

**Modern Slavery Statement**  
for the Reporting Period  
1 January 2023 to 31 December 2023

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# The importance of combating modern slavery

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### Reporting entity

This Modern Slavery Statement ("Statement"), covers the activities of CRRC Changchun Australia Rail Pty Limited ACN 615 414 072 ("we", "our" and "CRRC Australia") in accordance with the Modern Slavery Act 2018 (Cth) (the "Act") during the reporting period of 1 January 2023 to 31 December 2023 ("Reporting Period").

### Our structure

CRRC Australia is a company incorporated in Australia and headquartered in Melbourne.

CRRC Australia is a wholly owned subsidiary of CRRC Changchun Railway Vehicles Co., Ltd ("CRRC Changchun"), headquartered in Changchun, Jilin Province, China. CRRC Changchun is one of the biggest subsidiaries of the world's largest rolling stock manufacturer, CRRC Corporation Limited, and its activities extend to the entire life-cycle services of rail transit passenger transport equipment, including R&D and testing, new construction, operation, overhaul and maintenance.

CRRC Australia does not have any owned or controlled entities.

### Our operations

CRRC Australia is committed to supporting the design, manufacturing and maintenance of rolling stock in Australia. Our core operations include the involvement in Victoria's High Capacity Metro Train ("HCMT") project to build bigger and better trains to support the needs of Melbourne's rapidly growing population.

We are proud to be part of the HCMT project which aims to design, build and maintain 70 new high capacity trains for the metropolitan network over the next 35 years.

We are involved in the HCMT project as a subcontractor to the joint venture between Downer EDI Rail Pty Ltd and CRRC Changchun Railway Vehicles Co. Ltd (together "the HCMT Supplier"), who are contracted to Evolution Rail and the Victoria State Government

CRRC Australia is responsible for the core part of the HCMT project, including:

- the design, manufacture, testing & commissioning and delivery of the 70 HCMTs; and
- the design and manufacture of two simulators for drivers' training.

We employ approximately 100 employees based in Melbourne.

## About us

# Risk of modern slavery practices in our operations and supply chains

### Our supply chains

We are committed to supporting local jobs and industry growth. CRRC Australia works closely with local suppliers and partners to build local capability.

During the Reporting Period, CRRC Australia has engaged a number of directly-contracted suppliers, who manufacture and supply the parts and materials for the HCMT project. Among those tier 1 suppliers, approximately 80% of them are based in Australia and the rest of the suppliers are either based in China or the European Union. We are committed to sourcing components of the HCMTs to the extent possible from within Australia and Victoria.

The HCMTs are assembled locally at the Newport manufacturing facility through a subcontractor arrangement with Downer EDI Rail Pty Ltd, employing and providing training to local labours.

CRRC Australia also engaged the services of professional consultants locally, including auditors and technical advisors.

### Risk assessment

Following our Modern Slavery Statement for the last reporting period and throughout the current Reporting Period, we have introduced processes to help identify and assess the risks of modern slavery in our operations and supply chains. We have considered a number of risks, including those risks that may:

- see our operations directly cause modern slavery practices;
- contribute to modern slavery practices from our operations and/or actions in our supply chains; and
- be directly linked to modern slavery practices in that our operations, products or services may be connected to modern slavery through the activities of another entity with whom we have a business relationship.

Through our processes, we considered indicators of modern slavery risks including but not limited to sector and industry, the type of products and services and geographical locations.

Our risk assessment has indicated that our operations and supply chains have a low potential for modern slavery risks. However, we acknowledge that there remain potential risk factors that may expose operations and supply chains to modern slavery, which we identified below:

## Risk of modern slavery practices in our operations and supply chains

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### Risk profile

Risk	Description of risk
Sector / Industry	The manufacturing sector may present elevated risks of modern slavery as a result of factors such as potentially unsafe conditions, use of low-skilled labour, etc.

There might be potential risks or instances of modern slavery practices in supply chains, such as those associated with manufacturing components necessary to construct the HCMTs.

Geographic	Our supply chain is predominantly located in Australia which has a lower level of modern slavery risk. As noted above, approximately 20% of direct suppliers are outside of Australia, which we acknowledge may have an elevated risk of modern slavery. However, our overseas suppliers are regularly monitored to ensure they comply with the equivalent Australian legislative requirements.
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During the Reporting Period, we have not identified any modern slavery practices within our operations or supply chains.

### Operations

In the current Reporting Period, CRRC Australia is mainly engaged in the delivery of the HCMT Project. A large part of the HCMT assembly work was subcontracted to Downer EDI Rail Pty Ltd, which is an organisation based in Australia and has comprehensive ethical policies in place. All of our employees are engaged through formal employment contracts in compliance with applicable employment laws and legislation. In addition, CRRC Australia has put in place codes and policies (see Policies and procedures below) to provide guidance to our employees and subcontractors about the expected appropriate business conduct and how to manage risks in relation to the occurrence of modern slavery. We consider modern slavery risks to be low within our operations.

### Supply chains

CRRC Australia only engages suppliers with a good reputation, strong ethics and reliable business practices, we have implemented robust supplier selection processes. Through this year's desktop assessment and modern slavery questionnaires processes with our suppliers, we have not identified any involvement of our suppliers in modern slavery or human rights issues. Nevertheless, we are conscious that there could still be risks of modern slavery practices further down in our supply chains, particularly for materials and components that are procured from overseas countries that may not have a comparable modern slavery legislative regime as in Australia.

## Actions

During the Reporting Period, CRRC Australia has taken the following actions to strengthen our current processes to identify and deal with the possibility of modern slavery practices within our operations and supply chains.

### Due diligence

Our teams undertook regular risk assessments to identify key modern slavery risks that may exist within our operations and supply chains, which include desktop assessments, modern slavery questionnaires and visits to our suppliers' manufacturing facilities on a regular basis.

### Governance and accountability

Modern slavery compliance is embedded into the responsibilities of each manager who is required to report on modern slavery compliance to the CRRC Australia general manager and the legal department.

## Actions

### Policies and procedures

CRRC Australia has a number of policies and procedures which are designed to ensure we have strong frameworks to enable us to assess and address modern slavery risks, including:

- **CRRC Code of Business Conduct:** applies to all business activities of CRRC Australia and seeks to ensure legal compliance and protect human rights, religion and race, as well as providing an avenue for internal complaints and suggestions, and which forbids Modern Slavery.
- **Employee handbook:** all employees of CRRC Australia have signed a confirmation letter of the employee handbook, confirming their understanding of their rights and responsibilities as employees including relevant laws, regulations and the code of business conduct. This handbook includes strong protections for equal employment, discrimination, workplace health and safety and harassment. The policy also reinforces our commitment to an ethical workplace and provides employees with an avenue to make complaints.
- **Workplace safety code in employee manual:** defines how we make our work environment both a physically and mentally safe place.
- **Code of ethics:** defines how CRRC Australia deals with all forms of discrimination and harassment. It also defines the reporting system and investigation procedure when discrimination or harassment is identified.

These policies operate alongside other procedures which seek to address modern slavery including:

## Actions

## Actions

**Supplier questionnaire:** supplier questionnaire was issued to our key direct suppliers in 2023. The supplier questionnaire seeks to identify the following information:

- whether the supplier is required to report under existing modern slavery legislation;
- whether the supplier has a written policy, procedure or value statement in relation to modern slavery, human rights or ethical trading risks and the impact on their business;
- whether the organisation is a signatory to or a member of any modern slavery initiative or charter;
- the extent to which work is outsourced;
- how the supplier conducts due diligence for modern slavery risk and how this is reported internally;
- whether the supplier conducts due diligence on its suppliers.
- whether there have been any reports or concerns in relation to modern slavery in their business or supply chains; and
- whether the organisation or its agents/subcontractors have been investigated or charged with breaches of legislation relating to modern slavery.

The responses to this questionnaire assisted us to ensure compliance and identify any potential issues and escalate them to senior management. CRRC Australia is continuing the process of reviewing and improving our supplier questionnaire with the aim to identify any modern slavery practices within our supply chains.

We also review and check the compliance of suppliers. This includes requiring suppliers to self-assess and confirm their compliance with applicable laws, no violation of workplace ethics and human rights such as no use of child labour, forced or involuntary labour in their operations and supply chains.

### **Training**

Awareness of the Act and potential risks are communicated to employees of CRRC Australia. Targeted training is also provided to staff who interface with the supply chains, especially the commercial, procurement, and human resources staff etc.

### **Remediation processes**

CRRC Australia is committed to investigating any notification or reports that come to our attention regarding potential incidences of modern slavery occurring in our operations or supply chains. Further, we confirm that we would take all appropriate and necessary steps to rectify any confirmed modern slavery cases should they occur in our operations or supply chains.

## Effectiveness of our actions

CRRC Australia is committed to reviewing its internal policy and improving our existing actions within our next reporting period to ensure the effective mitigation of modern slavery risks.

Specific measures that we have in place to measure the effectiveness of our actions include:

- senior management meeting annually to consider whether we are appropriately identifying and evaluating our modern slavery risks; and
- undertaking a robust review and assessment of our existing processes, particularly when there are material changes to existing supplier arrangements, or during the introduction of new operations or a new supplier.

We will also pay close attention to indicators including:

- suppliers questionnaire and their responses; and
- any suspected or identified modern slavery incidents.

## Consultation


CRRC Australia does not own or control any entities.

In preparation for this Modern Slavery Statement, CRRC Australia's procurement, finance, commercial and human resources departments have been consulted and requested to provide information. Relevant information provided by those departments has been included in this statement. This statement has been circulated to the heads of our legal, commercial, human resources, procurement departments, general manager and director for review and comment.



Approval

This statement has been approved by the Board of CRRC Australia and is signed by Zeng Shuhan in his capacity as sole Director and Company Secretary of CRRC Australia on 17 May 2024.

  
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**Zeng Shuhan**

Sole Director and Company Secretary of CRRC Australia