also great to see the backlog gap and improvements in OHV since moving back to Freight Equipment earlier in the year."

Room for improvement

When reflecting on a year of work, Justin thinks it's important to learn from adversity to build a stronger Wabtec in the future. "We definitely want to be able to continue to not only be flexible, but also be able to see around corners." Justin says, "We need to be raising our hands a little bit earlier – thinking about what we can do to course correct a little faster. If we want to improve, we can't push it all to the next week or the next month."

Justin points to efficiency as an important metric when thinking about future improvements. "I think on-time delivery and material availability are the things that we have to continuously monitor. Efficiency is the biggest point we have, from the business end to the impact we have on the customer." Justin says efficiency comes from eliminating waste and focusing on strengthening communication avenues that may have fallen short during this challenging year.

Justin says it's important to recognize that the company as a whole can have a record-breaking year financially and still have areas that are performing poorly. "Just because the business is doing really well, whether it's through contingency planning and risk abatement, we still have

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Efficiency is the biggest point we have, from the business end to the impact we have on the customer.

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to think about our performance level and how we're performing year over year." Justin says, "And you know, the answer is this year's performance level was less than what we've done over the last three years."

Coming back stronger

Despite this tough year, Wabtec has had a strong and stable year financially. Justin thinks employees should be proud of their accomplishments, regardless of the areas that need improvement. "We started off the year with some challenges. We've been turning around. Freight Equipment has had a sizable number of safety violations earlier this year but turned around their operations so that we are now on track to hit our plan for this year."

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We definitely want to be able to continue to not only be flexible, but also be able to see around corners.

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Justin thinks everyone who carried the load during the Erie work stoppage should also be proud. “Erie really stepped up. I know they were long and hard days, but I really love the way that people rallied to support. Some employees put their own personal lives on hold to be able to do what we did in Erie — and for that I’m thankful.”

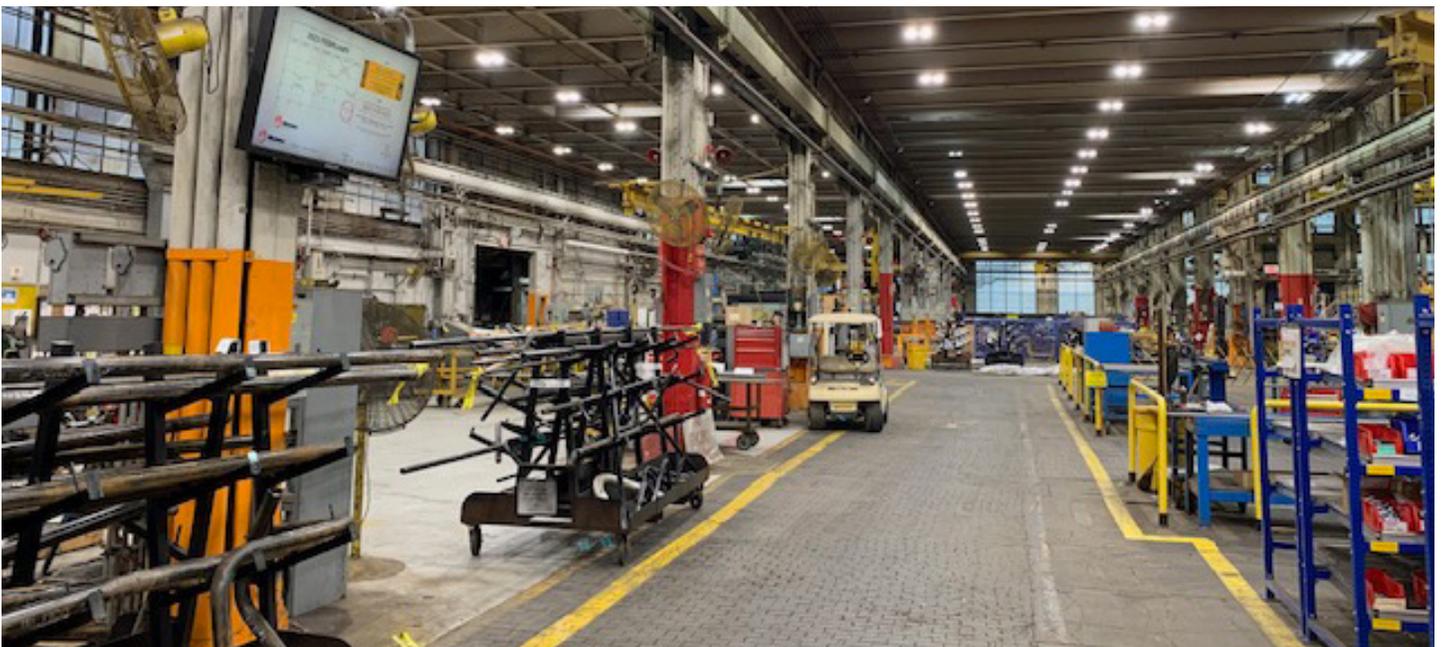
Moving forward

Justin is looking forward to seeing how Wabtec can continue to evolve. “I think that we’ve done a lot of learning this year. I think we’ve added a lot of processes and improvements where we may not have had before.” Justin says, “We will continue to evolve the organization in the coming

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I can’t think of a better team that I would want to bet on anymore to get it done than the team we have today.
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year. We’ll have some great opportunities for people throughout the year with new positions and new ways to develop and train. So, I’m excited about that.”

Justin says he’s looking forward to all the new opportunities and challenges Wabtec will face next year and thinks it’ll be a good growth opportunity for employees and Wabtec as a whole. “With the year we’ve had, we’ve got some challenges on the horizon. We’ve definitely got some things to overcome. So, I think that’ll be a challenge for the team. But I can’t think of a better team that I would want to bet on anymore to get it done than the team we have today.”



Managers' Roundtable

Team Wins of 2024

Points of pride across Wabtec

Managers from different regions discuss the ways their teams stepped up this year to support the company and deliver for customers.



What did your team accomplish in 2023?

Josh: I'm really proud of my team this year. I feel like the Final Assembly team is an example for the whole company. I'm proud of them for getting stuff done for customers as they also pulled together and helped other areas of the facility accomplish their parts too.

Martín: I've been managing two different teams this year, the production team and the materials team, and both have produced good metrics for the year. The OSHA rate in my teams was equal to zero. Efficiency was tight, but we hit our annual goal, and we had on-time delivery 99% of the time.

What stands out to me are those moments where we were together looking for solutions, looking for improvements or ways to simplify processes. It reminds me that working as a team, as One Wabtec, we are stronger and we are more effective.

Partha: We have a lot to be proud of this year. Per our agreement with Indian Railways and the Indian government, we're expected to deliver 100 locomotives per year, and this year we completed 102. We also had on-time delivery of 100%, and zero backlog orders. In fact, we are going to have to build stock for more than 50% of our Q1 delivery schedule.

On the quality front, we've improved some issues that we'd faced over the last few years. Last but not least, we've helped our first batch of 28 employees, who started in 2018 as diploma engineers, earn their graduate certificates in engineering courses.



What are some of the challenges you overcame this year?

Josh: We had to overcome a lot with some of the builds that were set out for us and the part shortages we faced. We stayed focused on working together as a team, and were able to keep moving things down the line until everything was completed for the customer this year.

Martín: I think the whole North America region faced labor constraints this year, and our side was not an exception. Fortunately, thanks to the efforts of the multidisciplinary team that was involved in trying to solve this, we'll close the year with all the headcount needed to run production for December and 2024.

Partha: The major problem we faced is turnover. Shortly after our facility opened, COVID shut everything down, and last year was the first time that things stabilized and



Our team has had to really work hard when it comes to getting new people in, training them up in our culture, and helping them establish a rhythm.
— Partha



Josh Smith
Final Assembly Coach
Fort Worth, Texas



Martín Tapia
Materials Manager
Apodaca, Mexico



Partha Hatua
General Manager,
Operations
Marhowra, India

markets started to open back up. With our employees who had built up solid experience, it's been tough to replace people who move on to different opportunities. Our team has had to really work hard when it comes to getting new people in, training them up in our culture, and helping them establish a rhythm.

Q What are you looking forward to in 2024?

Josh: 2024 is gonna be a big but exciting challenge, I think. We've got a lot of new different builds coming in, so we'll have to

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What stands out to me are those moments where we were together looking for solutions.

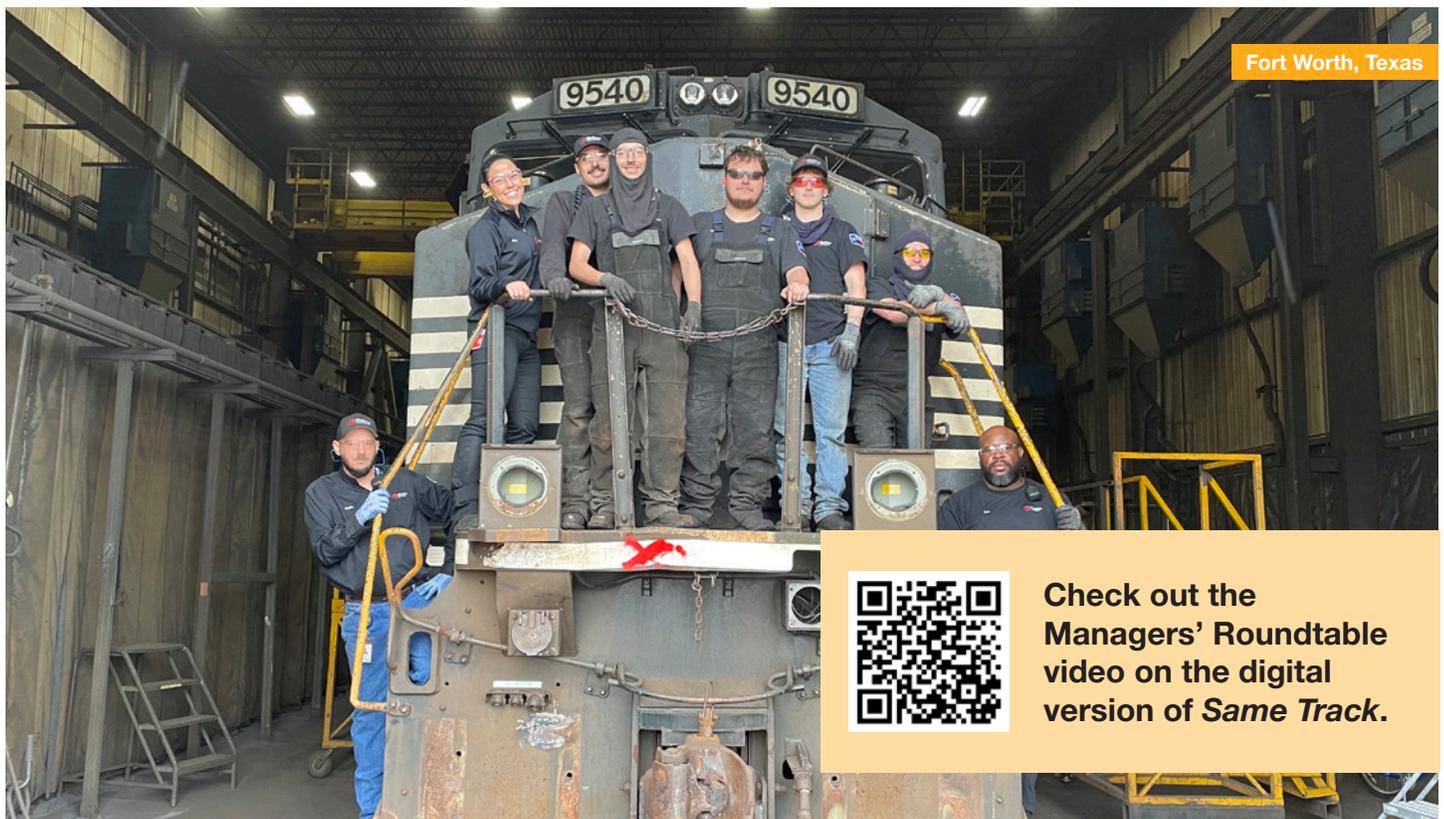
— Martín

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plan things out and see what the team can do together to get units moved out and shipped to customers.

Martín: There are three things I want to see from the team this year: More challenge, more achievements, and more time to reflect.

Partha: Our top priority is to become the best and most productive plant across the Wabtec facilities, that is our goal. We are trying to build up our capabilities and use our different strengths. Winning is an event, but being a winner is a spirit. In 2024, we want to keep that spirit pressing on.



Check out the Managers' Roundtable video on the digital version of *Same Track*.

Employee Excellence

Growing into the New Year

Saltillo's expansion and development

Employees in Saltillo are making great progress in preparing the new site for operations, which will more than double the usable space.



In 2022, the Saltillo team began working on renovations for their new facility, a 130,000-square-foot space that will be focused on the KG and EM mining teams. In the last year, employees from Saltillo as well as other facilities have worked hard to prepare the site for full operation. Eder Campos, Plant Manager in Saltillo, describes the hard work the team has done to prepare the site.



The challenge

"We held a 3P event with multifunctional teams from Monterrey, San Luis, and both the loco and mining sites in Fort Worth. All together, we defined the best flow and layout for the shop."



The work

"This year's phase of the building has included 160 quotations, 60 different suppliers, 150 purchase orders, and 70 safety work plans."



The future

"We're really excited for the possibilities. We are going to be building 100% of the weldment cabs that our company's locomotives require."