

Chairman of CRRC Corporation Limited

As a provider of high-end equipment system solutions in the rail industry with a history of nearly 140 years, CRRC strives to *connect the world through better mobility*. Since entering the Australian rail market in 1999, we have provided high-quality products and services with the principle of "integration and service" to promote the development of the Australian rail industry and actively contribute to the sustainable development of local economy, society and environment.

In 2020, we faced the challenge of the COVID-19 pandemic sweeping

production and logistics together with our Australian partners to deliver products on time, which have further deepened our mutual trust. Our actions have contributed to the pandemic responses taken by both China and Australia, and also to the sustainable development in both countries.

We facilitate Australia to create unimpeded rail transit facilities.

We have been involved in large-scale rail transit projects in major

experiences for passengers. In line with the needs of mining and freight enterprises, we have developed railway locomotives and heavy-load freight cars to support local industrial development. We have set up plants and R&D centers in Australia to carry out high-end technology transfer and cooperation, and serve the transformation and upgrading of local industries.

We are committed to building a win-win partnership in Australia. As an important member of the Australasian Railway Association, we have engaged in in-depth exchanges and cooperation with local industry partners and universities, actively participated in the AusRAIL Rail Conference & Exhibition and released the Report on Rail Transit Industry Developments in Australia. We have assisted Australian local suppliers to improve their technologies and services to achieve common growth. We assume the tax-paying responsibility in accordance with the local law, carrying out compliant operations and conducting regular anti-corruption supervisions.

We abide by the principle of safe production and environmental protection. We attach great importance to safety management and have formulated and promoted *the work safety system* in Australia to optimise occupational health management and take care of the

and consumption reduction and provide green and environmentallyfriendly products for the Australian market as well as actively carry out green operations in the Country.

We work with Australian stakeholders to build harmonious and inclusive communities. We have been committed to promoting cultural mutual learning between China and Australia, organising various cultural exchanges. These include training sessions, photography exhibitions, photography competitions, and open days for our employees' family members to create a diverse and inclusive environment of growth for employees and establish friendly relations of sincerity and mutual trust with stakeholders. We engaged with local communities and created job opportunities, conducted charity sales of the rail transit photography competition and provided all the proceeds

#### conservation.

This report is the second sustainability report in Australia issued by CRRC. It aims to communicate with stakeholders in a sincere and transparent manner and deliver CRRC's philosophy, practice and performance on social responsibility to our partners in Australia. We will continue to contribute our technology and wisdom to local economic and social development after 20 years of operation in Australia and work together with all stakeholders to create a better future.



Since its founding nearly 140 years ago, CRRC committed to

products and services. As of the end of 2019, CRRC had delivered its products and services to over 100 countries and regions, with 17 international R&D centers built worldwide and local manufacturing hubs in the United States, Australia, South Africa, Malaysia, India, and Turkey, etc. In 2020, CRRC ranks 361st on the Fortune Global 500 liet

Having built world-leading technological platforms and manufacturing bases for rail transit equipment, CRRC provides a series of world-leading products, such as high-speed Electric Multiple Units (EMUs), high-power locomotives, wagons and urban rail transit vehicles, which can adapt to complex geographies, meeting diverse needs of the global market.

To diversify our business, CRRC has added energy conservation, environmental protection, new energy, and new material to its business portfolio and building platforms for rail transport, industrial

vocational education, and asset management.



national economy and railways are vital to the transportation of

#### (CRRC Qiqihaer)

Since 1999, CRRC Qiqihaer has provided spare parts for the Australian freight wagon market. Since 2012, CRRC Qigihaer 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

# (CRRC Ziyang)

#### (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

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

#### (CRRC Yangtze)

CRRC Yangtze Ltd. provides freight trains for

is currently the largest load, longest train formation and largest tractive tonnage in Australia. By the end of 2018, CRRC Yangtze had delivered nearly 9,000 freight wagons of various types to Australia. CRRC Yangtze also provides a variety of metro engineering biggest public transport project.

#### (CRRC Qishuyan)

CRRC Qishuyan works with PN to launch the

locomotive for Australia.

CRRC is delivering 954 passenger train carriages

#### (CRRC Meishan)

freight wagons including the new multilightweight structure, and improves capacity utilisation and door locking reliability. We have applied and obtained 5 patents.



#### (Delkor)

Delkor was founded in 1983, about 22 kilometres west of the Sydney CBD. Since 2002, it has worked closely with CRRC Zhuzhou Times New Material Technology Co., Ltd. (TMT) and became a subsidiary of TMT in 2011, and has subsequently started a global market service. Delkor has provided accumulated 1.8 million track shock absorbers for global customers since its establishment.

CRRC Australia Pty Ltd was founded in 2012 in the central business district of Parramatta, NSW. The company, on behalf of CRRC, formulates the overall development strategy and plan in Australia, coordinates and manages the business of CRRC and its subsidiaries in Australia, and assists with after sales services. The business in Australia is mainly trade and focuses on wagon business, including coal and iron ore transport vehicles.

### (CRRC Changchun Australia)

CRRC Changchun Australia
was founded in October 2016 in
Melbourne, Victoria and supports the
design, manufacturing and delivery
work of trains.



#### (CRRC Delkor plant in Melbourne)

In 2018, CRRC Delkor acquired a plant in Melbourne, formerly established in Australia by German company, BOGE Group. CRRC Delkor plant in Melbourne provides suspension shock absorber parts for automobile manufacturers and transformed into a manufacturer of rail transport supporting products starting from 2020.

## (CTEA)

CTEA, a subsidiary of Zhuzhou CRRC Times Electric Co., Ltd., is located in Morwell area, the La Trobe Valley, Victoria, Australia. In June 2018,

4M3T metro traction systems.

identification		
Customers	Provision of high-quality products which meet local needs, quick response services	
Employees	Respect of the fundamental principles and rights at work, health and safety, integration of diverse cultures, provision of training	
Partners	Local purchases, fair cooperation and opportunity	Annual reports,
The Government	and Torres Strait Islander cultureso ascertain materiaiitywe engage with our stakehol into the sustainable develop.845 0.1CRRC's subsidiaries in Austraiia. We acc rilyocc	responsibility reports,





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#### **Bolstering Confidence in**

As a company that adheres to the business integrity and the spirit of contract, CRRC had carried out comprehensive epidemic prevention and control work, organised its export subsidiaries to Australia to resume production quickly for ensuring the products manufacturing of its export orders to Australia on time, helping its customers in Australia not to delay normal production due to the epidemic.

#### Increasing productivity and efficiency

The subsidiaries under CRRC stepped up measures for the epidemic prevention and control,

production, and assure the timely delivery of products exported to Australia.

In implementing anti-pandemic actions, CRRC Qiqihaer got back on track on February 13, 2020, prioritising the schedule for product delivery to meet customers' requests in this respect.

With production and operation hit hard by COVID-19, CRRC Yangtze delayed the production of complete vehicles for Australia, which had been scheduled for launch on February 6. The company, however, stayed in close touch with customers and made a practical production plan that adjusted the quality control approach and helped resume its production without being

customer 12 days in advance and received high commend from the customer.





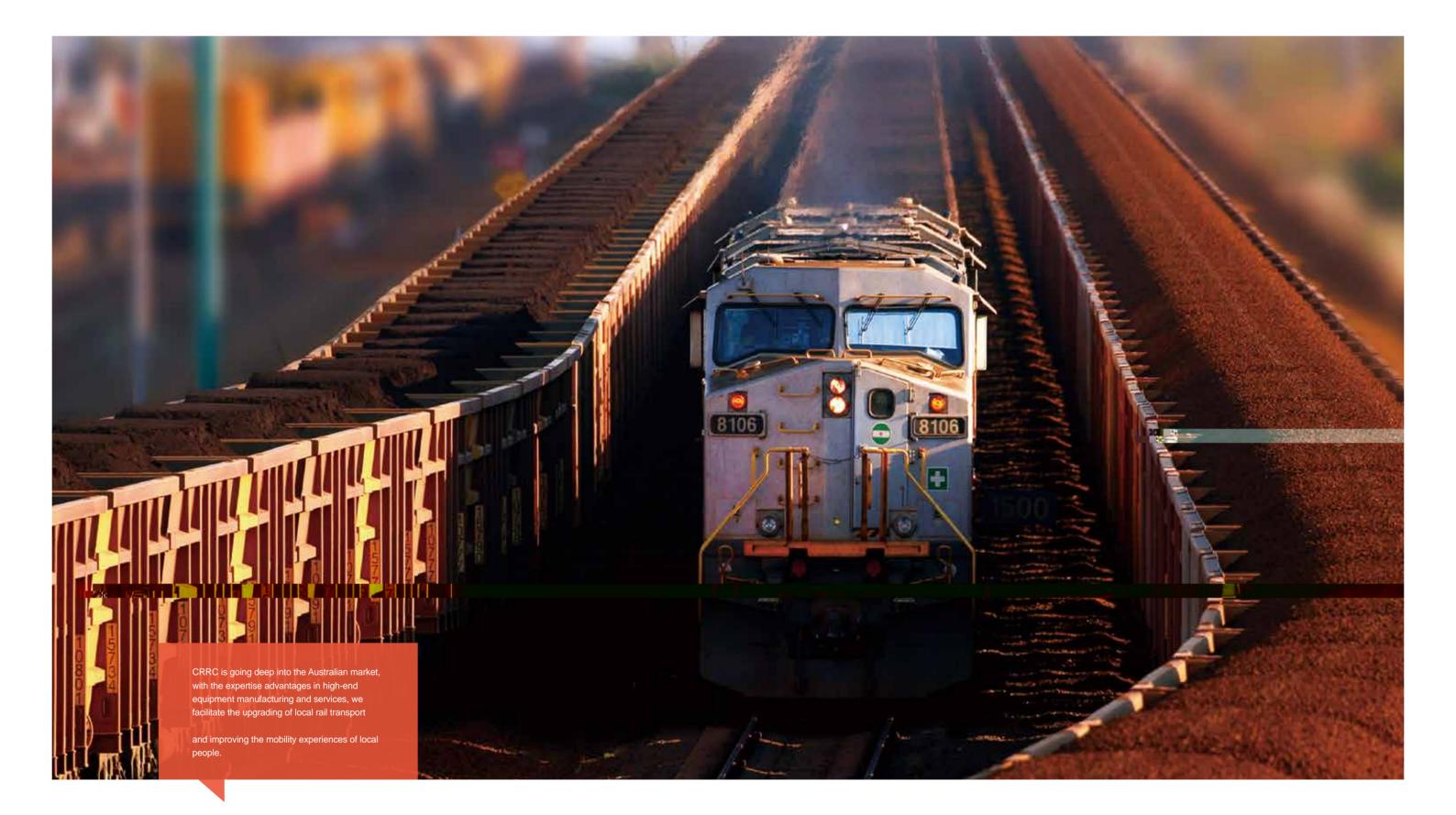
nations have taken measures to curb the spread of COVID-19, such

out of the pandemic, has gained more opportunities to go global, and particularly to contribute to the growth of Australia's economy.

CRRC Meishan Co., Ltd. signed the contracts via an internet link with

2020. It was the largest single order from the country ever received by CRRC Meishan.

CRRC Zhuzhou Electric Locomotive Co., Ltd. resumed work and production on February 17, 2020. To ensure locomotives for Australia's SCT can be delivered as requested, the company worked with the customer on the delivery plan, with technicians on design, with the project department on the production circle. The company also kept in contact with the suppliers on the essential material supply. This way allowed the company to ensure the accuracy of information and data provided to the customer.



Contribution to the Sustainable Development Goals (SDGs)





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As a long-term key partner of Australian mining companies, CRRC values customer needs for products. It is such a commitment that has motivated CRRC to forge a close partnership with BHP Billiton and Rio Tinto. When China was at a critical time to battle against COVID-19 in early

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infection prevention and control guidelines and a production plan just to ensure orderly progress toward the production of 278 ore wagons for BHP. In so doing, work regarding process plan, materials purchasing, equipment deployment, and personnel training was put into practice. By the end of April 2020, the production of the 278 ore wagons had been completed. CRRC Qiqihaer, ultimately, deserved personal

#### honoring its commitment.

In April 2020, CRRC Qiqihaer, in collaboration with CRRC Shenyang, completed the production of the 400-meter long rail trains tailored for Rio Tinto's continuous welded rails. Capable of rail transporting, rail unloading and rail collection, the customized trains have a carrying capacity of

of construction and operation workers. Upon delivery, the trains will be deployed to serve the construction of rails in Rio Tinto's new mining areas and facilitate the production of high-quality ores.



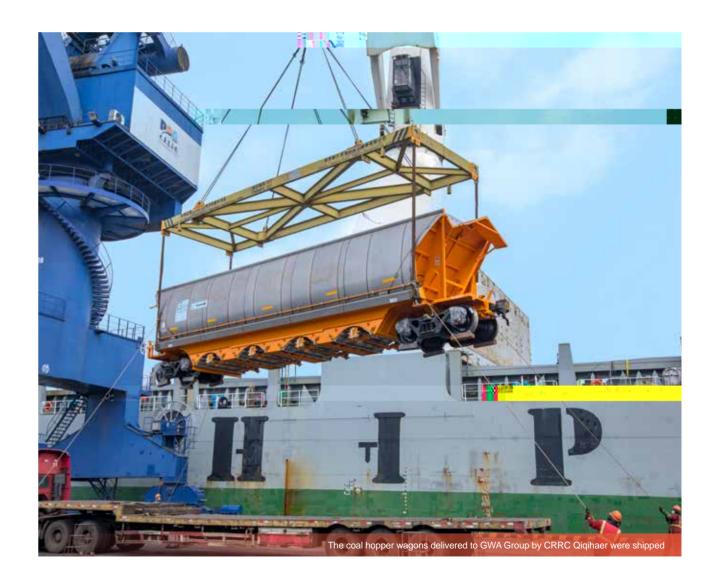




So far, CRRC Qiqihaer has supplied over 4,500 ore cars running on our rail system in the Pilbara region of Western Australia, and the support and technology provided by CRRC Qiqihaer via the design and supply has ensured that BHP Billiton and our products can continue to support the ongoing upgrade of the manufacturing industry within China. Our partnership continues to enjoy successful outcomes through our mutual trust and our shared interests.

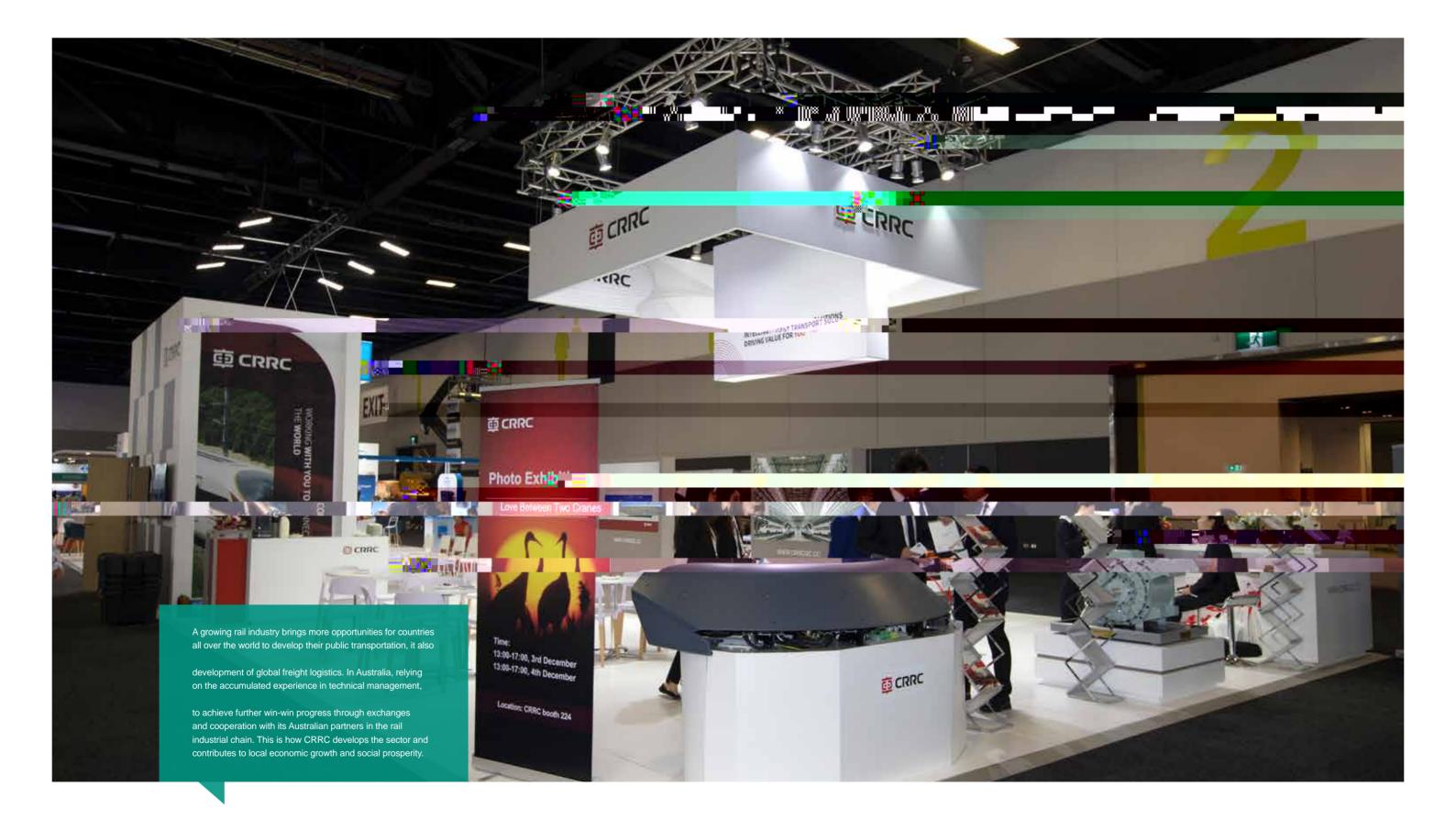


In January 2019, CRRC Shenyang received an order from TasRail for seven meter-gauge cement hopper wagons. In September 2019, CRRC Australian company, were mass-produced.









Contribution to the Sustainable Development Goals (SDGs)









CRRC, as a member of the Australasian Railway Association, stays committed to advancing Australia's rail sector and addressing industry

At the 2019 AusRAIL PLUS in Sydney, CRRC, together with its 11 subsidiaries, exhibited their rail transit products, ranging from high-speed trains, locomotives to freight wagons. The rail transit projects in Australia, such as the double-deck EMUs trains of Sydney, together with various diesel locomotives, rail wagons, and the power generators and driver consoles, were also on display. To further meet the needs of Australian customers, CRRC had held a product launch themed "Moving Future".

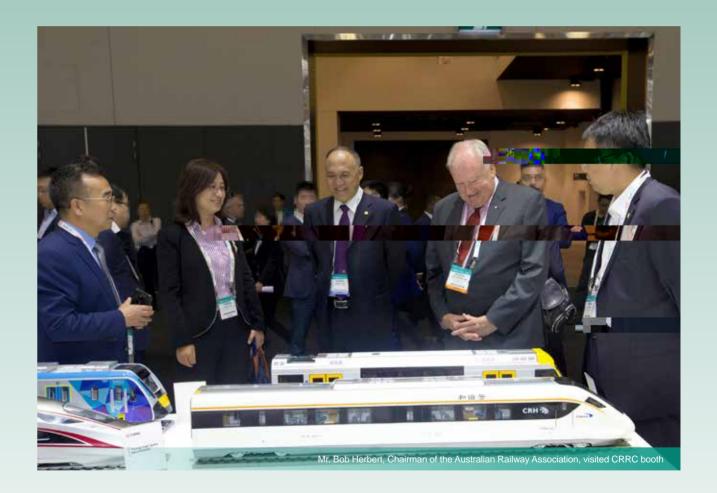


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As a high-end transport equipment system solution supplier, CRRC remains committed to

a diversity of products for Australian users and the public in line with the purpose of 'integration and service', serving the upgrading of rail transit in Australia.

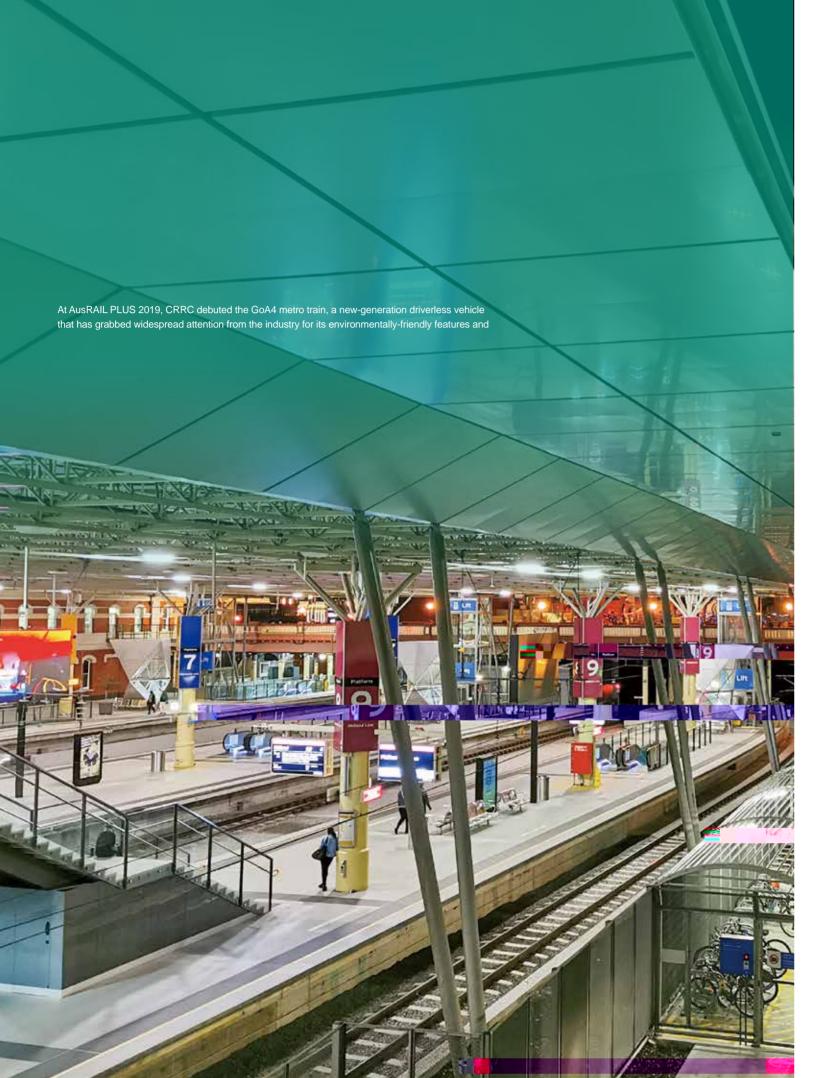
Gao Kang, Director of Corporate Culture Department of CRRC, press spokesman of CRRC



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The investment in rolling stock and infrastructure from Australian federal and state governments both, are at unprecedented levels, this creating huge opportunities for rail companies, especially leading suppliers such as CRRC.

Bob Herbert, Chairman of the Australian Railway Association





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The sudden outbreak of COVID-19 in 2020 has posed unprecedented challenges to global supply chains and added more uncertainties to the business operation of Australia's mining companies.

pandemic and ensure the timely delivery of exports to the country, a move that facilitates the orderly

Billiton and CRRC's other strategic partners in Australia, and helped consolidate long-term strategic partnership with CRRC's key customers in the country.



Here, I personally and on behalf of BHP sincerely express our appreciation to CRRC Qiqihaer

authorities and supply chain to

Ore Car to BHP WAIO in the shadow of virus recently, which demonstrate CRRC Qiqihaer's capability and

the commitment to customers, and

Vandita Pant, Chief Commercial

After the resumption of work and production, CRRC Qiqihaer prioritized the production of Letter of Appreciation to Mr.

Qiqihaer's prompt resumption of work and production and delivery of products following the



BHP Billiton's order given its long-term stable partnership with the Australian company. Ms. Liu Hualong, Chairman of CRRC on March 16, 2020, expressing her gratitude for CRRC

outbreak of COVID-19.



CRRC Yangtze has been highly commended by BHP Billiton and the Australian market since it started cooperation with BHP Billiton in 2003. CRRC

etc.

Since 2006, the partnership between CRRC Changchun and Downer Group, a 150-year-old Australian provider of rail transit solutions, has been deepened. The winning bid for the Waratah Train Project for Sydney has brought the cooperation to a new high.





CRRC will work along with BHP Billiton to further improve the cooperative partnership on a global

other, grow together and create a better future. Especially when facing the worldwide challenges of the coronavirus, I hope we can strengthen cooperation and

Liu Hualong, Chairman of CRRC

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.

with tax regulations and

regular tax returns and pay taxes to local tax authorities.

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 Anticorruption Letter of Responsibility with the headquarters and submit

CRRC Delkor plant in Melbourne has For the maintenance of rolling stock, PRE established a mature supply chain in purchased components and services in Australia, Australia's automobile industry with a with a localization rate greater than 50% such as high rate of localized procurement. wheels, bearings, air brake seals (rubber pad), external tech support, transportation, logistics, and grease treatment. Mark Committee of the C



Contribution to the Sustainable Development Goals (SDGs)





CRRC attach importance to safety management. All front-line production workers are required to properly

promoted *the work safety system*, and took measures to ensure the implementation of the rules in the daily operation and management, to ensure the production safety of all employees.

and responsibility. To enhance safety awareness amongst employees, we post the safety management rules and regulations in the workplace, and establish a feedback mechanism. Employees are required to report all safety incidents in a timely fashion.



#### Effective communication on work safety

PRE recognises the importance to safety at work. The company holds daily group meetings to focus on safety issues and new initiatives. This is also evidenced by ensuring safety is discussed at management level meetings. Meanwhile, the company has established a sound safety management system that is overseen by a full-time Safety Manager, who is responsible for safety and compliance management, work safety, communication with review agencies, and the establishment of maintenance rules.

We pay particular attention to the occupational health of employees at our production and commissioning sites. CRRC's subsidiaries in Australia strictly abide by local laws and regulations on occupational health, constantly improve occupational health management, and purchase occupational health insurance for the employees to ensure their physical health.

We have strict labor protection requirements and measures to create a safe and comfortable working environment for each employee. All hazardous chemicals in our plants have a Material Safety Data Sheet (MSDS), which records in detail the hazard level of the chemicals, their potential damage to humans, as well as storage measures and conditions, etc. In the production process, we require all employees that deal with hazardous chemicals to take strict protective measures. All production facilities are monitored on-site by safety inspection agencies to ensure that they are in line with the standards.





As the Australian government increasingly focusing on climate change and curbing greenhouse gas emissions, corporate participation in climate governance has become a trend. CRRC keeps developing energy-saving and consumption reduction products, providing eco-friendly products for the Australian market, in order to contribute to the realization of the Paris Agreement's goal on global temperature control of  $2^{\circ}$ C.



#### "CIIF Energy Efficiency Design Award"

At the 22nd China International Industry Fair (CIIF), CRRC Ziyang stood out from over 2,000 enterprises

SDA1 high-power AC drive diesel locomotive exported to Australia. The overall technical performance of SDA1 locomotive has reached the international advanced level among similar products. It featured high

the locomotive and less than 87 dB outside the locomotive.

In 2016, the SDA1 locomotive successfully passed through COWAN test line assessment in Australia, which is known as "devil's corner". CRRC Ziyang thus received high recognition from Australian customers, who called the locomotive as "King of Mountains". By the end of 2020, the 18 locomotives delivered by CRRC Ziyang to Australia have performed well on the whole, among which the 6

kilometers.

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CRRC Ziyang's locomotive is the vehicle that can best meet the Australian rail industry standards in the world. It is also the locomotive that meets the highest emission standards in Australia. Besides, it is the locomotive with the highest power under such axle-load class and the vehicle with the maximum structural strength worldwide.

Paul Hewitson, Engineer of SCT Australia

CRRC has formulated a series of environmental standards and norms to ensure the environmental protection of products and in production and operations. CRRC's subsidiaries' plants in Australia have established the environmental management framework and 10 environmental protection principles to deliver on our environmental commitments.

CTEA Morwell plant is located in the town of Morwell in the southeast of Victoria state, about 150 kilometers away from Melbourne. Since the launch of the plant project, the plant has attached highly importance on energy conservation and environmental protection, adhered to green operation and strictly controlled the negative impact of the plant construction, production and operation on the environment.



The plant adopts safe and environmentally friendly steel frame structure, with rectangular glass skylights on the roof and both sides, plus high luminous

roof of the plant is insulated keep the room cool in the absence of air conditioning which could reduce the use of air conditioning.



layout, the plant has considered production process and material transportation and the route has been designed to reduce the round-trip transport of materials to reduce carbon emissions. The plant is also euipped with energy saving and environmental protection ventilation and dust removal equipment.

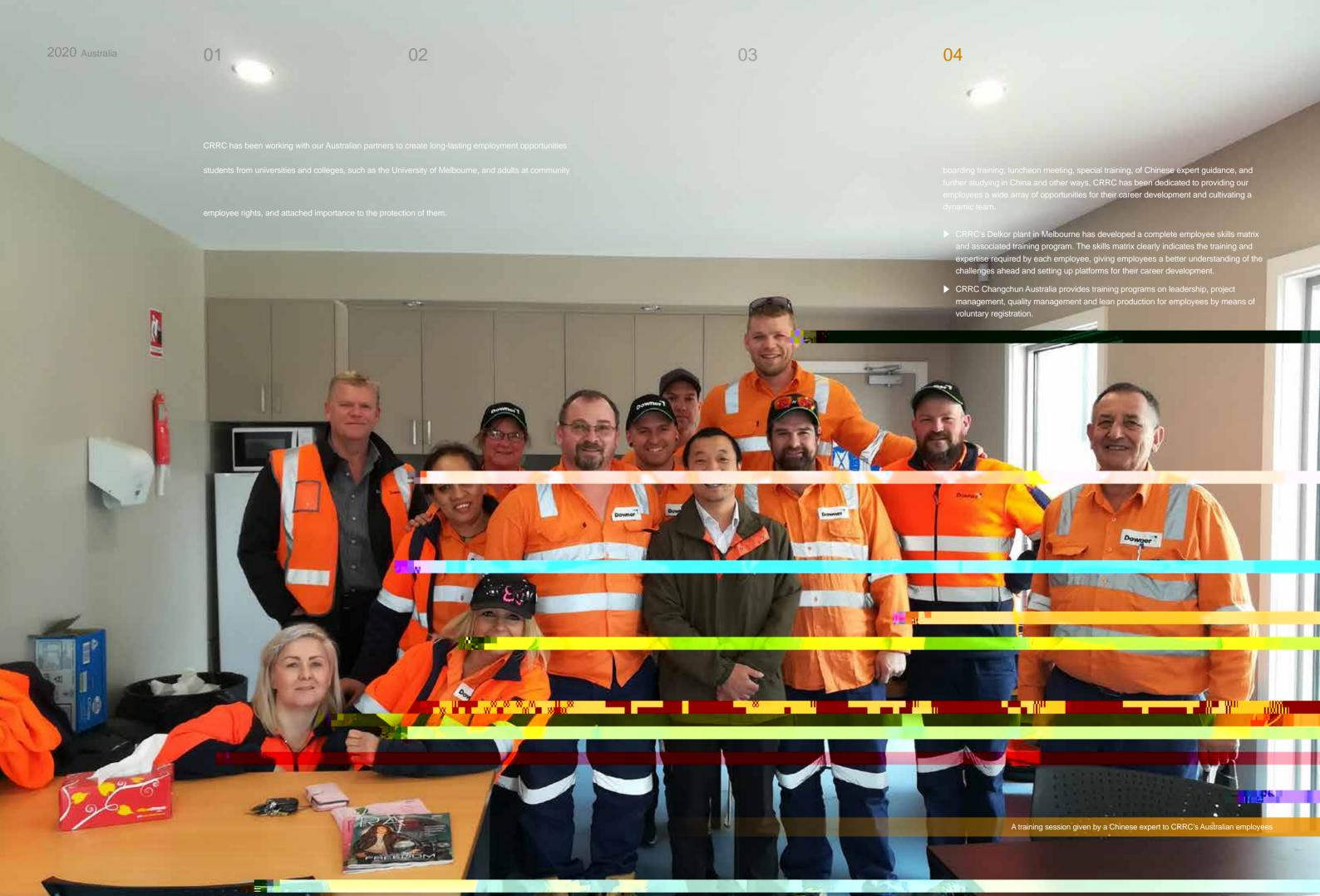
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The production water is mainly used for the rain test of vehicles, during which the plant uses pools and pumps to recycle tap water for reducing water waste. Domestic waste is discharged into the municipal sewage system via underground pipelines. Direct discharge of rivers near the plant is prohibited.







# **Different Cultures**









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backgrounds in the East and the West can learn from each other and help achieve cultural integration.





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