



Connecting the world through better mobility



CRRC Corporation Limited

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2022 Sustainability Report
CRRC Australian

About the Report

This is the fourth sustainability report issued by CRRC Corporation Limited in Australia. It elaborates on how CRRC, together with its stakeholders in Australia and its neighboring areas, 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, 2021 to June 30, 2022. 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.cc to see the complementary information online. All comments and questions about this report are welcomed, and feedback can be sent to crrc@crrcgc.cc.

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Message from the Chairman

Thank you for reading the 2022 Sustainability Report of CRRC Australia.

CRRC is a high-end rail equipment company that goes back more than 140 years. Everyone at CRRC believes that fulfilling social responsibility is fundamental to our long-term success. Committed to the mission of “connecting the world through better mobility”, we have integrated social responsibility into every aspect of our globally-expanding business. In Australia and New Zealand, for example, we are unleashing our industrial strengths to promote the economic, social and environmental sustainability.

As the Chinese saying goes, “He who love others is constantly loved by them; he who respects others is constantly respected by them.” To build a loved and respected company with international competitiveness, we must first love and respect all our stakeholders.

CRRC stands ready to serve. We provide our customers with green, safe and high-quality offerings. Even as global trade and supply chains were disrupted by the COVID-19 pandemic, we still managed to keep risks at bay and fulfil orders on schedule.

CRRC cherishes sustainable partnerships. Through extensive exchanges, we seek to build mutual trust and create mutual benefits with upstream and downstream partners.

CRRC puts its employees front and center. We make sure our workplaces allow our people to work happily and grow together.

CRRC is a friend to the environment. We insist on offering high-standard products with minimal carbon footprints.

CRRC keeps the big picture in mind. We step up talent training to help Australia’s rail industry develop in sync with its global peers.

CRRC stays in touch with local communities. We engage with universities on our doorstep, promote Sino-Australian cultural exchanges, and carry out public welfare campaigns.

We hope this report will facilitate sincere communication between CRRC and Australian stakeholders. We also hope it will further showcase our principles, practices and key performances in terms of sustainable development. While implementing the 2030 Agenda for Sustainable Development, we will keep working with all sides to promote economic, social and environmental sustainability in Australia and New Zealand.

Sun Yongcai

Chairman of CRRC Corporation Limited

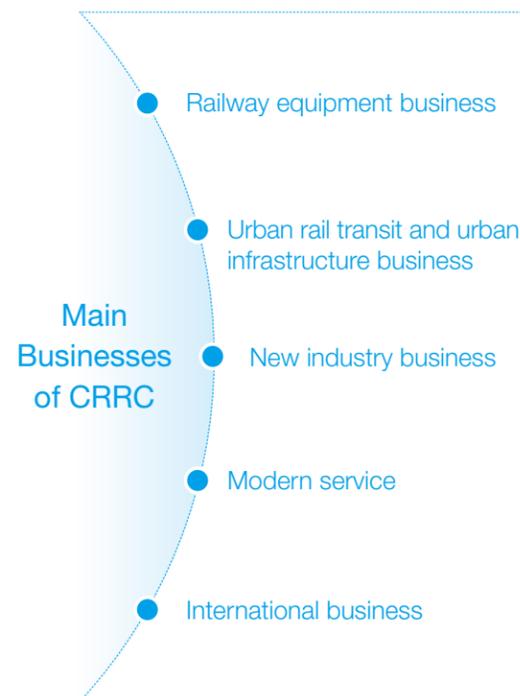



About Us

Profile of CRRRC

With a history of 140 years, CRRRC is a world-leading supplier of rail transit equipment with a complete product portfolio and advanced technologies. Adhering to the mission of "Connecting the World through Better Mobility", CRRRC contributes to the promotion of social development and progress. To compete in the global market, we accelerate innovation in technology, products and service model, and create serialized, modular, and standardised product platforms and technology platforms to keep pace with the development needs of advanced, applicable, intelligent, green, and safe rail transit.

Main Businesses



Our Values

CRRRC 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 (CRRRC):



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



Global Business Layout

CRRC has formed a full industry chain service system for rail transit through overseas investment, mergers and acquisitions, the establishment of R & D centers, and the construction of manufacturing bases. CRRC has set up 78 overseas subsidiaries in 27 countries and regions around the world as well as 18 overseas R&D centers in countries such as the United States, Australia, providing products and services to 109 countries and regions across the six continents.

CRRC implements an all-round operating model of “product + technology + service + capital + management” in Australia and New Zealand, and is committed to implementing a strategy of localised manufacturing, localised procurement, localised workforce, localised maintenance and localised management”.



Overseas subsidiaries

78

Overseas R&D centers

18

Providing products and services to

109 countries and regions

Our Presence in Australia and New Zealand

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.
- 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.

*Arranged in chronological order

CRRC Subsidiaries Delivering Products and Services for Australia and New Zealand

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

Since 1999, CRRC Qiqihaer has provided spare parts for the Australian freight car market. Since 2012, it has provided world-leading freight cars such as ore cars and coal hopper cars for BHP Billiton, Rio Tinto, FMG and other customers. The company has been awarded the best global supplier of Rio Tinto and a strategic partner of BHP Billiton. It has exported more than 17,000 freight cars of various types to Australia.

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

Since 2006, CRRC Changchun has been a key partner of Downer in Australia for a special purpose vehicle established exclusively to deliver the Public Private Partnership (PPP) with Sydney Trains to manufacture, operate and maintain 626 suburban passenger train carriages (known as the Waratah Train) for Sydney’s rail network. In 2019, CRRC Changchun inked deal on the Sydney Waratah fleet procurement project (Phase II).

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 known as the “devil’s curves”. CRRC Ziyang has established CRRC Ziyang Australia Pty Ltd. in Melbourne and a maintenance and after-sales service base in Adelaide.

CRRC Yangtze Co., Ltd. (CRRC Yangtze)

CRRC Yangtze provides various types of freight trains for Australian customers, including Aurizon, FMG, Roy Hill, PN, and BRC. Its coal transportation 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 line renovation project.

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 grain hopper cars, flat cars for steel plates and steel beams, container flat cars, and open cars with cover for Qube Logistics, SCT, Glencore, Holdco Holdings Pty Ltd., Domco Trading Pty Ltd., etc. In 2021, CRRC Meishan sold 742 freight cars of various types to Australia.

CRRC Zhuzhou Co., Ltd. (CRRC Zhuzhou)

Since 2012, CRRC Zhuzhou has designed and built four batches of open cars for stainless steel ore on behalf of Roy Hill, the fourth largest iron ore producer in Australia. In 2021, CRRC Zhuzhou delivered another 142 open cars for ore to Roy Hill.

CRRC Dalian Co., Ltd. (CRRC Dalian)

CRRC Dalian develops and produces CKD9B diesel-electric locomotives for New Zealand’s KiwiRail Holdings Limited. Used both for freight and passengers on main lines, CKD9B is the world’s most powerful DC narrow-gauge diesel locomotive with an installed diesel engine power of 2,700kW and a maximum service speed of 100km/h.



01

Providing Integrated Solutions

CRRC provides high-quality products, services and solutions for the rail equipment industries in Australia and New Zealand, meeting local needs for freight transportation and passenger travel while enhancing regional connectivity.

10 / Promoting Freight Transportation

12 / Facilitating Passenger Travel

13 / Keeping Customers Satisfied

Contributions to the UN 2030 Sustainable Development Goals



Promoting Freight Transportation

In Australia, a country rich in natural resources, CRR has leveraged its strengths in rail equipment to provide more efficient solutions for the transportation of ore, grain, coal and other bulk cargo.

Facilitating ore transportation

400m-long steel rail carriages

Developed and manufactured by CRR Qiqihaer, the carriages are used for the construction of feeder rail lines related to Rio Tinto's Koodaideri iron ore project. The carriages employ multiple advanced technologies to load, transport, unload and recover steel rail operations. They are extra safe, highly mechanized, efficient, and easy to operate.



400m-long steel rail carriages for Rio Tinto

Open car for stainless steel ore

Designed and manufactured by CRR Zhuzhou for Roy Hill, one of the largest iron ore producer in Australia, the bright pink cars are mainly used for transporting iron ore. The body of the cars features a hybrid structure welded with high strength Corten steel and ferritic stainless steel; in particular, all parts in contact with ore are made of stainless steel so as the cars are highly resistant to wear and corrosion.



An open car for stainless steel ore, provided for Roy Hill

C64-AUS open car with cover

Developed by CRR Meishan, the cars are specially used for copper concentrate transportation by Glencore. They can run on Queensland's 1,067mm gauge rail network. The cars have adopted the integrated braking system and hook buffer device that comply with the rail standards of both Australia and Queensland. The braking efficiency is high, and the specially designed cover are rain- and dust-proof.

Facilitating coal transportation

CRR Qiqihaer has delivered different types of coal cars to Australian customers with different transportation needs, such as One Rai, PN, and BMA.



NHDH coal hopper car provided for PN

Facilitating grain transportation

Provided by CRR Meishan for QUBE, an Australia company, the L69-AUS grain hopper cars are used for transporting grain and rapeseed along the 1,435mm gauge rails in New South Wales. Adopting the concept of equal strength, the cars feature high load capacity, lightweight design, large volume, and strong resistance to corrosion. Sealing strips and mechanical seals are adopted for the top cover and car gate to prevent rainwater from leaking in and grain from falling out. The loading hatch of long-span structure can meet the requirements of different grain loading machines.

Promoting Freight Transportation with High-quality Diesel Locomotives



On January 15, 2022, four SDA1 diesel locomotives developed independently by CRR Ziyang were shipped to Australia. These trains will be used for bulk cargo and container transportation. SDA1 diesel locomotives feature low operating noise (less than 75 decibels inside the driver's cab), strong towing capacity (with a double-engine towing capacity of more than 8,000 tons along a 10% slope), and a maximum speed of 120 km/h - ideal for heavy-duty long haul.



SDA1 diesel locomotive

Facilitating Passenger Travel

We are committed to providing comprehensive solutions for Australian rail passenger transport. For Sydney Waratah fleet, CRRC conducts products according to Downer's designing. And for Melbourne High Capacity Metro Train (HCMT), CRRC conducts R&D, design and manufacturing based on customer needs to provide safe, comfortable and convenient experience for Australian passengers.

Delkor is a world-leading supplier of high-quality, resilient bonded rail baseplates, platform gap filler, and rolling stock products. The company has participated in major projects such as Sydney Metro and Sydney Harbour Bridge. Its outstanding shock absorbers are a plus for the comfort of rail travel.

Melbourne HCMT

- The operating speed is quick and the passenger capacity exceeds Melbourne's current fleets by more than 20%.
- The HCMTs are the most accessible trains on the network with air conditioning, electronic maps, easy-to-use passenger intercom systems and new high-capacity signaling systems.
- The HCMT are the most accessible trains on the Melbourne network. Hearing aids are placed in every compartment.
- The HCMTs have higher fire performance, thanks to the fire isolation door in the passenger area, the fire-stopping between passenger car and driver's cab, and the capability of automatic train operation in case of fire.

Sydney Waratah fleet

- The fleet complies with Australian and international standards. 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 fleet is safe, comfortable and energy-saving. It also has a long service life.
- The fleet has a novel and unique look - a perfect fit for sightseeing. The interior is fashionably simple in local culture.

Thumbs-up for Melbourne's HCMTs



The Evolution Rail Consortium as a whole, has responsibility for the design, manufacture, testing, debugging and delivery of Melbourne's HCMTs. On February 19, 2022, 7NEWS Australia, a famed local TV news network, broadcasted a story entitled "New high-tech trains hit Melbourne tracks", it described HCMTs as the future of public transport in Melbourne.



Melbourne High Capacity Metro Trains

Keeping Customers Satisfied

We have brought the "CRRC Q" quality management standard system to Australia and New Zealand, so as to hold our products and services to high standards through all-round quality management, and develop specialised solutions based on local actualities and personalised needs. We make sure our customers will get the best rail equipment and the best service experience from us.

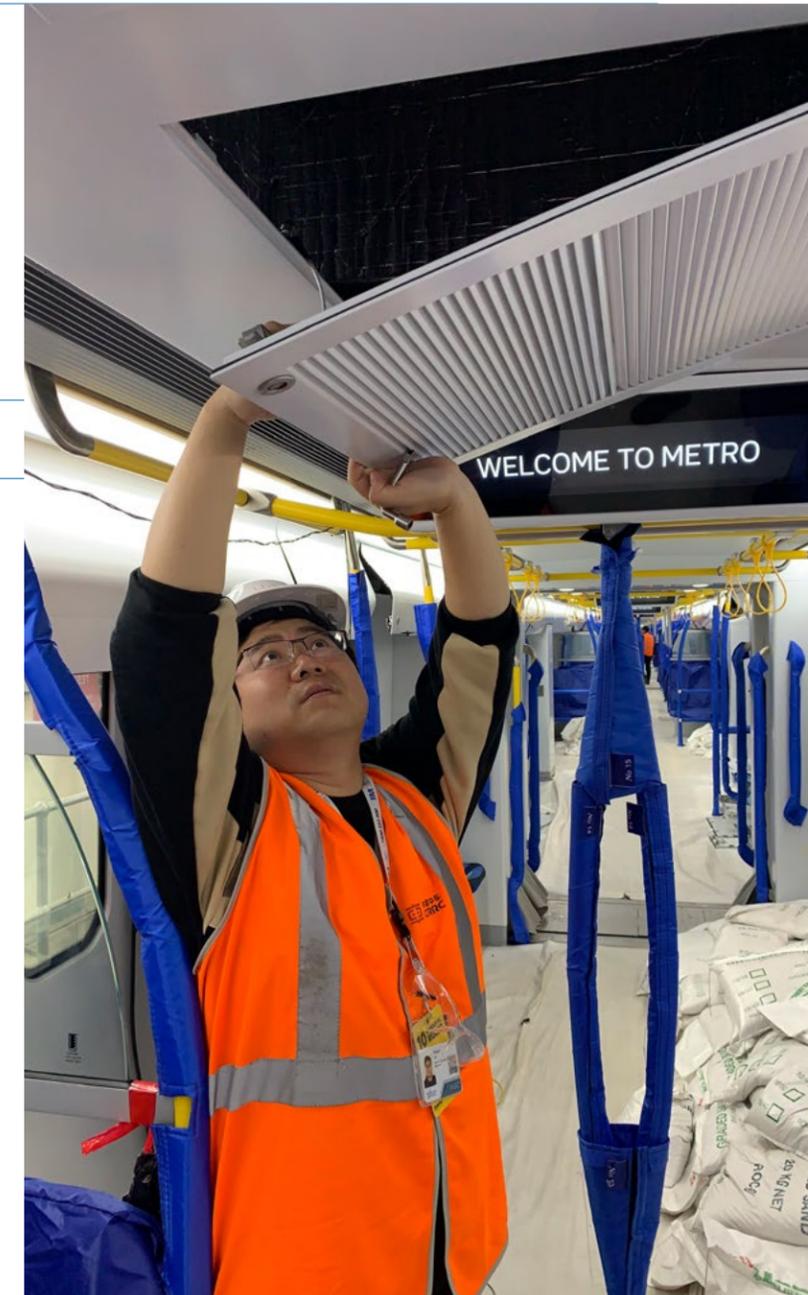
Providing quality services

Strict quality control

- CTEA's production base is certified to ISO 9001 thanks to its distinctive quality management system.
- Pacific Railway Engineering Pty Ltd. is certified to ISO 9001 by virtue of its product quality policies.

After-sales maintenance

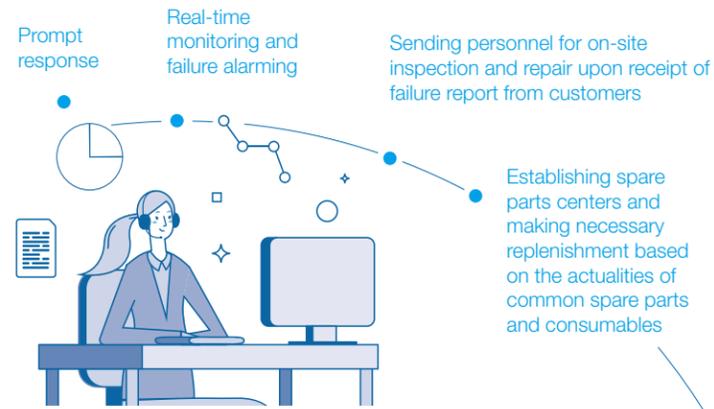
- CRRC Ziyang Australia Pty Ltd. has established a maintenance and after-sales service base in Adelaide.
- Delkor's technical experts will help with installation on site if so required by customers. Its sales agents are readily available to respond to any feedback.
- Pacific Railway Engineering Pty Ltd. offers 7 days 24 hours maintenance services based on written processes. Customers can contact the corresponding managers in case of urgent needs. Customer feedback is communicated among the staff via phone, email, and weekly management meetings.
- CRRC Changchun Australia has built an efficient local after-sales service team and formulated the "After-sales and Accident Management Process" to support Melbourne HCMTs.



Providing Quality After-sales Maintenance Services for New Zealand Customers



The after-sales service team of New Zealand CRRCL Locomotive & Rolling Stock Co., Ltd. consists of technicians familiar with the products and experienced in debugging and maintenance. The team is responsible for solving technical problems on-site with engineers, and if needed, the team will provide repair services for free. For the sake of stable train operations, CRRCL Dalian also establishes on-site spare parts centers to provide all-weather real-time technical support and promptly allocate after-sales service resources to where they are needed.



Customer Satisfaction Survey



In 2021, CRRCL Meishan sent the "Customer Satisfaction Survey and User Visit Record" by email to Martinus Rail, QUBE, and SCT. The survey results show that the respondents are quite satisfied with CRRCL Meishan's products. The company makes prompt improvements based on customers' opinions and suggestions, and informs the customers concerned after their problems are solved.

Delivering as promised

COVID-19 has profoundly impacted the global supply chains. In view of this, we have constantly improved our internal epidemic prevention and control measures, overcome difficulties in sites, and equipment while safeguarding employees' physical and mental health, and thus ensured timely production and delivery.

Exporting Ore Cars to Australia as Scheduled Despite COVID-19 Challenges



In 2021, CRRCL Qiqihaer received an order for 40-ton axle-weight ore freight cars from BHP Billiton. To ensure timely delivery during the pandemic, CRRCL Qiqihaer set up the BHP Billiton ore freight car project team, which formulated scientific and reasonable epidemic prevention and control guidelines and production plans, made detailed arrangements for process planning, material procurement, equipment allocation and mass production, and kept the whole process under control from isolation and disinfection, nucleic acid testing to re-inspection at the plant. On February 23, 2022, CRRCL Qiqihaer shipped its first batch of 108 ore freight cars to BHP Billiton as scheduled.



BHP Billiton ore freight car



02

Win-win Cooperation Across Industry Chain

Upholding the concept of “extensive consultation, joint contribution and shared benefits”, CRRC pays attention to partners’ growth and industrial development, constantly improves procurement management, strengthens industry exchanges and cooperation, and joins hands with upstream and downstream partners to promote the high-quality development of Australia’s rail equipment industry.

18 / Supporting Industrial Innovation

18 / Supporting Local Suppliers

20 / Promoting Communication and Cooperation

Contributions to the UN 2030 Sustainable Development Goals



Supporting Industrial Innovation

We attach great importance to technical innovation and R&D. Through our R&D Centre in Melbourne, we have tested, verified, delivered and reliably improved Melbourne's HCMTs. We have also strengthened cooperation with Australian universities. Our "excellence scholarship" at the University of Queensland is part of our effort to encourage more young talents to contribute to Australia's rail equipment industry.



Supporting Local Suppliers

In Australia and New Zealand, we have continued to improve our supply chain management system, enhanced local procurement of components, and grown together with local suppliers.

Supply chain management system

We are committed to building a long-term, stable and standardised supplier management system, clarifying the supplier access mechanism and selection criteria, and conducting supplier training, category-specific supplier risk assessment and supplier quality management.

Based on its global procurement strategy, New Zealand CRRC Locomotive & Rolling Stock Co., Ltd. establishes a procurement task force for each project. Having integrated supplier quality management into the corporate quality management system, the company requires suppliers to run a quality control process for key parts and components. In principle, spare parts should be purchased in a cost-effective and efficient manner: if there are several options for a certain spare part, choose the best yet affordable one; if the suppliers are well-matched, choose the one closest to the site. The company also keeps track of how the spare parts on site are used and maintained, how the suppliers are holding up, and how many spare parts are left in stock.

CRRC Changchun Australia has set different selection criteria for suppliers under different categories. These criteria include service experience, technical capability, and business reputation.

Growing with suppliers

We pursue the localised procurement strategy to help Australian suppliers expand their vehicle service experience and to support local SMEs.

For Pacific Railway Engineering Pty Ltd., local suppliers proportion reach to

98-99% of the total

For New Zealand CRRC Locomotive & Rolling Stock Co., Ltd., the localisation procurement proportion is about

10%

Localised Procurement of Parts and Components Drives Supplier Growth



CRRC Changchun Australia spares no effort to purchase parts and components locally. By following such a policy, the company aims to help local suppliers broaden their business scope and integrate into the rail equipment manufacturing industry. By the end of 2021, CRRC Changchun Australia had 53 local suppliers and contractors; its Melbourne HCMT project had a localisation rate of 56.52%.

For small-sized components

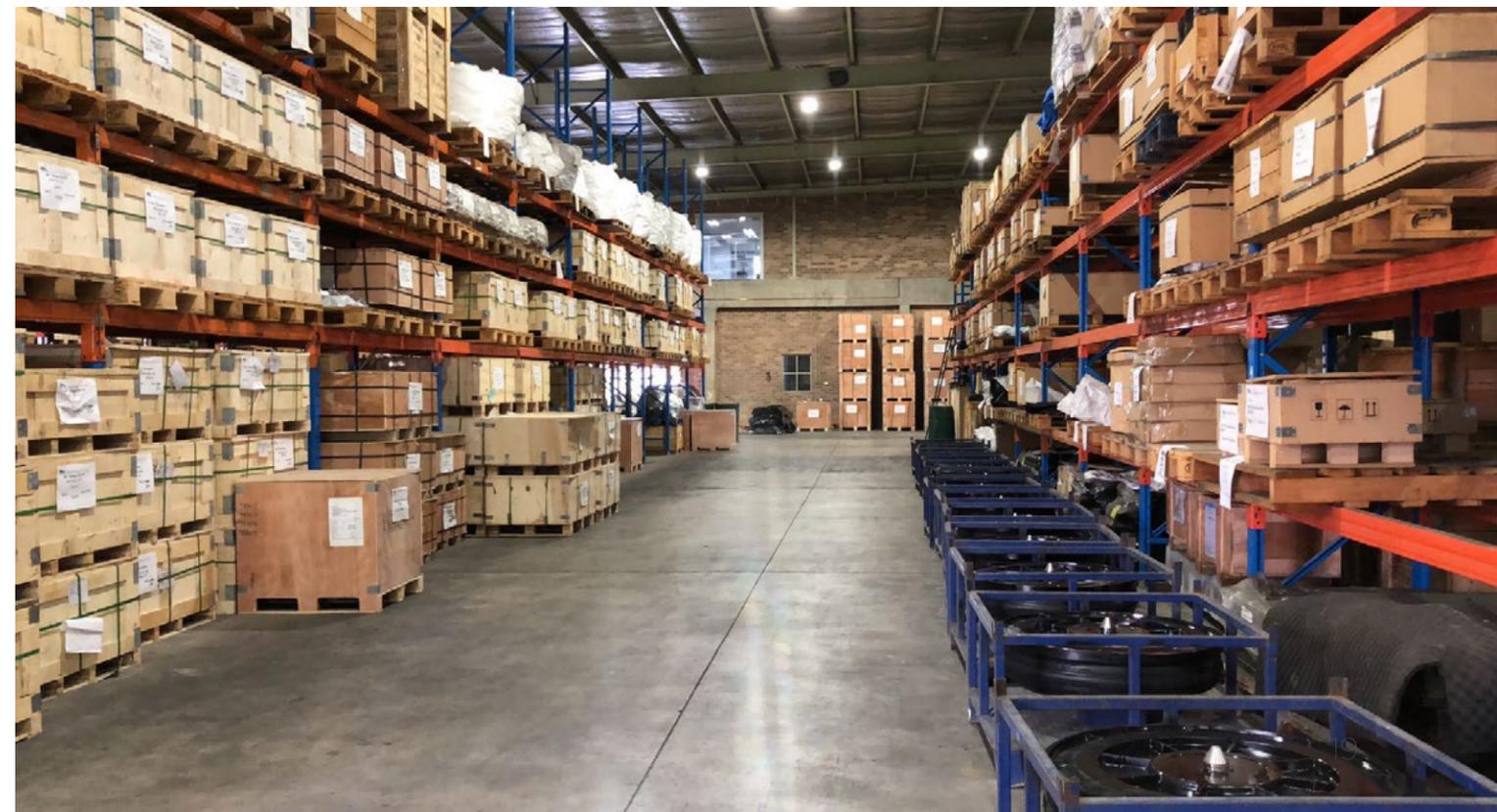
Find and support local suppliers, in an effort to replace imports and broaden procurement channels.

For medium-sized components

Help local suppliers localise manufacturing and improve the industry chain.

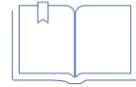
For large-sized components

Help suppliers open local branches, localise manufacturing and further improve the industry chain.



Promoting Communication and Cooperation

We have continued to deepen communication and expand friendly cooperation with Australian partners by participating in industry seminars, regularly releasing product information and joining trade associations.



- ✓ CRRC Australia Pty Ltd has joined the Australasian Railway Association and the China Chamber of Commerce in Australia.
- ✓ CRRC Ziyang regularly participates in Australian rail transit industry exhibitions and constantly releases product information on Australian rail transit magazines.
- ✓ Delkor regularly attends AusRAIL, an Australian rail market fair, to exchange the latest market information and technology trends with its peers.

CRRC Dalian has established deep roots in New Zealand. In agreement with KiwiRail, CRRC Dalian will send a team for on-site locomotive maintenance, when necessary. The partnership with KiwiRail goes back some time, and CRRC Dalian has established itself as a reliable and responsive partner.



CRRC at AusRAIL PLUS



In February 2022, CRRC Australia Pty Ltd participated in the AusRAIL PLUS. As the first major convention and exhibition of the rail industry after the local COVID-19 lockdown was lifted, the AusRAIL PLUS attracted companies along the upper and lower streams of the rail equipment sector. During the event, CRRC Australia not only learned the latest industry information, but also enhanced communication with customers and suppliers.

CRRC Holds Sino-Australia Rail Transit and Climate Change Symposium



On September 3, 2021, CRRC held a webinar on rail transit and climate change. The meeting built a platform for academic exchanges between China and Australia. Experts and scholars from China Academy of Railway Sciences, Australia's Curtin University, Beijing Jiaotong University and S&P Global shared their own findings and insights. Staff representatives from CRRC Australia Pty Ltd, CRRC Changchun Australia and CTEA discussed the relevance of their work in relation to rail transit and climate change.



Rail Transit and Climate Change Symposium



Presenting online is Peter Newman, Professor of Sustainability at Curtin University

03

Environmental Friendliness

CRRC is actively pushing ahead with green development. It released the CRRC Action Plan for Carbon Peak and Neutrality in October 2021, and established the “6G” development concept (green investment, green innovation, green manufacturing, green products, green services and green enterprise). In Australia, CRRC’s green offerings by green production are positively contributing to the local environment.

24 / Green Products

26 / Green Production

Contributions to the UN 2030 Sustainable Development Goals



Green Products

Our commitment to low-carbon production begins with the R&D and design stages. We ensure that the raw materials we use and the processes we follow are green and harmless, and the vehicles we offer are up to international standards.

Developing green products

CRR insists that its products should be “green, energy-saving and environmentally friendly”. The locomotives we offer are based on key technologies related to comprehensive energy conservation, driver assistance, noise control, and environmental protection. For example, our second-generation SDA1 locomotives for the Australian market are a global leader in terms of fuel efficiency, noise reduction, and emission level.

Using environmentally friendly materials and processes

All the goods that CRR Qiqihaer provides for Rio Tinto, including temporary or replacement packing accessories such as spacers, packages, strapping tapes and protective materials, are free of asbestos and any other substance prohibited by local laws, regulations or government agencies.

The coal carriers that CRR Yangtze exports to Pacific National feature streamlined design, higher environmental standards, and new materials. The use of vehicle top cover instead of dust inhibitor helps reduce the environmental impact of coal transportation.

The Melbourne HCMTs that CRR Changchun Australia delivers have stainless steel bodies. The anti-corrosion painting process is removed at the HCMT workshop, which greatly reduces pollutant discharge. All the non-metallic materials used in the vehicle manufacturing process are eco-friendly, and the exhaust emission level is in line with local environmental standards.



Second-generation SDA1 locomotive



Melbourne HCMT with a stainless steel body

Green Production

CRR considers the environmental attributes of products from a comprehensive perspective. The principle of green production is followed throughout the product life cycle from resource utilisation to pollutant discharge and waste disposal. Environmental impact and resource efficiency are taken into account as well as product quality.

Using resources efficiently

To manufacture supporting electrical products for the HCMT Project, CTEA established a 2,100 square metre plant in Morwell to meet the needs for the production and maintenance of electrical products. The Morwell plant enabled the core components including traction and auxiliary system to be produced locally in Victoria.

The permanent magnet synchronous traction system platform introduced by CTEA is compact and lightweight. It generates less noise, uses less materials, delivers higher power and torque density, and saves more energy. Featuring a safe and eco-friendly steel frame structure, CTEA's plant is lit partly by the rectangular glass skylights on the roof and walls, and partly by high-efficiency, high-output lamps.



Reducing pollutant discharge

Emission of harmful substances in the course of production is an important source of environmental pollution. In Australia, CRR insists on promoting the use of energy-efficient technologies to reduce energy consumption and pollutant discharge.

Promoting Energy Conservation and Emission Reduction with New Energy Technologies



In 2022, CTEA installed rooftop PV power generators at its production base in Melbourne. Remarkably free of noise, radiation, emission and pollution, these installations can shorten the distance between power source and load, reduce grid dependence and power loss during transmission, and promote carbon neutrality at the production and operation levels.

Waste sorting and disposal

Staying true to its environmental commitments, CRR adheres to local legislations to sort and dispose of industrial wastewater, waste gas and other pollutants, and strictly controls the environmental impact of project construction, production and operations.

At CTEA, the first choice is to recycle. If recycling is not possible, or if it is hazardous waste, CTEA will adhere to local legislations and regulations to send waste to a certified institution for harmless disposal.

Eyeing continuous improvement in environmental performance, Pacific Railway Engineering Pty Ltd. has laid down environmental rules and integrated environmental requirements into the business goal of safe and efficient operations. The company regularly removes waste from the bearing wash machine and bay oil separators before handing the waste over to contractors. The contractors in turn sort out general waste, swarf and scrap metal and sell them to recycling companies for further disposal.

04

Contributing to Society

We care about the development of our employees. We strive to build a stage where talents can rise and shine. We participate extensively in Australia's public welfare campaigns, and leverage our own strengths in building local communities and a sustainable win-win future with stakeholders.

30 / Caring for Employees

33 / Supporting Community Development

Contributions to the UN 2030 Sustainable Development Goals



Caring for Employees

Employee training and benefits

We actively protect the rights and interests of our employees and strictly comply with Australian labor laws and regulations including Fair Work Australia.

Adhering to the principle of equal employment, we attract diversified talents and energise employees' career growth by protecting their rights and interests, communicating with them in an equal and transparent manner, building a broad and fair development platform, and offering abundant professional training.

Pacific Railway Engineering Pty Ltd. offers courses on workplace communication skills and trains employees to be qualified for new business. The company also holds daily tool box meeting to discuss and learn lessons, and encourage employees to attend its routine courses.

CRRC Changchun Australia provides employment opportunities equally, including increasing the number of local hires. Hiring practices ensure equal employment, retention and standardised training, as well as increasing local employment opportunities for key position. Its diversified and standardise training programs help employees improve their generic competencies.

Equal employment opportunities

CRRC Changchun Australia actively responds to Australia's advocacy of inclusiveness, diversity, and equal employment opportunities for all. It provides suitable jobs for local people as part of its effort to recruit locally.

Talent localisation

CRRC Changchun Australia has appointed a number of outstanding local managers from an expanding pool of reserve talents at different ages. It has also systemised the salary adjustment process to attract and retain locals.

Standardised employee training

CRRC Changchun Australia provides all kinds of training for employees, and issues project management certificates, Rail Industry Worker Card and other qualification certificates to qualified employees, so as to meet the requirements of the government for relevant positions to work with certificates, and improve the efficiency of project management and the professional ability of employees.



Work health and safety

Work health and safety is a major concern of CRRC's operations in Australia. We have formulated strict policies and implemented a workplace safety responsibility system. We have also provided employees with labor protection products, implemented safety education in safety education, training and supervision, and ensured that certain jobs are done by certified workers only. This way, we are able to maintain a safe work environment in the long run.

CRRC Yangtze mandates safety training before on-site work. In line with local regulations, anyone who seeks an on-site job must obtain a "Certificate IV in Work Health and Safety" first.

Pacific Railway Engineering Pty Ltd. constantly improves safety management through daily toolbox talks on HSE issues. Each week, it manages meeting documents to review safety incidents. The company has first aid personnel on all sites. In strict compliance with the Rail Safety Act, it conducts random drug and alcohol testing to ensure employees safety.

CRRC Changchun Australia covers all employees with work injury insurance and provides a variety of personal protective equipment (PPE) including safety helmets, impact- and slip-resistant work shoes, goggles, and reflective work clothing. Each site has a safety manager who is routinely responsible for overseeing employees to comply with the safety regulations of the site and partner company. CRRC Changchun Australia also calls on new employees to attend safety courses, trains employees to be qualified for new jobs, and helps with job certificate renewal.



Facilitating company-wide epidemic prevention and control

COVID-19 is the world's most serious infectious disease in recent years. It is also a severe public health and safety test for enterprises in all countries. Putting employees' health and safety first, CRRC and its Australian companies have made comprehensive and scientific plans for epidemic prevention and control, carried out these plans in an orderly manner, and quickly responded to emergencies. Together, these companies have curbed the spread of the coronavirus and built a solid "line of defence" for all employees.

Pacific Railway Engineering Pty Ltd. has laid down related rules for COVID-19 pandemic. Following the advice of the Australian Government Department of Health, the company has added extra safeguards to the existing safety management system.

CRRC Changchun Australia has strengthened anti-epidemic safety management and supplies preparation to create a healthy and safe working environment for employees in Australia. The Company arranged counseling for Australian based staff, including to ease the anxiety seen in staff whose colleagues were stranded overseas during the pandemic. The Company also held a sports meeting, inviting all 70 Chinese employees across ocean to participate, helping to create fun in the team.



"Read, Think, Practice" - An Online Campaign amid COVID-19



In 2021, CRRC Changchun Australia organised the "Read, Think, Practice" campaign to enrich employees' spare time, cultivate their tastes, encourage them to think optimistic during the pandemic, and enhance their creative energy at work.



Ordered books for the "Read, Think, Practice" online campaign

Supporting Community Development

In Australia, we actively support the development of local communities. We have created more local jobs and promoted cultural exchange through transparent community engagement. We have opened a new channel for Sino-Australia cultural integration, and given back wholeheartedly to the local communities.

Promoting cultural exchanges

CRRC has built a platform for cultural exchanges between Chinese and foreign employees in Australia. During the Spring Festival 2022, the company organised an online cultural and sports event for its expats in Australia. The event proved CRRCers to be a charming team who "enjoy your body and mind, work happily, live healthily, grow professionally and spend the Spring Festival together".



Chinese employees in Australia participated in an online cultural and sports event during the Spring Festival

In 2021, New Zealand CRRC Locomotive & Rolling Stock Co., Ltd. organised staff to attend the Christmas dinner party with KiwiRail, in an effort to promote their friendly cooperation and transparent communication.



Staff of CRRC attended Christmas dinner activity of KiwiRail

Creating jobs

Melbourne's HCMT Project is the largest single order of new trains in Victoria's history. The project has created over 1,100 new jobs including 100 long-term maintenance jobs. In particular, 15% of the jobs are for apprentices, cadets and trainees, and for them, this project provides a golden opportunity for career development.

Engaging with communities

In Australia, CRRC actively participates community development. Through Cloud Open Day, a novel form of live webcast, we have engaged in open dialogue with local communities, facilitated Sino-Australia cultural exchanges, and promoted CRRC's image as a caring and inclusive company.

Cloud Open Day



In November 2021, CTEA held a Cloud Open Day themed "Better City, Better Mobility in Australia". The event was hosted by the head of CTEA's electric factory in Melbourne. On the Open Day, the audience took a virtual train ride to appreciate the cityscape and natural scenery. The event epitomizes CRRC's efforts in community development and win-win cooperation with all sides.



Scan to view CTEA's Cloud Open Day video



"We have contributed to making our city a better place. That's our goal and mine individually as well. My team and I are proud to be able to deliver premier quality products that are improving the current public transport situation."

— Karl Alston, General Manager of Production Facility, CTEA

Participating in public welfare campaigns

CRRC actively explores new ways to participate in public welfare campaigns. We cooperate with Australian universities and award scholarships to incentivise students to study and grow. We also customise vehicles for vulnerable groups as part of our efforts.

Establishing Merit Scholarship to Support Students of Faculty of Engineering



The CRRC Merit Scholarship rewards top-performing undergraduate students from the Faculty of Engineering, Architecture and Information Technology at the University of Queensland, and thereby draws young talents to Australia's rail equipment industry. On November 17, 2021, Professor Vicki Chen, the faculty's Executive Dean, and Gao Kang, Director of CRRC's Corporate Culture Department, signed an agreement for the Scholarship. The signing ceremony was streamed online.

"The CRRC Merit Scholarship will provide students with the opportunity to excel in their studies as they near the end of their respective courses and move towards a successful career. UQ, in partnership with CRRC, hopes to assist students throughout their studies to develop a greater understanding of the pathways available – including the diverse range of careers in the rail industry. We look forward to the CRRC Merit scholarship commencing in 2022 and receiving some bright and enthusiastic students. We also look forward to a long and successful partnership with CRRC."

— Professor Vicki Chen, Executive Dean of Engineering, Architecture and Information Technology
University of Queensland

Delivering Pink Open Cars for Stainless Steel Ore in Support of Breast Cancer Prevention and Treatment



On November 23, 2021, CRRC Zhuzhou delivered 142 open cars for stainless steel ore. This is the fourth time since 2012 that the company has customised car models for an Australian client. In response to a local charity campaign for breast cancer prevention and treatment, the exterior of the open cars was painted bright pink. The cute cars became an instant hit in Australia.



"We are delighted that CRRC has agreed to paint our recent order of ore cars pink. Despite your very busy schedule including a major order from the Chinese Government, we are very appreciative of you devoting extra resources to building our ore cars, and, delivering them on time, in pink! Thank you for this fantastic effort."

— Gina Rinehart, Executive Chairman, Hancock Prospecting Group

Social Responsibility and Corporate Governance

We have established an efficient and systematic global corporate governance system to better manage the allocation of elements and resources, handle stakeholder relationships and enhance business stability. Insisting on being an ethical and responsible enterprise, we have integrated social responsibility management into our Australian business and daily operations, and worked with all sides to achieve sustainable development in a broader sense.

Honest and Compliant Operations

CRRC abides by business ethics and adheres to compliant operations. In Australia, we comply with international trade practices, code of business conduct as well as local laws and regulations. When it comes to production and operations, we believe honesty and compliance is the best policy. We strongly oppose any form of corruption and commercial bribery, and take effective measures to control compliance risks.

Compliance management

CRRC has established a comprehensive compliance management system in Australia. While meeting the compliance requirements of the global headquarters, CRRC's companies in Australia strictly abide by international standards and conventions as well as local laws and regulations, codes of business conduct and ethics. We have issued the "CRRC Code of Conduct for Compliance in Australia" in both Chinese and English. We have set up a professional compliance team in Australia and named the person responsible for compliance management of local companies. We have ensured that compliance requirements are effectively integrated into all business areas, and that compliance personnel are involved in the whole process of major projects. We have strengthened compliance review and strictly carried out annual risk assessment and compliance audit. Also, we have fostered a compliance culture and mandated compliance training for newcomers in Australia.

Tax payment

CRRC pays taxes according to law. We fully understand and comply with the financial regulations of the Australian Taxation Office. We engage qualified Australian accounting firms to provide professional services, and file tax returns to Australian tax authorities in accordance with relevant local laws.

Anti-corruption

CRRC has established a highly efficient and synergetic overseas business supervision and integrity risk control system that covers all businesses, processes and employees. We strictly comply with international regulations on bribery and influence crimes and other codes of business conduct while educating and guiding business managers in Australia to pursue integrity. We have set up anti-corruption "firewalls" around important tasks and links such as international exchanges, investment and cooperation, business competition, and capital payment.

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. Through communication, we continue to improve sustainable development management and practice, grow together with stakeholders, and 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 localised requirements Abide by business ethics and eradicate corruption	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	Accepting supervision from media, and 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	Carrying out green manufacturing and green operation to protect the ecological environment	
 Community	Promoting cooperation and exchange among universities, organising philanthropic activities, and promoting Aboriginal and Torres Strait Islander cultures	



Outlook for 2023

CRRCL will carry forward the idea of “building a respected international company”, uphold the mission of “connecting the world through better mobility”, and stick to the path of sustainable development.

We will vigorously contribute to the fulfilment of the 2030 Agenda for Sustainable Development, and extensively communicate and cooperate with stakeholders in Australia and New Zealand to create shared value.

We will, as always, leverage our technical strengths to facilitate local passenger travel and bulk cargo transportation, provide local markets with safe, clean, low-energy and high-performance rail products and services, and promote the transformation and upgrading of Australia’s rail transportation industry. We will insist on investing in the R&D and production of green products and contribute to the environmental protection of Australia. We will cooperate with upstream and downstream companies for mutual benefits, create more development opportunities for local industries, and improve the career prospects of our employees. We will continue to be an enabler of Sino-Australia cultural exchanges while improving CRRCL’s brand recognition. As a responsible company, we strive to promote economic development, social harmony and environmental protection in Australia and New Zealand, and write a new chapter of Sino-Australia cooperation on sustainable development.

