

# Assurance Statement of Ethical Standards

## Introduction

BOVA Technology (Beijing) Co., LTD ("Assurance Provider" or "BOVA ESG") was entrusted by the management of CRRC Corporation Limited ("Organization") to assure the "Compliance Management Measures", the "Code of Business Conduct and Employee Integrity Compliance Handbook" and the "CRRC Management Measures for Supplier Misconduct and Blacklist" ("Ethical Standards"). The information selected in the Ethical Standards is subject to independent and impartial external assurance.

The target users of the statement are stakeholders who concern about the reliability of Ethical Standards information disclosed by the Organization during the reporting period from January 1, 2023 to December 31, 2023 ("2023 reporting period"), including government and regulatory agencies, shareholders and investors, customers, media, employees, suppliers, partners, community and public.

BOVA Technology (Beijing) Co., Ltd. incorporates metadata and AI into ESG quantitative solutions and ESG services. BOVA ESG has experts in various fields such as corporate sustainable development, ESG management and has the honor to provide AA1000 Assurance Statement. BOVA ESG provides sustainability information assurance services for all China A and H share listed companies.

## Assurance Standards

This statement strictly followed AA1000 Assurance Standard v3 ("AA1000AS v3") and AA1000 Assurance Principle (2018) ("AA1000AP"), namely Inclusivity, Materiality, Responsiveness and Impact.

## Assurance Type, Depth and Scope

This statement was carried out in line with Type 2 at a moderate-level, covering following content:

- Provide assurance on the compliance with AA1000AP;
- Verify the quality and reliability of Ethical Standards;
- Assure qualitative information mentioned in the Ethical Standards related with initiatives, practices, management methods, etc.;
- Verify the consistency of the Ethical Standards with relevant international standards.

## Assurance Method

This statement was carried out in accordance with the AA1000AS v3, including following steps:

- Collect and evaluate evidence that can support the reporting Organization's compliance with AA1000 Assurance Principles, including the reporting Organization's identification, assessment of material issues, identification of ESG risks and opportunities, etc.;
- Verify the reliability of the processes and management systems used to collect and integrate Ethical Standards data, based on sampling;
- Verify the the statements and disclosures related to Ethical Standards made by the Organization.

## Compliance with AA1000AP

**Inclusivity:** The Assurance Provider have not noticed the report has any deviation from the Inclusivity

principle. The Organization engaged in proactive communication with stakeholders when formulating Ethical Standards. At the same time, the Organization established an effective contact mechanism with them to share information on the current status, areas of focus, and future requirements of corporate Ethical Standards.

**Materiality:** The Assurance Provider verifies that the Ethical Standards cover all operations of the Organization and comply with the substantive requirements of the AA1000 AP (2018).

**Responsiveness:** In accordance with AA1000AP, the Assurance Provider affirms that the Organization's response to Ethical Standards has been accurately depicted in the disclosure. The Organization can proactively communicate with stakeholders and continue to respond to their concerns in a prompt and appropriate manner.

**Impact:** The Organization has clear procedures to monitor and measure the impact of Ethical Standards, systematically identify significant risk factors, and has professionals who develop targeted management strategies and drive the establishment and review procedure of Ethical Standards. During the verification process, the Organization complies with the impact requirements of the AA1000 verification principles.

### **Quality of Ethical Standards**

Regarding the Ethical Standards information disclosed by the Organization, the Assurance Provider has not noticed any substantial error, shown as following:

#### 1) Training Programs Covering All Employees, Including Full-time, Part-time, Interns, and Other Forms of Employees

The Organization organizes Ethical Standards training that covers all employees. Its business management practices and employees' performance comply with national laws and regulations, regulatory requirements, industry norms, international treaties and rules, as well as the company's articles of association, relevant rules and regulations.

#### 2) Policies Related to Ethical Standards

The "CRRC Compliance Management Measures" is the policy framework established by the Organization regarding Ethical Standards, applicable to both internal management behavior and external activities, applicable to both internal management behavior and external activities.

The "CRRC Code of Business Conduct and Employee Integrity Compliance Handbook" serves as a specific set of rules governing the performance behavior of CRRC employees, extending and elaborating on the "CRRC Compliance Management Measures" in terms of regulating employee performance.

The "CRRC Management Measures for Supplier Misconduct and Blacklist" clearly outline the organizational responsibilities in managing supplier misconduct. These measures provide clear criteria for identifying and categorizing supplier misconduct, establish standardized punitive measures and supervisory inspection procedures for instances of supplier breaches of contract and dishonesty, and aim to foster a culture of honesty and reliability among suppliers while ensuring a fair and competitive

market environment.

### **Conclusion**

Based on the assurance scope, the Assurance Provider did not notice any indication that the Organization did not comply with the AA1000AP and other reference standards during the 2023 reporting period. Relevant sustainable performance data come from written certifications and internal records, fully reflecting the achievements and challenges faced by the Organization, and providing further observations and suggestions in the report to management.

### **Limitations of Assurance and Mitigation Methods**

- Performance indicators related to sustainable development that have not been verified against Ethical Standards are excluded from the review process.
- Verification opinions cannot be provided regarding the statements and declarations of positions made by the Organization, such as opinions, beliefs, objectives, future intentions, etc.

### **Assurance Provider Independence**

Except for the assurance of Ethical Standards, the Assurance Provider did not participate in these activities or in preparing the sustainability information or preparation of disclosures submissions. Throughout the Assurance Provider's internal impartiality assessment, there was no conflict of interest.

**BOVA Technology (Beijing) Co., LTD**

Issue date: 30<sup>th</sup> April, 2024

Issue place: Beijing, China



### **Certified Sustainability Assurance Practitioner (CSAP)**

Yihang Wang

A handwritten signature in black ink, appearing to be "Yihang Wang", written over a light gray grid background.