

Press release

Knorr-Bremse issues inaugural 700 Million Euro Sustainability-Linked Bond (SLB)

- **The inaugural SLB is issued under the new Sustainability-Linked Bond Framework by Knorr-Bremse AG**
- **With this transaction Knorr-Bremse commits itself to continue to drive its decarbonization approach within its value chain**
- **The transaction was met with strong interest from investors and was significantly oversubscribed**

Munich, September 15, 2022 – Knorr Bremse AG implements its focus on sustainability now also within its capital market financing. The global market leader for braking systems and a leading supplier of other safety-critical rail and commercial vehicle systems, issued its inaugural sustainability-linked bond at the European debt capital markets yesterday. The bond has a volume of EUR 700 million and a tenor of 5 years. The annual coupon amounts to 3,25 percent.

Frank Markus Weber, Executive Board Spokesman and Chief Financial Officer of Knorr-Bremse AG: “With the Sustainability-Linked Bond we are strengthening our liquidity and refinancing, among other things, our current M&A transactions. Through the link to sustainability objectives, we underline the importance of our Climate Strategy 2030 and commit ourselves to continue to develop our sustainability approach. As the second sustainability-linked instrument in our capital structure we further send a strong message, to continue to facilitate the integration of aspects of sustainability in all areas of the company“.

The interest rate of the bond is linked to the achievement of a predetermined sustainability target. Knorr-Bremse has defined the target within a framework for sustainability-linked financing, called the [Sustainability-Linked Bond Framework](#). Knorr-Bremse is committed to publish a Scope 3 emissions reduction target focusing on its value chain, approved by the Science-Based Target initiative. The framework was evaluated by ESG agency ISS Corporate Solutions (ISS) in form of a [Second Party Opinion \(SPO\)](#). ISS confirms the ambitions and materiality of Knorr-Bremse’s targets and the alignment with common market standards. In case Knorr Bremse will not achieve the target, the interest rate will be increased by 20 bps. p.a., until the maturity of the bond. The proceeds of the issue are intended for general corporate purposes.

At the beginning of 2022 Knorr-Bremse already integrated sustainability elements into the syndicated credit and is now expanding its financing instruments in this area by issuing a sustainability-linked bond.

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About Knorr-Bremse

Knorr-Bremse (ISIN: DE000KBX1006, ticker symbol: KBX) is the global market leader for braking systems and a leading supplier of other safety-critical 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 30,500 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2021, Knorr-Bremse's two divisions together generated revenues of € 6.7 billion. 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. One of Germany's most successful industrial companies, Knorr-Bremse profits from the key global megatrends of urbanization, sustainability, digitalization, and automated driving.

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