

2021 Australia Sustainability Report



About the Report

This is the third sustainability report issued by CRRC Corporation Limited in Australia. It elaborates on how CRRC, together with its stakeholders in Australia and its neighboring areas, has stayed committed to the pursuit of sustainability and humanistic care, which has contributed to local prosperity, a better life for people, and an enabling ecosystem. The report is prepared in English and Chinese, and should any discrepancy arise between the two, the Chinese version shall prevail.

The report covers all CRRC's subsidiaries in Australia and New Zealand, and the relevant data is collected by CRRC and its subsidiaries from November 1, 2020 to June 30, 2021. In the report, CRRC Corporation Limited is referred to as "CRRC" and "we". It is prepared in accordance with GRI Standards and ISO 26000:2010 Guidance on Social Responsibility.

For more information, please visit the website www.crrcgc.com to see the complementary information online. All comments and questions about this report are welcomed, and feedback can be sent to crrc@crrcgc.com.

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Sun Yongcai, Chairman of CRRC Corporation Limited

Message from the Chairman

Thank you for reading the 2021 Sustainability Report of CRRC Australia. In this Report, we disclosed CRRC's progress on important sustainability issues including products and services, employees, environment, and communities.

CRRC has been committed to the mission of "Connecting the World through Better Mobility". Since entering the Australian rail transit market in 1999, we have utilised our professional expertise in rail transit, and strictly controlled all aspects of product R&D, production, and after-sales maintenance. We strive to provide products and services beyond customers' expectations, contribute to the sustainable and healthy development of rail transit in Australia. Facing the continuing impacts of the Covid-19 pandemic, we have endeavoured to overcome adverse factors, delivered our services in a timely manner, and further deepened the mutual trust with our customers.

We care about every employee, provide fair training and promotion opportunities and protect the occupational health and safety of employees. We pay close attention to local ecological and environmental protection, continuously strengthen environmental management, provide environmental products for our customers, and practice the eco-friendly operation concept. Besides, we actively create employment opportunities for the local communities, and accelerate the training of local industrial workers, technical professionals, and management personnel, with a view to contributing to the construction and development of local communities.

We value each and every partner, strengthen long-term cooperation with the local industry chain partners, sincerely listen to customers' voice, jointly create value, and achieve long-term development. To create a harmonious, diversified, and inclusive cultural atmosphere for our employees, we organize community networking on a regular basis, serving as a "cultural interpreter" and "good neighbour" to the communities.

Looking into the future, we will actively implement the UN's 2030 Agenda for Sustainable Development, continue to carry on the concepts of "extensive consultation, joint contribution, shared benefits and win-win results" and "building a community with shared future for mankind", strengthen sincere communication and equal cooperation with all our stakeholders, and make greater contribution to the sustainable development of economy, society and environment in Australia.

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing Sun Yongcai.

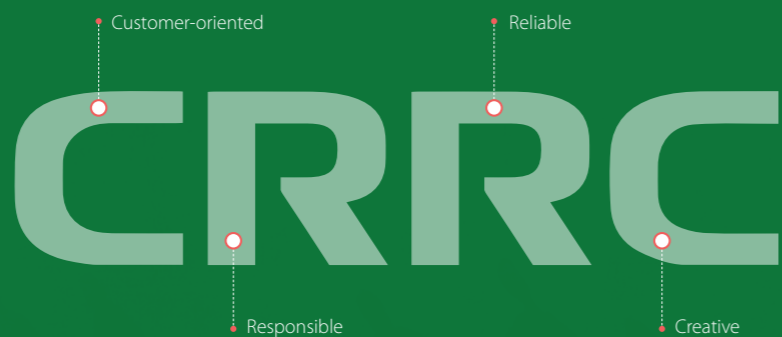
About Us

Profile of CRRC

With a history of 140 years, CRRC is a world-leading supplier of rail transit equipment with a complete product portfolio and advanced technologies. CRRC committed to providing leading, efficient system solutions for the sustainable development of the global rail industry with safe, reliable, efficient, comfortable and eco-friendly products and services. As of the end of 2020, CRRC had established 78 overseas entities in 27 countries and regions, providing products and services for 109 countries and regions around the world.

Our Values

CRRC strives to become "a full-value creator with high-end equipment as our core". The core value of our brand is also reflected in the Company's name (CRRC):



CRRC's Mission	Connecting the world through better mobility
CRRC's Vision	To affirm its position as a global leading company in manufacturing and technology, with railway transportation equipment at its core
Social Responsibility Concept	Dedicated to our founding mission and committed to our social responsibility

Data for 2020

- Total assets
RMB **392.38** billion
- Operating revenue
RMB **227.656** billion
- 361st** among Fortune Global 500
- 18** overseas R&D centres
- 164,177** employees in total



Delivering Products for Australia and New Zealand

CRRC Qiqihaer Railway Rolling Stock Co., Ltd. (CRRC Qiqihaer)

Since 1999, CRRC Qiqihaer Railway Rolling Stock Co., Ltd. (CRRC Qiqihaer) has provided spare parts for the Australian freight wagon market. Since 2012, CRRC Qiqihaer has provided world-leading freight wagons such as ore wagons and coal hopper wagons for BHP Billiton, Rio Tinto, FMG and other customers. We have been awarded the best global supplier of Rio Tinto and a strategic partner of BHP Billiton.

CRRC Yangtze Co., Ltd. (CRRC Yangtze)

CRRC Yangtze provides various types of freight trains for Australian customers, including Pacific National Pty Ltd (PN), an Australian rail freight company. The coal transport fleet has currently the largest load, longest train formation and largest tractive tonnage in Australia. CRRC Yangtze also provides a variety of metro engineering vehicles for Sydney Metro Project.

CRRC Ziyang Co., Ltd. (CRRC Ziyang)

CRRC Ziyang provides the SDA1 locomotive for Queensland Rail. With high traction performance, the SDA1 locomotive completed a test carried out on the railway from the Hawkesbury River to the Cowan Bank, a line more than 8,500 km long with a more than 75% of the track on a gradient of up to 25 degrees and s-bend curvature. Due to its difficulty, the test is known as the "devil's corner".

CRRC Changchun Railway Vehicles Co., Ltd. (CRRC Changchun)

Since 2006, CRRC Changchun has been a key partner of Downer for a special purpose vehicle established exclusively to deliver the Private Public Partnership with Sydney Trains to finance, manufacture and maintain 626 suburban passenger train carriages (known as the Waratah Train) for Sydney's rail network. This project is supported by a team of the rail industry's foremost engineering and services organisations including Downer EDI Limited as contractor and CRRC as manufacturer. In 2012, the Sydney Waratah fleet won the "Best Manufacturing Process Award" in Australia. In 2016 and 2019, Transport for NSW (TfNSW) placed orders to Downer directly with CRRC as manufacturer, and since 2006, CRRC Changchun has manufactured more than 900 passenger train carriages for Sydney Trains.

CRRC Qishuyan Co., Ltd. (CRRC Qishuyan)

CRRC Qishuyan works with PN to launch the world's most powerful narrow-gauge diesel locomotive for Australia.

CRRC Meishan Co., Ltd. (CRRC Meishan)

CRRC Meishan provides various types of freight wagons including the new multipurpose covered wagon that adopts a lightweight structure, and improves capacity utilisation and door locking reliability. CRRC Meishan has applied and obtained 5 patents.

CRRC Dalian Co., Ltd. (CRRC Dalian)

The main customer in New Zealand is KiwiRail Holdings Limited. CRRC Dalian is responsible for providing reliable rolling stock and after-sales technical support to local owners. In January 2021, CRRC Dalian was awarded an additional order for 10 diesel locomotives from KiwiRail Holdings Limited, which will bring the number of diesel locomotives supplied to New Zealand to 73, of which 63 have been delivered and are running well.

By the end of May 2021

A total of **938** suburban passenger train carriages were delivered by CRRC Changchun

CRRC Qiqihaer supplied nearly **17,000** railroad wagons to Australia

CRRC Subsidiaries in Australia and New Zealand

- ◆ Delkor Rail Pty Ltd (Delkor)

- ◆ CRRC Australia Pty Ltd

- ◆ CRRC Ziyang Australia Pty Ltd

- ◆ CRRC Changchun Australia Rail Pty Limited (CRRC Changchun Australia)

- ◆ Pacific Railway Engineering Pty Ltd (PRE)

- ◆ Melbourne Plant of Delkor Rail Pty Ltd (CRRC Delkor plant in Melbourne)

- ◆ New Zealand CRRC Locomotive & Rolling Stock Co., Ltd.

- ◆ CRRC Times Electric Australia Pty Ltd (CTEA)

- ◆ CRRC Yangtze Australia Pty Ltd

Note: Arranged in chronological order





9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



11 SUSTAINABLE CITIES AND COMMUNITIES

Contributions to the UN 2030 Sustainable Development Goals



Our commitments

Upholding the social responsibility concept of "dedicated to our founding mission and committed to our social responsibility", CRRC strictly controls all aspects of product R&D, manufacturing, and after-sales service, provides high-quality products and services for its customers, and continuously contributes its wisdom and experience to the development of advanced and practical rail transit in Australia.

R&D of sophisticated products

We continue to invest in scientific research and local innovation professionals to meet the demands of our customers in Australia with sophisticated products. We have established our Asia-Pacific headquarters and rolling stock engineering research centre in Melbourne to provide technical support for rolling stock projects in the Asia-Pacific region, with a focus on tackling technical challenges in vehicle design, manufacturing, and maintenance.



40-ton axle-weight ore freight car

Adopting the concept of equal strength design and modern design methods, the 40-ton axle-weight open-top ore freight car designed and manufactured by CRRC Qiqihear has achieved a 10% increase in load capacity, which is recognized by three major mining companies in Australia.



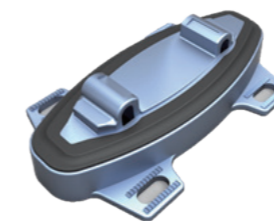
Long steel rail carrier car

The long steel rail carrier car, jointly developed by CRRC Qiqihaer and CRRC Shenyang for Rio Tinto, can transport 40 steel rails (400 m in length, weighing 68 kg per meter) at a time, thus greatly reducing the number of construction workers as well as the labour intensity of operators, and introducing a totally new operation mode that delivers accurate services to users.



SDA1 locomotive

The SDA1 locomotive independently developed by CRRC Ziyang has passed more than 30 certification tests in Australia with low running noise, high locomotive traction, and a maximum speed of 120 km/h. From June 2020 to February 2021, the company signed yet another order for 12 SDA1 locomotives with the Australian customer. CRRC Ziyang optimizes the ventilation system and maintainability of these locomotives, leading to significant improvements in comfort and comprehensive performance.



Quality shock absorber

The egg-shaped rail shock absorbers developed by Delkor Rail are used between the sleepers and the rails, to reduce shock and noise and increase the operational stability of trains. The absorbers, coming in a variety of standard sizes to meet the needs of different customers, are widely used in large projects such as bridges and tunnels.

CKD9B diesel locomotive

The electric drive CKD9B diesel locomotive developed by CRRC Dalian for KiwiRail Holdings Limited can be used with main line passenger and freight. CKD9B adopts international advanced standards of low emission, low noise, high comfort, with a maximum speed of 100 km/h, and is a DC drive narrow rail diesel locomotive with the greatest operating power in the world.

Commitment to product quality

We have further improved our quality management system, enhanced product quality in multiple aspects including design, process and manufacturing, and organized quality management training, with a view to promoting the sustainable, healthy development of the rail transit equipment industry with excellent product quality.

Striving for Excellence Quality

Case Study

During the production of the Sydney Waratah Train carriages for the phase II project, the team of CRRC Changchun drew on the experience and lessons from phase I and strictly met the quality indicators as agreed with our partner company - Downer. To ensure the quality of fasteners, more than 17,000 anti-loosening markers were painted on each train during the production process. In March 2021, the Sydney Waratah Train carriages for phase II procurement were officially put into operation. Manufactured in line with the Australian standard system and advanced international standards, the train is safe, comfortable, and energy-saving, with a maximum operating speed of 130 km/h. The project team thus received a letter of appreciation from Downer.



The driver's cab of the latest Sydney Waratah Train

Commitment to meeting deadlines

Facing the impact of Covid-19, we organized the resumption of work and production in a safe and orderly manner, overcame difficulties in production organization, material logistics, order delivery, etc., to maintain the stability of the industry chain and ensure on-time delivery of orders.

In 2020, CRRC Qiqihaer successively received orders for 256 ore cars from FMG, 74 DQMY container flat cars and 60 DQHY container flat cars from ITS, and a letter of intent for 390 ore cars from BHP. As of the end of May 2021, CRRC Qiqihaer had supplied nearly 17,000 rail freight cars to Australia.



Securing production while fighting Covid-19, CRRC Qiqihaer delivers the order for 134 GWA coal hopper cars to Australia on schedule

Overcoming Difficulties to Fulfill Delivery Commitments

Case Study

During the Covid-19 pandemic, the project team of the Sydney Waratah Train overcame serious constraints such as personnel isolation, social and workplace distancing, material supply disruptions, and delays in after-sales services from suppliers, implemented meticulous production plans, maintained smooth communication through video call, conducted risk analysis and worked out solutions in advance, adopted expeditious decision-making procedures, and made significant efforts to speed up project implementation. In February 2021, the Sydney Waratah Train manufactured by CRRC Changchun for the phase II project rolled off the assembly line after 24 months, setting a new record of delivery speed for Sydney project.

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"This demonstrates CRRC's capability and flexibility to cope with the challenge, the commitment to customers, and the teamwork, efficiency and talent of people."
 - Vandita Pant, Chief Commercial Officer, BHP

Winning Customer Recognition for Honouring Commitments

Case Study

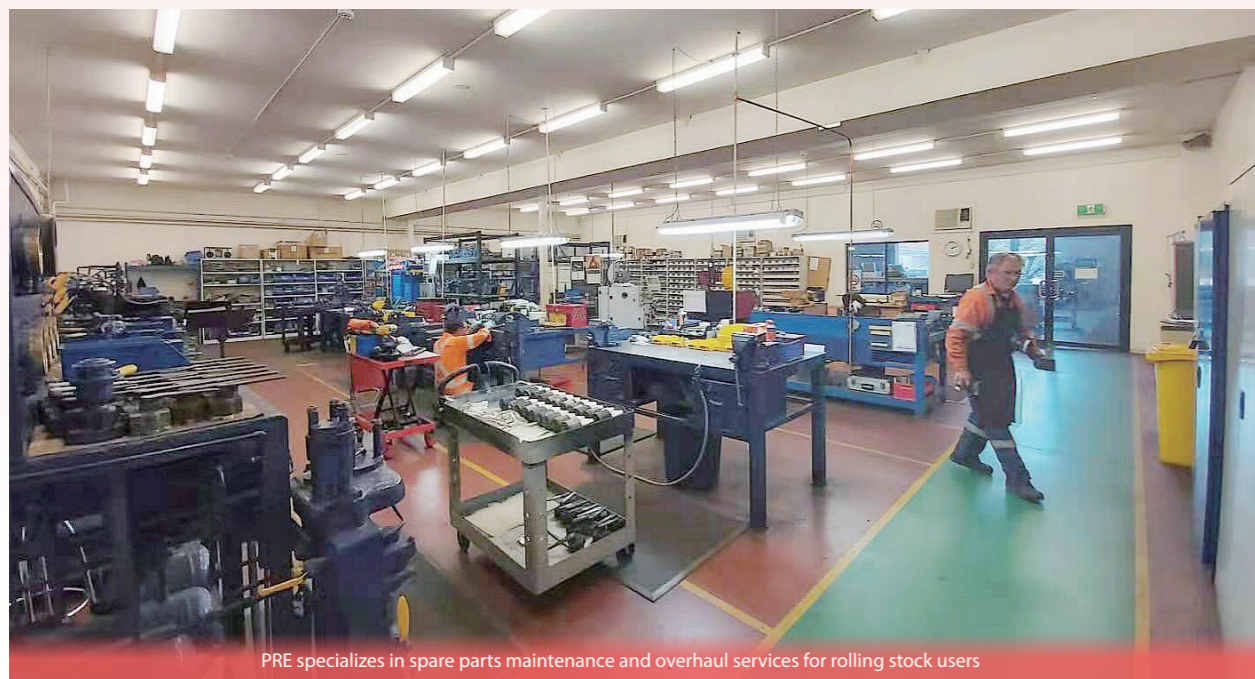
To ensure smooth delivery of ore cars to BHP, CRRC Qiqihaer quickly resumed work and production in spite of the negative impact brought by the pandemic. While engaging in pandemic prevention and control, the company effectively coordinated with the local authorities and supply chain and successfully delivered 10 ore cars as the first batch out of the order for 278 ore cars to BHP's Western Australia Iron Ore. For its efficient performance, BHP executives sent a special letter of thanks.

Maintenance services

We are committed to providing our customers with localized services throughout the life cycle. To this end, we have established a specialized maintenance company and multiple project maintenance teams, so as to respond more quickly and ensure the normal and smooth usage of the delivered products. Besides, we sought guidance and skill training from Chinese technical experts for the local maintenance personnel, helping them improve their maintenance skills.

Facing the grim situation of the pandemic raging overseas, our after-sales service team in Australia has formulated meticulous service plans for train operations, put in place an emergency communication mechanism with our partners, and established a train operation service team and a remote technical support team to ensure that our products are in optimal conditions.

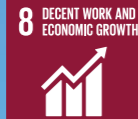
In 2016, CRRC Dalian, CRRC Qiqihaer and the local partner Pacific Power Development (NZ) Ltd. established a joint venture, New Zealand CRRC Locomotive & Rolling Stock Co., Ltd., with a view to improving the performance of locomotives and cars exported to New Zealand as well as the after-sales services, supporting railway development in New Zealand with quality products and services, extending the localized industry chain, and expanding the scope of maintenance services.



PRE specializes in spare parts maintenance and overhaul services for rolling stock users



Maintenance service for KiwiRail



Contributions to the UN 2030 Sustainable Development Goals



2 Our Care

Upholding the vision of "becoming a respected multinational corporation" and the sustainable development concept, we are devoted to care for our employees, environmental protection, and community development while operating and providing services in Australia and New Zealand, thus improving the livelihood and welfare of the local people.

Care for employees

We regard our employees as the most valuable assets as well as the powerhouse for the development of CRRC. In Australia, we insist on fair treatment of all employees, comply with relevant laws and regulations protect the rights and interests of employees, and endeavour to create a healthy, safe and eco-friendly working environment for our employees.

Employee training

To improve our employees' working ability and professional skills to match job requirements and project localization ratio requirement, CRRC's subsidiaries in Australia have formulated training plans, established sound employee training management systems, and implemented various employee training programs.

Employee Training in CTEA

Case Study

CTEA requires all new recruits to participate in position trainings and occupational competence trainings. The company has established a sound employee training management system, by which the HR manager develops the Annual Training Plan for review and approval by the general manager, organizes various kinds of employee training accordingly, communicates the training progress, and implements assessment procedures.

The principle of "focusing on internal training and complementing external training" is applied to encourage employees to take the initiative to learn and share what they've learned.

The principle of "providing job-relevant training" is practiced to improve occupational skills and competence of employees in a targeted manner, so as to meet the company's operating and development needs.

According to the principle of "economy, utility and efficiency", the training policies of personnel stratification, method diversification and content enrichment are adopted.

Talent Development by CRRC Changchun Australia

Case Study

The Australian railway industry imposes strict regulations on on-site safety, all relevant personnel involved in railway areas must obtain RIW Cards locally and carry out site work with the cards. CRRC Changchun Australia organised different batches of specialized training sessions in various periods for employees to obtain the RIW Card, and achieved a pass rate of 100%, thus ensuring relevant project personnel work on the site as scheduled.

To improve employees' work skills and specialized skills, the company also provided a series of training sessions on project management, lean production, etc. to ensure that they constantly master new skills and new knowledge and become the new generation of rail transit management and technical talents.

Occupational health and safety production

CRRC strictly abides by the local Australian and New Zealand laws and regulations and protects the production safety for all of its employees. All the employees have been clearly informed of the work safety requirements and emergency rescue procedures, and the front-line employees are required to wear personal protective equipment and compliant overalls at work. To improve our employees' awareness on safety precautions, we have posted administrative rules and regulations on production safety in workshops, where a feedback column is made available for employees to report safety issues in real time, thus eliminating safety hazards and preventing accidents.

We attach great importance to the management of hazardous chemicals. When entering the plant, all hazardous chemicals in the plant come with a Material Safety Data Sheet (MSDS), which specifies the danger level of hazardous chemicals, their potential harm to human body, their storage measures and conditions, etc. Stringent protective requirements and measures are in place for all workers exposed to such materials during the production process. In special workplaces, we ensure that our employees hold professional safety qualifications. All production equipment is monitored on site by specialised safety inspection agencies to ensure that it meets the standards for use.

Prioritising safety in its corporate values, CTEA is committed to protecting the personal safety of its employees and the environmental safety of its premises. We believe that all accidents can be avoided, safety is everyone's responsibility, the management's behaviour may impact safety issues, and anyone can stop unsafe behaviour. Therefore, we require our employees and contractors to assume due safety responsibilities and improve safety management through learning.



On site operation of PRE's employees



Safety warning posted in a prominent position at CTEA plant



The staff of CTEA play basketball

Covid-19 prevention and control

CRRC always puts the health of its employees first. Facing the rampant Covid-19 pandemic, we have taken a series of measures to protect the physical and mental health of every employee.

To meet the requirements of overseas institutions to prevent and control the pandemic, CRRC adopted local procurement and domestic express to equip pandemic prevention supplies during the pandemic. We replenished the stock of Chinese patent medicines and western medicines for our enterprises in Australia in strict accordance with the guiding list of Covid-19 prevention and treatment drugs, ensuring that the relevant supplies are always sufficient for more than three months.

To minimize the pandemic risks, CRRC immediately requested the employees in Australia and New Zealand to work from home, where they could perform their duties by remote means such as email, teleconference, and video call to reduce the frequency of going out.



During the pandemic, CTEA measured the body temperature and distributed pandemic prevention materials such as masks for its employees

Protecting the Physical and Mental Health of Overseas Employees in All Aspects during the Pandemic

Case Study

CRRC Qiqihaer always puts the health of its overseas employees first. Facing the rampant Covid-19 pandemic, we have taken a series of measures to protect the physical and mental health of every overseas employee in all aspects.

The company has established a working group for overseas prevention and control care and service, and developed a "peer-to-peer", "one-on-one", and "one person per household" working mechanism; besides, it has maintained communication with hospitals in China, established domestic medical support groups, invited experts to give special lectures on Covid-19 prevention and popularized knowledge of pandemic prevention and medication to overseas employees; in addition, it purchased accident insurances against Covid-19 and arranged professional psychological counsellors to provide psychological counselling services for them and their families. CRRC Qiqihaer has developed an online training platform for its employees in Australia and New Zealand, and formulated a special reward scheme to encourage overseas employees to take the initiative to study online.

To help its employees in disease and pandemic prevention, CRRC Changchun Australia has put in place medical treatment procedures, grid management procedures, and pandemic prevention and control procedures, so as to efficiently identify, isolate, and manage Covid-19 patients and close contacts, ensure timely and effective access to medical treatments, and curb the spread of the pandemic.

Environmental protection

In Australia and New Zealand, CRRC regards eco-friendly development and environmental protection as the bottom-line principle in our local production and operations. We are committed to providing environment-friendly products and services to our customers, positively reducing energy consumption and greenhouse gas emissions during our production and operations, and working with our Australian partners to continuously build a sound environmental management system and contribute to the protection of the common global home of mankind.

Green products

Whether for passenger or freight transportation, CRRC has been pursuing the goal of providing environment-friendly rail equipment products. Due to the continuous expansion of urban development and people's activity space, the travels of urban residents are leading to constant increase in energy consumption. It is estimated that rail transit represents the most efficient means of passenger transportation. Besides, it has the characteristics of land saving, high capacity, low environmental pollution, low energy consumption per unit, safety and comfort, etc., thus becoming the optimal solution.

Energy-saving and Eco-friendly Sydney Waratah Train

Case Study

The Sydney Waratah Train, manufactured in line with the Australian standard system and advanced international standards, is safe, comfortable, and energy-saving. Stainless steel corrugated roofs and extruded profile frames are adopted for the train body, with the upper aluminium honeycomb floor bolted to the side walls. The side wall panels are laser welded. Resistance spot welding and ring plug welding are adopted for the components, thus greatly improving the strength of the train body and reducing welding deformation. These techniques have not only significantly improved the appearance of the train, but also prolonged its service life.



R&D of eco-friendly products

We place a high priority on the R&D of eco-friendly products from the source. The SDA1 locomotive exported by CRRC to Australia is a high-power AC drive locomotive, whose adhesive performance reaches the international advanced level and noise control meets advanced international standards; besides, its diesel engine meets the European emission standard of Stage IIIA and features outstanding fuel saving performance.

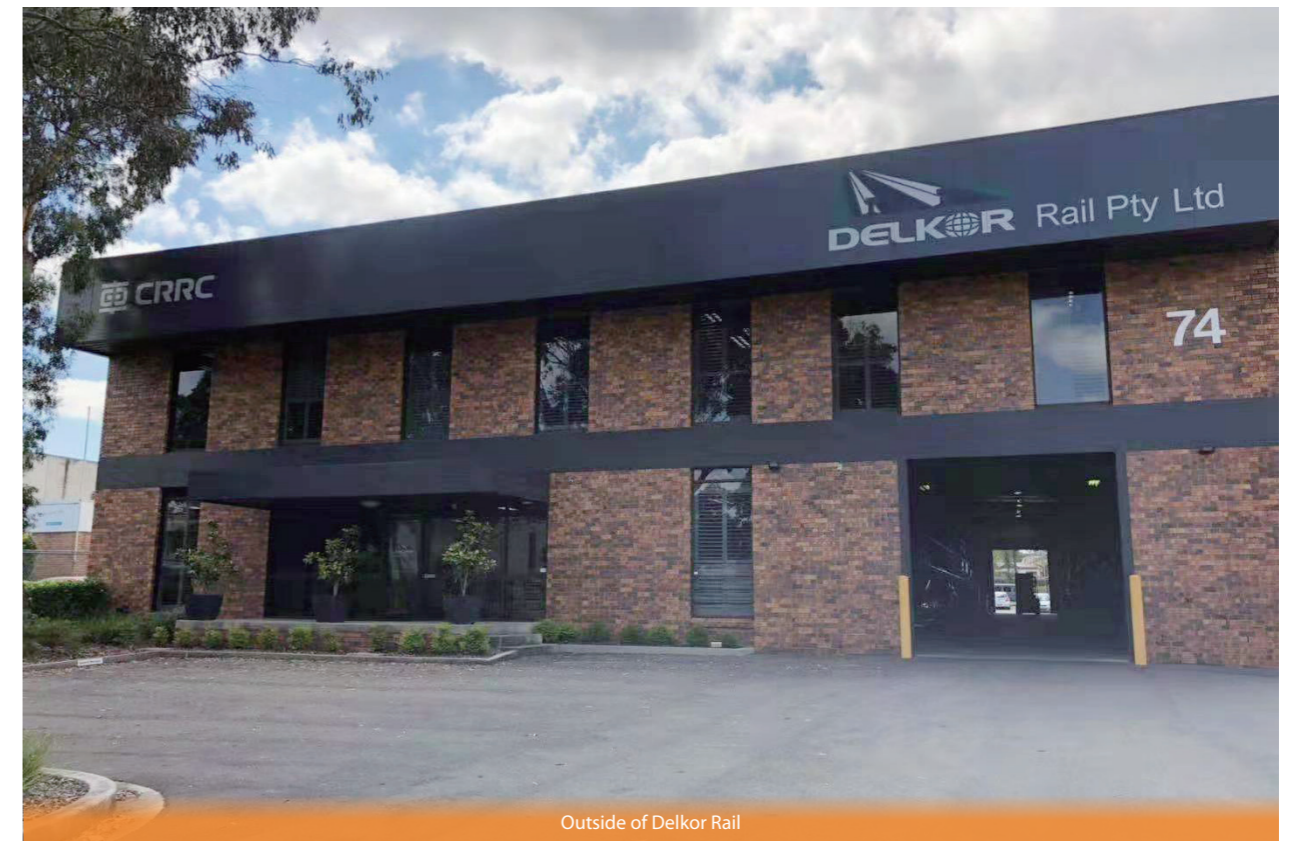
Use of eco-friendly materials

During the production, we strictly abide by the Australian laws and standards. We never use prohibited materials. For restricted materials, our usage is in accordance with relevant standards. We require the suppliers to provide the compositions of materials and specification whether the production process is harmful to employees. Besides, all of the chemical products are sourced locally and meet local requirements. All of the non-metallic materials used are environmentally friendly materials, whose smoke and toxic substances emission meets the regulatory standards.

Improving the Sustainable Utilization Rate of Spare Parts

Case Study

On the premise of strictly complying with Australian quality standards, Delkor Rail reconditioned some damping parts by replacing their aged rubber. Through strictly controlled disassembly, cleaning, PE plate replacement, leakage testing, and assembly procedures, the reconditioned products meet the same quality and performance requirements as new products. While saving costs for customers, the company delivers the replaced rubber to professional companies for recycling, thus promoting circular economy.



Outside of Delkor Rail

Green operations

To ensure the environment-friendliness of our products as well as the production and operation processes, CRRC has set and implemented a series of environmental standards and regulations to fulfill its environmental commitments. CRRC has two plants in Australia, the Delkor plant in Melbourne and the CTEA's Morwell plant, both of which are involved in the assembly of equipment products.



At the Delkor plant in Melbourne, all exhaust gases are discharged through a unified exhaust gas treatment device, which is regularly inspected and maintained by specialised companies. The solid waste and waste water (including chemical solvents) are placed inside dedicated containers in accordance with relevant regulations and standards, and these containers are collected by specialised companies on a regular basis. For the treatment of different wastes, there are different considerations and plans based on their environmental impacts and types.

CTEA has formulated sound environmental and sustainable development policies and engaged in environmental sustainability management in planning, delivery, production, and operations, with a view to minimizing their short- and long-term impact on the environment and local community. Besides, the company champions a positive environmental culture and improves its environmental management performance by optimizing its operations.

PRE conducts regular sorting of wastes. The company's maintenance business undertakes regular vehicle cleaning, which involves the removal of grease that contains lubricating oil. PRE uses specialised equipment to separate the oil and water, and then stores the waste oil for the treatment by specialised companies.

In relation to packaging, CRRC recycles all relevant packaging and the remainder is disposed. Delkor reuses packaging from parts for the finished products to minimise the use of packaging materials. CRRC Changchun Australia reuses some packaging materials and disposes of the remainder in accordance with relevant regulations.



Community development

To promote community development in Australia, we have created a great number of internship and employment opportunities for local residents, and worked with local universities and research institutions on research projects to promote the sustainable development of the rail transit industry in Australia.

Creating internship and employment opportunities

CRRC's R&D centre and plants in Australia are committed to creating employment opportunities by delivering on their social responsibilities while engaging in the training of professionals.

15% of these posts will be offered to apprentices, cadets and trainees, cultivating a batch of highly competent professionals and technical personnel for Australia; and 7% will go to disadvantaged groups. While promoting the local industrial transformation and the sustainable development of the rail transit industry, it also creates more employment opportunities indirectly.

Cooperating with research institutes

We attach importance on cooperation with local research institutes in Australia to cultivate outstanding talents and jointly promote industrial development. Despite the pandemic, CRRC Changchun Australia maintained good cooperation with the local universities and training institutions, providing them with instruction videos on the new-generation metro train to help students majoring in design develop a better understanding of CRRC's design concepts and product features. In 2020, we launched the On-Cloud Open Class program together with Swinburne University of Technology in Melbourne, designed in the form of live streaming for local college students to master knowledge about the rail transit industry. We plan to hold a China-Australia Seminar on Rail Transit and Climate Change in August 2021, with a view to strengthening academic and industrial exchange and communication between China and Australia.





Contributions to the UN 2030 Sustainable Development Goals



3 Our Engagement

In Australia and New Zealand, relying on our technological, managerial, operational, and service experience in rail transit over the years, we are engaged in extensive exchanges and cooperation with the local governments, employees, customers, suppliers, partners, and communities to enhance mutual understanding and trust, jointly boost the local industrial development, promote cultural inclusion and social harmony, and contribute to the local economic and social development.

Mutual success

Since entering the Australian rail transit market in 1999, we have maintained cooperation with our local partners for more than 20 years. During the process, we have accumulated rich service experience in the Australian market, and become a strong supporter for mutual success with our partners.

Listening to clients' voices and requirements

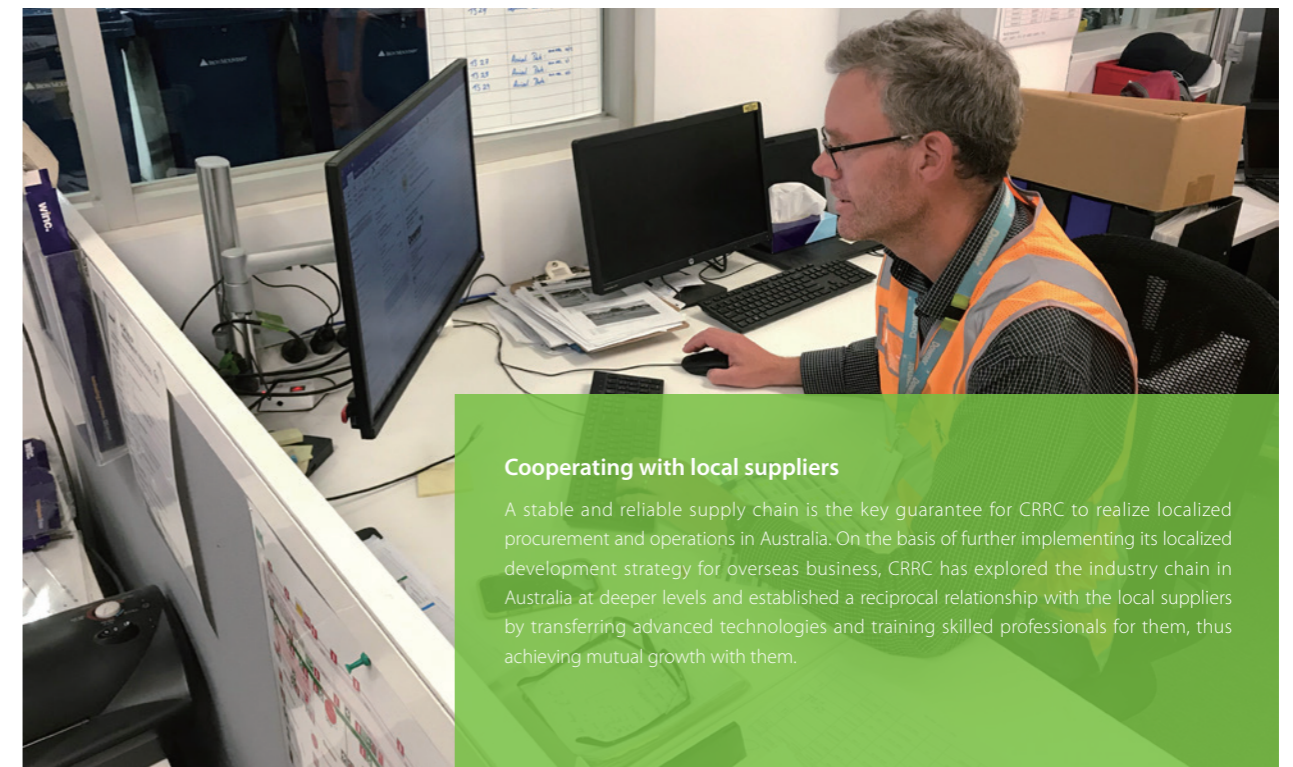
The cornerstone of CRRC's success in the Australian market over the years lies in its listening attentively to and actively meeting customers' needs. Always regarding meeting customers' needs as our top priority, we give full consideration to the comprehensive use of our products in Australia and turn customer expectations into our determination to improve our products and services, thus winning respect of Australian customers with high quality products and sincere services.

Facing the Covid-19 pandemic raging across the world, CRRC has created a variety of new communication channels to ensure uninterrupted contacts with its customers, delivered on its commitments, and overcome the adverse impacts of the pandemic on production, thus receiving high recognition from its customers.

Smooth Train Operations Supported by Multi-Channel Coordination

Case Study

From 2020 to the beginning of 2021, passenger carriages of the Sydney Waratah Train manufactured by CRRC Changchun for the order of phase II project arrived in Sydney successively. To ensure successful launch of these carriages for passenger transportation, the on-site team sent by the owner in Sydney and the project team from CRRC Changchun always maintained smooth communication. All the carriages passed the functional test, the comprehensive status inspection, and the dynamic line test. Hence, the company fulfilled the delivery requirements according to the original plan, and achieved full fulfillment of progress and quality KPI indicators, laying the foundation for subsequent smooth launch and operations of the Train. On September 3, 2020, the first batch of carriages of Sydney Waratah Trains phase II project was officially operational.



Cooperating with local suppliers

A stable and reliable supply chain is the key guarantee for CRRC to realize localized procurement and operations in Australia. On the basis of further implementing its localized development strategy for overseas business, CRRC has explored the industry chain in Australia at deeper levels and established a reciprocal relationship with the local suppliers by transferring advanced technologies and training skilled professionals for them, thus achieving mutual growth with them.

Engaging deeply

CRRC's subsidiaries in Australia have established a regional collaboration mechanism in Oceania to realise sharing and mutual assistance among enterprises, and maintained close contact with partners and institutions. Following the principle of frank and transparent communication, CRRC maintained extensive and in-depth communication with stakeholders by running social media accounts in English, holding open day activities, and organizing cultural and sports activities for its employees.



Online English social media matrix

Positioning ourselves as "professional, open-minded and willing to share Chinese rail transit engineers", we have created social media accounts on Facebook, Twitter, YouTube, and Instagram, respectively, and released corporate updates on our official English websites. Besides, we have been working with Rail Express, a branded medium focusing on the Australian railway industry, as well as the local media in our communities, to facilitate local people understanding CRRC more comprehensively and intuitively.

Mutual learning among civilization

We take commercial cooperation as the bond for mutual learning among civilization in Australia. Through organizing photographic exhibitions and competitions, open days, and other activities, we are committed to conveying an inclusive and friendly corporate image, promoting cultural exchanges between China and Australia, and establishing sincere and friendly relations.

In December, 2019, CTEA held an Open Day for the family members of its employees. On the site, the company also held a book donation ceremony for "My Beloved Home in Australia". Besides, an Open Day at Delkor Plant in Sydney is scheduled for July 2021.

Setting up "Chinese Bookshelves"

Case Study

CRRC has set up two "Chinese bookshelves" in Australia. In mid-December 2020, the books for the "Chinese bookshelves" were delivered in Australia. With the aim of promoting the mutual understanding of Chinese and Australian cultures, the "Chinese Bookshelves" have collected a number of books on Chinese history and culture. One of the bookshelves is located in the lounge of CTEA plant, displaying 275 books donated on the "Open Day" of the plant in 2019 to help local employees understand Chinese culture from multiple angles. The other one, with 300 books, is located at Morville Public Library, providing a "window" for Australians to know more about China.



Integrity and compliance

During the process of development and operation in Australia, CRRC attaches great importance to integrity, compliance, and the code of business conduct at the corporate governance level, and abides by international business practices and the local laws and regulations in Australia. CRRC pays taxes according to law, continuously engage in anti-corruption management, and strictly control the operational risks.

Compliance

CRRC's subsidiaries in Australia strengthened internal control and risk management on a regular basis, implemented local compliance audit and CRRC's headquarters audit. In such a way to strengthen the awareness of compliance operation of CRRC subsidiaries in Australia, promote the construction of compliance capacity, and improve the level of compliance operation of these companies.

Paying taxes according to law

CRRC assumes the social responsibility of paying taxes according to law. CRRC's subsidiaries complied with tax regulations and commissioned qualified local accounting firms to file regular tax returns and pay taxes to local tax authorities.





Anti-corruption

CRRC's subsidiaries in Australia took a multi-pronged approach to supervise and crack down on corruption in all forms. Each CRRC manager assigned to station in Australia is required to sign an Anti-corruption Letter of Responsibility with the headquarters and submit monthly the financial statement to the head office.



Engagement with stakeholders

We've analysed and screened out materiality issues from two dimensions: what matters to the stakeholders and what matters to CRRC's sustainable development in Australia. With a focus on these issues, we engage with stakeholders to meet their expectations and demands, so as to promote our sustainable development in Australia. Besides, we endeavour to promote the industrial development in Australia, improve the local livelihood, and contribute to the sustainable and coordinated development of the local economy, society and environment.

Identification of stakeholders	Stakeholders' demands	Channels of communication with stakeholders
 Customers	Providing high quality products, professional and efficient maintenance and after-sales services that meet the localized requirements	Corporate website, social media accounts, corporate annual reports, sustainability reports, industrial exchanges such as forums and seminars, industrial research in cooperation with universities, public open days, media briefing, etc.
 Employees	Creating a healthy, safe and environment-friendly working environment, expanding career development channels, and respecting and tolerating cultural diversity	
 Partners	Promoting industrial development, practicing local procurement, and developing fair cooperative relationships	
 Media	Communicating with the public in a transparent manner	
 Regulatory authorities	Promoting industrial development, creating job opportunities for the locals, operating in compliance with relevant regulations, and paying taxes according to law	
 Ecological environment	Engaging in eco-friendly production and protecting the ecological environment	
 Community	Promoting community development, organising philanthropic activities, and promoting Aboriginal and Torres Strait Islander cultures	

Outlook on 2022

Standing on a new starting point, CRRC will earnestly implement the UN's 2030 Agenda for Sustainable Development, and actively promote the concept of "dedicated to our founding mission and committed to our social responsibility" in all aspects of our operations, thus making new contributions to the prosperity and development of Australia.

We expect to further utilise our expertise and capabilities to bring local people with safe, comfortable, and facilitated travel experiences and provide professional and efficient logistics services for industrial transportation. By continuously releasing our value, CRRC serves as a powerhouse of products, technologies and solutions to drive the development of rail transit in Australia.

We will continue to operate in line with integrity principles and in compliance with relevant laws and regulations and engage in anti-corruption management to strictly control our operational risks. Besides, we will take the responsibility to create a healthy, comfortable, and inclusive working environment for our employees, make full preparations in pandemic prevention and control, ensure the safety of our employees, and organize diversified professional training programs to encourage better growth of talents.

We will pay more attention to environmental governance and disclosure for topics such as climate change and biodiversity, step up efforts in the R&D and marketing of green products, and minimize the negative environmental impacts brought by project construction and corporate production and operations, thus protecting the sound ecological environment of Australia.

We will continue to deepen exchanges and cooperation with our upstream and downstream partners of the industry chain, closely follow customers' needs, increase localized procurement, and strive for an all-win outcome. Besides, we will engage in more community activities, enhance mutual friendship through cross-cultural interactions, and contribute to community development.

Let's join hands to create and share a better future of sustainable development!



**Connecting the world
through better mobility**

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