



SUSTAINABILITY REPORT 2023



ENSURING A
SUSTAINABLE
FUTURE FOR
GENERATIONS
TO COME

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FOREWORD: A LETTER FROM THE PRESIDENT



It is with great pleasure and a profound sense of responsibility that I present Amsted Rail Company Inc.'s sustainability report for fiscal year 2023. The values and actions described

herein have always been ingrained in the DNA of our business and our culture. As President of Amsted Rail®, I am deeply honored to lead an organization of people that share a common dedication to transparency, sustainability and progress.

At Amsted Rail, **our people-forward culture** places employee development and safety at the core of our operations. As an Employee Stock Ownership Plan (ESOP) company, we are dedicated to closing the wealth disparity gap in the United States, empowering our employees to share in the success they help create. Our flat organizational structure **promotes inclusion and collaboration**, ensuring that

everyone, regardless of title or position, treats each other with love, dignity and respect.

We also take great pride in the communities **we call home**, proudly supporting organizations and initiatives that reflect our values of compassion and responsibility. We brighten the holidays for children in need, address food insecurity, empower the homeless and nurture children's education. Though these are just some examples, our involvement in these causes exemplifies our **dedication to building stronger, better communities where we work and live.**

Our commitment to environmental sustainability is another integral part of our business strategy and operations. Our conscious decisions to **reduce energy consumption, eliminate waste and minimize emissions** create value for our employee-owners while ensuring that our customers have access to the essential products they need to keep their railcars rolling. In addition, railroad transportation is intrinsically sustainable as one of the most fuel-efficient ways of transporting goods and people. We take pride in contributing to our industry's

sustainability by developing **innovative products** that **enhance the efficiency and performance** of railcars.

As you read through this report, I encourage you to see our sustainability efforts as I do: not as an obligation but as a responsibility we embrace with pride. It is through the dedication of our 7,500+ global employees that we can realize Amsted Rail's vision of a sustainable present and a prosperous future. Their hard work and shared values fuel our journey toward a better tomorrow, and I extend my heartfelt gratitude to each and every one of them for being a vital part of this important work.

Together we are making a difference, and together we will continue to lead the way toward a more sustainable future.

A handwritten signature in black ink, appearing to read 'Michael Carter'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Michael Carter
President, Amsted Rail

“**TOGETHER
WE ARE
MAKING A
DIFFERENCE**”

ABOUT AMSTED RAIL

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ABOUT AMSTED RAIL

Amsted Rail is the world's leading provider of undercarriage and end-of-car railcar components with facilities spanning more than 40 locations across 6 continents. Through our state-of-the-art manufacturing processes, Amsted Rail is providing our customers worldwide with unmatched performance and reliability for the long haul.

Amsted Rail is part of Amsted Industries Incorporated, a diversified global manufacturer of highly engineered industrial components. Amsted Industries is privately held and employee-owned, giving employees a stake in its present and future successes.



- 1877**
FOUNDING YEAR
- 40+**
LOCATIONS
- 7,500+**
EMPLOYEES
- Amsted**
INDUSTRIES
PARENT COMPANY

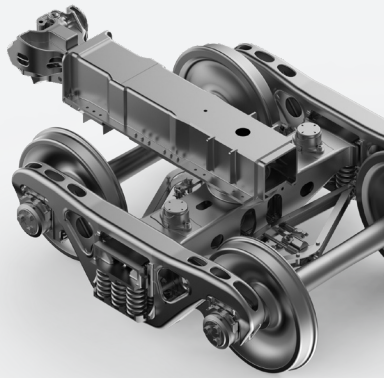
PRODUCTS & MARKETS SERVED

FREIGHT

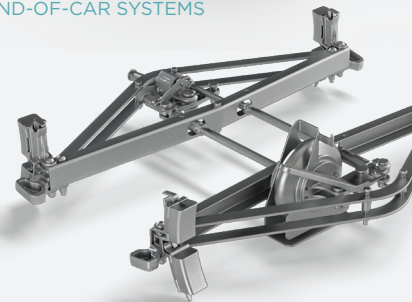
For over a century, the heavy haul world has turned to Amsted Rail to keep their railcars rolling over the longest distances in the harshest operating environments. Each product is precision-engineered, built to the tightest tolerances and rigorously tested under real-world conditions. Through state-of-the-art engineering and cutting-edge manufacturing processes, Amsted Rail continues to redefine industry standards for innovation and technology in freight rail.

TRANSIT

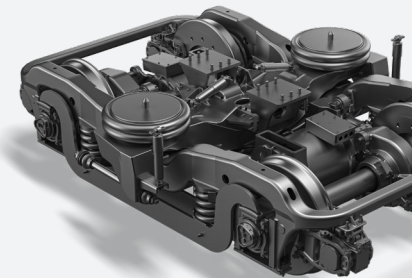
Building upon our heritage of industry-leading freight rail expertise, we've brought our design and manufacturing mastery to the transit rail industry. With this expansion, Amsted Rail is committed to providing a complete offering of transit rail products and services with the same level of excellence that has defined us for over a century.



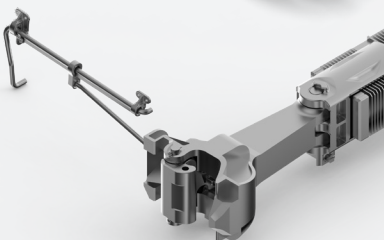
FREIGHT BOGIE AND
END-OF-CAR SYSTEMS



FREIGHT BRAKE SYSTEM



TRANSIT BOGIE SYSTEM



TRANSIT END-OF-CAR SYSTEM

OUR PURPOSE



OUR MISSION

To improve the safety, reliability and efficiency of railways.



OUR VISION

To be the global leader of innovative, integrated, fully assembled railcar undercarriage and end-of-car systems.



OUR VALUES

- ▶ Act safely above all else
- ▶ Show passion for the customer
- ▶ Operate with dignity & respect
- ▶ Choose world-class over great
- ▶ Embed an ownership mentality

BUSINESS UNITS



AMSTED DIGITAL SOLUTIONS®

Amsted Digital Solutions simplifies freight rail logistics, typically managed in spreadsheets and multiple third-party systems, into one user-friendly platform. Amsted Digital's proprietary Supply Chain Visibility™ software features a comprehensive suite of shipment, asset and operations management tools, enhanced with leading-edge onboard telematics technology.

amsteddigital.com



AMSTED GLOBAL SOLUTIONS™

Amsted Global Solutions is a provider of customized castings for industrial applications, specializing in large and highly complex components for mining, construction, power generation and more. With over a century of experience in global manufacturing and engineering and a strong distribution system in place, Amsted Global Solutions delivers the highest quality parts across the globe.

amstedglobal.com



AMSTED GRAPHITE MATERIALS™

Amsted Graphite Materials is a world leader in graphite material science with over 100 years of experience in the carbon and graphite industry. The organization's state-of-the-art West Virginia facility supplies customers in more than 35 countries with a wide portfolio of extruded, molded, iso-molded, powder and particulate carbon and graphite materials.

amstedgraphite.com



AMSTED SEALS®

Amsted Seals is a leader in precision sealing and metal fabrication solutions for demanding applications including commercial vehicle, automotive, trucking, rail and industrial. With a specialty in heavy-duty commercial vehicle components, Amsted Seals offers a wide range of high-reliability wheel seals and pinion seals, plus an array of wheel-end products including premium tapered roller bearings, hub caps and axle nuts.

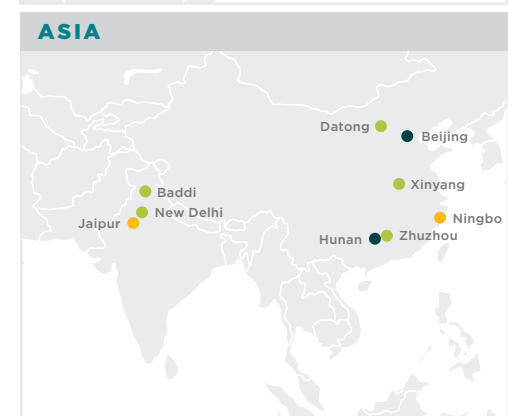
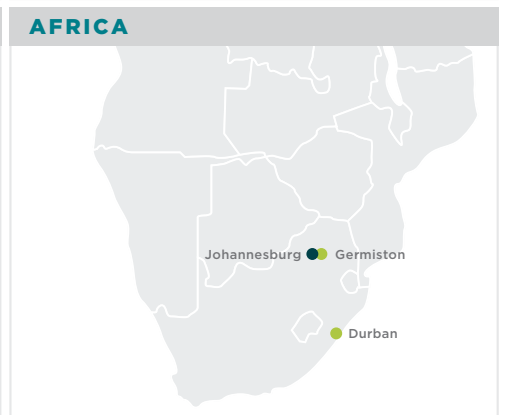
amstedseals.com

GLOBAL PRESENCE

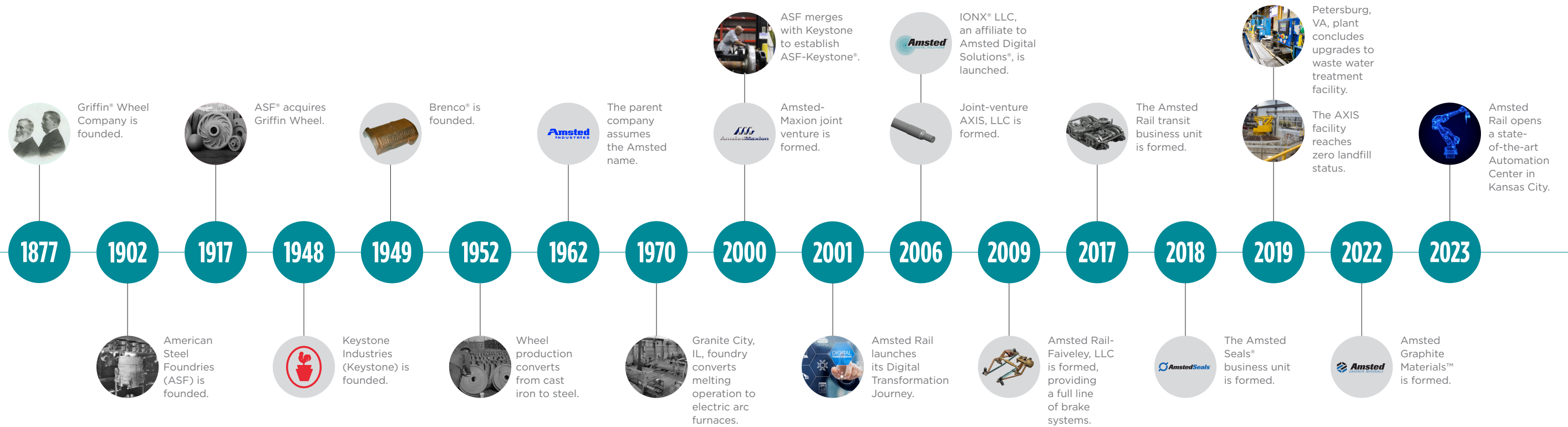


MAP KEY

- Offices and Warehouses
- Bogie and End-of-Car Components
- Wheels
- Bearings
- Assembly Services
- Other Manufacturing
- Non-Majority Foreign Joint Ventures



A LEGACY OF INNOVATION. A FUTURE OF POSSIBILITIES.



SUSTAINABILITY STRATEGY



OVERVIEW

Amsted Rail's sustainability strategy is guided by three central pillars — People, Environment and Governance — that collectively steer us toward a well-rounded and responsible approach to conducting our business operations.

As an employee-owned company, we maintain a strong culture of ownership and our people take great care and pride in what they do. Through substantial investments in comprehensive safety programs, wellness resources, professional development initiatives and mentorship programs, we safeguard the health, well-being and success of our employees. We actively cultivate a collaborative, inclusive and diverse organization, where each member of our team contributes to our innovative work environment and where opportunities for career advancement are accessible to all.

Our environmental strategy centers on the reduction of waste, water consumption and air emissions through the use of innovative technologies and techniques. Our commitment to product stewardship prioritizes the utilization of recycled materials coupled with state-of-the-art design and engineering that results in eco-friendly, lightweight and long-lasting products.

Amsted Rail also enforces stringent supplier requirements, underscoring our dedication to sustainable and ethical business practices throughout our entire supply chain.

Finally, we embrace strong and orderly governance as essential to maintaining an ethical and sustainable business. In this respect, we benefit from the robust management and oversight structure provided by our parent company, Amsted Industries, and its principally independent board of directors.

By prioritizing the well-being of our people, the preservation of our environment and the strong governance of our operations, every aspect of our business is anchored in integrity and accountability for the long-term benefit of our employees, customers and communities.





SECTION FOUR » PEOPLE

PEOPLE

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DIVERSITY, INCLUSION AND SOCIAL IMPACT

DIVERSE RECRUITMENT OUTREACH

At Amsted Rail, we have adopted a policy of active engagement with communities and individuals from diverse backgrounds. Through collaborations with a wide range of third-party groups, we actively identify and nurture talent to ensure that opportunities for growth and advancement are accessible to everyone regardless of their background.



OPPORTUNITIES FOR DIVERSE GROUPS TO COLLABORATE

We're committed to creating a work environment where individuals from all walks of life can contribute, learn and thrive. We encourage collaboration among every level of our business because we know that different perspectives lead to innovation and we recognize the transformative power of collective teamwork.

COMMUNITY INVOLVEMENT

Amsted Rail strives to make a positive impact on not just the lives of our employees and their families, but on the communities where we live, work and play. We are proud to support the generosity and compassion of our employees through a diverse range of community involvement initiatives to which they give their time, money and effort.

Charitable Giving

Monetary and item donations to support worthwhile organizations that are of the greatest importance to our employees, including nonprofits like United Way,

food banks, toy drives, educational programs, health and medical support, veterans causes and local cultural or historical institutions.

Volunteer Activities

Contributions of time and effort to support various community programs such as food pantries, community cleanups and blood drives.

Amsted Industries Matching Gift Program

Any combination of gifts to qualified organizations in the areas of education, health and human services, youth, civic, and culture and the arts will be matched dollar-for-dollar by the Amsted Foundation, up to \$5,000 per employee per year.



i.c.stars | *

PARTNERSHIP SPOTLIGHT

Since 1999, i.c.stars (short for inner city stars) has empowered underserved adults with technology-based workforce development, community leadership training, internships and job placement. With an innovative dual focus on employment skills development and community impact, the i.c.stars program includes:

- ▶ 16 weeks of project-based leadership and technology training
- ▶ 20 months of individualized coaching and career development support

With an 83% job placement rate, graduates of i.c.stars are employed by Fortune 500 companies, fast-growing companies, nonprofits and social enterprises. Many go on to become homeowners, start businesses, join nonprofit boards and pursue higher education.

On average, i.c.stars graduates experience:

- ▶ A 300% increase in earnings
- ▶ A 100% increase in graduate social capital

Amsted Rail is incredibly proud to have partnered with i.c.stars since 2019, wholeheartedly supporting their mission to activate a technology community of change agents to power social and economic freedom. While partnering with its various locations, Amsted Rail hires i.c.stars graduating students who contribute to our company's success and make a positive impact in the communities we serve. Together, we look forward to continuing to make a meaningful difference in the lives of the talent supported by i.c.stars.

Supporting i.c.stars' launch into a new city, we are the proud sponsor for their inaugural group of interns in Kansas City.



PEOPLE OPERATIONS

EMPLOYEE BENEFITS

At Amsted Rail, our organization is only as strong as the people we employ. We go to great lengths to create a rewarding and safe work environment where our employees can be successful and feel fulfilled on and off the job.

EMPLOYEE STOCK OWNERSHIP PLAN

Amsted's Employee Stock Ownership Plan (ESOP) empowers employees by granting ownership through their work contributions, creating supplementary retirement savings. This fully company-funded initiative ensures vested interest for employees after one year of service, breaking the norm of equity exclusivity based on position or financial capability. The ESOP delivers enduring benefits, with shares fully vesting after five years, enabling distributions from the age of 55. Beyond financial gains, the ESOP cultivates a "Spirit of Ownership" culture throughout the organization, signaling appreciation, influence and collective prosperity among our workforce.

PEOPLE DEVELOPMENT PROGRAM

To help employees continuously grow and develop in an ever-changing marketplace, we have developed a formal People Development process that aligns development activities to the employee's career interests as well as the needs of the business. Amsted Rail's People Development process will provide the tools necessary to build our pipeline of talent for the future as well as create a rich and rewarding career experience.

MENTORSHIP PROGRAM

The Mike Swiderski Mentoring Program, organized by Amsted Industries, is a formal mentorship program designed to accelerate the personal development of Amsted's high-potential leaders.

VALUE OF THE PERSON CULTURE

Amsted Rail introduced Value of the Person® (VOP®) to the organization in 2005, and it has since become a cornerstone of the company's culture across our locations.

VOP is a continuous journey of individual and organizational change based on the simple principle that everyone should be treated with love, dignity and respect. VOP's grassroots approach to work and the workplace puts people first and values people for who they are, touching lives and encouraging personal change. The goal: to drive transformational change throughout the organization by creating a culture of Love, Dignity and Respect.

Learn more at www.valueoftheperson.com



SAFETY STRATEGY AND CULTURE

Develop multi-dimensional approaches to deliver safety training to fit varied employee learning objectives, training environments and available time.

- ▶ Five-year safety strategy
- ▶ Employee perception surveys
- ▶ Detailed injury analysis
- ▶ Measure of progress by leading indicators
- ▶ Use of safety committees to drive results

OVER **43%**
REDUCTION IN INCIDENT RATE
IN FIVE YEARS



ENVIRONMENT

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ENVIRONMENTAL SUSTAINABILITY

EMISSIONS REDUCTION

About two-thirds of Amsted Rail's greenhouse gas emissions are from electricity consumption (Scope 2 emissions), making the transition to cleaner electricity a significant part of our environmental strategy. The remaining emissions are linked to natural gas combustion and direct emissions from the steel melting process, which we aim to reduce through new technologies and alternative energy sources. For example, our Winnipeg facility is run mainly on hydroelectric power. Other initiatives include installing variable-speed drive motors, upgrading lighting with motion sensors and utilizing electric arc furnaces. We also aim to limit our indirect emissions by consolidating cargo, optimizing full loads and using intermodal transport to reduce indirect emissions.

WASTE REDUCTION

Amsted Rail's focus on waste reduction involves recycling materials generated in our processes, primarily metals. Throughout our operations, we are able to divert hundreds of thousands of tons of steel from landfills and convert it into viable products. We use semi-permanent molds and sand cleaning systems for multiple uses, and materials that can't be reused are repurposed. Spent rubber materials are used by another company, and sand and slag are used in beneficial reuse applications approved by state agencies. Landfill diversion, recycling and reducing toxic chemical usage are also key strategies.

WATER REDUCTION

Amsted Rail reduces water consumption by recycling water through recirculating cooling systems and implementing stormwater collection and use.

PRODUCT STEWARDSHIP

Most Amsted Rail products are made with recycled materials. Through state-of-the-art materials science and engineering, we develop products that are lightweight and durable to reduce customer fuel use and overall environmental impact.

80%
OF WASTE GENERATED
FROM OUR OPERATIONS
IS RECYCLED OR
BENEFICIALLY USED



SUPPLIER MANAGEMENT

SUPPLIER REQUIREMENTS

Amsted Rail is dedicated to maintaining sustainable business practices and legal compliance throughout our global supply chain. As such, we expect our suppliers to adhere to a comprehensive set of ethical and legal standards across their operations, while ensuring their own suppliers are also in compliance.

In addition to compliance with all applicable federal, state, and local environmental laws, regulations and directives, our expectations for suppliers include but are not limited to:

ETHICAL AND RESPONSIBLE BUSINESS PRACTICES

- ▶ Business free from bribery and corruption
- ▶ Protection of confidential and private information
- ▶ No conflicts of interest
- ▶ Compliance with customs and foreign trade laws
- ▶ Engagement in fair competition

ENVIRONMENTAL SUSTAINABILITY

- ▶ Risk and impact reduction policies that minimize:
 - ▶ Waste
 - ▶ Emissions (air, water and soil)
 - ▶ Energy consumption
 - ▶ Use of natural resources

LABOR AND HUMAN RIGHTS

- ▶ No child labor
- ▶ No human trafficking, forced or compulsory labor
- ▶ Fair and legal employment conditions
- ▶ No discrimination or harassment
- ▶ Respect freedom of association
- ▶ Provide healthy and safe working conditions

STATEMENT ON CONFLICT MINERALS

Amsted Rail does not and will not do business with a supplier using “conflict minerals” as defined in Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act and related regulations.

GOVERNANCE



2000
Amsted Rail
receives ISO
9001 certification
for its manufacturing
processes.

2003
Amsted Rail
receives ISO
14001 certification
for its manufacturing
processes.



2005
Opened Suburban
City facility in
Massachusetts
providing full line
of service for
North American
market.



2009
Amsted Rail
Folveling formed,
providing full line
of brake systems.

2011
Established first
Amsted Rail
presence on the
African continent in
South Africa.

2012
Established
local Amsted
Rail presence in
Australia.



2014
Opened
South African
Amsted
office in
Johannesburg.

BOARD OF DIRECTORS

Amsted Industries – and by extension, Amsted Rail – operates under the direction of a board of directors, all of whom are independent, with the exception of the Chairman. Formal board committees include Audit, Governance, and Compensation & Management Development.



STEPHEN SMITH

Director since 2017 and
Chairman of the Board



RAJ BATRA

Director since 2019



JIM DEVRIES

Director since 2016



JOANNE EDWARDS

Director since 2019



JAMIE FROEDGE

Director since 2023



PRAVEEN JEYARAJAH

Director since 2021



KATHY MILLER

Director since 2023



DARREN WELLS

Director since 2018

EMPLOYEE CODE OF CONDUCT

Integrity is the foundation of our relationships with customers, suppliers, industry peers and the communities in which we work.

We require that every employee act honestly, ethically and with integrity at all times in the performance of their duties. As such, we require annual training and certification of the Code of Conduct from our employees.

Our Code of Conduct establishes guidelines to be followed regarding business conduct and ethical practices. The following are our minimum requirements for all Amsted Industries employees worldwide.



COMPLIANCE WITH LAWS

We conduct business in accordance with all applicable laws. Employees are required to know and comply with the laws and regulations that relate to the performance of their job.

CONFLICTS OF INTEREST

Any interest which prevents an employee from working objectively and effectively must be avoided. Employees should not do business in a manner that personally benefits themselves or a family member, unless approved by a manager.

GIFTS AND ENTERTAINMENT

Employees are not to give or receive expensive or otherwise inappropriate gifts and entertainment in connection with employment. Employees may extend and accept infrequent invitations, provided there is a business purpose being served, the amount is reasonable and the setting is appropriate.

EMPLOYMENT CONDITIONS

Employees are to respect fellow workers. Discrimination and harassment will not be tolerated. Nor will intimidating, abusive, threatening or violent behavior. The possession, use or sale of an illegal drug or alcohol on company premises is prohibited. Employees are entitled to have a safe work environment and any condition that jeopardizes employee safety should be reported.

FAIR COMPETITION

Employees are required to know and comply with applicable antitrust and other competition laws. No price-fixing, bid-rigging, market allocation or other anti-competitive conduct will be allowed. Employees are expected to compete vigorously yet fairly in the marketplace.

COMPANY ASSETS

Company assets including electronic equipment and files are to be protected and used for business purposes.

BRIBERY

Employees are not to offer bribes or other incentives in exchange for favorable treatment of Amsted. Public officials and private customers are not to be offered extravagant gifts, entertainment, unearned rebates or credits for doing business with the company. Doing business with any party known or suspected to be involved in illicit business is prohibited. Business transactions involving significant amounts of cash are prohibited.

CONFIDENTIALITY

Employees are not to disclose company confidential or proprietary information to third parties unless disclosure serves a legitimate business purpose and is preceded by the execution by the receiving party of a confidentiality agreement from the Amsted legal department. If in doubt whether information is confidential or proprietary, employees must receive approval from a supervisor or management before disclosure.

ENVIRONMENT

We are committed to comply with all applicable laws and regulations protecting the environment. Employees are expected to do the same and to report any condition which is or could lead to a violation.

ACCOUNTING

Financial reports are to be accurate, complete, timely and representative of Amsted's position.

REPORTING VIOLATIONS

The Amsted Corporate compliance helpline is available 24-hours a day, seven days a week via the internet, through a mobile app, or a toll-free phone number.



amstedrail.com