

Press release

Munich, November 17, 2022

Logistics of the future: Knorr-Bremse wins Supply Chain Management Award 2022

- **Knorr-Bremse is the winner of the Supply Chain Management Award 2022 sponsored by LOGISTIK HEUTE, PwC and Strategy&**
- **The award was presented in recognition of the company's transformative *NextGen European Distribution Network* project**
- **With the project, Knorr-Bremse is making its Rail Vehicle Systems division's European logistics and supply chain network even more efficient, sustainable and resilient – while simultaneously enhancing the benefits to customers**

Munich, November 17, 2022 – Knorr-Bremse has won the Supply Chain Management Award 2022 for its transformative *NextGen European Distribution Network* project. The award, sponsored by LOGISTIK HEUTE (published by HUSS-VERLAG), PwC and Strategy&, was presented in Frankfurt am Main. Knorr-Bremse actually launched the project prior to the coronavirus pandemic, with the aim of boosting efficiency, cutting costs, and reducing carbon emissions. The results are already paying off.

“For us, winning the Supply Chain Management Award 2022 is a very special achievement, and we thank LOGISTIK HEUTE, as well as PwC and Strategy&, for this major accolade,” states Harald Schneider, Member of the Management Board of Knorr-Bremse Rail Vehicle Systems. “With our *NextGen European Distribution Network*, we are significantly boosting the efficiency and sustainability of our logistics and supply chains, while at the same time becoming even more resilient to future challenges.”

“We're delighted that the jury and audience chose to honor our *NextGen European Distribution Network* with the Supply Chain Management Award 2022,” adds Thomas Rapp, Vice President Supply Chain & Service Operations at Knorr-Bremse Rail Vehicle Systems. “This project represents a major step forward in the ongoing development of our logistics and supply chains in Europe. With the improvements and optimization we've achieved, we're able to further strengthen Knorr-Bremse's position in Europe and enhance the speed, flexibility and quality of our customer services.”

Efficiency up, expenditure down: Measurable successes and improvements

The project focused on optimizing both economic and ecological factors. The project team applied 11 clearly defined criteria in particular, including specific targets for logistical quality. As a result, logistics costs have fallen by 15%, carbon emissions have been significantly reduced due to a 20% drop in the number of ton-kilometers traveled, and the speed and flexibility of logistical services to customers have increased.

Knorr-Bremse used state-of-the-art digital applications to implement the project, among them the “Digital Twin” concept. This virtual, data-driven depiction of the company's European logistics footprint has enabled Knorr-Bremse to, for example, significantly improve

transparency across the network and thereby lay the foundations for future cost reductions. Deliveries worth more than EUR 1 billion are made via the network every year.

Knorr-Bremse launched this ambitious project back in 2018, across multiple European countries, against a backdrop of constantly changing material flows and geopolitical factors, as well as increasingly stringent Environment, Social and Governance (ESG) requirements. During project implementation, the main challenges were to minimize operational disruption, satisfy the many different stakeholders, comply with regulatory requirements and, most recently, cope with the Covid pandemic. The company is now considering whether to roll out this successful model across other regions such as North America and Asia.

Caption 1: At the prizegiving ceremony in Frankfurt am Main, the Knorr-Bremse project team accepts the Supply Chain Management Award 2022 sponsored by LOGISTIK HEUTE, PwC and Strategy&. Left side of the picture: Trucksters, the winners of the Smart Solution Award 2022. | © Mario Andreyra

Caption 2: With the NextGen European Distribution Network, Knorr-Bremse is redefining its Rail Vehicle Systems division's European logistics network. Pictured here is the company's Budapest site. | © Knorr-Bremse

Knorr-Bremse (ISIN: DE000KBX1006, ticker symbol: KBX) is the global market leader for braking systems and other systems for rail and commercial vehicles. 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 EUR 6.7 billion. For more than 115 years, the company has been the industry innovator, driving developments 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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