



FY 2025 **Sustainability Report**

CRRC Corporation Limited



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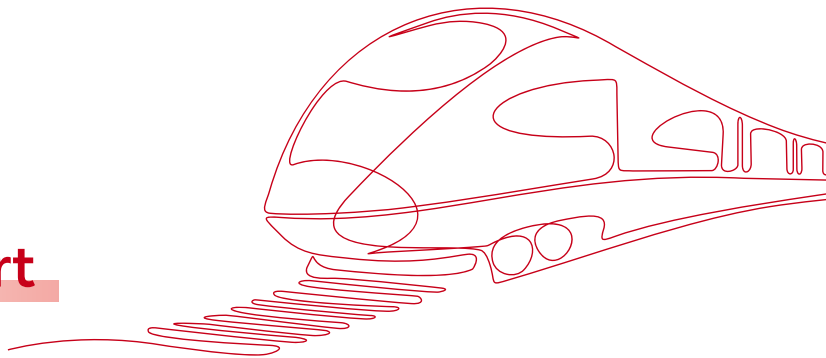
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Foreword

About the Report



Information about the Report

The *CRRC Corporation Limited FY2025 Sustainability Report* (hereinafter referred to as “the Report”) is CRRC Corporation Limited’s (hereinafter referred to as “CRRC”, “the Company”, “we”, or “us”) sustainability report publicly released to society. Adhering to the reporting principles of materiality, quantifiability, balance, and consistency, the Report discloses to all CRRC stakeholders the Company’s sustainability vision, policies, and concrete practices and key performance outcomes across environmental, social, economic, and governance dimensions for FY2025. Its purpose is to respond to stakeholders’ concerns and expectations regarding CRRC’s sustainability initiatives and to facilitate comprehensive communication with stakeholders on the Company’s annual sustainability progress.

Period of the Report

This is an annual sustainability report, published once per year alongside the corresponding Annual Report. Unless otherwise specified, the reporting period covers January 1, 2025, to December 31, 2025 (hereinafter referred to as “FY2025”, “this fiscal year”, or “the reporting period”). To enhance comparability, completeness, and forward-looking relevance, certain content extends modestly into preceding or subsequent fiscal years.

Scope of the Report

Unless otherwise specified, the organizational scope of information disclosed in the Report covers CRRC Corporation Limited and its wholly owned and controlled subsidiaries, consistent with the scope of CRRC Corporation Limited’s FY2025 consolidated financial statements (see specifically *CRRC Corporation Limited FY2025 Annual Report*).

Basis of Preparation

The Report has been prepared in accordance with the requirements of the Shanghai Stock Exchange’s *Guidelines No. 14 for the Self-regulation of Listed Companies – Sustainability report (Trial)* and *Guidelines No. 4 for the Self-regulation of Listed Companies – Sustainability report Compilation*; the Stock Exchange of Hong Kong Limited’s *The Main Board Listing Rules of The Stock Exchange of Hong Kong Limited Appendix C2 Environmental, Social and Governance Reporting Guide*; and with reference to relevant guidelines or standards including the Shanghai Stock Exchange’s *Guidelines for Environmental Information Disclosure by Listed Companies*; the Ministry of Finance’s *Corporate Sustainability Disclosure Standards – Basic Standards (Trial)* and *Corporate Sustainability Disclosure Standards No. 1 – Climate-Related Disclosure (Trial)*; the International Sustainability Standards Board (ISSB)’s *IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2: Climate-related Disclosures*; the Global Reporting Initiative’s *Sustainability Reporting Standards (GRI Standards)*; the United Nations Global Compact (UNGC)’s *SDG Compass: The Guide for Business Action on the SDGs*; the MSCI ESG’s *Rating Methodology for the Construction & Farm Machinery & Heavy Trucks Industry*; and the China Securities Index Co., Ltd.’s ESG Evaluation Methodology.

Data Source and Reliability Guarantee

Unless otherwise specified, all data and content cited and disclosed in the Report are derived from the Company’s internal statistics, relevant documents, internal communication records, and sustainability-related information collected and verified by the Company. Some data are excerpted from *CRRC Corporation Limited FY2025 Annual Report*; other data originate from the Company’s internal systems or manual records, and all statistical data have been reviewed and confirmed by the Company. Unless otherwise indicated, all monetary amounts referenced in the Report are stated in RMB.

The Company affirms that all information and data disclosed in the Report have been confirmed by the Board of Directors, contain no false representations or misleading statements, and the Company assumes full responsibility for their authenticity, accuracy, and completeness. In the event of any inconsistency between disclosures in the Report and those in the Annual Report, the Annual Report shall prevail.

To enhance the forward-looking nature of the Report and fully demonstrate potential sustainability-related risks and opportunities the Company faced or may face, the Report contains certain forward-looking statements. Such forward-looking statements—including, but not limited to, statements regarding events expected or anticipated to occur in the future, beyond historical facts—are subject to external variables, and actual developments may differ materially from those described herein. These forward-looking statements were made as of the date of the Report’s disclosure, based on multiple assumptions concerning the Company’s current and future business strategies and the operating environment anticipated for its future operations. Unless otherwise required by regulatory authorities, the Company has no obligation or responsibility to update or revise such forward-looking statements.

Reporting Principles

- **Principle of Materiality:** The Company systematically conducted a double materiality assessment of sustainability-related topics for FY2025 to identify and assess the significant impacts of each sustainability topic on the Company’s business model, operations, development strategy, financial position, operating results, cash flows, financing methods, and costs (Financial Materiality), as well as its significant impacts on the economy, society, and the environment (Impact Materiality). For details on the process and results of the double materiality assessment, please refer to [the “Materiality Analysis” section within the “Sustainability Governance” chapter](#). 
- **Principle of Quantifiability:** The measurement standards, methods, assumptions and/or calculation tools, and sources of conversion factors for the quantitative indicators disclosed in the Report are consistent with those of previous years. Any adjustments or changes have been explained in the corresponding sections of the Report, where applicable.
- **Principle of Balance:** The Report aims to present a fair and balanced account of the Company’s practices and progress in environmental, social, economic, and corporate governance domains. The Company has endeavoured to avoid selections, omissions, or presentation formats that could unduly influence the decisions or judgements of the Report’s readers.
- **Principle of Consistency:** Unless otherwise specified, the information and quantitative indicators disclosed in the Report use statistical methods consistent with those of previous reports, ensuring the continuity and comparability of sustainability-related data in the Report with historical and future data. In cases where the statistical scope has changed, the Company will provide explanatory notes in the relevant sections of the Report, where applicable.

Reporting Language

The Report is available in Simplified Chinese, Traditional Chinese, and English. The Traditional Chinese and English versions are translations of the Simplified Chinese version. In case of discrepancies among different language versions, the Simplified Chinese version shall prevail.

Report Access

The Report is publicly released in both printed and PDF electronic formats on the [Shanghai Stock Exchange website](#) , [CNINFO website](#) , [Hong Kong Stock Exchanges website](#) , [the Company’s official website](#) , and other designated media platforms for stakeholders and the public. For further inquiries, or if you have any questions or suggestions regarding the Report or CRRC’s sustainability management, please contact the Company via the following ways:

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Message from the Chairman



Chair of the Board
SUN Yongcai

Dear shareholders, partners, and friends from all sectors of society:

Time flies and new chapters unfold daily. In this new year, it is my great honour to reflect with you, through the FY2025 Sustainability Report, on CRRC's profound journey rooted in responsibility, innovation, and green intelligence.

Year 2025 marks the concluding year of the 14th Five-Year Plan and holds special significance as a milestone for CRRC. This year coincides with the 10th anniversary of General Secretary Xi Jinping's first inspection of CRRC and the 10th anniversary of the establishment of the "new CRRC." General Secretary Xi Jinping extended warm encouragement to all CRRC employees. Over the past decade, CRRC has progressed from follower to peer and ultimately to leader; the Fuxing high-speed trains now race across China's vast territory. Over the same decade, CRRC has embedded its mission of "Connecting the World and Benefiting Mankind" into its corporate DNA, allowing the "national business card" to shine brightly on the global stage. Reflecting on this ten-year journey, we deeply recognize that, as the "national team" in the rail transit equipment manufacturing industry, our corporate value lies not only in growth of operational metrics but, more importantly, in our ability to respond to the era's call through sustainable development solutions.

Over the past year, CRRC fully implemented the guiding principles of the 20th National Congress of the Communist Party of China and its successive plenary sessions, thoroughly studied and applied General Secretary Xi Jinping's important instructions and encouraging remarks, focused on the Party-building theme of "leading new quality productive force," and advanced the "13579" business operation thoughts. We comprehensively coordinated reform and innovation, green transformation and intelligent upgrading, and business development — achieving positive progress and notable results and successfully completing the 14th Five-Year Plan with high-quality outcomes.

Strengthening governance as the foundation to consolidate institutional safeguards for sustainable development. We consistently place sustainable development at the core of corporate governance, establishing a three-tier governance structure led by the Board of Directors, executed by Senior Management, and supported by full participation across the organization. Key sustainability indicators have been fully integrated into performance evaluation systems, forming a closed-loop management framework. We continue to deepen implementation of the "33416" ESG Strategy — guided by three overarching goals and supported by three fundamental drivers — to advance strategic execution through focused action on core issues, transforming sustainability into a shared mindset and proactive practice across CRRC. Through hosting the International Sustainable Development Conference, launching the Green Industrial Chain Co-Development Initiative, and delivering ESG-specific training programs, we proactively integrate into the global sustainable development governance system, promoting deep alignment between international standards and practical implementation—ensuring standardized governance supports CRRC's high-quality development.

Driving industrial high-quality development with green and intelligent technologies. We thoroughly implement the national "Dual Carbon" strategy, targeting carbon neutrality in operations by 2035 and carbon neutrality across the entire value chain by 2050. We continuously refine our "Dual Carbon" action system, promoting deep integration of green manufacturing and intelligent manufacturing. Adhering to the "6G" approach—green investment, green innovation, green manufacturing, green products and services, green low-carbon supply chains, and green enterprises—we steadily advance technological innovation in emission reduction, zero-carbon, and negative-carbon solutions. Through digitalization-enabled management and control, process optimization, substitution with clean energy, and other multi-pronged measures, we comprehensively promote green production models, driving continuous reductions in greenhouse gas emissions. A number of subsidiary enterprises have been recognized as national-level green factories and green supply chain management enterprises. We are committed to building an industrial chain carbon neutrality ecosystem, organizing green assessments for all supply chain enterprises, and facilitating green transformation across the entire industrial chain and value chain. Actively embracing cutting-edge technologies—including big data, artificial intelligence, and the Internet of Things—we launched "Zhuolun," China's first industrial AI large model deeply integrated with end-to-end scenarios across the equipment manufacturing industry. This advancement continuously upgrades the dual-track, dual-cluster development of rail transit equipment and clean energy equipment toward greater intelligence, efficiency, and safety.

Expanding global win-win development with openness as our wings. As an active participant in the "Belt and Road" Initiative, we combine "going global" with "localization", innovating business models and international operating approaches to steadfastly advance high-quality development of international operations. From the Jakarta-Bandung High-Speed Railway — now a hallmark of China-Indonesia cooperation — to the Hungary-Serbia Railway enhancing regional connectivity in Central and Eastern Europe, and further to successful breakthroughs in high-end market projects, CRRC products and services now span over 110 countries and regions worldwide. Through overseas localized manufacturing, employment, and maintenance & repair services, we stimulate local industrial development and job creation, achieving symbiotic growth between corporate advancement and local prosperity — concretely contributing to the building of a community with a shared future for humanity and demonstrating the global value of "China Intelligent Manufacturing."

Empowering collaborative development with people-centred values. We strive to build a holistic "Four Health" system — physical health, mental health, moral health, and social health — attentive to every employee's growth and well-being, cultivating a safe, healthy, and inclusive workplace where employees share equitably in

corporate development outcomes. Faithful to our social responsibilities, we deepen targeted assistance initiatives, focusing on key areas including industrial revitalization, educational support, and consumption-based poverty alleviation, thereby consolidating achievements in poverty eradication and advancing rural revitalization. We widely conduct science popularization campaigns, volunteer services, and other public welfare activities, actively giving back to society and conveying CRRC's warmth. Extending sustainable development principles across the supply chain, we drive upstream and downstream enterprises to jointly reduce emissions and operate in compliance, fostering an open, shared, green, mutually beneficial, and integrity-driven supply chain ecosystem.

The achievements of 2025 would not have been possible without the guidance and support of governments and regulatory authorities at all levels, nor without the trust and companionship of shareholders, investors, customers, suppliers, and all other stakeholders — and most importantly, without the dedication and hard work of every CRRC employee. On behalf of the Board of Directors of CRRC, I extend our sincerest gratitude and highest respect to all friends from all sectors of society who care about and support CRRC's development.

Galloping spirit unfolds new frontiers, first-class visions rise with pioneering years. 2026 marks the inaugural year of the 15th Five-Year Plan and the launch year for fully building CRRC into a world-class enterprise. Standing at this new historical starting point, CRRC will fully implement the guiding principles of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China and the Central Economic Work Conference, earnestly study and apply General Secretary Xi Jinping's important instructions on central SOEs' work, uphold the general principle of "making progress while ensuring stability," take high-quality development as its central theme, and be driven by value creation, innovation leadership, and reform empowerment. We will accelerate construction of a modern industrial system characterized by six features: digitalization, high-end orientation, green transformation, internationalization, integration, and branding, achieving a strong start for the 15th Five-Year Plan at a high standard, vigorously embarking on a new journey toward fully building CRRC into a world-class enterprise, and contributing CRRC's wisdom and strength to comprehensively advancing the great rejuvenation of the Chinese nation through Chinese-style modernization.

The road is long and arduous, yet progress is assured if we persevere; with unwavering commitment, a promising future lies ahead. Let us join hands to advance toward innovation, excellence, green development, intelligence, and efficiency—transforming the concept of sustainable development into vibrant practice for high-quality development and fully demonstrating our responsibility and commitment to "connecting the world and benefiting humanity."

About CRRC

CRRC Corporation Limited is an A+H share listed company formed through the merger of CNR Corporation Limited and CSR Corporation Limited on an equal basis (Shanghai Stock Exchange stock code: 601766; Hong Kong Stock Exchange stock code: 01766). Headquartered in Beijing, the Company employs over 150,000 people and operates more than 100 overseas subsidiaries or offices across 110 countries and regions worldwide.

The Company's business portfolio covers research, design, manufacturing, repair, sales, leasing, and technical services for railway locomotives and rolling stock, EMUs, urban rail transit vehicles, construction machinery, various electromechanical equipment, electronic equipment and components, electric appliances, and environmental protection equipment; new industry businesses; modern service businesses; and international businesses. Today, CRRC has evolved into a world-leading, comprehensive, and technologically advanced manufacturer of high-end equipment and provider of system solutions, as well as a backbone enterprise in clean energy equipment.

With the mission of "Connecting the World and Benefiting Mankind", CRRC adheres to the core values of "Abiding by Integrity and Responsibility, Insisting on Hard Work and Striving for Excellence". The Company integrates sustainable development into its operations and governance, creating a distinctive ESG management model that aligns economic and social benefits. Focused on a dual-track strategy of developing both rail transit equipment and clean energy equipment, CRRC is building a modern industrial system characterized by digitalization, high-end orientation, green transformation, internationalization, integration, and branding. By 2030, CRRC aims to establish itself as a world-class enterprise recognized for its excellence in products, renowned brand, leadership in innovation, and modern governance, earning global respect.



Mission

Connecting the World and
Benefiting Mankind



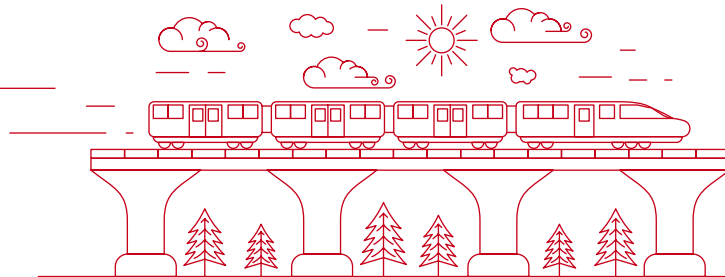
Values

Abiding by Integrity and Responsibility,
Insisting on Hard Work and Striving for
Excellence



Vision

To Become a World-Class, Globally
Leading Multinational Enterprise Group
with Rail Transit Equipment at Its Core



Honours and Awards

Honours		Awarding Institution
 Sustainability-Related	★ Top 100 ESG Pioneer Listed Companies in China	China Media Group Financial Channel
	★ Top 100 ESG Pioneer Index for Central State-owned Enterprises Listed Companies	
 Information Disclosure	★ Best Practices in Investor Relations Management for Chinese Listed Companies	China Association for Public Companies
	★ Best Practice Case for Board Offices of Chinese Listed Companies	China Association for Public Companies
	★ Grade A in Information Disclosure Evaluation (for the 10th consecutive year)	Shanghai Stock Exchange
	★ 16 th "Tianma Award" for Investor Relations Management of Chinese Listed Companies	Securities Times
	★ 19 th Listed Company Value Awards –Value Top 100 for Main Board Listed Companies	Securities Times
	★ Golden Bull Award for Listed Companies – "Most Valuable Investment Award"	China Securities Journal
	★ Golden Bull Award for Listed Companies – "Dividend Return Award"	China Securities Journal
	★ Golden Bull Award for Listed Companies – "Golden Bull Award for Excellence in Hong Kong Stocks"	China Securities Journal
	★ LACP 2024 Vision Awards Gold Award for Annual Reports	League of American Communications Professionals
	★ ARC International Annual Report Competition Silver Award	MerComm, Inc.
 Innovation and R&D	★ China Design Gold Award for Appearance	China National Intellectual Property Administration
	★ China Patent Silver Award	World Intellectual Property Organization
	★ China Patent Excellence Award	
	★ Three First Prizes, Six Second Prizes, Five Third Prizes, and One Popularity Award in the 2025 China Lean and Digital Innovation Competition	China Enterprise Reform and Development Society
	★ 2025 "Outstanding Case of Enterprise Development of New Productive Forces"	China Enterprise Reform and Development Society
	★ One First Prize, Four Second Prizes and One Third Prize in the Science and Technology Award of the Chinese Renewable Energy Society	Chinese Renewable Energy Society
	★ One Special Prize and Two First Prizes in the 2025 Science and Technology Awards	China Railway Society
	★ First Prize in the 2025 Science and Technology Progress Award	China Railway Society



Sustainability Governance

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter

16

PEACE, JUSTICE AND STRONG INSTITUTIONS

17

PARTNERSHIPS FOR THE GOALS

Board Statement on Sustainability Management

As a leading enterprise in rail transit equipment manufacturing, CRRC actively practises social responsibility, embraces open development, and participates in the “Belt and Road” initiative, guided by its mission to “connect the world and benefit humanity” and to advance global transport development. The Company and its Board of Directors adhere to the requirements of the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission, Shanghai Stock Exchange’s *Guidelines No. 14 for the Self-regulation of Listed Companies – Sustainability report (Trial)* and *Guidelines No. 4 for the Self-regulation of Listed Companies – Sustainability report Compilation*; the Stock Exchange of Hong Kong Limited’s *Corporate Governance Code* and Appendix C2 *Environmental, Social and Governance Reporting Guide*. It continuously enhances its sustainability governance system, strengthens the Board’s supervision and involvement in the Company’s sustainability management affairs, effectively controls sustainability-related risks, and promotes the continuous improvement of its corporate governance standards.

The Board's Regulatory Responsibility for Sustainable Development

The Board serves as the highest coordinating and decision-making body for sustainability management. It has established a Strategy and Sustainability Committee responsible for researching sustainable development strategies; reviewing, assessing, and overseeing major sustainability-related matters including environmental, health and safety issues, etc.; reviewing the Company’s annual sustainability report; and reporting to the Board on the Company’s sustainability performance.

Sustainability Governance Strategy and Policies

CRRC has established the “33416” ESG strategy system and built a robust and effective sustainable development governance mechanism to continuously enhance the quality of sustainability governance. Based on internal and external environments and outcomes of stakeholder engagement, CRRC regularly analyses and assesses material sustainability topics and risks, including climate risks, and determines their priority ranking. These priorities serve as the foundation for focused management and oversight, ensuring that sustainability principles are integrated into corporate strategy and implemented across operations to drive economic, social, and environmental sustainability.

Targets, Metrics and Review of Progress

Adhering to the principles of “starting with easier initiatives, progressing step-by-step, and pursuing leadership and excellence”, CRRC has developed a sustainability metrics system and is implementing it incrementally. Under the 4 thematic pillars of the ESG strategy system, the 16 identified topics are further refined, both qualitatively and quantitatively, into Tier 1 and Tier 2 metrics. Through the “Plan–Execute–Evaluate–Improve” workflow, the metrics repository is updated periodically in alignment with material topics. Meanwhile, goals are set within corporate development plans and key work programs centred on issues closely linked to CRRC’s business development, such as Climate Change Response, Resource Utilization and Circular Economy, and Technological Innovation Leadership, and progress toward these goals is reviewed regularly by operational management. The ESG Management Committee reports on such progress to the Board.

The Report comprehensively outlines CRRC’s sustainable development practices and achievements in 2025. It was compiled by the ESG Task Force on March 27, 2026, and approved by the Board. All members of the Board affirm that the Report contains no false records, misleading statements, or material omissions, and assume full responsibility for its authenticity, accuracy, and completeness.

Board of Directors of CRRC

27 March 2026

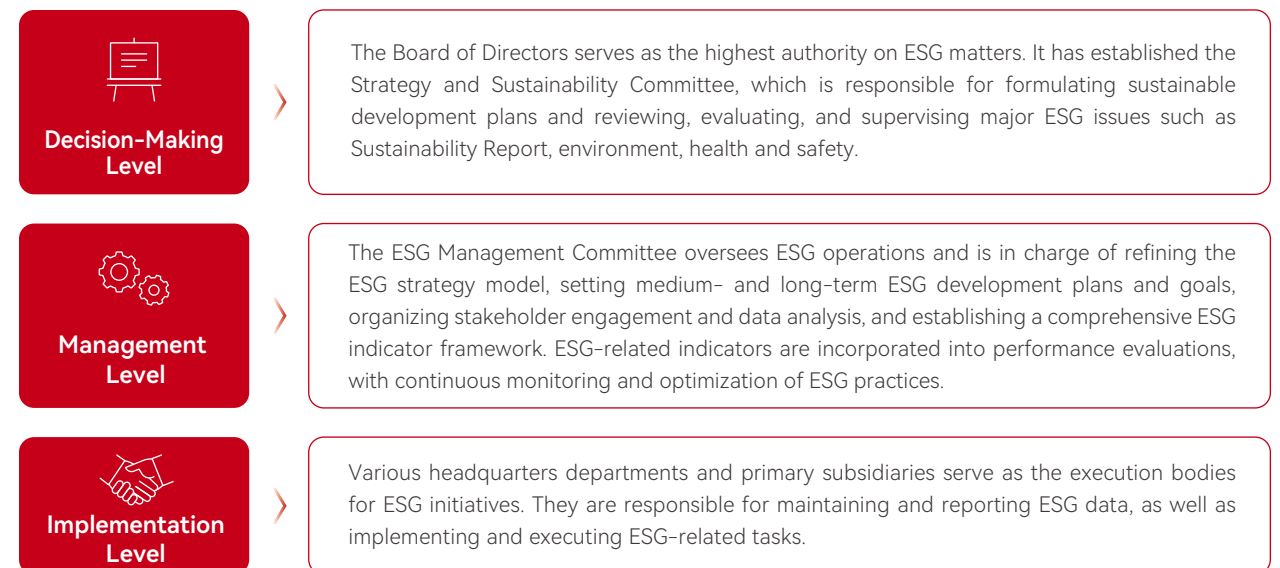
Sustainability Management and Strategy

CRRC deeply integrates sustainable development into its corporate strategy, establishing a systematic sustainable development governance structure and the “33416” strategy system. Through top-down goal management and closed-loop execution, CRRC holistically advances sustainable development practices, continuously driving high-quality development and sustainable value creation.

Governance

We continue to improve our sustainability governance system by building a top-down, 3-tier governance structure with clear roles and responsibilities to promote the effective implementation of sustainability management.

Organization Security



▲ Three-Tier Sustainability Governance Framework

Evaluation and Meeting Mechanism

We implement full-cycle tracking of sustainable development initiatives and monitor progress on all sustainability topics, conduct annual reviews of target achievement, challenges encountered, strengths, and weaknesses; formulate targeted control measures; allocate accountability for implementation; and incorporate relevant metrics into the annual performance evaluation systems for management teams and affiliated entities. To further advance and enhance sustainability management performance, the Company has integrated selected sustainability topics into management-level performance indicators — serving as key evaluation criteria for relevant functional departments and subsidiaries — and thereby reinforcing accountability and execution across all sustainability initiatives.

Capacity Building for Sustainability Management

The Company provide diverse sustainability-related training to the sustainable development governance team to keep abreast of cutting-edge developments, strengthen sustainability governance awareness, and empower sustainable development and global competitiveness enhancement.

Case ESG Management Training Conference Successfully Held

From October to November 2025, CRRC organized tiered ESG Management Training Conference with participation from internal and external experts. The training covered departmental leaders and specialists at headquarters, as well as 92 ESG business leaders and core staff from first-tier subsidiaries, key second-tier subsidiaries, and our listed companies. Focused on core topics including ESG policy interpretation, ESG rating enhancement, international compliance, and digital ESG management, the program delivered systematic learning and in-depth discussions to comprehensively elevate ESG governance standards and cross-functional coordination capabilities.



CRRC ESG Management Training Conference



Headquarter ESG Management Training Conference

Sustainability Impact Practice

Actively participate in and host various sustainability-related events and international forums to build industry-wide consensus on sustainable development and jointly foster a green, low-carbon, collaborative, and win-win industrial ecosystem with global partners.

Case Hosting the 2025 Beijing International Sustainability Conference

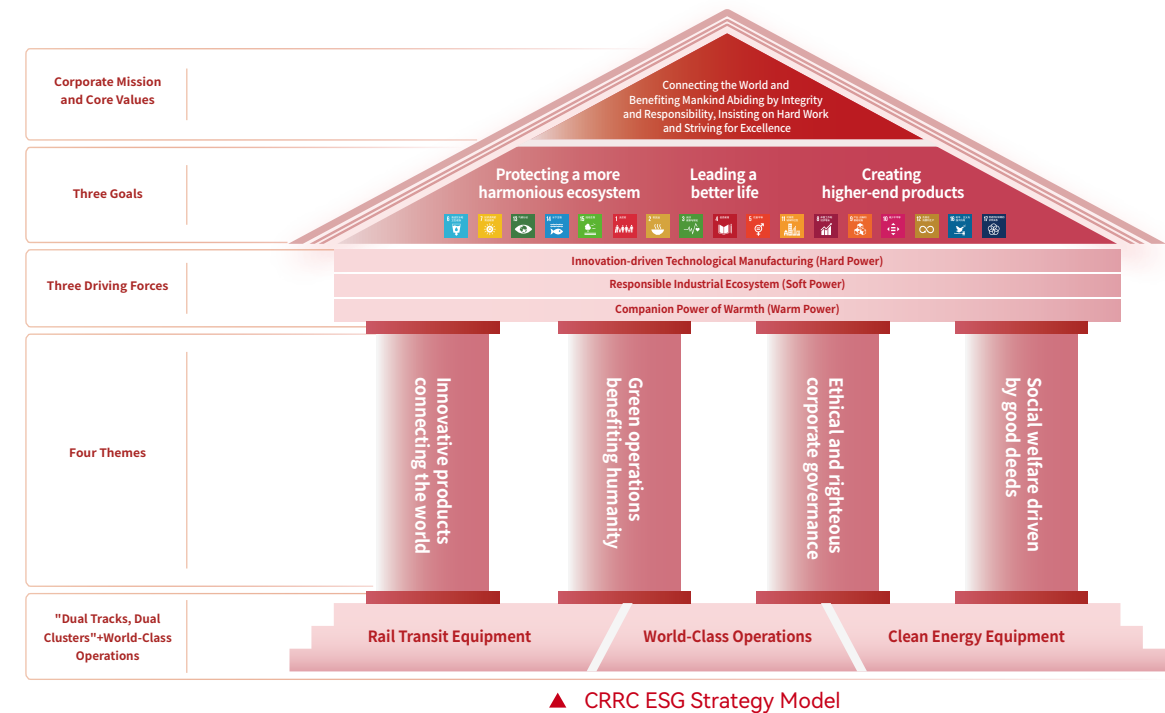
On June 19, 2025, CRRC hosted the Beijing International Sustainability Conference, focusing on strategies and implementation pathways for adopting international sustainability disclosure standards. The conference conducted in-depth discussions on key initiatives for building a robust global sustainability disclosure ecosystem and its profound significance for global economic and social sustainable development. CRRC shared its “33416” ESG strategy system and related practices, advocating the principles of “unified benchmarks, phased implementation, and inclusive collaboration.” CRRC is committed to integrating international standards with local practices and contributing the CRRC approach to sustainable development.



Hosting the 2025 Beijing International Sustainability Conference

Sustainability Strategy

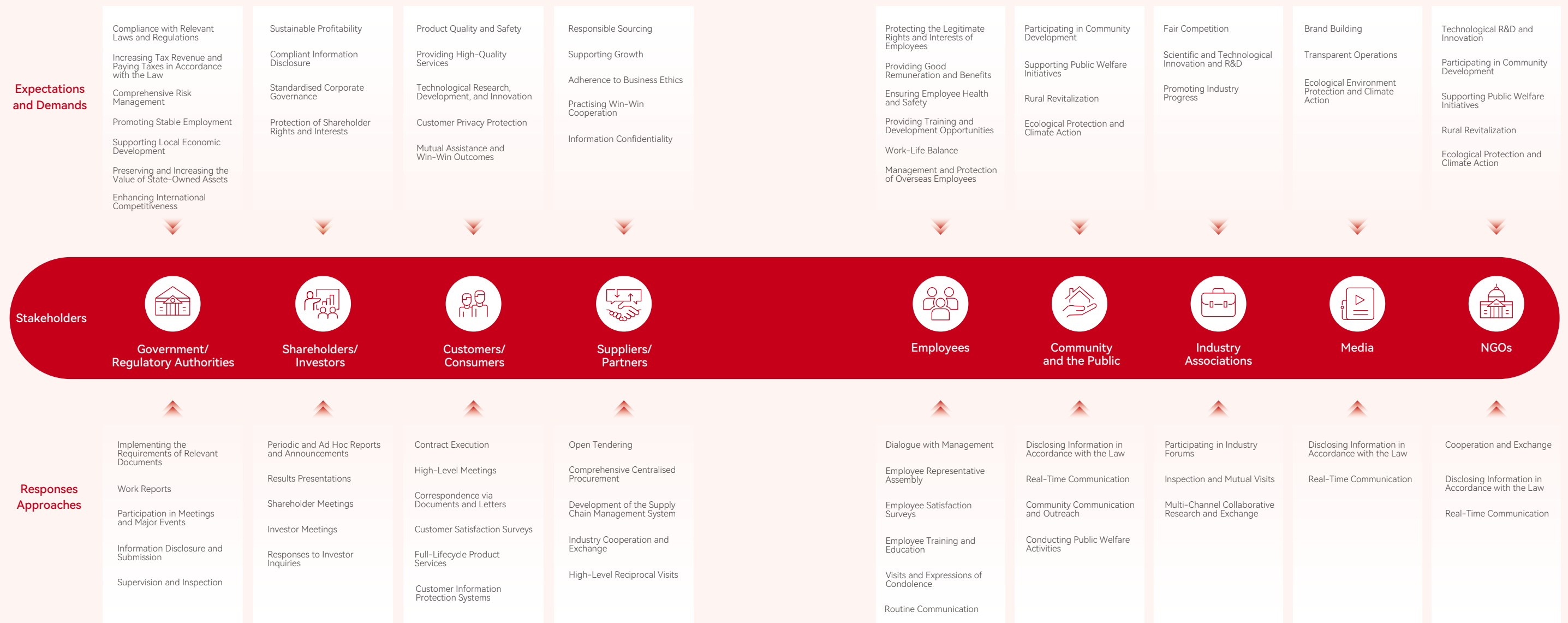
CRRC continues to deepen its “33416” ESG strategy system, fully integrating sustainable development principles into corporate strategy, management, and risk control. Aligned with the 17 United Nation Sustainable Development Goals (UN SDGs), the Company has established three overarching goals: “Protecting a more harmonious ecosystem,” “Leading a better life,” and “Creating higher-end products”, respectively reflecting CRRC’s commitment to harmonious coexistence between humanity and nature, its attention to stakeholders’ aspirations for a better life, and its identity as a high-end equipment manufacturer. The three driving forces: “Innovation-driven Technological Manufacturing (Hard Power)”, “Responsible Industrial Ecosystem (Soft Power)”, and “Companion Power of Warmth (Warm Power)”, correspond to co-creating technological and quality-driven hard capabilities, sharing management and culture-oriented soft capabilities, and achieving win-win responsibility and value-driven warm capabilities—rooted in CRRC’s corporate culture and guiding the entire industrial chain’s exploration of sustainable value. Centred on four thematic work areas: “Innovative Products Connecting the World”, “Green Operations Benefiting Humanity”, “Ethic and Righteous Corporate Governance”, and “Social Welfare Driven by Good Deeds”, the Company advances related initiatives with core orientations in technological innovation, green and low-carbon development, deepened reform, and shared benefits and win-win outcomes. Focusing on 16 core sustainability topics, CRRC continuously refines its institutional and indicator systems to guide sustained performance improvement across all organizational levels.



▲ CRRC ESG Strategy Model

Stakeholder Communication

CRRC actively establishes diverse communication channels and conducts in-depth exchanges with various stakeholders, including government/regulatory authorities, shareholders/investors, customers/consumers, suppliers/partners, employees, communities and the public, industry associations, media, and NGOs, through regular and ad hoc interaction formats such as open days, roadshows, and sustainability report disclosures. CRRC fully listens to stakeholders' opinions and suggestions. In collaboration with relevant departments, CRRC carries out topic assessment and precise management, continuously enhancing the effectiveness of sustainability management, timely disclosing key progress on fulfilling sustainability responsibilities, proactively responding to stakeholder expectations, and broadly and effectively communicating CRRC's sustainability value.



Materiality Analysis

Materiality Assessment Process

CRRC has established a regular stakeholder communication mechanism and conducts an annual double materiality assessment of sustainability topics in accordance with the relevant sustainability guidelines of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, as well as the assessment methods advocated by GRI Standards, to accurately identify sustainability topics of material significance to the Company's development and stakeholder concerns, thereby supporting the implementation of the Company's ESG strategy, information disclosure, and resource allocation, and building a closed-loop management system of "Identification-Assessment-Application-Optimisation".

01 Identification of Topic List

Drawing upon policy and regulatory frameworks, international consensus, capital market expectations, and industry benchmarking as core reference criteria, CRRC screens and integrates sustainability topics aligned with its business characteristics and development strategy, resulting in a foundational list of 16 materiality topics covering environmental, social, and governance dimensions for this materiality assessment.

02 Double Materiality Assessment

The Company conducted targeted questionnaire surveys with nine key internal and external stakeholder groups: government/regulatory authorities, shareholders/investors, customers/consumers, suppliers/partners, employees, community and the public, industry associations, the media, and NGOs. Through targeted distribution of questionnaires at the Company's headquarters and subsidiaries at all levels, over 2,000 valid responses were collected. The questionnaire design comprised three major modules: background information, topic materiality scoring, and recommendations for ESG management optimisation, providing diverse references for the assessment results. The topic materiality scoring employed a "double materiality" assessment framework, evaluating each topic from the perspectives of both "financial materiality" and "impact materiality".



Assessment
Dimensions

Financial
Materiality

Impact
Materiality



Assessment
Methods

This assesses the significant impact of each topic on the Company's business model, financial position, and cash flows over the short, medium, and long term. In conjunction with the Company's core business scenarios, a qualitative scoring is conducted using two dimensions: the likelihood of financial impact and the degree and scope of financial impact. The financial materiality level of each topic is then comprehensively determined through a scoring matrix.

This assesses the actual or potential positive or negative impacts of each topic on the economy, environment, and people (including human rights). The scale, scope, irremediable character, and likelihood of occurrence of the impacts are comprehensively considered to independently evaluate negative and positive impacts and determine their impact materiality level.

Based on preliminary topic scoring and survey data analysis, the Company established an internal ESG expert group to conduct comprehensive review, cross-validation, and calibration of the dual-dimension assessment results, integrating national policy guidance, industry development trends, capital market requirements, and CRRC's core strategy. For topics near threshold values, fine-tuned adjustments were made based on their actual impacts on CRRC's core financial indicators and socioeconomic and environmental value, ensuring that the final assessment outcomes are scientific, objective, and operationally actionable.

03 Application of Materiality Matrix

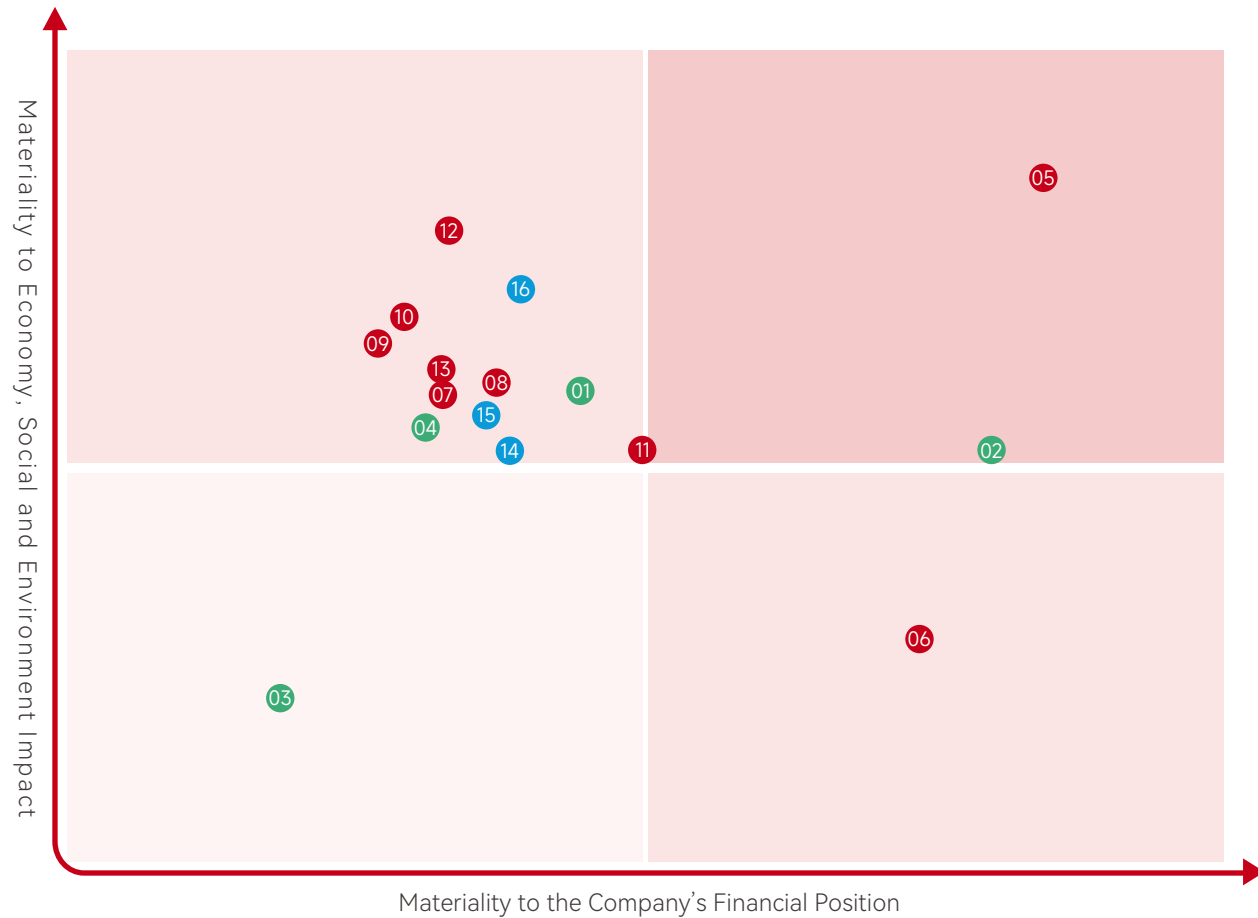
The final assessment outcomes are presented in the form of a "materiality matrix", clearly indicating the relative positioning of each topic along the two dimensions, "financial materiality" and "impact materiality", and classifying all topics into four tiers. The matrix serves as the core disclosure basis for the Report and provides clear guidance for subsequent ESG strategy planning, implementation of management actions, and precise allocation of resources.

04 Optimization of Management Strategy

The Company has established and improved a robust institutional mechanism to ensure the materiality assessments for sustainability topics. The ESG Management Committee oversees and coordinates the entire assessment process. Topic lists are dynamically optimized based on assessment outcomes, and related sustainability management strategies are concurrently adjusted and refined to ensure alignment between management measures and topic materiality, as well as coherence with CRRC's developmental needs. Material topics and their priority rankings are finalized upon approval by the Board of Directors.

Materiality Assessment Results

The final outcomes of this assessment are visualized through a sustainability topic materiality matrix, serving as the core disclosure basis for the Report. Among the topics assessed, [Climate Change Response](#), [Technological Innovation Leadership](#), and [Product and Service Management](#) have been identified as financially material and will be disclosed strictly in accordance with the four-element framework: “Governance–Strategy–Impact, Risk and Opportunity Management–Metrics and Targets”.



▲ Materiality Matrix

Environment	Social	Governance
01 Clean Technology and Green Products 02 Climate Change Response 03 Resource Utilization and Circular Economy 04 Ecological Environment Protection	05 Technological Innovation Leadership 06 Product and Service Management 07 Corporate Brand Responsibility 08 Occupational Health and Safety 09 Employee Care and Development 10 Employee Rights Protection 11 Sustainable Supply Chain 12 Social Contribution and Coordinated Development 13 International Cooperation and Development	14 Responsible Corporate Governance 15 Risk Control and Compliance Operations 16 Shareholder Rights Protection

Management of Sustainability-Related Impacts, Risks, and Opportunities

The Company treats sustainability-related risks as an integral component of its comprehensive risk management framework and incorporates them into all stages of daily risk management activities. By proactively monitoring concerns raised by internal and external stakeholders regarding the Company's sustainability matters and in light of its own business operations, the Company fully considers the potential impacts of each material sustainability topic on its operations, thereby identifying sustainability-related risks and opportunities. Subsequently, it formulates corresponding mitigation and response measures following analysis and assessment of the likelihood and magnitude of impact.

During the reporting period, the Company conducted risk and opportunity assessments for financially material topics, including [Climate Change Response](#), [Technological Innovation Leadership](#), and [Product and Service Management](#). The assessment outcomes were reviewed and approved by the Board of Directors alongside the Report. Detailed assessment results and the Company's response measures are presented in the respective sections of the Report.



Topic I

Global Responsibility Fulfilment, Empowering CRRC to Lead Globally

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CRRC remains committed to an internationalization strategy, leveraging infrastructure connectivity under the “Belt and Road” Initiative and international capacity cooperation as key opportunities. It actively responds to emerging trends in multilateral and bilateral regional investment and trade cooperation, addresses new global dynamics and industry competition challenges, and vigorously advances the “going global” initiative across its entire industrial chain. CRRC aims to become a globally respected multinational enterprise, achieving transformation and upgrading of its international operations while ensuring steady and healthy development. In FY2025, CRRC’s international business advanced synergistically: newly signed overseas orders totalled approximately RMB 65 billion; overseas operating revenue increased by 22.77% year-on-year; operation and maintenance services for landmark “Belt and Road” Initiative projects, including the Jakarta-Bandung High-Speed Railway and the China-Laos Railway—received widespread acclaim, demonstrating CRRC’s tangible achievements in fulfilling its global corporate responsibilities.

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Innovating Business Model, Expanding Global Market Space

CRRC actively promotes the DLS business model, comprising platform companies and leading enterprises, to shift strategically from single-product sales to becoming a system solution provider. Focusing on breakthroughs in high-end markets, CRRC enhances the value-added nature and sustainability of its international business through innovation across the full-service chain: design, financing, manufacturing, and operation & maintenance. During the reporting period, CRRC successfully entered high-end markets such as the Gulf Cooperation Council (GCC) region, optimized the structure of its international business, accelerated its transition toward “manufacturing + services” and system solution provision, and injected fresh impetus into CRRC’s global footprint.

Case The Official Operation of Guadalajara Light Rail Line 4 in Mexico



In December 2025, Guadalajara Light Rail Line 4 in Mexico officially commenced operations, with the Governor of Jalisco State and other government officials in attendance. The Line 4 project adopted CRRC’s integrated system solutions—from system design and rolling stock to shuttle buses and core electromechanical systems. The line features a double-track electrified railway running parallel to existing freight rail corridors, marking Mexico’s first rail transit system constructed on freight railway rights-of-way.



Guadalajara Light Rail Line 4 in Mexico

Case The Full Opening of the Hungary-Serbia Railway Line in Serbia



The Novi Sad-Subotica section of the Hungary-Serbia Railway within Serbia was completed and opened to traffic on October 3, 2025, marking the full commissioning of the Serbia section of the Hungary-Serbia Railway (Belgrade-Subotica). This project is a flagship initiative under China’s cooperation with Central and Eastern European countries. CRRC supplied EMUs and core technical support; testing and production for the Hungary-Serbia high-speed railway project progressed smoothly as scheduled, earning high praise from the Serbian side and injecting new impetus into regional connectivity.



Train Operation on the Novi Sad-Subotica Section of the Hungary-Serbia Railway

Deepening the “Five Localization” Model, Building an International Sustainable Industrial Ecosystem

CRRC innovatively adopted the “Five Localizations” international business model—local manufacturing, local procurement, local employment, local maintenance and repair, and local management—to strengthen collaboration with industrial chain partners in areas such as sustainable supply chain development and breakthroughs in major technical challenges. Through coordinated efforts among multiple enterprises along the value chain, CRRC successfully completed key component development initiatives, effectively aggregated global resources and factors, and achieved mutual benefit and win-win outcomes with host countries. Meanwhile, CRRC participates in the “Belt and Road” Initiative through international trade and overseas investment. Its overseas entities, expatriate staff, localized manufacturing bases, and products span 52 “Belt and Road” Initiative partner countries and regions, significantly boosting local industrial development.

Case The Medellín Avenue 80 Light Rail Project Driving the Local Industrial Upgrading



In January 2025, construction officially commenced on the Medellín Avenida 80 Light Rail Project in Colombia. The project prioritizes procurement of local raw materials and services, employs and trains a large number of local workers, and progressively transfers maintenance and repair technologies and management expertise to local teams. This initiative has effectively promoted the improvement and upgrading of Colombia’s related industrial chains, cultivated local rail transit technical workers and managerial talent, and transformed external investment into sustained internal development capacity, laying a solid foundation for the long-term development of Colombia’s rail transportation equipment industry.



The Groundbreaking Ceremony for the Medellín Avenue 80 Light Rail DLS Project

Case Localized Operation Services for the Jakarta-Bandung High-Speed Railway



Since its commencement of operations in October 2023, passenger volume on the Jakarta-Bandung High-Speed Railway has continued to rise. As of 2025, cumulative passenger traffic has exceeded 12.1 million person-time, and the EMUs have achieved safe operation over 5.9 million kilometres. As the supplier of rolling stock and core systems, CRRC Corporation Limited has continuously provided technical support and operational maintenance services, while assisting in cultivating local Indonesian technical personnel. The project has become a “gold-standard” initiative under China-Indonesia cooperation on the “Belt and Road” Initiative.



Jakarta-Bandung High-Speed Railway High-Speed EMU Train

Topic II

Green and Intelligent Dual Engines, Driving the Coordinated Development of the Industrial Chain

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Deeply implementing the “Dual Carbon” strategy, CRRC advances coordinated development between rail transit equipment and clean energy equipment through dual drivers of “green transformation” and “digital intelligence”. It sets clear targets: achieving operational carbon neutrality by 2035 and carbon neutrality across the entire value chain by 2050. Concurrently, CRRC establishes low-carbon supply chain management guidelines to guide suppliers toward green and sustainable development; deepens integrated innovation; breaks through key green and low-carbon technologies; and builds new models for upstream and downstream development. By steadfastly pursuing green and sustainable development, CRRC drives the rail transit equipment manufacturing industry toward the high-end of the value chain.

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Leading by Example, Pioneering Green Transformation Across the Entire Value Chain

CRRC deepens its “6G” green philosophy (green investment, green innovation, green manufacturing, green products and services, green and low-carbon supply chain, and green enterprise) and systematically advances demonstration projects for zero-carbon factories and zero-carbon workshops. It establishes a benchmark green manufacturing system covering the full lifecycle of design, manufacturing, and operation & maintenance. Meanwhile, CRRC is committed to building an industrial ecosystem for carbon neutrality, planning to launch green performance evaluations for all supply chain enterprises starting in 2025. Through promoting collaborative application and standardization of green technologies, CRRC achieves systematic emission reductions across all stages, from product design and raw material procurement to manufacturing, processing, and logistics transportation, thus catalysing green transformation across the entire industrial chain, value chain, and technology chain.

Case Qishuyan Co., Ltd.’s Recognition as a “Green Supply Chain Management Enterprise”

In March 2025, subsidiary Qishuyan Co., Ltd. was designated a “Green Supply Chain Management Enterprise” by the Ministry of Industry and Information Technology (MIIT), ranking among only 126 enterprises nationwide to receive this recognition. Qishuyan Co., Ltd. embeds green and low-carbon principles across the entire product lifecycle and promotes collaborative carbon reduction with upstream and downstream partners. Following its designation as a “Green Factory” in 2023, it has again been included in the national green manufacturing list—demonstrating its role as a benchmark in building a green supply chain system.



Plaque Awarded to Qishuyan Co., Ltd.

Setting the Benchmark, Propelling the Green Energy Transition in Rail Transit Industry

Focusing on technological breakthroughs across the entire hydrogen “production, storage, transportation, and utilization” value chain, the Company is promoting the engineering application of hydrogen fuel cells in rail transit. Key technologies successfully mastered include integrated train assembly design, full-operating-condition hydrogen-electric hybrid power energy control, and whole-life-cycle safety management. These achievements have enabled successful multi-scenario applications of hydrogen energy technologies in intercity and suburban EMUs and shunting locomotives, delivering zero-carbon solutions for non-electrified railway regions and demonstrating China’s technological leadership in hydrogen-powered rail transit.

Case Full-Scenario Operational Test of CRRC Changchun’s Hydrogen-Powered Intercity Train

In July 2025, CRRC Changchun, a subsidiary of CRRC, completed operational testing of its independently developed hydrogen-powered suburban train, achieving performance validation across all systems and scenarios (under ambient temperatures ranging from -35°C to 35°C) and extending single-refuelling range to 1,000 km. Technical challenges including hydrogen fuel cell system stability under low-temperature conditions were successfully overcome, providing a green solution for non-electrified railways in frigid regions and marking a new breakthrough in hydrogen application within the rail transit sector.



Hydrogen-powered Commuter Train

Case CRRC Modern Industrial Chain Integration and Co-Chain Initiative Conference

In October 2025, the CRRC Modern Industrial Chain Integration and Co-Chain Initiative Conference was held in Changchun, Jilin Province, under the theme “New Quality Leadership, Central-Local Coordination, Hydrogen Energy Chain Activation, and Joint Chain Building.” The conference focused on cross-chain collaboration across three industrial chains, rail transit equipment, clean energy equipment, and hydrogen energy, and solicited co-chain action projects under the “Seven Focus Areas” initiative to promote integrated development among central and local enterprises as well as large, medium, and small enterprises. At the conference, 28 central and local enterprises signed industrial chain collaboration agreements to build an open, shared, green, and win-win industrial ecosystem. CRRC is committed to partnering with enterprises across the value chain to advance the green transformation and low-carbon development of clean energy equipment and hydrogen energy industries.



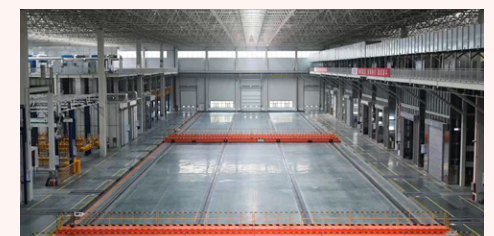
CRRC Modern Industrial Chain Integration and Co-Chain Initiative Conference Venue

Digital-Intelligent Integration, Upgrading the Paradigm of High-End Equipment Manufacturing Industry

CRRC actively advances intelligent manufacturing construction, focusing on the application of industrial internet and AI technologies, and striving to build benchmark-level intelligent factories of excellence. CRRC aims to achieve industry-leading levels in intelligent production, equipment control and management, data integration, full-lifecycle management, and supply chain optimization, thereby playing an industry-leading role in technological innovation, production efficiency, and green manufacturing.

Case CRRC Subsidiaries Awarded as National Benchmark-Level Smart Factory

In September 2025, CRRC Zhuzhou’s “Intelligent Factory for On-Time, Flexible Manufacturing of Urban Rail Vehicles” and Zhuzhou Institute’s “Intelligent Factory for Core Components of Rail Transit Equipment” were successfully selected for the Ministry of Industry and Information Technology’s 2025 Benchmark-Level Intelligent Factory Program. These two factories integrate technologies including industrial internet, intelligent online inspection, digitization, and big data analytics, enabling data interoperability across multiple typical scenarios, such as design, manufacturing, and operations & maintenance, thus establishing industry benchmarks for intelligent manufacturing of rail transit equipment.



CRRC Zhuzhou’s Urban Rail Vehicle Just-In-Time Flexible Manufacturing Smart Factory



Green CRRC

Seizing Clean Technology Opportunities

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter

3 GOOD HEALTH AND WELL-BEING 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND
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Environmental Compliance Management

CRRC systematically advances the construction of its environmental management system, continuously improves energy conservation and ecological environmental protection accountability mechanisms, and strengthens environmental compliance risk control. We actively participate in biodiversity conservation initiatives and are committed to fully integrating environmental protection requirements into all operational processes, promoting a sustainable development model characterized by full-employee participation, end-to-end control, and comprehensive implementation.

Strengthening Environmental Governance

Strictly complying with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*, as well as regulatory requirements, the Company adheres to the “three synchronisations” strategy. This involves fully incorporating energy conservation and ecological protection work into the Company’s medium- and long-term development plans and annual business plans, thereby achieving “synchronous planning, synchronous implementation, and synchronous development” of energy-saving and environmental protection initiatives with our business operations.

CRRC has systematically established a clear, tiered environmental governance structure: the General Meeting of Shareholders and the Board of Directors review and make decisions on major energy conservation and ecological environmental protection matters; the Party Committee Secretary, Chairman, and CEO bear overall leadership responsibility for energy conservation and ecological environmental protection. At the management execution level, the Operations, Safety and Environmental Protection Department serves as the central coordinating unit, while all functional departments jointly fulfil supervisory responsibilities. Each subsidiary breaks down and implements specific ecological environmental protection targets, ensuring effective execution of all tasks. This establishes an integrated, closed-loop accountability system encompassing decision-making, management, implementation, and supervision. As of the end of the reporting period, 100% of CRRC’s affiliated enterprises have established and obtained certification for ISO 14001 Environmental Management Systems.

The *CRRC Energy Conservation and Ecological Environmental Protection Assessment Measures* was formulated and issued, establishing an effective incentive and constraint mechanism through clear assessment criteria and reward-punishment measures to drive entities at all levels and employees to actively fulfil their environmental management and protection responsibilities, collectively advancing CRRC’s green and sustainable development.

Preventing Environmental Risks

Environmental Risk Monitoring and Detection

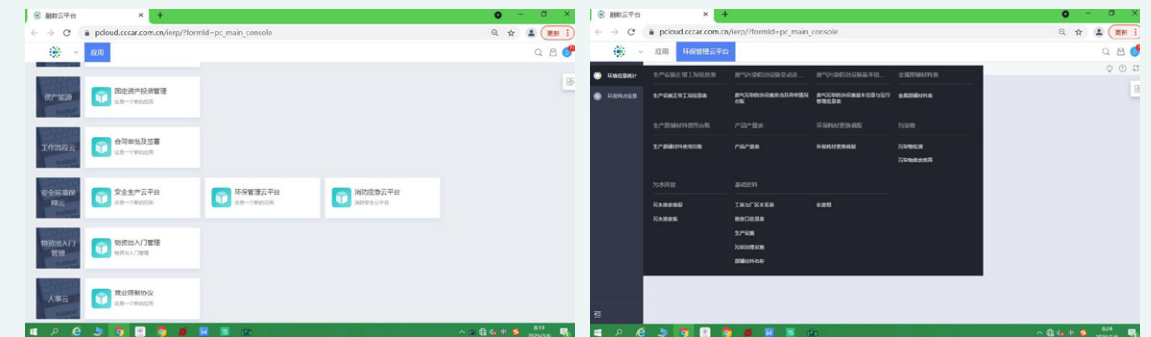
The Company continuously improves its environmental risk monitoring system and has further advanced the implementation of the *Guidelines for the Management, Support, and Service of Ecological and Environmental Protection*, providing systematic and standardised work guidance for subsidiaries at all levels in areas such as pollution prevention, environmental monitoring, pollutant discharge permits, emergency management, and information disclosure; it has also upgraded the *Environmental Management Operation Monitoring and Evaluation Form*, incorporating special inspection requirements for the protection of the Yangtze River and Yellow River basins and the governance of volatile organic compounds into the original evaluation framework, thus creating a comprehensive evaluation standard covering seven major dimensions including targets, management, assurance, access, governance, and performance, which further enhances the systematic nature and effectiveness of environmental management monitoring.

The Company is focused on promoting the digital transformation and systematic control of environmental management by establishing a regular monthly reporting mechanism for environmental inspections and adding a monthly environmental inspection report module to the Energy and Carbon Intelligent Cloud Platform, achieving online closed-loop management of information such as inspection times, executing units, issues identified, early warning event analysis, and incidents of non-compliance. In line with CRRC’s specific requirements for digital and intelligent transformation, the Company has holistically formulated the *CRRC Special Plan for the Digital and Intelligent Transformation of Environmental Monitoring*, systematically planning the construction of an online environmental early warning platform to realise systematic, integrated, and intelligent control of environmental early warning information.

Case CRRC Changchun’s Online Environmental Management Platform



Subsidiary CRRC Changchun has launched a trial of its environmental site management platform, completing the entire closed-loop process online for the registration, review, inspection, hazard logging, rectification, and verification of sites related to water, air, noise, and solid waste. This information-based approach enables systematic and hierarchical control of environmental sites, enhancing the precision and efficiency of environmental management.



CRRC Changchun’s Online Environmental Management Platform

Environmental Risk Inspection and Rectification

In line with the requirements of the *Notice from the General Office of the State-Owned Assets Supervision and Administration Commission of the State Council on Carrying Out Special Investigation and Rectification Work to Enhance the Environmental Protection of Central State-owned Enterprises*, the Company has issued the *Overall Plan for CRRC’s Special Investigation and Rectification Work to Enhance Environmental Protection* and established a leading group, an inspection and supervision team, and enterprise-level working groups to coordinate and advance this special initiative.

Focusing on five key areas: new enterprises, new production bases, new industries, new processes, and new projects, the Company conducted in-depth inspections across six critical aspects: fabrication of environmental monitoring data and other fraudulent practices; configuration and operational status of pollution control facilities; compliant storage and disposal of solid and hazardous waste; implementation of the pollutant discharge permit system; strengthening source control and pollution prevention for overseas subsidiaries; and other priority areas. These efforts ensured comprehensive identification of risks and hidden environmental hazards, leaving no blind spots.

For risk points identified, targeted risk response plans and corresponding preventive measures were formulated to maximize prevention and mitigation of sudden environmental incidents. During the reporting period, a comprehensive environmental protection inspection was organized, combining enterprise self-inspections, cross-regional joint spot checks, and company-led supervision and inspections, ensuring full coverage, full penetration, and full-scope assessment, to comprehensively identify and rectify ecological and environmental risks and hidden hazards across all tiers of subsidiaries. Pollution sources across all subsidiary levels were catalogued, and pollutant discharge outlets and storage facilities were classified and statistically analysed. Energy and environmental operation monitoring evaluations were carried out, and expert teams were deployed to conduct evaluation inspections at subsidiaries; all identified issues have been fully rectified.



Environmental Emergency Management

The Company fully implements the *Emergency Response Plan for Environmental Emergencies*, constructing a systematic prevention and control framework for environmental emergencies that employs a tiered management approach based on the nature, scale, and risk level of incidents. All subsidiaries have formulated and implemented emergency response plans and related management systems for hazardous waste incidents, compiling comprehensive plans, specialised plans, and on-site disposal procedures, all of which have been officially filed. Through regular training and practical drills, the Company continuously strengthens responsibility implementation and emergency preparedness, effectively enhancing its rapid response and coordinated disposal capabilities to ensure that environmental emergencies are handled in a timely, orderly, and efficient manner.

Case CRRC Dalian Conducting Emergency Drill for Sudden Environmental Incident

In December 2025, subsidiary CRRC Dalian hosted the 2025 Lushunkou Emergency Drill for Sudden Environmental Incidents, simulating the full emergency response process triggered by a fire resulting from a traffic accident during hazardous waste transportation. Multi-departmental coordination between government and enterprises strengthened regional capacity for collaborative response to sudden environmental incidents.



Dispatch Site of Emergency Drill
for Sudden Environmental Incident

Deepening Environmental Protection Education

CRRC has established a systematic and standardized environmental protection training management process, adopting a blended learning model that combines an online learning platform with offline centralized training. Environment-related thematic education and training—including dissemination of environmental laws and regulations, sharing of management practices, and emergency response skill drills for environmental incidents—are conducted regularly and at multiple levels to continuously strengthen all employees' environmental awareness, compliance capabilities, and professional management competence.

Performance Indicators during the Reporting Period

CRRC and its subsidiaries jointly organized **708** environmental protection training sessions, with a cumulative total of **53,618** person-time participants.

Case Conduct of 2025 CRRC Environmental Protection Enhancement Special Training

In November 2025, CRRC successfully held the Environmental Protection Enhancement Special Training in Wuxi. Over 100 mid-level environmental department personnel and business elites from CRRC subsidiaries gathered to systematically study environmental policies, regulations, and practical skills, thereby consolidating consensus on green development.



CRRC Environmental Protection
Enhancement Special Training Venue

The Company actively promotes environmental protection concepts by systematically disseminating environmental knowledge to the public through multiple channels, including its official website and social media platforms, advocating green, low-carbon lifestyles, and promoting CRRC's practices and achievements in green manufacturing and energy conservation and emission reduction, thereby contributing to a positive atmosphere of joint construction of ecological civilization across society.



The “Carbon Quest for Green” Series Articles

Environmental Protection Achievements

During the reporting period, no major sudden environmental incidents occurred, nor were there any cases of significant administrative penalties imposed by ecological and environmental protection authorities or other relevant departments, or criminal liabilities arising from environmental incidents. Total environmental protection investment amounted to RMB 454.1099 million, representing a 7.96% increase year-on-year.

Honours and Awards	Cumulative Number
National Level Green Factory	44
Province-Level Green Factory	14
Municipal Level Green Factory	4
National Green Supply Chain Management Enterprise	12
Zero-Carbon Factory	12
Zero-Carbon Workshop	11
Waste-Free Factory	14
Class A Enterprise for Atmospheric Performance	2

▲ Environmental Protection Honours and Awards

Climate Change Response

CRRC actively integrates the national “Dual Carbon” strategy deeply into its core business development and steadily advance the work of carbon peak and carbon neutrality, treating them as critical pathways for climate change mitigation. By continuously improving top-level design for “Dual Carbon”, strengthening energy management and energy-saving emission-reduction measures, CRRC actively supports the realization of China’s sustainable development goals and the national carbon peak and carbon neutrality strategic objectives.

Governance

CRRC strictly complies with the national “Dual Carbon” strategic deployment and related laws and regulations, incorporates climate change issues into its corporate governance and operational decision-making systems, and establishes a top-down “Dual Carbon” management structure.

Establishing Full-Process Climate Target Supervision Procedures

The Company established a full-process climate target supervision mechanism covering decision-making, management, and execution. At the governance level, the Board of Directors and its subordinate Strategy and Sustainability Committee serve as the highest supervisory body for climate-related matters, responsible for reviewing and approving climate action strategies, medium- to long-term targets, and major implementation plans, and for regularly receiving management reports on progress and performance against those targets. At the management level, the ESG Management Committee and the “Dual Carbon” Office jointly formulate climate strategies, set phased targets and action plans, and coordinate the identification, assessment, and response to climate-related risks and opportunities. As the core execution body, the “Dual Carbon” Office organize all units to break down and implement assigned targets and tasks, regularly tracks, aggregates, and analyses target achievement, compiles evaluation reports, and submits them upward through established reporting channels, ensuring effective implementation and continuous improvement of climate actions.

Continuously Strengthening Climate Governance Capacity Building

Systematic training programs and thematic seminars are organized around key topics such as international sustainability disclosure standards, climate risk response strategies, and digital management tools, thereby significantly enhancing climate sensitivity and professional competence across all management levels. Building on this foundation, CRRC actively monitors and analyses global benchmarks, including the International Sustainability Standards Board (ISSB) standards, to promote the localization and implementation of international standards in the Chinese market. Through hosting platforms such as the International Sustainable Development Conference, CRRC deeply engages in building the global sustainable disclosure ecosystem and strengthens dialogue and mutual learning with international regulatory frameworks. Meanwhile, CRRC closely monitors climate policy developments in major international markets, such as the EU, and systematically assesses their potential implications for cross-border operations, ensuring that its climate governance strategy remains forward-looking, compliant, and globally adaptive.



Strategy

Name	Description and Potential Impact ¹	Time Horizon ²	Likelihood of Occurrence ³	Countermeasures
Physical Risks				
Acute Physical Risk	- Frequent extreme weather events, such as typhoons, floods, and tropical cyclones, may damage factories, workshops, office buildings, and equipment, leading to asset losses, data loss, and risks to employee safety; - Equipment damage, service interruptions, or major equipment failures may affect business continuity and cause direct or indirect harm to the Company’s economic interests; - Extreme high temperatures may cause power shortages, affecting the operation of power-consuming facilities and resulting in loss of revenue.	Short-term	Low	- Establish a risk emergency management system; - Develop emergency response plans, strengthen emergency drills, and enhance the effectiveness of environmental risk emergency management.
Chronic Physical Risk	- The trend of rising temperatures may lead to increased demand for refrigeration equipment and higher maintenance costs, thereby increasing operating costs; - Water shortages may increase the cost of procuring alternative water sources, raising operating expenses.	Medium-term Long-term	Medium	- Improve equipment energy efficiency, promote digital management, and systematically conserve energy and reduce carbon emissions; - Adopt advanced technologies, such as carbon dioxide air conditioning, to replace traditional air conditioners.
Transition Risks				
Policy and Legal Risk	Influenced by recent laws, regulations, and policies related to energy conservation, emissions reduction, and carbon emissions trading, the Company’s factories may face stricter carbon emissions regulations in the future, requiring the purchase of carbon emission allowances, which could lead to increased operating costs.	Short-term Medium-term	Low	Closely follow the developments of “Dual Carbon” regulations and policies, fully implement the “Dual Carbon” action plan, accelerate the research and development of low-carbon technologies, and proactively develop the green and low-carbon industry.
Technology Risk	With the continuous development of energy-saving equipment and technology, traditional high-energy-consumption equipment is facing a trend of being upgraded and replaced. The Company may incur increased capital expenditure from introducing new equipment, applying energy-saving and emission-reduction technologies, or optimising process systems, or face rising expenditure in the research and development of innovative new energy products and alternative technologies.	Medium-term	Medium	- Develop energy-saving and carbon-reducing technologies and promote clean energy equipment development; - Accelerate the transformation of the energy structure, carry out energy-saving and carbon-reducing technological upgrades, and promote the green transformation of rail transit equipment.
Market Risk	- Product market access is affected by climate change trends, causing shifts in the purchasing preferences of some customers who are now putting forward new demands, such as strict carbon footprint requirements. If the Company’s products fail to meet market demand for green and low-carbon products, it could weaken product competitiveness and affect sales volume; - Fluctuations in raw material and fuel prices may increase operating costs.	Long-term	Low	- Implement green supply chain management and promote the green transformation of the supply chain; - Thoroughly carry out activities to Enhance Quality and Efficiency, ensuring a substantial improvement in operational performance; - Implement centralised procurement for all materials and services to reduce purchasing costs; - Carry out Product Carbon Footprint Management and Certification and build zero-carbon scenario demonstrations.
Reputational Risk	With the introduction of “Dual Carbon” targets and carbon neutrality policies, stakeholders expect the Company to actively respond to climate change and enhance the transparency of its information disclosure. If the Company fails to adequately address relevant demands regarding energy conservation and emissions reduction, it could negatively affect its corporate reputation.	Long-term	Low	- Prioritise work related to sustainable development and strengthen the Company’s image of green development; - Ensure smooth stakeholder communication, identify and revise material sustainability topics, and integrate them into the Company’s strategy; - Disclose all types of reports in a timely manner in accordance with laws and regulations.



Name	Description and Potential Impact ¹	Time Horizon ²	Likelihood of Occurrence ³	Countermeasures
Opportunities				
Resource Efficiency Opportunity	Improving energy efficiency may helps the Company reduce costs in the production process and lower its direct operating costs.	Short-Term Medium-Term	High	- Upgrade and iterate energy-saving equipment, carry out energy-saving technological transformation projects, and improve energy efficiency; - Formulate relevant management systems to promote the efficient use of resources.
Energy Substitution Opportunity	- Increasing the proportion of clean energy may reduce energy consumption costs. - Reducing greenhouse gas emissions through process optimisation and equipment upgrades may lower sensitivity to changes in carbon emission costs.	Short-Term Medium-Term	High	- Promote the development and utilisation of renewable energy sources such as wind, solar, and biomass to drive the development of clean energy equipment. - Adopt new production processes or equipment to reduce energy consumption.
Products and Markets Opportunity	- Against the backdrop of the transition to a low-carbon economy, customer preference for low-carbon products may drive demand for green, low-emission rail transit products. Green and low-carbon rail vehicles could create opportunities for the Company to increase its operating revenue. - Developing new energy products may present opportunities to receive government incentives and rewards.	Long-term	Medium	- Promote the green and low-carbon development of the rail transit industry and develop new energy-powered vehicles. - Strengthen strategic emerging industries in the green and low-carbon sector.

¹ The Company has conducted a careful assessment of the potential financial impacts that the identified sustainability topics with financial materiality may have. However, due to the extensive use of forward-looking assumptions and judgments in the relevant analysis, the uncertainty at this stage is relatively high. If specific quantitative financial information were disclosed at this time, it might be difficult to ensure the accuracy and relevance of the information for decision-making. To avoid potential misleading effects on the judgments of the company's stakeholders and readers of this report, after careful consideration, we have decided not to disclose the quantitative data of this financial impact during this reporting period. Instead, we will provide qualitative explanations.

² Time Horizon refers to the period over which a risk or opportunity is expected to affect the Company after it occurs. Short-term: within 1 year; Medium-term: 1 to 5 years; Long-term: over 5 years.

³ The likelihood of risks and opportunities occurrence is the result of the Company's identification and assessment based on its risk management methodology and does not represent the actual probability of these risks and opportunities materialising.

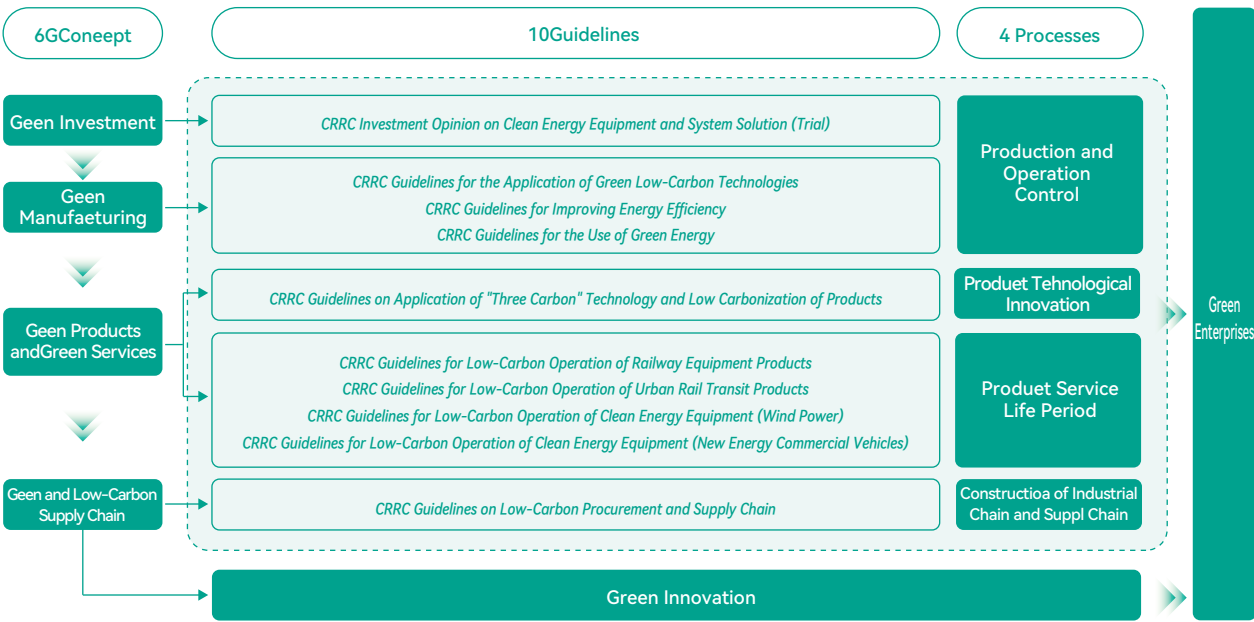
Climate Change Strategy

The Company deeply integrates Climate Change Response into its corporate strategy, fully identifies climate-related risks and opportunities, and regards green and low-carbon development as a core element of sustainable development. Based on the "Dual Carbon" Action Plan of 2021 and the "Dual Carbon" Action Programme of 2023, the Company has constructed a "1+10+N" action system for "Dual Carbon". Through 10 specific guidelines, including the *Guiding Opinions on Corporate Investment in Clean Energy Equipment and System Solutions*, the *Guiding Opinions on the Use of Green Energy*, and the *Guiding Opinions on Low-Carbon Procurement and Supply Chain Construction*, it systematically directs subsidiaries at all levels in formulating emission reduction measures.

Within this framework, the Company implements the "6G" concept (green investment, green innovation, green manufacturing, green products and green services, green and low-carbon supply chain, and green enterprise) focusing on the "entire value chain, entire life cycle, and entire process". This concept is embedded across four critical areas: product technology innovation, industrial chain and supply chain development, production and operational control, and product service life. The Company has established a green and low-carbon competitiveness system spanning ten dimensions: industry, technology, manufacturing, green electricity, supply chain, carbon footprint, digitalization and intelligence, standards system, demonstration benchmarks, and brand building. It is advancing the "58381 Action Project" in an orderly manner, setting 58 quantitative indicators and deploying 81 key initiatives, to become a leader in green manufacturing, a creator of green lifestyles, and a pioneer in green development.

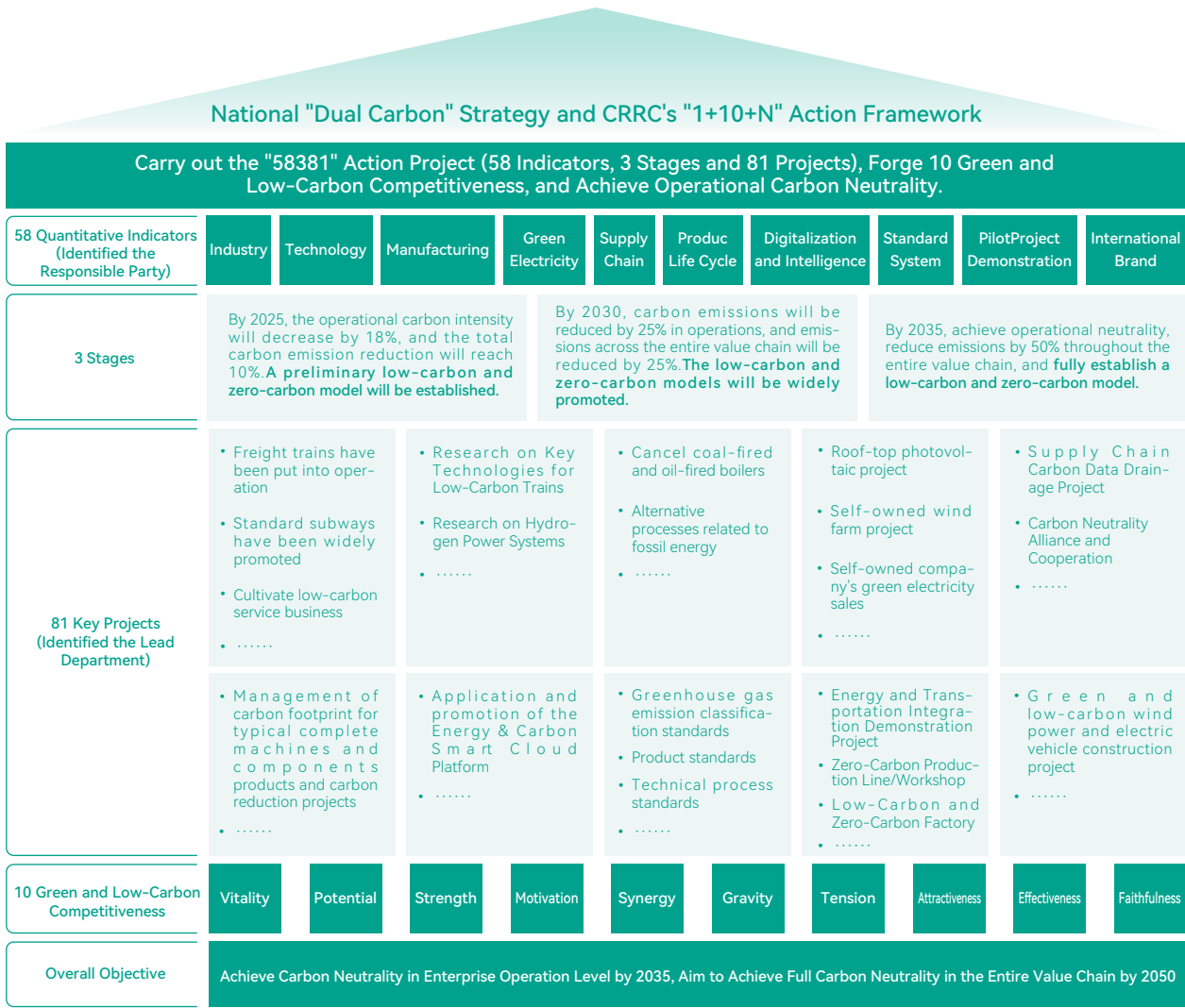
To ensure the effective execution of its strategy, the Company has established and continues to enhance a systematic climate governance framework and is preparing to release the *CRRC Regulations on Climate Change Response*. In terms of governance structure, a three-tiered management mechanism has been formed, with the Board of Directors and its Strategy and Sustainability Committee providing overall supervision, the ESG Management Committee and the Dual-Carbon Office coordinating implementation, and various executive units handling specific execution. This structure deeply embeds climate factors into strategic decision-making and daily operations. At the institutional level, led by the Dual-Carbon Office, a systematic identification of climate risks and opportunities is conducted at least annually. This process covers physical risks, transition risks, and potential opportunities, and uses tools such as scenario analysis to assess their impact on finance and operations. Significant risks are included in a priority management list, integrated into the Company's comprehensive risk management system, and addressed with specific response measures.

Aligned with its "35·50" carbon neutrality target, the Company has defined four key decarbonization pathways: energy conservation and emission reduction in operations; supply chain collaboration for emissions reduction; low-carbon technology innovation; and carbon asset management. Dedicated budget allocations safeguard resource investment, while critical climate performance indicators are incorporated into executive performance evaluation and incentive systems to reinforce accountability. Meanwhile, through regular monitoring, reporting, and disclosure mechanisms, the Company continuously enhances its climate resilience and steadily advances its green and low-carbon transformation, demonstrating its responsible commitment to addressing global climate change.



▲ CRRC's 10 Carbon Peak and Carbon Neutrality Guidelines

In 2025, the Company formulated and completed the *CRRC Three-Year Action Plan for Green and Low-Carbon Transition*, thoroughly implementing CRRC's development strategy and the "6G" framework. Focusing on the key dimensions of the "6G" approach, it launched a series of dedicated three-year action plans, including the *Green Investment Three-Year Action Plan*, *Green Innovation Three-Year Action Plan*, *Green Manufacturing Three-Year Action Plan*, *Green Products and Services Three-Year Action Plan*, *Green and Low-Carbon Supply Chain Development Three-Year Action Plan*, and *Green Enterprise Three-Year Action Plan*. These efforts have continuously improved the "1+10+N" action plan and "Dual Carbon" action framework.



▲ CRRC Dual-Carbon Action Framework Overview

GHG Emission Reduction Measures

The Company is diligently advancing multiple emission reduction initiatives, has developed a work breakdown ledger for its "Dual Carbon" actions, and is fully implementing 81 key projects to ensure the effective execution of its action plan. It strictly enforces the *Measures for the Management and Assessment of Carbon Emission Indicators*, incorporates these indicators into the corporate performance appraisal system, and regularly monitors progress on its dual-carbon efforts. Through innovative digital monitoring of carbon emissions, product carbon footprint assessment and certification, and by accelerating the green transformation of rail transit equipment and the development of clean energy equipment, the Company is continuously refining its carbon emission management. This approach promotes the synergistic advancement of carbon and consumption reduction with green development.

Emission Monitoring and Digital Management

Through the Energy & Carbon Smart Cloud Platform, real-time online monitoring of carbon emission-related data, real-time push of data information, and data fluctuation detection and early warning functions are realized. Data quality is ensured through monthly data evaluation and manual verification. During the reporting period, the Energy & Carbon Smart Cloud Platform added new real-time data push and data fluctuation detection and early warning functionalities; the number of enterprises with real-time data collection increased from 81 to 86, and the number of abnormal process handling cases decreased by 20% compared to 2024.



Energy & Carbon Smart Cloud Platform

Product Carbon Footprint Management and Certification

The Company continuously improves its product carbon footprint management mechanism, focusing on key products in rail transit and clean energy equipment. It is advancing carbon footprint assessment, certification, and application from pilot projects to a systematic and standardised approach. Building on its existing management system, the Company has optimised calculation methods, strengthened data management, and enhanced background databases to progressively establish a carbon footprint management framework covering complete units and key components, accelerating the formation of a CRRC product carbon footprint ecosystem. It continues to advance product carbon footprint assessment for key product categories to provide data support for subsequent product design optimisation, manufacturing process improvements, and the application of low-carbon technologies.

Performance Indicators during the Reporting Period



Carbon footprint assessments were completed for **12** typical products, including **10** rail transit equipment products and **2** clean energy equipment products.

Case Product Carbon Footprint Calculation Successfully Certified by Authoritative Body

In March 2025, the Subsidiary Qishuyan Institute completed the carbon footprint assessment for its 1,500 kW hydrogen fuel cell hybrid locomotive, which was successfully certified by TÜV Rheinland (China) Ltd. Qishuyan Institute also successfully completed the carbon footprint assessment for its G60360 wind turbine gearbox, which also received certification. This became the first core wind power component from the Qishuyan Institute to be certified for its carbon footprint, marking a breakthrough in the Qishuyan Institute's green development in the wind power sector and further expanding CRRC's green practices in the field of clean energy equipment.



Carbon Footprint Certification

Zero-Carbon Manufacturing Scenario Construction

The Company continues to develop zero-carbon scenario demonstrations. On the production side, it is building zero-carbon demonstration parks by continuously installing rooftop photovoltaics on factory buildings, implementing industrial energy-saving retrofits, and recycling waste. As of 2025, it has established 12 zero-carbon factories and 11 zero-carbon workshops.

Case Meishan Brake Rated as "Five-Star Zero-Carbon Factory"

The subsidiary Meishan Brake has achieved clean production and low-carbon energy use by utilising clean energy and establishing digitalized workshops, thereby improving its raw material utilisation and waste recycling rates. The company commissioned a professional third-party organisation to conduct life cycle and carbon footprint assessments for its main products. Based on the conclusions of the assessment reports, it recommends and encourages both itself and upstream and downstream enterprises to further reduce the product's environmental impact throughout its life cycle by improving energy use, production processes, and raw material selection. In November 2025, Meishan Brake was officially rated a "Five-Star Zero-Carbon Factory".



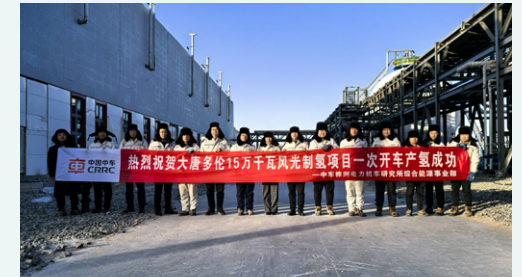
Meishan Brake's "Zero-Carbon Factory" Certification

Full-Industry Chain Layout for Hydrogen Energy

The Company continuously promotes the low-carbon transformation of energy and the development of green transportation. It is progressively building a complete hydrogen energy ecosystem, from core hydrogen production equipment and storage systems to end-user applications, creating a cross-chain synergy model of "Rail Transit Equipment + Clean Energy Equipment + Hydrogen Energy".

Case Commissioning of China's First Green Hydrogen Coupled Coal-to-Chemicals Project Assisted by Zhuzhou Institute

In November 2025, the Subsidiary Zhuzhou Institute Provided a 14,000 Nm³/H Complete Flexible Electrolytic Hydrogen Production System for China's First Green Hydrogen-Coupled Coal Chemical Demonstration Project—the China Datang Duolun 150 MW Wind-Solar-Storage-Hydrogen Integration Project. The System Features Adaptive Adjustment to Wind and Solar Power Fluctuations, One-Touch Start-Stop, and Intelligent Control Capabilities, Enabling the Synergistic Operation of "Green Hydrogen Production + Surplus Electricity to the Grid", marking a significant breakthrough for CRRC in advancing from technological research and development to large-scale application in the field of green electricity-based hydrogen production equipment.



China Datang Duolun 150 MW Wind-Solar-Storage-Hydrogen Integrated Demonstration Project

Green Transformation of Rail Transit Equipment

The Company continues to promote the low-carbon transformation of energy and the development of green transportation. It has released the *Plan for Phasing Out Old DC Diesel Locomotives* to accelerate the transition of old railway diesel locomotives to new energy sources. A special working group for new energy locomotives has been established, focusing on digitalisation, intelligence, greening, modularisation, lightweighting, and platformisation. The aim is to build a modern industrial system for new energy locomotives characterised by five key features: green, intelligent, high-end, economical, and safe. The Company has also launched new energy urban rail vehicles, including hydrogen-powered urban trains driven by hydrogen fuel cells, to support the transition to low-carbon transportation.

Case First Export of New Energy Locomotive to Kazakhstan by Ziyang Co., Ltd.

In May 2025, CRRC's subsidiary Ziyang Co., Ltd. successfully rolled out the CKD6H hybrid new-energy locomotive and formally delivered it to Kazakhstan Temir Zholy (KTZ), the national railway company of Kazakhstan. Developed based on CRRC's standardized series of new-energy locomotive platforms, this locomotive is specially optimized for the extreme cold environment of Central Asia (down to -50°C) and adopts a hybrid power system comprising a diesel engine and lithium iron phosphate battery packs. It features intelligent energy management, quadruple safety protection, and rapid charging capability. Compared with conventional diesel locomotives, this model achieves over 45% fuel savings, 80% noise reduction, and 45–83% reductions in pollutant emissions, delivering an average annual carbon reduction of 240 tonnes per unit. This marks not only the first overseas export of Chinese new-energy locomotives but also the first adoption of Chinese standards by Kazakhstan as the basis for EAC certification—signifying a substantive breakthrough in the internationalization of China's green rail transit equipment and serving as a model project for jointly building the "Green Silk Road."



CKD6H Locomotive



Carbon Emission Reduction and Carbon Credits

Adhering to the principle of “reduction first, offsetting as a supplement,” carbon credit procurement is strictly limited to high-quality projects with clearly demonstrated additionality and does not substitute for the Company’s own emission reduction responsibilities. During the reporting period, the Company procured a total of 1,499 tCO₂e in carbon credits via the Verra platform, covering five subsidiaries: Puzhen Co., Ltd., CRRC Hefei, CRRC Hangzhou, Meishan Brake, and Sifang Co., Ltd. The corresponding projects include:

Renewable energy projects such as the Nanxi Hydro-power in Yunnan, wind power generation in Tianjin, and the Jiujietao Hydropower in Sichuan;

Methane recovery projects such as the Qingshuihe Geli-qiao Hydropower in Guizhou;

Livestock waste reduction projects in Jiangxi and Hebei.

All carbon credits have been verified by third-party bodies (Verra / UNFCCC CDM) and 100% completed third-party program validation, ensuring environmental benefits are real, traceable, and free from double counting. This initiative effectively offset a portion of the Company’s hard-to-abate Scope 1, Scope 2, and Scope 3 emissions in 2024, providing reliable support for its phased carbon neutrality target, while also facilitating the implementation of green projects and delivering both environmental benefits and social responsibility value.

Impacts, Risks, and Opportunities Management

The Company places high importance on climate change-related risks and opportunities and has systematically integrated the identification, assessment, prioritization, and monitoring of climate risks and opportunities into its overall risk management system. The annual climate risk assessment, led by the “Dual Carbon” Office, strictly follows the Company’s comprehensive risk management framework, classifying relevant risks uniformly under the operational risk category and assessing their significance and severity according to established standards. Material climate risks are recorded in the Company’s risk register and overseen by the ESG Management Committee to ensure implementation of response measures; routine supervision is conducted through quarterly reporting and Board review mechanisms.

To comprehensively identify climate-related risks and opportunities, CRRC conducts scenario analysis using a range of climate-related scenarios, including the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) RCP4.5 and RCP8.5; the Network for Greening the Financial System (NGFS) Net Zero Emission (NZE) scenario for 2050; the Delayed Transition (DT) scenario; the Nationally Determined Contributions (NDCs) scenario; the International Energy Agency (IEA) Net Zero Emission by 2050 (NZE2050) scenario; the Announced Pledges Scenario (APS); and the Stated Policies Scenario (STEPS).



Physical Risk Scenarios		
Scenario Name	RCP4.5	RCP8.5
Scenario Description	In this scenario, the world takes strong mitigation actions, reducing greenhouse gas emissions to half of current levels by 2080 and stabilising the Earth’s radiative forcing at 4.5W/m2 by 2100.	This scenario represents a business-as-usual approach with greenhouse gas emissions continuing at the current rate. In this scenario, the Earth’s radiative forcing will exceed 8.5W/ m2 by 2100, and the global temperature is projected to rise by more than 4°C.
Estimated Temperature Rise by the End of the Century	2.5 ~ 3°C	>4°C

Transition Risk Scenarios			
Scenario Name	NGFS-NZE2050	NGFS-DT	NGFS-NDCs
Scenario Description	This is an orderly scenario that limits global warming to 1.5°C through stringent climate policies and innovation, achieving net-zero carbon dioxide emissions around 2050. By this time, some jurisdictions, such as the United States, the European Union, and Japan, will have achieved net-zero emissions for all greenhouse gases. In this scenario, the pace of technological change is rapid.	This is a disorderly scenario which assumes that global annual emissions will not decrease until 2030. At that point, strong policies will be needed to limit the temperature rise to below 2°C. In this scenario, the pace of technological change is uneven, with both slow and rapid developments.	This is a hothouse world scenario which assumes that countries implement their pledged policies in addition to existing ones and maintain a level of ambition beyond their Nationally Determined Contributions. This scenario takes into account national dual carbon targets.
Estimated Temperature Rise by the End of the Century	<1.5°C	1.6°C	2.6°C

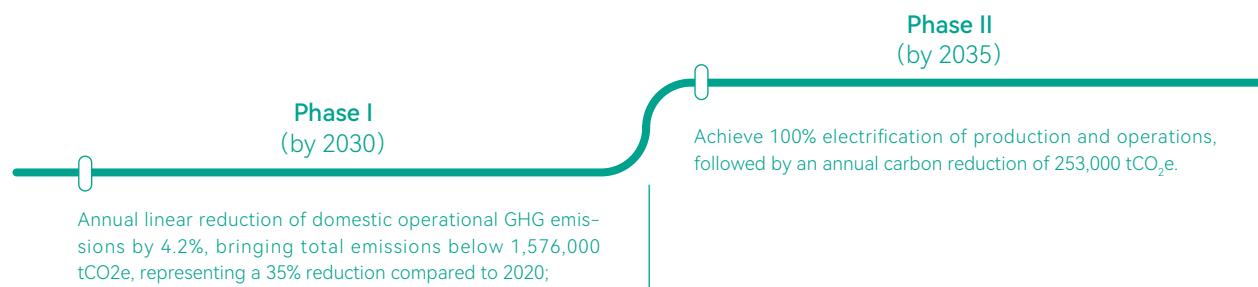
Opportunity Scenarios			
Scenario Name	IEA-NZE2050	IEA-APS	IEA-STEPS
Scenario Description	In this scenario, the global energy sector achieves net zero emissions by 2050. This net-zero pathway does not rely on emission reductions from outside the energy sector to achieve its goal.	This scenario assumes that countries meet their climate commitments on time, including Nationally Determined Contributions and long-term net-zero targets.	This scenario assesses each industry and each country based on existing policies and measures as well as those under formulation, exploring the possible development directions of the energy system without the implementation of additional policies.
Estimated Temperature Rise by the End of the Century	~ 1.5°C	~ 1.8°C	~ 2.5°C

Metrics and Targets

Climate-Related Targets

2025 is the final year of the national 14th five-year plan. The CRRC “Dual Carbon” Action Plan specifies the “35 • 50” carbon neutrality target: building on the achievement of operational carbon peaking in 2018, the Company will strive to achieve operational carbon neutrality by 2035, actively lead carbon reduction across the entire value chain, and aim to achieve full value chain carbon neutrality by 2050.

Aligned with China’s “Dual Carbon” strategy and the company’s three-year performance evaluation indicators, phased climate targets have been established:



In terms of green investment, the Company thoroughly implements the *Guidelines on the Use of Green Energy*, the *Guidelines on Investment in Clean Equipment*, and the *Investment Measures for Large-Scale Bases*, continuously optimising its investment structure to favour low-carbon and zero-carbon technologies.

Climate-Related Metrics

In FY2025, the company reduced its total carbon emissions to 1.7652 million tCO₂e and lowered its carbon emission intensity to 0.054 tCO₂e per RMB 10,000 output value, achieving respective reductions of 11.7% and 23.3% compared to 2024, through measures including phasing out coal-fired boilers, advancing energy green transformation, implementing process improvements, and upgrading equipment and facilities.

Metric ⁴	Unit	FY2025
Total GHG Emissions (Scope 1 + 2)⁵	tCO ₂ e	1,765,173.29
GHG Emissions (Scope 1)	tCO ₂ e	338,155.07
GHG Emissions (Scope 2)	tCO ₂ e	1,427,018.21
GHG Emission Intensity (Scope 1 + 2)	tCO ₂ e/RMB 10,000 Output Value	0.0542
GHG Emission Intensity (Scope 1)	tCO ₂ e/RMB 10,000 Output Value	0.0104
GHG Emission Intensity (Scope 2)	tCO ₂ e/RMB 10,000 Output Value	0.0438
GHG Emission Reduction	tCO ₂ e	243,927.81

⁴ CRRC is consistently committed to leading the green development of rail transport and actively responds to the national dual carbon strategy, having already achieved effective emissions reductions at its own operational level (Scope 1 and 2). We are fully aware that Scope 3 accounting is crucial for decarbonisation across the entire value chain and have initiated a large-scale inventory and accounting of Scope 3 GHG emissions in accordance with the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*. A preliminary screening shows that CRRC’s Scope 3 GHG emissions involve 12 categories, including “Category 1: Purchased goods and services, Category 2: Capital goods, Category 3: Fuel- and energy-related activities, Category 4: Upstream transportation and distribution, Category 5: Waste generated in operations, Category 6: Business travel, Category 7: Employee commuting, Category 8: Upstream leased assets, Category 9: Downstream transportation and distribution, Category 11: Use of sold products, Category 13: Downstream leased assets, and Category 15: Investments”. However, due to the diversity of the Company’s business and product types, as well as its subsidiaries, suppliers, and customers being spread across the globe, the inventory of GHG emissions in the upstream and downstream value chain is extremely complex, and we are not yet in a position to disclose complete, high-quality Scope 3 GHG emissions data. We are committed to continuously improving our accounting system and accelerating data collection and verification in the future. We will disclose our Scope 3 emissions transparently at an appropriate time to support the development of a precise decarbonisation roadmap.

⁵ This fiscal year, we conducted our Scope 1 and 2 GHG emissions accounting in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard (2004)*.

Pollutant Emissions

The Company implements comprehensive and coordinated management of pollutant emissions. For pollutants such as wastewater and waste gas, it adopts measures for source control and whole-process supervision to minimise environmental impact.

Performance Indicators during the Reporting Period



All emission indicators met or exceeded national and local environmental protection standards. The Company was not subject to any major administrative penalties or criminal liabilities for pollutant emissions, nor did any instances of non-compliant emissions occur.

Wastewater Treatment

The Company strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People’s Republic of China* and the *Integrated Wastewater Discharge Standard*, strengthening its primary responsibility for water pollution prevention and control through the vertical management system established by the Operations, Safety and Environmental Protection Department. In 2025, taking the conclusion of the 14th Five-Year Plan as an opportunity, we will deepen the implementation of the *Detailed Rules for Water Pollution Prevention and Control Management* by conducting comprehensive compliance inspections of drainage networks and post-licensing supervision of pollutant discharge permits, standardising management requirements for the design of drainage facilities, the configuration of wastewater treatment equipment, and the methods of water pollutant discharge. For wastewater generated during production, the Company employs physical, chemical, or biochemical treatment processes to ensure water quality meets standards before discharge or entry into the municipal sewage system and continuously promotes emission reduction through a path of “source reduction, process control, end-of-pipe treatment, and resource reuse” to ensure standardised and refined wastewater discharge management.

The Company has set quantitative reduction targets for water pollutants such as ammonia nitrogen and chemical oxygen demand, covering all of the Company’s operating sites and businesses. The specific targets are as follows:



By 2030, reduce ammonia nitrogen emissions per RMB 10,000 output value by 0.5% compared to the 2025 level.



By 2030, reduce chemical oxygen demand emissions per RMB 10,000 output value by 0.5% compared to the 2025 level.

Source Reduction

- Replacing traditional spraying with processes such as water-based coatings and electrostatic spraying to reduce pollutant emissions.
- Reducing water consumption through water-saving technologies like boiler circulating water systems.

Process Control

- Deploying online wastewater monitoring systems to monitor the discharge of various key pollutants in real time.
- Implementing segregated collection and pre-treatment of wastewater to achieve efficient removal of oils, phosphorus, and nitrogen.
- Using advanced biochemical treatment processes to bring wastewater to reuse standards for cleaning, cooling, and greening, significantly reducing freshwater consumption, with some enterprises achieving “zero discharge” of wastewater.

End-Of-Pipe Treatment and
Resource Reuse

- Combined with resource utilisation, the reclaimed water reuse rate has been increased to over 10%, fully promoting the industry’s green transformation and providing a model for emission reduction in the industrial sector. In the future, we will further integrate low-carbon technologies and digital methods to move towards the goal of “zero wastewater”.

▲ Wastewater Management Measures

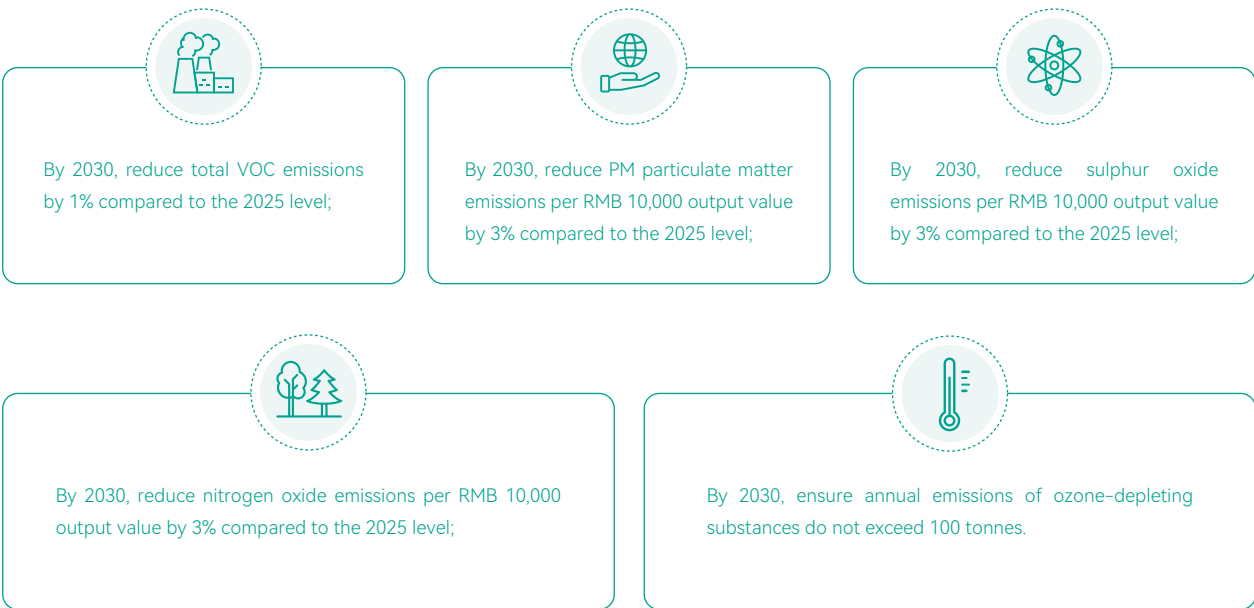
Metric	Unit	FY2025
Wastewater Discharge	Tonnes	9,566,388.96
COD Emissions	Tonnes	383.04
COD Emission Intensity	Tonnes/RMB 10,000 Output Value	1.1751×10 ⁻⁵
Ammonia Nitrogen Emissions	Tonnes	38.48
Ammonia Nitrogen Emission Intensity	Tonnes/RMB 10,000 Output Value	1.1805×10 ⁻⁶

Air Emissions Treatment

The Company strictly complies with laws, regulations, and standards such as the *Atmospheric Pollution Prevention and Control Law of the People’s Republic of China*, the *Integrated Emission Standard of Air Pollutants*, and the *Standard for Pollution Control on Unorganized Emission of Volatile Organic Compounds*. The Operations, Safety and Environmental Protection Department serves as the responsible department for atmospheric pollution prevention and control, charged with formulating pollution control systems and guiding and inspecting their implementation by subsidiaries, while other departments fulfil their respective duties according to their responsibilities. The Company has formulated the Detailed Rules for Atmospheric Pollution Prevention and Control Management to standardise work requirements for pollution control equipment management, volatile organic compound treatment, pollutant monitoring, and emergency response for environmental emergencies.

The exhaust gases emitted during production primarily include coating exhaust, heat treatment exhaust, and welding fumes, with major pollutants being sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOCs), and particulate matter (PM). Comprehensive control of exhaust emissions is achieved through measures such as promoting low-VOC raw and auxiliary materials, standardizing operational procedures, and implementing monitoring plans. Through equipment upgrades, process optimization, and installation of supporting exhaust treatment facilities, the replacement of coal-fired boilers and kilns with natural gas-fired units has been fully completed. For PM control, measures including cartridge filtration, baghouse filtration, and electrostatic precipitation are adopted, significantly improving exhaust treatment efficiency. As of the end of the reporting period, two subsidiaries, CRRC Tangshan and another, have received Grade A atmospheric performance ratings.

The Company has established quantitative emission reduction targets for gaseous pollutants—including VOCs, PM, sulfur oxides (SO_x), nitrogen oxides (NO_x), and ozone-depleting substances (ODS)—covering all operational sites and business activities. The specific targets are as follows:



Performance Indicators during the Reporting Period

The Company's VOCs emissions totalled **2,913.93** tonnes with a **5.12%** reduction from the 2024 baseline year, achieving the Company’s target of “controlling VOCs emissions below **3,000** tonnes within three years from the 2024 baseline year, with an expected reduction exceeding **3%** relative to the 2024 baseline.”

Metric	Unit	FY2025
Ozone-Depleting Substance Emissions	Tonnes	89.32
Ozone-Depleting Substance Emission Intensity	Tonnes/ RMB 10,000 Output Value	2.7402×10 ⁻⁶
Sulphur Oxide Emissions	Tonnes	46.52
Sulphur Oxide Emission Intensity	Tonnes/ RMB 10,000 Output Value	1.4270×10 ⁻⁶
PM Particulate Matter Emissions	Tonnes	1,035.36
PM Particulate Matter Emission Intensity	Tonnes/ RMB 10,000 Output Value	3.1763×10 ⁻⁵
Nitrogen Oxide Emissions	Tonnes	176.72
Nitrogen Oxide Emission Intensity	Tonnes/ RMB 10,000 Output Value	5.4216×10 ⁻⁶
VOC Emissions	Tonnes	2,913.93
VOC Emission Intensity	Tonnes/ RMB 10,000 Output Value	8.9395×10 ⁻⁵
Mercury Emissions	Tonnes	0
Mercury Emission Intensity	Tonnes/ RMB 10,000 Output Value	0
Heavy Metal Emissions	Tonnes	0
Heavy Metal Emission Intensity	Tonnes/ RMB 10,000 Output Value	0
Dioxin Emissions	Tonnes	0
Dioxin Emission Intensity	Tonnes/ RMB 10,000 Output Value	0

Waste Management

The Company strictly complies with laws, regulations, and industry standards such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Standard for Pollution Control on Hazardous Waste Storage*, with the Operations, Safety and Environmental Protection Department acting as the responsible department to coordinate the formulation of pollution prevention and control systems, work plans, and objectives, organise technical exchanges and promotion, and guide and supervise subsidiaries in implementing control measures, while other departments collaborate according to their respective duties.

The Company has internally formulated the *Detailed Rules for the Management of Solid Waste Pollution Prevention and Control*, which classifies solid waste into general industrial solid waste and hazardous waste based on their characteristics, implementing classified management and standardising disposal procedures. Focusing on aspects such as system establishment, source reduction, classified storage, resource recovery and utilisation, harmless disposal, and public awareness and education, it systematically builds a target management system and continuously promotes the implementation of improvement measures.

In 2025, the Company further improved its system of rules by issuing the *Notice on Further Strengthening the Management of Solid Waste Disposal*. It organised subsidiaries to comprehensively review their operations, assess the current state of solid waste, and promoted solid waste disposal management through the CRRC “Yiqipai” platform. This approach achieves transparent, efficient, value-added, and compliant whole-process control, while continuously refining management methods and system processes.

Hazardous Waste Management and Disposal Measures

The Company formulated the *Working Guidelines for Hazardous Waste Management* and implemented hazardous waste management plans and registers. All subsidiaries handle hazardous waste generated during industrial production, such as waste paint slag, waste paint barrels, waste engine oil, waste activated carbon and filter cotton, and sludge from sewage treatment stations in strict accordance with regulations. They have also developed emergency response plans and related management systems for hazardous waste incidents, implementing classified control and compliant disposal to reduce hazardous waste emissions through multiple measures.



Source Substitution and Process Optimisation

- In the painting process, high-solid/water-based coatings and high-pressure electrostatic spraying technology are used to reduce the generation of waste paint.
- Promoting the use of environmentally friendly adhesives to reduce the toxicity of waste adhesives.
- Using digital printing to replace traditional developing processes, thereby reducing the consumption of waste developer fluid and ink cartridges.
- Toner and ink cartridges are uniformly collected and recycled by suppliers.



Categorised Control and Compliant Disposal

- Establishing classified storage sites for hazardous waste to prevent cross-contamination.
- For non-recyclable hazardous waste such as waste paint, waste paint barrels, and waste mineral oil, qualified third-party organisations are contracted for incineration or landfill, ensuring a 100% detoxification rate.



Intelligent Management

- Comprehensively advancing the digital transformation of hazardous waste management by introducing an Internet of Things monitoring platform. This platform tracks data on waste generation, storage, and treatment in real time, optimises reduction plans, and achieves closed-loop supervision and traceability throughout the entire process.

▲ Hazardous Waste Management Measures

Case Comprehensive Advancement of Digital Transformation in Hazardous Waste Management by Subsidiaries

Subsidiaries such as CRRC Qiqihar Group, CRRC Dalian, and CRRC Zhuzhou have launched digital supervision systems for hazardous waste, covering the entire process from waste generation and temporary storage to transportation. CRRC Shenyang has deployed intelligent weighing equipment, QR code electronic labels, and handheld terminals to achieve “code for circulation, data for sharing”, enhancing management efficiency and information transparency. CRRC Dalian has introduced intelligent weighing and QR code technology in its warehouse management, automating the entry and exit of hazardous waste. This effectively prevents human intervention and operational risks, thereby significantly improving the standardisation and intelligence of hazardous waste management.

General Solid Waste Management and Disposal Measures

Following the *Working Guidelines for the Management of General Industrial Solid Waste and Domestic Waste*, the Company implements the principles of “reduction, resource recovery, and harmlessness”. It applies classified management, circular utilisation, and efficient recovery for general solid waste, and standardises its storage, transfer, and disposal in accordance with the law. All subsidiaries have established relevant management systems, including a responsibility system for preventing environmental pollution from general solid waste, to promote its efficient recovery and full utilisation. For domestic waste, subsidiaries conduct classified collection in accordance with the *Classification Marks for Domestic Waste* (GB 19095) and promote green living and waste classification. Construction waste is handled uniformly by the construction project contractor.



Categorised
Recovery
and
Resource
Utilisation

- The Company continues to advance the classified management and resource utilisation of solid waste. Focusing on domestic waste and recyclable solid waste from production processes, it is transitioning classified collection from demonstration projects to standardised operations. By establishing demonstration sites for classified domestic waste management and conducting targeted actions to standardise solid waste storage facilities, the Company continuously improves the construction and operational management of its waste storage facilities, ensuring proper sorting, standardised storage, and compliant disposal.
- On this basis, the Company has established and improved a register management system for classified waste collection, implementing classified statistics and process control for recyclables such as waste smelting sand, waste packaging materials, and waste cardboard boxes to promote resource utilisation. Utilising the “Yiqipai” green circular trading platform, it explores the integration of waste management with market-based mechanisms to achieve the recovery, assessment, and circulation of waste. This enhances resource utilisation efficiency and supports the development of the circular economy.

Digital
Office

- The Company continues to advance its digital office practices, applying information technology to processes such as document circulation, approval management, and records management. This reduces the use of paper documents and the consumption of office supplies, promoting a green transformation in office administration.

▲ General Waste Management Measures

Case Subsidiaries Actively Implementing Standardized Waste Management

Subsidiaries are actively implementing standardised waste management requirements and exploring refined control pathways tailored to their own characteristics. The subsidiary Sifang Co., Ltd. has fully implemented a “Five-Immediates” standardised management model for hazardous waste across all its enterprise levels, ensuring that waste is “immediately generated, immediately packaged, immediately weighed, immediately coded, and immediately stored”. This effectively enhances the timeliness and compliance of the entire hazardous waste management process. Meanwhile, CRRC Changchun focuses on the lean management of general industrial solid waste. By regularly inspecting transport vehicles, operating personnel, and the qualifications of disposal units, it has strengthened its recycling mechanisms, leading to a 14% year-on-year reduction in solid waste generation at its old plant and an 11% reduction at its new plant, thereby achieving tangible source reduction and efficient resource utilisation.

Performance Indicators during the Reporting Period

The Company’s total waste generation was **646,352.95** tonnes. Hazardous waste emissions amounted to **35,412.35** tonnes, and non-hazardous waste emissions were **610,940.60** tonnes. The waste recycling and reuse rate was **84.32%**, a year-on-year increase of **5.06%**.

Case Sifang Institute Building a “Zero-Waste Factory”

In January 2025, the Subsidiary Sifang Institute was successfully selected for Shandong province’s list of “Zero-Waste Factories”, Becoming a benchmark for green, low-carbon, high-quality development in the Qingdao high-tech zone. Through intelligent transformation and process optimisation, it has achieved precise material feeding and source reduction of waste. The annual generation of paint slag decreased from 15.79 tonnes in 2019 to 4.06 tonnes in 2024. Concurrently, it has deployed intelligent terminals for hazardous waste, enabling informatised supervision throughout the entire process. This has comprehensively enhanced resource utilisation efficiency and environmental governance standards, providing a replicable and scalable practical model for building zero-waste factories in the rail transit equipment manufacturing industry. As of the end of the reporting period, a total of 14 of the Company’s subsidiaries have been included in various levels of “Zero-Waste Factory” lists.



Sifang Institute’s “Zero-Waste Factory”

Metric	Unit	FY2025
Total Hazardous Waste	Tonnes	35,412.35
Hazardous Waste Generation Intensity	Tonnes/RMB 10,000 Revenue	0.0013
Total Non-Hazardous Waste	Tonnes	610,940.60
Non-Hazardous Waste Generation Intensity	Tonnes/RMB 10,000 Revenue	0.0224
Volume of Waste Recycled and Reused	Tonnes	516,807.00
Waste Recycling and Reuse Rate ⁴	%	84.32

⁴Waste Recycling and Reuse Rate=(Volume of Waste Recycled and Reused – Volume of Prior-Year Stored Waste Utilised) / Volume of Non-Hazardous Waste Generated

Energy Utilization

The Company strictly adheres to laws and regulations such as the *Renewable Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, systematically promoting improvements in energy efficiency and optimisation of the energy structure. By formulating and implementing the *Guiding Opinions on Improving Energy Efficiency*, the Company has defined a special energy efficiency improvement plan, continuously optimising its product and energy consumption structures to enhance overall energy utilisation efficiency and increase the proportion of green energy used. All subsidiaries strictly implement systems such as the *Regulations on Energy Conservation and Ecological Environment Protection*, constantly improving their energy management systems. Through multiple measures including smart energy management, energy-saving technological retrofits, and energy recycling, they collaboratively advance the reduction of the Company's overall energy consumption and enhance its level of green operations.

The Company systematically advances energy management across four key directions: process optimization, energy efficiency improvement, green electricity substitution, and clean energy application—comprehensively reducing energy consumption and greenhouse gas emissions. Aligned with the goals of efficient energy utilization and green, low-carbon transformation, the Company's systematic energy management initiatives are manifested in the following four aspects:

Process Optimisation and Waste Energy Utilisation

- By improving coating processes and adopting new equipment to shorten drying times, natural gas consumption is reduced.
- Simultaneously, the promotion of thermal storage units and waste heat recovery from air compressors enhances comprehensive energy utilisation efficiency.

Electricity Conservation and Smart Energy Use

- Subsidiaries have widely implemented LED lighting upgrades and separate circuit controls, installed smart power-saving devices, and upgraded to high-efficiency motors, significantly improving electricity efficiency;
- Some enterprises have achieved electricity savings of over 10% and an 8% increase in operational efficiency through the retrofitting of motor systems and dust removal equipment.

Energy Management Measures

- The Company promotes the use of solar and air-source energy for hot water supply. Subsidiary Sifang Co., Ltd. achieved an annual carbon reduction of approximately 4,455 tonnes through retrofitting heat collectors and exchangers. CRRC Shenyang has ceased purchasing external steam and built its own steam generators. CRRC Harbin is piloting air-source heat pumps to replace purchased hot water and is substituting propane with enhanced-efficiency natural gas, effectively reducing reliance on fossil fuels.

Thermal Energy Systems Clean-Up

Green Power Development and On-Site Consumption

- The Company vigorously promotes the construction of rooftop distributed photovoltaics, having completed multiple projects in locations including Nanjing, Hangzhou, Hefei, Shijiazhuang, and Suzhou;
- The "photovoltaic-storage-charging integration" project at subsidiary Times Electric reduces annual carbon emissions by over 5,000 tonnes. At Puzhen Co., Ltd., rooftop photovoltaics generate over 21% of the total electricity consumption, steadily increasing the proportion of self-consumed green electricity.

Case Dalian Institute Implementing Energy Efficiency Upgrade for its Air Compression System

Subsidiary Dalian Institute focused on the air compressor system, a major energy-consuming unit, and replaced its original fixed-frequency screw air compressors with energy-efficient variable-frequency units. The new system dynamically adjusts operating frequency in real time according to actual compressed air demand, avoiding frequent start-stop cycles and no-load losses, thereby reducing overall energy consumption by 40%.

Case CRRC Hefei Optimizing Logistics Scheduling

CRRC Hefei extended its energy management to the product delivery stage by scientifically coordinating the manufacturing schedules of car bodies and bogies with the sales and transportation plans for complete trains, thereby optimizing shipment timing and routing to effectively reduce empty vehicle mileage and waiting time. In 2025, this initiative reduced carbon emissions across the transportation segment by 70 tonnes, enhancing delivery efficiency while advancing the green and low-carbon transformation of the logistics system.

Performance Indicators during the Reporting Period

The Company's comprehensive energy consumption totaled **588,523.79** tce, with a comprehensive energy intensity of **0.0181** tce per RMB 10,000 output value. Newly installed photovoltaic capacity amounted to **109.67** MW, bringing the cumulative installed and operational capacity to **318.98** MW. Clean energy consumption for the year reached **154,866.47** tce, accounting for **26.31%** of total energy consumption.

Water Utilization

The Company strictly adheres to laws and regulations such as the *Water Law of the People's Republic of China* and the *Circular Economy Promotion Law of the People's Republic of China*, integrating efficient water resource utilisation into its green manufacturing system and systematically promoting water conservation and recycling. By establishing key performance indicators such as "water reuse rate", "water resource productivity", and "wastewater recycling rate", the Company guides its subsidiaries to strengthen water management and actively promote the use of recycled and reclaimed water.

Water Recycling

The Company has established cooling water circulation systems for equipment such as electric arc furnaces, medium-frequency furnaces, and air compressors; promoted the recovery and reuse of steam condensate; optimised the water cycle in heat treatment quenching processes; and advocated for measures like reclaimed water reuse to reduce water waste and enhance utilisation efficiency.

Water Reuse

Advanced biochemical treatment processes are employed to bring wastewater up to reuse standards, allowing it to be used for cleaning, cooling, and landscaping, which significantly reduces freshwater consumption.



Performance Indicators during the Reporting Period



The Company's freshwater consumption totaled **16,660,878** tonnes, with a freshwater usage intensity of **0.5111** tonnes per RMB 10,000 output value; recycled water accounted for **76.65**% of total water use.

Case High-Efficiency Wastewater Recovery in Puzhen Co., Ltd.'s Subway Train Washer



Subsidiary Puzhen Co., Ltd. independently developed a metro train washing machine featuring high-efficiency wastewater recovery: water loss during the washing process does not exceed 20%, the maximum reclaimed water utilization rate reaches 80%, and overflow water quality meets local wastewater discharge standards.



Puzhen Co., Ltd.'s Subway Train Washer

Metric	Unit	FY2025
Fresh Water Consumption	Tonnes	16,660,878
Fresh Water Use Intensity	Tonnes/RMB 10,000 Output Value	0.5111
Total Water Consumption	Tonnes	71,366,405
Water Consumption Intensity	Tonnes/RMB 10,000 Output Value	2.1894
Total Recycled Water	Tonnes	54,705,527
Recycled Water Ratio	%	76.65

Circular Economy

The Company integrates green principles across the entire product life cycle, from raw material selection at the outset to resource recycling at the end, systematically advancing the application of green raw materials and efficient resource utilization. It prioritizes environmentally friendly materials, comprehensively promotes water-based coatings, establishes a circular packaging system, and deepens practices for solid waste resource recovery, thereby continuously reducing environmental burdens.

Green Raw Materials

The Company actively promotes the priority application of green and environmentally friendly materials in rail transit equipment and clean energy equipment, aiming to reduce emissions of toxic and hazardous substances. In surface coating processes for rail transit vehicles, it strengthens source-based emission reduction and continuously increases the proportion of water-based coatings, significantly lowering volatile organic compound (VOCs) emissions.

Circular Packaging and Reuse

The Company strictly abides by laws and regulations such as the *Circular Economy Promotion Law of the People's Republic of China*, upholds the principles of green environmental protection and efficient resource utilisation, and deeply integrates circular concepts into the rail transit industrial chain. Relying on a trinity smart logistics system of “transportation services + VMI warehousing services + integrated storage and transport tooling”, it systematically advances packaging reduction and circular reuse.

The Company has set a “zero-use” target for single-use packaging, formulated a special action plan, and comprehensively promoted reusable packaging materials to build a circular packaging ecosystem covering design, manufacturing, logistics, and recycling. The Industrial Chain Department led the development of the standard *Circular and Shared Packaging*, widely promoted it upstream in the supply chain, and facilitated revisions to the material procurement bidding evaluation criteria to provide bonus points as incentives for suppliers adopting CRRC's green circular packaging. Packaging efficiency and resource utilization have been continuously improved through simplifying packaging structures, expanding the application of naked packaging and reusable tooling, implementing standardized material box transportation for in-house components, and introducing takt-based delivery by unit (train) or production order.

	
Subsidiary Name	Circular Economy Practice
CRRC Qiqihar Group	Sends waste foundry sand to cement plants as raw material and reuses waste steel scraps for smelting.
CRRC Changchun	Has established a standardised process for recycling floor coverings, effectively reducing the final disposal volume.
CRRC Dalian	Uses circular tooling in batches for products sent to CRRC Tangshan and CRRC Changchun and has extended its use to the transport of air conditioning units.
CRRC Tangshan	Implements a project for the circular use of waste paint barrels and chemical packaging, achieving a win-win situation for both economic and environmental benefits.
Sifang Co., Ltd.	Conducts research on 27 deep repair and independent repair processes for components, significantly reducing the occasional replacement rate of high-level repair parts and saving maintenance costs.
Puzhen Co., Ltd.	Collaborates with 47 suppliers to promote circular packaging, achieving a coverage rate of 95.92%.
Times Electric	Achieves 100% recycling and reuse of domestic and kitchen waste, consuming approximately 1,839 tonnes of biomass and recycled fuel annually.
CRRC Puzhen Alstom	Replaced single-use bubble wrap for protecting cable connectors with reusable drawstring cloth bags and standardised the use of circular tooling for items such as sidewall brackets and loose door components.
CRRC Hangzhou	Fully utilises circular packaging for key materials, including air conditioners and door mechanisms.

▲ Circular Economy Practices of Some Subsidiary Companies

Case High-Value Utilization of Materials from Decommissioned Wind Turbines by Shandong Wind Power

Subsidiary Shandong Wind Power focuses on the entire industrial chain of “decommissioned blade recovery—processing—circular application”, and has developed China's first mobile mechanical crushing and pyrolysis processing technologies. These technologies enable the products from decommissioned blades to be widely used in fields such as construction engineering, wood-plastic composites, and marine ranches, achieving the high-value application of decommissioned blades by transforming them from “new solid waste” to “new materials”.



“Lingfeng” Model 12.5MW
Ultra-High-Power Wind Turbine Generator Set

Ecological Environment and Biodiversity Conservation

CRRC incorporates ecological environmental protection and biodiversity conservation into its sustainable development strategy, adhering to the principles of prevention first, protection priority, and integrated management, and systematically advancing ecological risk prevention and control, ecological function restoration, and climate change mitigation across the product life cycle.

The Company strictly complies with China's ecological protection red line system, requiring all new and expansion projects to conduct ecological sensitivity assessments during the preliminary stage to ensure production facilities avoid or withdraw from ecological red line areas. To date, no subsidiary has been found conducting production or business operations within ecological red line areas.

Regarding ecological restoration, CRRC actively fulfils its social responsibility by launching the public welfare afforestation initiative “I Plant a Tree for the Sanbei Region — CRRC Carries Great Love, Green Actions, and Silk Road Revitalization,” also known as the CRRC Public Welfare Forest Project. The project has received support from 123,207 CRRC employees and staff members. It plans to afforest 600 mu (approximately 40 hectares), scientifically planting over 60,000 native tree species, including poplar euphratica, elaeagnus angustifolia, and haloxylon ammodendron based on local conditions. Through a mixed-structure afforestation model combining arborescent and shrub species, the project establishes a structurally stable and functionally complete forest ecosystem.



Chairman Sun Yongcai delivering a speech for
CRRC Public Welfare Forest Project

To reduce the environmental impact of its products, the Company continues to promote pollution reduction at the source and green alternatives. Subsidiary Times New Material has completed the replacement of dichloromethane cleaning agents with environmentally friendly, non-hazardous chemical reagents. CRRC Tangshan has achieved a 22.54% year-on-year decrease in hazardous waste generation per vehicle through the non-hazardous identification of water-based paint residue and the recycling of waste liquid. CRRC Yangtze Group has significantly reduced its output of hazardous waste through process optimisation and equipment upgrades. These efforts effectively alleviate the pressure on the ecological environment during the manufacturing process and support the steady implementation of green and low-carbon transformation goals.

The Company currently has no business activities involving the collection of wild animals and plants, the development of natural habitats, or the utilisation of biological genetic resources. The related biodiversity risks are relatively low, and no special management mechanism has been established yet. In the future, the Company will continue to improve its ecological management system, strengthen ecological risk identification throughout the project life cycle, and explore the integration of eco-friendly design concepts into the research and development of new energy equipment to further enhance its level of ecological civilisation.





02

People-Oriented CRRC

Promoting the Common Development of Multiple Parties

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter

1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Protecting the Rights and Interests of Employees

CRRC adheres to a people-cantered philosophy, regarding talent as a critical strategic resource for sustainable development. It consistently upholds lawful, compliant employment practices and the principle of fair hiring, safeguards employees’ fundamental rights, optimizes its remuneration system, ensures smooth communication and feedback channels, and continuously enhances employee well-being, striving to foster a workplace environment that is lawful and compliant, equitable and just, and characterized by solidarity and mutual support.

Compliant Employment

The Company strictly complies with the laws, regulations, and labour policies of its operating locations, such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, and signs labour contracts with employees in accordance with the *Regulations on the Protection of Employee Rights*, following the principles of legality, fairness, equality, voluntary participation, mutual agreement, and good faith, legally stipulating matters concerning rights and interests such as working hours, leave, remuneration and benefits, and working conditions and protections.

The Company strictly implements laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors and the Provisions on the Prohibition of Using Child Labour*. It references international human rights conventions and labour rights protection mechanisms, including the core conventions of the International Labour Organization (ILO) and the *Universal Declaration of Human Rights*, to rigorously verify employee identities, prevent the hiring of child labour, and oppose all forms of forced and compulsory labour. As of the end of the reporting period, the Company has never had any incidents of child labour or forced labour.

The Company has established contingency plans to address potential scenarios related to restructuring, employee reassignment, and severance compensation. During restructuring and reassignment processes, where employee position changes occur, CRRC applies a clearly defined severance payment policy to safeguard employees’ basic livelihood during transition periods. Concurrently, CRRC actively undertakes employee reassignment initiatives, matching staff with suitable internal positions based on their skills and experience.

Diverse and Inclusive Policies

The Company promotes the concept of multicultural integration, actively fosters an equal and inclusive working environment, and continues to implement the *Regulations on the Protection of Employee Rights*. It does not discriminate against any employee based on gender, marital status, race, colour, ethnicity, religion, age, disability, or other personal characteristics. Equal job opportunities and a convenient environment are provided for employees with disabilities. Workplace harassment is strictly prohibited, ensuring that employees are protected from physical, verbal, sexual, or psychological harassment, abuse, threats, and other inappropriate behaviours at work. A dedicated channel for protecting employee rights and interests has been established to ensure that any issues related to discrimination or inequality can be reported promptly and handled appropriately.

Diverse Talent Recruitment

CRRC actively expands talent selection channels and widely recruits outstanding, diverse talent. Overseas operations rigorously implement localized employment practices, offering diversified employment opportunities across regions and professional fields for individuals with varied academic and professional backgrounds. CRRC continuously optimizes its workforce structure to promote diverse and equitable employee development. During the reporting period, the Company adopted a combined approach, social recruitment, campus recruitment, and flexible talent acquisition, to precisely attract high-calibre professionals. CRRC deepened the implementation of its graduate recruitment reform initiative, systematically trained recruitment officers to enhance their presentation skills and overall competencies and organized 16 “City-University Cluster” recruitment events in Berlin, Paris, Beijing, Shanghai, and other domestic and overseas locations. It also precisely executed the “Future Star” internship recruitment program and intensified efforts to recruit outstanding master’s and doctoral graduates from top-tier universities. In total, CRRC signed employment agreements with 3,300 graduates of the Class of 2026, of whom 83.6% held master’s degrees or higher—an increase of 8 percentage points year-on-year; and 76.5% graduated from world-class universities domestically and internationally—an increase of 9 percentage points year-on-year. CRRC further strengthened flexible talent acquisition by engaging experts from top-tier universities to jointly conduct project-based research, having recruited nearly 50 high-calibre “dual-appointed” professionals to date. In 2025, CRRC was named “Outstanding Employer of the Year” by Liepin.com and received the “Campus Recruitment Case Award” from Zhaopin.com.



“Outstanding Employer of the Year” by Liepin.com and
“Campus Recruitment Case Award” from Zhaopin.com

Metric	Unit	FY2025
Total Number of Employees	Persons	151,602

By Gender

Percentage of Female Employees	%	16.26
Percentage of Male Employees	%	83.74
Percentage of Male Senior Management at Headquarter	%	87.50
Percentage of Female Senior Management at Headquarters	%	12.50

By Work Location

Percentage of Employees in Mainland China	%	95.83
Percentage of Employees from Hong Kong, Macao, Taiwan, and Overseas	%	4.17

By Age Group

Percentage of Employees Aged 30 and Under	%	17.71
Percentage of Employees Aged 30 To 50	%	64.11
Percentage of Employees Aged Over 50	%	18.18

By Educational Background

Percentage of Employees with a Doctoral Degree	%	0.49
Percentage of Employees with a Master's Degree	%	14.08
Percentage of Employees with a Bachelor's Degree or Below	%	85.43
Social Security Coverage Rate	%	100
Number of Labour Disputes	Cases	0

Remuneration System

A comprehensive remuneration system has been established in accordance with the *Remuneration Management Measures*. The Company has established a remuneration growth and payment mechanism linked to job responsibilities and performance appraisal results, based on its human resources strategy and market standards. Furthermore, core talent is provided with compensation commensurate with their responsibilities, with the annual remuneration for Chief Scientists in principle being no lower than that of the leadership team members in their respective enterprises.

The Company adheres to the principle of “equal pay for equal work” and implements the *Interim Measures for Remuneration Management*, the *Guidance on Full-Staff Performance Management*, and the *Guidance on the Reform of the Internal Distribution System* to standardise the remuneration structure, levels, growth strategies, and payment strategies for all employee sequences. In addition to providing a competitive basic salary, the Company has established multiple incentive policies, such as performance bonuses, mid- and long-term equity incentive plans, profit-sharing plans, and special awards, creating a performance management and incentive mechanism that covers all employees (including both management and non-management staff) with a 100% coverage rate. The annual business plan is formulated around the Company’s strategic goals and is broken down by each department into KPIs (Key Performance Indicators) and GS (Work Objectives), which form the basis for individual employee appraisal forms. These forms encompass three main categories of indicators—organisational performance, individual tasks, and personal conduct—with the weighting of each indicator reasonably set according to job level. Appraisal scores, determined based on the evaluation of each indicator, are directly linked to remuneration distribution, career development, and awards, effectively connecting performance management with the incentive mechanism. Both management and non-management employees who exceed the requirements of their individual appraisal forms are eligible for corresponding incentive-based remuneration (such as performance bonuses and special awards).

Medium- and Long-term Incentive Plans

The Company has formulated and implemented a three-year action plan for medium- to long-term incentives targeting all employees. Adopting a “one-enterprise, one-policy” approach, the Company guides eligible subsidiaries to implement diversified incentive measures, including equity, stock options, and dividend rights, for high-performing individuals and core technical talent, thereby promoting shared benefits from business outcomes and shared responsibility for risks between employees and the enterprise.

As of the end of the reporting period, a total of 10 equity incentive plans have been approved and implemented, covering various instruments such as equity incentives for employees of technology-oriented enterprises, employee shareholding in mixed-ownership reform enterprises, equity incentives for listed companies, and strategic allocations for initial public offerings on the STAR Market. These plans involve over 2,200 employees across 42 subsidiaries, with a total shareholding of 1.297 billion shares.

Welfare and Care

Strictly comply with national laws, regulations, and policy requirements, and systematically establish and continuously improve a comprehensive employee welfare and care system covering all full-time, part-time employees, and contractors. By offering diversified welfare programs across multiple dimensions, including basic insurance, rest and leave entitlements, health protection, career support, and work-life balance, the Company enhances employees’ sense of gain, belonging, and satisfaction; fosters a harmonious and stable development environment; and lays a solid talent foundation for sustainable corporate development.



Insurance and Supplementary Medical Care

- In addition to mandatory contributions to basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance, and the housing provident fund, subsidiaries—based on their operational performance—provide all full-time, part-time employees, and contractors with supplementary commercial insurance, supplementary medical insurance, and enterprise annuities as non-salary benefits.



Rest and Leave Rights

- We ensure that all employees are legally entitled to paid annual leave, home leave, marriage and bereavement leave, maternity leave, and parental leave, effectively safeguarding their rights and interests.



Physical and Mental Well-being Care

- We provide annual health check-up benefits and organise regular examinations to promptly identify potential health issues.
- We continuously monitor the mental health of our employees and diligently provide mental health services.
- We regularly conduct visits to expatriate employees and their families in China, provide heatstroke prevention and cooling supplies, support flood prevention and disaster relief efforts, and carry out activities such as the “Golden Autumn” student grant programme, investing funds in employee care and support initiatives.



Protection for Female Employees

- We have established the “CRRC Love House” and organised activities such as the “Scholarly CRRC Female Employee Reading Season” to proactively foster a work environment conducive to the development of female employees.

▲ Employee Welfare and Care Practices

Case

Company Leaders Visiting Subsidiaries and After-Sales Service
Front Lines for Chinese New Year and Spring Festival Greetings



On the Eve of the 2025 Spring Festival, company leaders visited retired senior leaders and model workers, extended greetings to after-sales service employees remaining on duty during the festival and inspected and guided the after-sales service support work for the spring festival travel season.



Chairman Sun Yongcai Visiting Frontline Employees



Employee Democratic Management

CRRC actively promotes democratic management by employees and respects their statutory rights to freely and voluntarily join associations. It has improved its enterprise-level democratic management system, with the Employees' Congress as its core institution. As the day-to-day operational body of the Employees' Congress, the trade union actively participates in democratic procedures during reform and restructuring, promptly conveys employees' reasonable demands, prevents and resolves labour disputes, strengthens democratic oversight functions, safeguards employees' legitimate rights and interests, and fosters stable and harmonious enterprise development. Through democratic management, CRRC enhances employees' sense of belonging and responsibility, builds harmonious labour relations, and lays a solid foundation for sustainable enterprise development.

Ensuring Employee Communication Channels

CRRC values and safeguards employees' rights to express reasonable demands, establishing smooth communication and feedback mechanisms and implementing regular superior-subordinate dialogues and talent counselling systems. Employees may consult or raise concerns through multiple channels, including the Employees' (Representatives') Congress, trade unions, labour dispute mediation committees, collective bargaining, and direct communication with management.

CRRC has established a systematic employee satisfaction survey framework, conducting annual employee satisfaction surveys for over three consecutive years, focusing on key topics such as career development, training and development, corporate culture, and work environment.

Based on the FY2025 survey results, CRRC conducted in-depth data analysis and synthesized employee feedback, promptly optimizing management practices in response to common and priority issues. Improvement initiatives are planned across four dimensions—leadership, organizational structure, processes, and employees:

- To further deepen the authorisation mechanism by enhancing the delegation skills of enterprise managers through training and guidance, thereby stimulating team autonomy and innovation.
- To continue building an inclusive, open, fair, and humanistic organisational environment to enhance employees' sense of belonging.
- Individually identifying and leveraging employees' core strengths, optimising job assignments, and achieving a good person-job fit;
- Empowering employee growth, cultivating a learning organisation, providing diverse and practical learning resources, and developing training courses tailored to employee development;
- Focusing on incentivising key talent, innovating incentive methods, continuously improving the rank and qualification system, and stimulating organisational and talent vitality.

Each department of the company continues to collaborate in identifying issues, jointly developing improvement plans, and tracking the progress and effectiveness of these plans on a quarterly basis—thereby achieving comprehensive closed-loop management of human resources.

Performance Indicators during the Reporting Period



A questionnaire-based satisfaction survey was conducted covering all full-time, part-time employees, and contractors, achieving an overall satisfaction rate of **99.18%**.

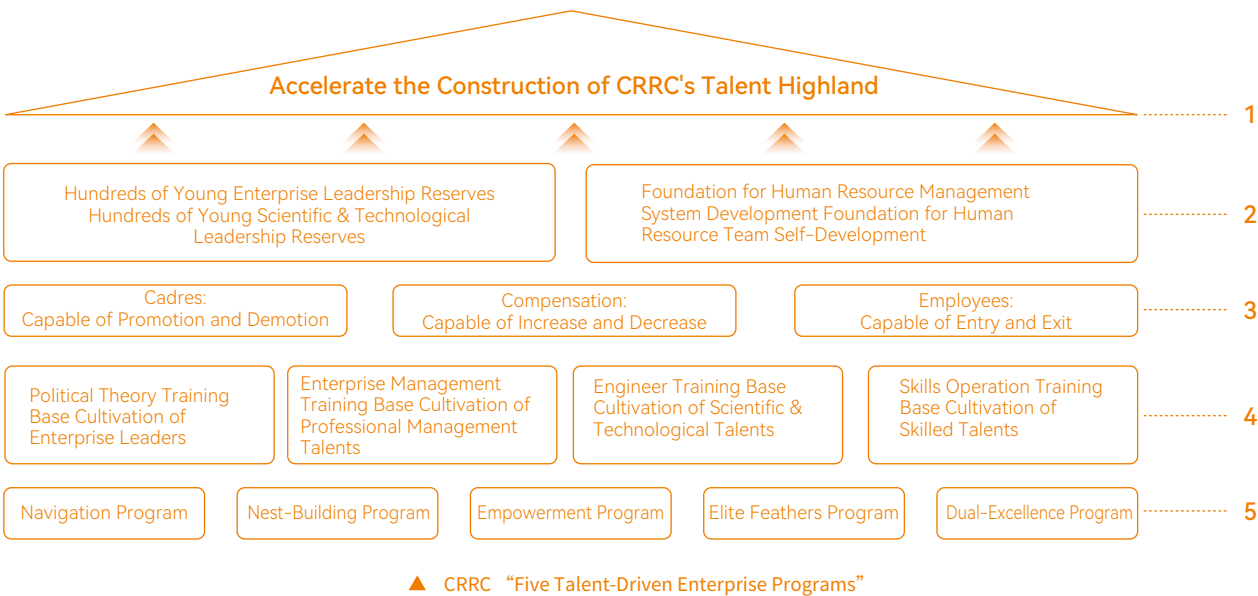
Promoting Talent Development

The Company places employee development at the strategic core, committed to establishing unimpeded career pathways and a robust talent development system. It continuously strengthens the internal capabilities of its human resources system, guided by the vision of "achieving the free and well-rounded development of CRRC personnel" and embodying the team ethos of "serving as a ladder to build high ground, and pursuing bold reform for breakthroughs." Through systematic capability building and scientific evaluation mechanisms, the Company provides solid support and an enabling environment for employee growth, driving synergistic development of both the organization and its talent.

Talent Strategy

Talent work is positioned at the strategic core supporting the Company's high-quality development. The Company adheres to the fundamental principle of the Party's comprehensive leadership over talent work, firmly upholds the strategic positioning of "talent-driven development" and the overarching direction of "strengthening the enterprise through talent." Closely aligned with the core tasks of achieving "seven new breakthroughs" and unleashing "three key drivers," and taking the accelerated construction of an enterprise-level talent hub as its central theme, the Company strives to serve as a vanguard in deepening reforms of talent development systems and mechanisms, and assumes the role of a main force in building national strategic talent capacity. During the reporting period, the Company achieved the strategic objective of "five accelerations in formation", including building a science and technology talent aggregation platform with comparative competitive advantages; fostering a dynamic landscape featuring dual-track talent development and full participation and contribution from all employees; establishing a precise and efficient positive incentive cycle; forming a modern talent governance system aligned with high-quality development; and ultimately consolidating a robust talent advantage underpinning the implementation of the Company's strategy and business expansion.

In terms of concrete implementation pathways, CRRC innovatively launched the "Five Talent-Driven Enterprise Programs", establishing a people-centered, logically closed strategic execution framework. The "Navigation Program" focuses on building leadership teams with "five strengths", improving personnel selection criteria and market-oriented management mechanisms to identify and cultivate high-calibre executives capable of shouldering major responsibilities. The "Nest-Building Program" aims to establish a new talent aggregation pattern, "1+4+N", by intensifying talent recruitment efforts and optimizing talent deployment, thereby building world-class talent and innovation hubs. The "Empowerment Program" aligns with the company's strategy and business model, enhancing talent development systems and platforms to accelerate the formation of science and technology talent pools and skilled talent pipelines, and is committed to independently cultivating a large number of master craftsmen, strategic scientists, and national-level skilled experts. The "Elite Feathers Program" seeks to establish a market-oriented, differentiated incentive system, through salary premiums, medium- to long-term incentives, and other measures, to stimulate innovation vitality across the entire workforce. The "Dual-Excellence Program" deepens organizational and institutional reforms and implements special actions to improve labour productivity, aiming to comprehensively enhance human capital effectiveness.



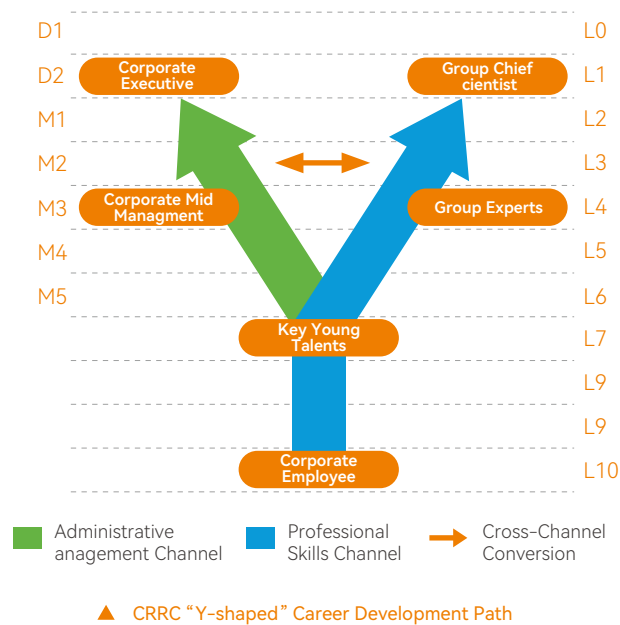
Career Development

The Company has established a unified and standardized job management system and multi-dimensional career development pathways, providing diverse talent with platforms aligned with organizational needs, promoting the transformation of human resources into talent capital, and achieving co-development of individuals and the organization.

The managerial and operational pathway comprises two tiers—Decision-making Level (D) and Management Level (M)—with seven progressive grades in total: D1, D2, ..., M5. The professional and technical pathway comprises four tiers—Experts (A), Chief Specialists (B), Specialists (C), and Professionals (D)—further subdivided into eleven levels (L0 to L10); numerically smaller level codes denote higher tiers.

Adhering to a performance-oriented principle, the Company rigorously implements a dynamic management mechanism of “selection every two years and appointment for four-year terms,” establishing a “Y-shaped” career development path for both managerial and technical personnel. Based on actual development needs, the Company revises core talent evaluation criteria, enabling talent to apply for promotion or reappointment according to their term-based performance evaluations and contributions. By ensuring unimpeded career progression, delivering targeted development support, and offering competitive compensation, the Company continuously optimizes its workforce structure.

A systematic, multi-tiered position management system has been established to provide employees with clear career development pathways and corresponding support. This system dynamically manages position changes and internal transfers; core talents may apply for promotion or reappointment based on their performance evaluation results and contributions during their term of appointment. The Company systematically advances the selection and development of young executives, strengthens the linkage mechanism between performance appraisal and compensation distribution, and conducts talent evaluation and review work in an orderly manner, thereby comprehensively stimulating the vitality of its talent pool.



Performance Indicators during the Reporting Period

The Company adhered to a performance-oriented principle, revised and implemented evaluation criteria for core talents, and organized core talent selection, professional title evaluation, and vocational skill assessment. A total of **445** individuals were newly appointed to the rank of senior professional title at the principal level, **1,915** to the senior professional title level, **618** to the rank of senior technician, and **1,002** to the rank of technician. The scale of “dual-qualified” talents continued to expand: **31** skilled personnel were awarded the senior engineer title, and **19** scientific and technological personnel were awarded the senior technician title.

Training System

Closely aligning with developmental needs, the Company continuously improves its talent development system to drive comprehensive upgrading of talent-related work. Fully implementing the philosophy that “talent leads the way,” the Company continuously refines its employee training system and reinforces professional capability development. In close alignment with the capability-building requirements of various talent groups and in accordance with employees’ career development patterns, the Company develops and implements tiered, categorized training programs covering all employees (including full-time, part-time employees, and contractors) while coordinating the training and development of managerial, scientific and technological, and skilled personnel. The Company vigorously advances capacity building in digitalization and internationalization, delivering a series of training programs, including digital transformation, international business operations, business administration, and DLS business talent development, and guiding enterprises in conducting targeted project-based practical exercises. The Company continuously enhances its training management system, deepens the application effectiveness of the CRRC Learning Cloud Platform, and builds a video course library covering diverse content such as management practice and leadership development, accessible to all employees. These initiatives support the enhancement of employees’ comprehensive competencies, hands-on management capabilities, digital management proficiency, and scientific innovation capacity, thereby empowering employees across all business lines and organizational levels.

Systematically Building an Education and Training System

Based on the practical aspects of each stage of talent “attraction, cultivation, and management”, we systematically formulate strategic plans and ensure their implementation through the annual human resources work conference. We are deeply implementing the “Five Projects” for strengthening the enterprise with talent: “Navigation Program”, “Nest-Building Program”, “Empowerment Program”, “Elite Feathers Program”, “Dual-Excellence Program”, and are carrying out specialised enhancement actions for management, technology, and skills talent on a tiered and classified basis to ensure the effective implementation of all training initiatives.

Strengthening the Management of the Entire Training Process

Focusing on the core elements of training participants, instructors, content, methods, and timing, we have built a training system that covers the entire career lifecycle of our talent. Following the principles of talent growth and the specific characteristics of international and digital training, we develop annual plans and customise training programmes at different levels to continuously enhance the quality and effectiveness of our training.

Promoting Synergy Between Internal and External Resources

To meet the capability-building needs of different talent groups, we fully integrate high-quality resources from the “one school and five institutes” as well as renowned domestic and international universities such as Tsinghua, Peking, and the University of Science and Technology of China to customise course systems and conduct systematic professional training. Concurrently, leveraging the CRRC Party School (Training Centre), we extensively carry out practical training in political theory, fundamental skills, and technical abilities.

Developing Distinctive Course Materials

We have selected and assembled a team of internal trainers, systematically distilled business and management experience, and organised the development of the Decoding the National Business Card series of management practice courses, which exceeds 2 million words. We also developed vocational skill level certification textbooks covering 91 occupations, amounting to nearly 20 million words, thereby forming a knowledge inheritance system with unique CRRC characteristics.

▲ CRRC Employee Training System

Leadership Training

Focusing on fostering employee leadership, the Company has established the standard of “politician + expert” for high-calibre, professional corporate leaders. It has built and implemented a four-tiered, progressive leadership training and development system, “Basic–Developing–Excellent–Outstanding”, which covers all corporate leaders, business backbones, highly skilled talent, and employees at all levels (including full-time, part-time employees, and contractors). This system provides targeted training to enhance capabilities in political literacy, management skills, digital applications, and an international perspective. During the reporting period, specialised courses such as the *Advanced Seminar on the Digital Economy*, the *Industrial Engineering Management Course*, and programmes on *Marketing and Project Management* have been implemented to help managers advance their comprehensive abilities.

For the training of corporate leaders, we offer an international leadership development programme. Through benchmarking and exchanges with leading international companies, the programme focuses on strengthening strategic thinking, an international perspective, corporate governance, and reform and innovation capabilities. It introduces advanced concepts of modern corporate governance to solidify professional management expertise.

For core business members’ leadership training, CRRC continues to strengthen the development of management and operations talent teams and innovatively implements a new “Training + Advanced Studies” model. A systematic four-module learning approach, comprising course instruction, case analysis, benchmark site visits, and overseas advanced studies, is deployed to broaden international perspectives, introduce cutting-edge concepts, and stimulate innovative thinking, thereby comprehensively enhancing the professional competence and job performance capabilities of management and operations talents and continuously reinforcing the management and operations talent pipeline.

Case Conducting training for cadres and talent

In 2025, CRRC systematically implemented a stratified, categorized cadre and talent training program closely aligned with the company’s two strategic priorities: “digital and intelligent transformation” and “internationalization.” By delivering advanced executive programs and functional training programs, CRRC actively cultivates digital talent; meanwhile, it has designed a series of internationalized management and operations courses to systematically enhance global business capabilities across all organizational levels.



CRRC Young Cadre Training Programme

Vocational Skills Training

Closely aligning with industrial development trends and actual job requirements, the Company conducts systematic capability development for employees at all levels (including full-time, part-time employees, and contractors) through initiatives such as the Science & Technology Talents Program, the Youth Star Talents Program, occupational skills competitions by trade, and specialized training programs for highly skilled personnel and Lean Team Leaders. These efforts steadily advance the *Three-Year Action Plan for Enhancing the Competency of Skilled Personnel*, effectively promoting technical exchange and professional growth among skilled personnel.



Case Organising Vocational Skills Competition

From September to October 2025, CRRC held a vocational skills competition featuring eight events, drawing participation from 446 contestants across 43 subsidiary enterprises. For the first time, the competition included a Creo 3D Drafting Technology event specifically targeting science and technology professionals; six of the events were officially approved by the Ministry of Human Resources and Social Security as national industry-level vocational skills competitions. Through an integrated model of “promoting learning through competition” and “promoting teaching through exhibitions,” the competition not only provides a prestigious platform for skilled personnel to demonstrate and refine their expertise but also effectively facilitates the sharing of tacit knowledge and exchange of cutting-edge technologies, representing a pivotal initiative in CRRC’s implementation of its talent-driven enterprise strategy and in consolidating the talent foundation for high-quality development.

Aluminium Alloy
Welders

Machining Centre
Operators and Adjusters

Painters

Railway Locomotive
Electricians

Railway Locomotive
Fitters

Casting Workers

Forging Workers

Creo 3D Drawing
Technology

CRRC Vocational Skills Competition Events



Professional Theoretical Competitions and Practical Skills Competitions

Degree Programs and Certifications

The Company places high importance on employees’ professional certification and academic degree advancement. It systematically strengthens collaboration channels between enterprises and universities to jointly advance key initiatives, including discipline development, curriculum design, textbook compilation, faculty training, and practical training base construction, thereby deepening the integration of industry and education. In partnership with renowned universities such as Zhejiang University and Tongji University, the Company conducts engineering master’s and doctoral candidate cultivation and selection programs for all employees (including full-time, part-time employees, and contractors), recommending qualified staff to participate substantively in major engineering research projects for advanced study. Adhering to the principles of “voluntary registration, merit-based recommendation, rigorous assessment, and fairness and impartiality,” the Company carefully organizes participant selection, curriculum design, and enterprise-based practical training, while significantly expanding both the scope of university partnerships and the number of training slots. Priority is given to employees with extensive engineering practice experience or those who have led or played a core role in major scientific research projects; such employees are recommended for advanced study, and corporate mentors and internship topics are also recommended to partner universities. The Company supports employees in obtaining academic degrees and relevant certifications to foster self-improvement, reimburses and rewards training and study expenses in accordance with its incentive policy, and encourages employees to obtain vocational skill certificates and advance their academic qualifications.

Performance Indicators during the Reporting Period

414 employees of the Company achieved higher academic qualifications, **2,370** employees obtained senior professional titles, and over **6,300** employees acquired skill grade certificates.

Case The 2025 Working Conference of the National Industry-Education
Integration Community for Rail Transit Equipment was Held in Tangshan

In July 2025, the 2025 Annual Meeting of the National Rail Transit Equipment Industry-Education Integration Consortium was held in Tangshan. The meeting systematically reviewed achievements from Phase II and coordinated deployment of tasks for Phase III. During the event, all attendees visited CRRC Tangshan as a full-scenario, digitalization, comprehensive practical training base. At the meeting, six practical training bases were officially designated; appointment letters were presented to eight part-time faculty representatives; and enterprises and universities jointly signed project agreements covering “joint textbook development, vocational education following enterprises overseas, and support for the construction of Double High institutions”; additionally, a ceremony marked the roll-out of jointly developed practical training vehicles.



National Rail Transit Equipment Industry-Education
Integration Community 2025 Annual Meeting

Metric ⁷	Unit	FY2025
Employee Training Coverage Rate	%	100
Training Ratio for Male Employees	%	100
Training Ratio for Female Employees	%	100
Training Ratio for Senior Managemen	%	100
Training Ratio for Middle Management	%	100
Training Ratio for Junior Employees	%	100
Number of Employee Training Sessions	#	346,782
Annual Training Expenditure	RMB 10,000	23,173.05
Total Annual Training Hours	Hours	13,978,212
Average Training Hours per Employee	Hours	92
Average Training Hours per Male Employee	Hours	92
Average Training Hours per Female Employee	Hours	91
Average Training Hours per Senior Management Employee	Hours	121
Average Training Hours per Employee for Middle Management	Hours	109
Average Training Hours per Employee for Junior Staff	Hours	91

⁷The scope of all training metrics in this table includes all of the Company's full-time, part-time employees, and contractors.

Building a Solid Line of Defence for Safety

CRRC places high importance on the life safety and health of every employee, continuously building a scientific and comprehensive safety management system, strengthening risk prevention at the source, and integrating health and safety principles into daily operations to lay a solid safety foundation for high-quality development.

Safety Management

The Company strictly adheres to laws and standards such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Requirements for Occupational Health and Safety Management Systems*. Based on these, it has compiled the *Compendium of Safety Management Systems*, which includes 35 core policies such as the *Regulations on Production Safety Management* and the *Regulations on the System of Production Safety Responsibility for All Employees*. These are fully applicable to all subsidiaries, business segments and operational processes, and extend throughout the entire chain from research and development to manufacturing and after-sales services. A robust and systematic production safety management system has been established, with the Production Safety Committee, led by the Chairman and the President, as the highest governing body. This system implements a primary responsibility policy for the main persons in charge, appoints a Chief Safety Officer, and establishes dedicated safety management bodies and personnel. Production safety responsibilities are defined at each level, and related responsibilities and performance are incorporated into the assessment criteria for each subsidiary.

In terms of management mechanisms, the Strategy and Performance Management Department oversees coordination, while safety management institutions carry out implementation. Meanwhile, the Board of Directors has established a Strategy and Sustainability Committee, responsible for reviewing, assessing, and supervising major health and safety matters across the company.

In accordance with regulations such as the *Administrative Measures for the Supervision of Production Safety of Central State-Owned Enterprises*, production safety is included in the business performance assessment system for the persons in charge (Chairman, President and Vice Presidents). In cases where production safety liability accidents occur during the assessment period, points are deducted or grades are lowered in the assessment, with the results being closely linked to their performance and remuneration. The Company has formulated the *Measures for Rewards and Penalties in Production Safety*, linking the performance assessment of responsible persons in subsidiaries to production safety liability accidents, and imposing demerits and salary deductions based on the frequency and impact of accidents. If 1,000 consecutive days of safe production are achieved, the relevant departments and enterprises will be rewarded to promote the continuous optimisation and improvement of safety management.

Furthermore, the Company has constructed the “CRRC Safety Building” management system based on a “four pillars and eight columns” framework, published the book *The “Safety Building” in China’s Machinery Manufacturing Sector*, and continuously improved the “137” occupational disease prevention and control system. It also organises enterprises to conduct screenings for occupational carpal tunnel syndrome, thereby forming a complete management loop for safety and health, from system design and organisational execution to specialised prevention and control.

In cultivating a safety culture, CRRC innovatively conducted 12 specialized safety technology training sessions across various professional fields, developed interactive educational formats such as “Safety Murder Mystery Game”, and enhanced employees’ safety awareness from multiple dimensions through initiatives including touring lectures by award-winning instructors and online performances of self-written and self-directed safety-themed cultural programs.

Case CRRC Yangtze Group’s “Safety Production Month” Series of Activities

In June 2025, subsidiary CRRC Yangtze Group organized a diverse and content-rich series of safety education and publicity activities centered on the Safety Production Month theme, “Everyone Speaks Up About Safety; Everyone Is Prepared for Emergencies; Identify Safety Hazards Around You”, to strengthen safety awareness across the organization and foster a stable, favourable safety environment supporting high-quality development.



Rescue at Your Side—Safety
First Aid Knowledge” Training Session



On-Site Safety Knowledge Dissemination

During the reporting period, all production and manufacturing subsidiaries obtained ISO 45001 Occupational Health and Safety Management System certification. Eight enterprises were awarded the title of “National Safety Culture Enterprise,” and six enterprises achieved Level I compliance with the Safety Production Standardization criteria.



ISO 45001 Occupational Health
and Safety Management System certificates
of CRRC Changchun and Sifang Co., Ltd.

Safety Management of Suppliers and Contractors

The Company has formulated and strictly implements the Regulations on the Production Safety Management of Related Parties, adhering to the principles of “three managements and three musts”, “whoever contracts out is responsible for management”, and “territorial management”. Based on safety risks and management authority, differentiated safety management models such as integrated, supervisory and chain management are applied to contractors and suppliers respectively.

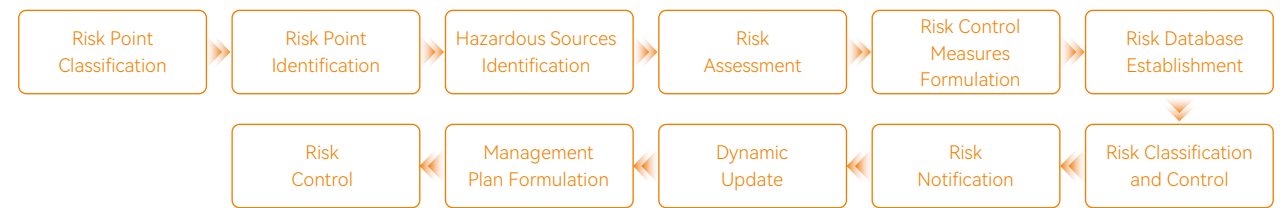
At the entry stage, key aspects such as scope of business operations, registered capital, personnel qualifications, insurance coverage, safety records, and risk-bearing capacity are rigorously reviewed for both suppliers and contractors. In principle, they are required to hold certification under an occupational health and safety management system. Competent departments strictly enforce qualification requirements and prohibit collaboration with any party lacking lawful credentials or failing to meet regulatory requirements. Prior to site entry, all contractors must complete safety training provided by the Company to ensure their mastery of standardized operating procedures, emergency response protocols, and protective requirements.

The Company continuously enhances health and safety management of contractors by establishing comprehensive contractor health and safety standards. All manufacturing subsidiaries engaged in production activities require their contractors to sign a “Production Safety Guarantee Letter”. Health and safety performance indicators are established for contractors, with key evaluation metrics including: “number/rate of work-related fatalities”, “number of lost workdays”, “lost-time injury rate”, and “total recordable incident rate”.

Contractor health and production safety performance, project completion quality, and payment terms are interlinked. A negative list and exit mechanism for contractors have been established; contractors exhibiting poor management practices, ineffective hazard remediation, or involvement in safety incidents are held financially and legally accountable per contractual provisions. If a contractor fails to meet the Company’s prescribed health and safety performance targets, cooperation shall be terminated prematurely (or managed through other applicable measures), while preference is given to partners with strong reputations and outstanding safety performance.

Prevention of Safety Risks

In strict accordance with the Implementation Guide for the Construction of a Graded Risk Control System for Production Safety, the Company systematically identifies and assesses production safety and occupational health risks present in its operational and manufacturing processes. Based on comprehensive hazard identification, it conducts in-depth analyses of various risk sources and their potential impacts, scientifically evaluates and determines risk levels and priorities, and formulates and promotes targeted control plans accordingly.



▲ Occupational Health and Safety Risk Management Process

In accordance with the risk classification and control procedure, a comprehensive hazard identification exercise is conducted at least once annually. The risk database and risk control list are updated promptly in response to changes in hazard point screening, hazard source identification, and risk evaluation. A risk assessment activity is carried out annually to conduct a thorough, systematic evaluation; an occupational health and safety risk assessment report is prepared, improvement recommendations are proposed, and the effectiveness of risk control is continuously enhanced.

Occupational Health and Safety Preventive Measures

The Company continuously enhanced the operational effectiveness of its safety protection and occupational disease prevention systems. In strict accordance with internal policies such as the Safety Production Responsibility Assurance System and the Administrative Provisions on Safety Inspection and Hazard Management, it regularly conducted comprehensive inspections, routine checks, and special supervision across its subsidiaries, covering system development, management procedures, emergency response plans, education and training, hazard identification and rectification, as well as operating procedures. For issues identified during inspections, rectification notices were issued promptly and follow-up was carried out throughout the entire process to ensure full closure of corrective actions.



Occupational Health and Safety Management Measures

Improving the Safety Emergency Plan System

- An “1+13+N” emergency system is established in mainland China (1 general plan, 13 specific plans, and multiple on-site response plans and emergency cards).
- An “1+10+N” emergency system is established overseas (1 general plan, 10 specific plans, and multiple emergency response videos), along with a “1+17” security assurance system (1 guiding opinion and 17 specific plans and guidelines).

Promoting the Dual Prevention and Governance System

- The Company continuously advances the dual prevention and governance system and has established a standardised hazard source library for painting processes, casting processes, construction, and power transformation and distribution systems.
- A “Four Inspections” campaign, comprising special supervision by leadership, professional patrols, inter-company peer reviews and employee self-inspections, is carried out to ensure safety and stability during specific periods.

Safety Capability Building

- The Company has successively conducted 12 specialised training sessions covering topics such as safety instructors, overseas security, Digitalization in safety, the “Thunder Action” campaign, painting operations, confined spaces, working at heights, hot work, and occupational health management, with a total of 1,313 person-time participants. Each primary subsidiary, in accordance with production safety standardisation requirements, conducts nine types of training and education, including for enterprise leaders and cadres, safety management personnel, special operations personnel, three-level education for new employees, employees changing roles or returning to work, “four new” (new technologies, processes, materials and equipment) training, personnel exposed to hazards, team leaders and all employees, continuously enhancing the safety awareness and skills of all staff.

Prevention and Control of Occupational Diseases

- In accordance with the *Procedures for the Prevention and Control of Occupational Diseases* and the *Regulations on the Management of Occupational Hazard Prevention and Control*, the Company continuously strengthens the management of occupational disease prevention, effectively preventing, controlling and eliminating occupational hazard factors in the work environment.

Safety Performance Targets and Assessment

- The Company formulates a specialised occupational health and safety plan and corresponding special actions every five years. Annual health and safety performance targets are set, and production safety target responsibility letters are signed with primary subsidiaries. A mid-term performance evaluation is conducted to ensure the targets are met. As of the end of the reporting period, the “three zeros” production safety target has been achieved for five consecutive years, namely zero liability-related fatalities, zero Class I fire accidents, and zero new cases of occupational diseases among current employees.

The Company places high importance on occupational health and safety performance targets, implementing stringent quantitative management and establishing non-zero safety performance targets across all areas to rigorously control the occurrence of occupational health and safety incidents. In 2025, the Company set a target for the occupational injury rate (minor injuries) per thousand employees at 2.6‰, while the actual rate achieved was 0.61‰, meeting the target.

Metric	Unit	FY2025 Target	FY2025 Actual	Target Status	FY2026 Target
Number of Fatal Accidents Caused by Production Safety Liability	Cases	0	0	Completed	0
Number of Class I Fire Accidents	Cases	0	0	Completed	0
Number of New Cases of Occupational Diseases	Cases	0	0	Completed	0
Number of Work-Related Fatalities of Full-Time and Part-Time Employees	Persons	0	0	Completed	0
Number of Work-Related Fatalities of Full-Time and Part-Time Employees	Persons	0	0	Completed	0
Lost-Time Injury Rate of Full-Time and Part-Time Employees	%	<1.0	0.24	Completed	<1.0
Total Recordable Incident Rate of Full-Time and Part-Time Employees	%	<1.0	0.31	Completed	<1.0
Lost-Time Injury Rate of Contractors/Outsourced Personnel	%	<1.0	0.18	Completed	<1.0
Total Recordable Incident Rate of Contractors/Out-sourced Personnel	%	<1.0	0.29	Completed	<1.0

Metric	Unit	FY2025
Investment in Work Safety	RMB 10,000	59,321
Personnel Coverage Rate of Work Safety Liability Insurance	%	100
Number of Person-Time participated in Occupational Health and Safety Training	Person-Time	411,403

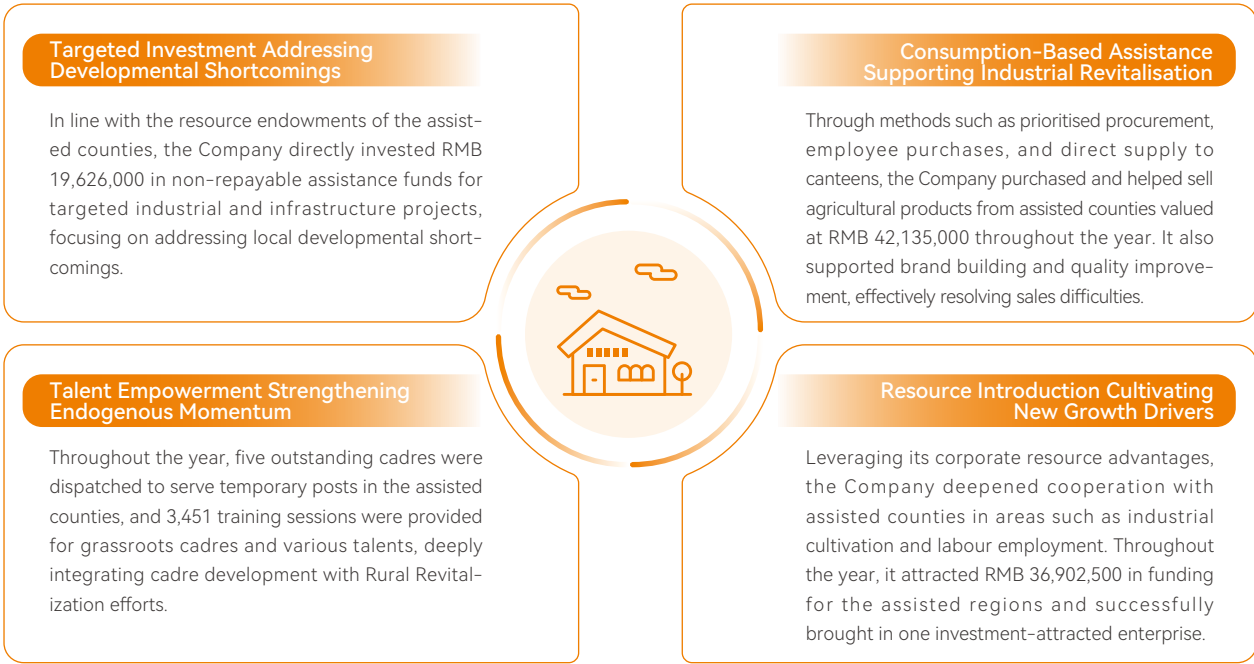
Empowering Rural Revitalization

The Company deeply implements the strategic deployments of the Party Central Committee and the State Council on comprehensively advancing Rural Revitalization, fully leveraging the exemplary and leading role of central state-owned enterprises in this endeavour. It further deepens synergistic development and has explicitly included “proactively serving national strategies such as Rural Revitalization” in the *CRRC 14th Five-Year Plan Development Strategy Outline (2023–2025)*.

Adhering to the principles of “industry leadership, synergistic development, and addressing shortcomings”, the Company has deepened and refined its support model of “multi-faceted assistance and comprehensive efforts”, robustly advancing the “five key areas of revitalisation”. Three microfilms, *The Search*, *The Return*, and *The Path Forward*, were produced to tell the moving stories of CRRC’s assistance efforts. These practices and their outcomes have received continuous focus and in-depth coverage from media outlets such as Xinhua News Agency and People’s Daily, painting a new era’s picture of a central state-owned enterprise demonstrating its responsibility and commitment to shared development.

Performance Indicators during the Reporting Period

The Company implemented **22** assistance projects in four designated counties (cities, districts): Jingxi City and Napo County in Guangxi, and Maiji District and Gangu County in Gansu. It supported **10** leading enterprises and cooperatives, helped **293** people find employment to escape poverty, total investment in rural revitalization amounted to RMB **19.626** million, benefiting **21,200** people.



▲ Rural Revitalization Practice

Case Deepening Designated Assistance

In 2025, the Company conducted field research and visits in Jingxi City and Napo County in Guangxi Zhuang Autonomous Region, donating RMB 1.5 million each to industrial development projects in the two counties (cities/districts). During the visits, the Company surveyed disadvantaged households, the CRRC Baise New Energy Equipment Industrial Base, the Smart Agriculture Demonstration Park, and the Human Settlements Improvement Project in Xinqiao Village, Hurun Town, gaining first-hand insights into the effectiveness of its assistance initiatives. Through multi-dimensional measures—including industrial support, education support, consumption-based assistance, and talent development—the Company has deepened collaboration with local governments and fulfilled its social responsibilities as a central state-owned enterprise.



Investigation of the Smart Agriculture Demonstration Park in Longping Village, Chengxiang Town, and the Rural Human Settlements Improvement Project in Xinling Village, Hurun Town

In 2025, the Company conducted designated assistance activities in Maji District and Gangu County, Tianshui City, Gansu Province, and carried out on-site investigations of assistance projects including Tianshui No. 10 Middle School and the agricultural demonstration park in Migu Chuan Village, Gangu County. Focusing on education revitalization and industrial upgrading, the Company donated RMB 1 million in industrial assistance funds to each location.



Investigation of Tianshui No. 10 Middle School and the Agricultural Demonstration Park in Migu Chuan Village, Gangu County

Case Building the “CRRC Reading Room”

In 2025, nine poverty-alleviation officials were dispatched to designated poverty-alleviation areas in Gansu and Guangxi provinces to implement 22 poverty-alleviation projects, including the construction of a 400-square-meter “ultra-large” CRRC Reading Room at Jicheng Road Primary School in Gangu County.



“CRRC Reading Room” in Gangu Jicheng Road Primary School

Engaging in Social Public Welfare

CRRC Corporation Limited thoroughly implements the State’s various deployments on social public welfare, transforming corporate social responsibility into tangible value that drives community development and enables shared progress through innovative public welfare initiatives and sustained assistance programs, thus achieving harmonious coexistence between the enterprise and society.

Performance Indicators during the Reporting Period

A total of **941** volunteer service activities were widely conducted, engaging over **10,000** young volunteers and accumulating **256,000** hours of volunteer service time, continuously enhancing both the quality and effectiveness of volunteer services.



In July 2025, CRRC held a High-Speed Rail Science Popularization and Cultural Exchange Day in Indonesia, guiding local youth through immersive visits and experiential activities aboard the Jakarta-Bandung High-Speed Railway to broaden their scientific horizons and sow seeds for future aspirations.



Through the “Xingchi” Science Popularization Program, over 200 public science outreach events were conducted for the general public, reaching more than 50,000 participants and producing over 100 science communication works—systematically converting technological resources into multidimensional social public welfare assets.



Employees were organized to conduct public welfare tree-planting activities in areas such as the Sanbei Shelterbelt Project; the “CRRC Public Welfare Forest” was officially inaugurated, and 600 mu (approx. 40 hectares) of artificial afforestation was completed, with over 60,000 trees planted—taking concrete action to improve the ecological environment.

▲ Social Welfare Practice

Case Volunteer Services Empowering Children’s Healthy Development

In May 2025, the volunteer team from Qishuyan Institute—a subsidiary of CRRC—provided volunteer services for the 11th consecutive year for the public welfare campaign “A Walk for a Bag of Milk.” From venue setup and signage installation to material replenishment, stamping and directional guidance, and promotional photography, the team served over 10,000 participants within four hours and received the award for Outstanding Volunteer Organization.



Qishuyan Institute Volunteer Team



Win-Win CRRC

Innovation-Driven Quality Advancement

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter





Product and Service Quality Management

CRRC adheres to the principle of quality first, delivering safe, efficient, intelligent, and green rail transit solutions to customers through a systematic management system, end-to-end control, and in-depth customer service—continuously enhancing customer experience and satisfaction.

Governance

The Company places a high priority on the development of its quality management system and related institutional frameworks. It has established the Advanced Mechanical Equipment Quality Management Standard System (AMQS), centered on the rail transit equipment industry and extending across all business segments. The system encompasses manufacturing, after-sales services, talent management, quality risk control, supplier collaboration, and full lifecycle services. The Company has formulated several management regulations, including the *Provisions on Quality Management Work*, the *Administrative Measures for Special Quality Audits*, and the *Measures for the Investigation and Handling of Quality Accidents*. It has also established the CRRC quality management system standard family, including the *CRRC Quality Management System - Fundamentals and Vocabulary* and the *CRRC Quality Management System - Requirements*, creating a quality management framework centred on “regulations + standards”. A quality and safety responsibility system has been established, covering all levels of the enterprise and all personnel and processes, to further clarify the quality responsibilities of each enterprise, department, and employee.

As of the end of the reporting period, all manufacturing subsidiaries have obtained ISO 9001 Quality Management System certification. In addition, in response to product quality control requirements, some subsidiaries have also obtained certifications including IRIS (International Railway Industry Standard), GJB 9001 (Quality Management System for National Defence Science, Technology and Industry), IATF 16949 (Automotive Industry Quality Management System), EN 15085 (Welding of Rail Vehicles and Components), and DIN 6701 (Adhesive Bonding Quality Management System). In FY2025, CRRC Changchun and Sifang Co., Ltd. were awarded IRIS Gold Certification. During the reporting period, no major safety or quality liability incidents occurred related to products or services.



Strategy

Name	Description and Potential Impact ⁸	Time Horizon ⁹	Likelihood of Occurrence ¹⁰	Countermeasures
Risks				
Product Return/ Recall Risk	Downstream customers are imposing increasingly strict requirements on the Company's products, and if the product quality fails to meet customer expectations, customer complaints or returns may occur; if product quality management becomes uncontrollable, the Company might have to recall a specific batch of products due to quality issues, which would increase non-operating expenses and operational costs.	Short-Term Medium-Term	Low	Establish and continuously improve the Advanced Mechanical Equipment Quality Management Standard System (AMQS), covering manufacturing, after-sales services, talent management, quality risk control, supplier collaboration, and full lifecycle services. Develop a comprehensive full-cycle product quality management system, strengthened product quality inspection and control, and ensured product quality.
Product Quality Standard Enhancement Risk	As the upstream and downstream sectors of the industry and the industrial chain continue to develop, downstream customers' demands for product quality are constantly increasing, requiring the Company to continuously invest resources to meet these quality needs; otherwise, it may face the risk of losing market share due to non-compliant products, leading to a decline in the Company's operating revenue.	Long-Term	Low	Through satisfaction surveys and diverse feedback channels, proactively gain insights into customer needs and product usage feedback, systematically inputting this information into product design optimisation and service improvement processes to achieve customer-centric continuous quality enhancement.
Reputation Risk	Should product quality issues arise, the Company's brand image may be affected, which could in turn damage its market reputation and customer trust, leading to a loss of market share and a subsequent decline in the Company's operating revenue.	Medium-Term	Low	Regularly carries out specialised work focused on "Three Wholes, Four Correspondences, and Two Improvements". Through comprehensive benchmarking checks of system maturity, process controllability, quality stability, and product reliability, this initiative summarises the highlights of quality management, identifies loopholes and shortcomings, and promotes the continuous enhancement of the Company's overall quality work. Focusing on R&D, manufacturing, procurement, and operations and maintenance, formulate and released the Guidelines for Building a Digital Quality Management System and a series of standards known as the "one guide and six specifications", which include process specifications, data specifications, indicator specifications, application architecture specifications, digital inspection technology specifications, and maturity assessment specifications, to strengthen the management of quality improvement processes.
Opportunities				
Market Competition Opportunity	By continuously improving the quality of its products and services, the Company can establish a strong brand image, which helps CRRC enhance its influence and competitive advantage on a global scale, thereby increasing the Company's market share and operating revenue.	Long-Term	High	Monitor customers' evolving demands for higher-quality products and services, proactively adjusts its strategic deployment, and implement various measures to ensure that all stages, including product design, production, and delivery, fully meet customer needs, while continuously refining product quality.

⁸ The Company has conducted a careful assessment of the potential financial impacts that the identified sustainability topics with financial materiality may have. However, due to the extensive use of forward-looking assumptions and judgments in the relevant analysis, the uncertainty at this stage is relatively high. If specific quantitative financial information were disclosed at this time, it might be difficult to ensure the accuracy and relevance of the information for decision-making. To avoid potential misleading effects on the judgments of the company's stakeholders and readers of this report, after careful consideration, we have decided not to disclose the quantitative data of this financial impact during this reporting period. Instead, we will provide qualitative explanations.

⁹ Time Horizon refers to the period over which a risk or opportunity is expected to affect the Company after it occurs. Short-term: within 1 year; Medium-term: 1 to 5 years; Long-term: over 5 years.

¹⁰The likelihood of risks and opportunities occurrence is the result of the Company's identification and assessment based on its risk management methodology and does not represent the actual probability of these risks and opportunities materialising.



Customer Service and Demand Response

CRRC consistently places customers at the centre of value creation, attaches great importance to quality control and customer satisfaction, and implements multiple measures to ensure all stages of the product realization process fully meet customer requirements, building a globally integrated, agile, and continuously optimized customer service and demand response system.

In accordance with international quality management standards such as ISO 9001 and ISO 22163, a standardized management system spanning the entire process, from R&D, procurement, production, delivery, to service, has been established to ensure that every stage, from design and manufacturing to delivery, is governed by clear, traceable procedures and enables precise, end-to-end control. A comprehensive after-sales service assurance system and a rapid response mechanism for operational issues have also been established to ensure swift and effective resolution of product quality issues, thereby minimizing disruption to customer operations.

The Company actively solicit feedback through multiple channels, including client visits and satisfaction surveys, to continuously enhance the customer experience, accurately identify evolving customer needs for products and services, and dynamically optimize strategic deployment and service initiatives accordingly.

Product Recall Management

The Company places high importance on product quality safety and the protection of customer rights, considering product recall management a key component of its quality management system. Strictly adhering to the regulatory requirements of bodies such as the State Administration for Market Regulation, and in accordance with internal policies including the *Administrative Measures for the Recall of Defective Products*, the *Management Measures for Handling On-site Failures*, and the *Non-conforming Product Control Procedures*, the Company has established a comprehensive and systematic product recall management mechanism. This mechanism covers the entire process of defect information collection, investigation and assessment, recall decision-making, plan implementation, and effectiveness tracking, ensuring a rapid response to and effective handling of potential quality issues.

Through its comprehensive after-sales service system and rapid response mechanism, CRRC proactively monitors and collects quality-related information during product use, integrating multi-source data, including customer feedback and satisfaction survey results, to promptly organize investigations and analysis. Upon confirmation of a product defect, CRRC immediately initiates the recall procedure and implements remedial measures such as repair, replacement, or return to minimize safety risks. Furthermore, clearly defined recall processes and dedicated expert support teams ensure efficient execution of recall actions, while complete documentation and record-keeping guarantee full traceability.

Culture Building and Capability Enhancement

The Company actively participates in the development and revision of domestic and international standards, promoting the integration of the Advanced Mechanical Equipment Quality Management Standard System (AMQS) principles into production and operations. It has also incorporated approaches such as quality and safety management and project classification management into the ISO 22163 railway industry quality management system standard. Through organized campaigns such as the annual “Quality Month” and targeted training programs, CRRC continuously strengthens quality awareness across all employees.

Case Quality Culture Development Campaigns



CRRC consistently advances quality culture development by organizing a series of activities for the 2025 “Quality and Safety Month” and “Quality Month”, including quality-themed lectures, forums, open discussions, and case-based education to foster holistic quality literacy among all employees. Highlights of these initiatives were published in China Quality Journal. In 2025, a total of 1,953 QC teams were registered, with 23,575 participants engaged in quality improvement team activities. CRRC won five Gold Awards at the International Convention on Quality Control Circles (ICQCC) and received 33 national-level quality awards—including the National Excellent Quality-Reliable Team award. Subsidiaries Sifang Co., Ltd. and CRRC Changchun were nominated for the Fifth China Quality Award.

Impacts, Risks and Opportunities Management

Sustainability-related risks and opportunities have been fully integrated into CRRC’s enterprise-wide risk management system. Drawing upon internationally recognized risk management guidelines and frameworks, CRRC conducts routine ESG risk management and systematically advances ESG risk assessments. Continuous identification, evaluation, and response to risks and opportunities related to product and service quality management are carried out via methods including questionnaire surveys and scenario analysis.

Metrics and Targets

Metric	Unit	FY2025
Overall Customer Satisfaction	%	99
Number of Product/Service Complaints	#	57
Resolution Rate of Product/Service Complaints	%	92.98
Number of Products Recalled Due to Quality or Safety Issues	#	0
Percentage of Products Recalled Due to Quality or Safety Issues	%	0



Data Security and Customer Privacy Protection

The Company places great importance on data security and customer privacy protection, and strictly implements the requirements of laws and regulations such as the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Administrative Measures for Data Security in the Field of Industry and Information Technology (Trial)* to systematically build a company-wide data security governance system. It has formulated and implemented policy documents including the *Network Management Measures*, *Data Security Management Measures*, *Specifications for the Classification and Grading of Data Security Technology Data*, and *Management Measures for Cross-Border Data Transfer*, and continues to enhance its data management standards system, standardise internal data processing activities, and strictly enforce privacy protection measures throughout the entire process of collecting, storing, and using customer information.

Subsidiaries, operating under this unified institutional framework, refine implementation rules based on their respective business realities to ensure effective implementation of data security management requirements. As of the end of the reporting period, 21 subsidiaries have obtained ISO/IEC 27001 Information Security Management System certification. CRRC is concurrently developing an overall data security management plan, comprehensively advancing critical tasks including identification of important data, data classification and grading, and data security risk assessment. It has also conducted commercial cryptography application security assessments to ensure compliance with the technical requirements for commercial cryptography applications in Level-III classified protection information systems, thereby solidifying its network and information security defences.

To strengthen technical safeguards, CRRC has built a unified data management platform that applies de-identification and anonymization techniques to sensitive data, effectively reducing the risk of data leakage. In parallel, regular information security training is organized to comprehensively enhance employees' awareness of data governance and capabilities in cybersecurity protection.

Performance Indicators during the Reporting Period



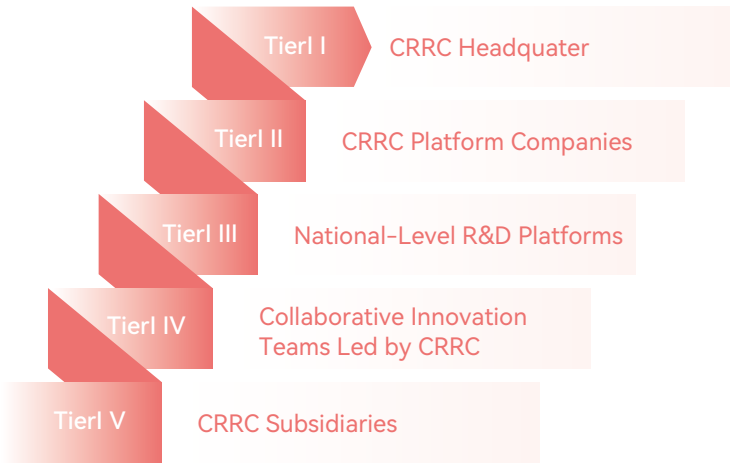
CRRC was awarded the title of "Pacesetter Enterprise" in China's industrial data governance. No customer privacy breaches or data security incidents occurred throughout the year, ensuring robust protection of data security and customer trust.

Innovation-Driven Development

CRRC steadfastly positions technological innovation as its strategic core, driving industrial breakthroughs and continuously advancing breakthroughs around "New quality productivity" to strengthen independent research and development capabilities and seize the initiative in development.

Governance

The Company places a high value on the development of its technological innovation management system, having formulated and implemented a series of core management policies such as the *Management Measures for Technological Innovation Evaluation*, *Guiding Opinions on the Reform of the Science and Technology System*, *Management Measures for Specialised Technology R&D Centres*, and *Management Measures for the Establishment of Overseas R&D Institutions* to ensure standardised and regulated management throughout the entire process from scientific research project applications to new product development. Specialised committees, including the CRRC Science and Technology Innovation Committee and the CRRC Science and Technology Award Committee, have been established to solidify the organisational foundation for technological innovation management. These efforts advance the construction of CRRC's "Five-in-One" technology R&D platform, effectively integrating innovation resources, enhancing innovation efficiency, and achieving the co-construction, co-creation, and sharing of scientific research resources.



▲ CRRC "Five-in-One" Technology R&D Platform

Strategy

Name	Description and Potential Impact ¹¹	Time Horizon ¹²	Likelihood of Occurrence ¹³	Countermeasures
Risks				
R&D Direction Risk	In the process of technological R&D and application, there is a risk of failing to promptly grasp the dynamics of market development and changes in demand; if the Company fails to accurately identify or misjudges the forefront of technological R&D, it could lead to a misallocation of resources, reduce the effectiveness of technological innovation, and consequently result in a decline in market competitiveness and a decrease in operating revenue.	Medium-Term Long-Term	Low	Build a market-oriented transaction mechanism to promote a shift from "product-led technology" to "technology-driven products". A sound technological innovation evaluation system has been established to continuously optimise the allocation of innovation resources, elevate the level of technology management, and improve the efficiency of technological innovation.
R&D Progress Risk	Technological R&D and breakthroughs involve significant uncertainty; if the Company fails to successfully overcome technical bottlenecks, it may lose its competitiveness in the fierce market competition of the future, leading to a decrease in operating revenue.	Short-Term Medium-Term	Low	Uphold the strategic core position of technological innovation, vigorously promotes the development of its R&D teams and platforms, and enhances its overall innovation and R&D capabilities.
Intellectual Property Risk	As of the end of the reporting period, the Company had obtained a cumulative total of 19,530 invention patents that are authorised and applied in its main business operations, which presents a risk that other companies may use them without authorisation, leading to the theft or infringement of key technologies and thereby harming the Company's legitimate rights and interests.	Medium-Term Long-Term	High	Build a comprehensive Intellectual Property protection system, strengthening channels for safeguarding its rights, and enhancing the Intellectual Property protection awareness and capabilities of all employees.





Name	Description and Potential Impact ¹¹	Time Horizon ¹²	Likelihood of Occurrence ¹³	Countermeasures
Opportunities				
Policy Opportunity	Increasing R&D investment and enhancing innovation capabilities may bring opportunities for the Company, such as tax incentives and financing support, thereby reducing income tax expenses and finance costs.	Medium-Term Long-Term	High	Continuously track and analyses policy developments and formulates special implementation plans to strengthen its strategic planning and project management systems, while systematically optimising the allocation of innovation resources to ensure strategic synergy and resource effectiveness.
Market Opportunity	With the high-quality development of the economy, the market's demand for new technologies and new products is increasing day by day. By promoting the progress of scientific and technological R&D and leading the development of the industry to meet the emerging market demands, it may be helpful to enhance the overall competitiveness of the company, thereby increasing the company's operating income.	Long-Term	High	Continuously optimize the technical research system and strengthen the product development system, and promote the transformation from "product-driven technology" to "technology-driven product".

¹¹The Company has conducted a careful assessment of the potential financial impacts that the identified sustainability topics with financial materiality may have. However, due to the extensive use of forward-looking assumptions and judgments in the relevant analysis, the uncertainty at this stage is relatively high. If specific quantitative financial information were disclosed at this time, it might be difficult to ensure the accuracy and relevance of the information for decision-making. To avoid potential misleading effects on the judgments of the company's stakeholders and readers of this report, after careful consideration, we have decided not to disclose the quantitative data of this financial impact during this reporting period. Instead, we will provide qualitative explanations.

¹²Time Horizon refers to the period over which a risk or opportunity is expected to affect the Company after it occurs. Short-term: within 1 year; Medium-term: 1 to 5 years; Long-term: over 5 years.

¹³The likelihood of risks and opportunities occurrence is the result of the Company's identification and assessment based on its risk management methodology and does not represent the actual probability of these risks and opportunities materialising.

Cultivating Innovation Capabilities

The Company has established and refined management systems such as the *Management Measures for Specialised Technology R&D Centres* and the *Management Measures for Overseas R&D Centres* to continuously strengthen its science and technology innovation capabilities. Guided by technological innovation and driven by industrial breakthroughs, it constantly enhances its independent R&D and manufacturing capabilities, accelerates product updates and iterations, and speeds up the serialised, systematic, standardised, and modular R&D of core technologies and key components.

Performance Indicators during the Reporting Period

The Company continues to increase R&D funding and improve its investment guarantee mechanism. The Company's total R&D expenditure amounted to RMB **1,816,422.90** million, representing an **8.86%** increase year-on-year and accounting for **6.65%** of operating revenue.

Building R&D Team

The Company places great importance on building its team of R&D talent and continuously strengthens its R&D capabilities. As of the end of the reporting period, it had 23,339 R&D personnel, accounting for 15.39% of the total workforce. A core technical team has been formed that is stable in size, diverse in structure, and professionally solid, providing robust talent support for the Company's ongoing efforts in key technological breakthroughs and forward-looking technology research.



▲ Innovation Capability Development Practice

Forging Innovation Platform

The Company focuses on building a multi-level, systematic innovation platform system and has formed a collaborative innovation network comprising 11 national-level R&D institutions (including 2 national innovation centres), 22 nationally accredited technology centres, 18 overseas R&D centres, and 17 CRRC specialised technology R&D centres, providing a solid platform foundation for forward-looking technology research and global technical cooperation.

Case Holding the 2025 Science, Information and Digitalization Conference

In March 2025, CRRC held the 2025 Science & Technology Information and Digitalization Conference in Changchun, Jilin Province. The conference revisited General Secretary Xi Jinping's important instructions during his inspection of CRRC, focused on the Party-building theme of "leading new quality productivity" and the business strategy framework "13579", reinforced CRRC's strategic role as a science and technology innovation enterprise, advanced high-level self-reliance and strength in science and technology, accelerated digitalization and intelligent transformation, cultivated new quality productivity, better fulfilled the "three roles", served as the "three vanguards", and promoted the Company's high-quality development.



CRRC 2025 Science, Technology, Information, and Digital Intelligence Conference Venue

Case Hosting the Second CRRC Youth Innovation and Value Creation Competition Final

In November 2025, the final of the Second CRRC Youth Innovation and Value Creation Competition was held in Dalian. Themed "Youth Taking Responsibility to Accelerate the Establishment of an Independent Innovation Hub," this edition featured three tracks, "Digital Transformation", "Green and Low-carbon Development", and "Artificial Intelligence Application". Following the semifinals, 30 projects advanced to the final. At the final event, contestants showcased the dynamism and excellence of young scientific and technological professionals through a combination of pitch presentations and Q&A sessions. Ultimately, six projects were awarded First Prize, nine projects Second Prize, fifteen projects Third Prize, and twenty-four projects Excellence Awards. Additionally, the competition received 165 youth scientific and technological papers, of which three won First Prize, six Second Prize, nine Third Prize, and twelve Excellence Awards.



Final of the 2nd CRRC Youth Innovation and Efficiency Improvement Competition



Technological Innovation Achievements

Case CR450 Accumulated 300,000 km of Operational Testing Mileage

During the reporting period, the CR450 prototype train underwent operational testing on the Wuhan–Yichang section of the Shanghai–Chongqing–Chengdu high-speed railway, accumulating a total of 300,000 km of testing mileage with all operational performance indicators meeting the required standards. The CR450 EMU scientific and technological innovation project has achieved groundbreaking accomplishments, driving comprehensive technological transformation—from fundamental materials and core components to system integration—by breaking through three integrated technology suites: drag reduction and energy consumption reduction, vibration and noise reduction, and full-factor lightweight system integration; three system-level technologies: high-power permanent magnet traction, time-sensitive train network communication, and multi-level control braking; and several key technologies, including high-critical-speed, high-safety bogies.



CR450AF Prototype Vehicle

Case “Qihang” Completes Grid-Connection Testing

“Qihang” is a 20 MW floating offshore wind turbine independently developed by CRRC. It was successfully installed in Dongying, Shandong Province, in January 2025. With its rated power exceeding the 20 MW level and a rotor diameter of 260 meters—equivalent to seven standard football fields—it achieves an annual full-load operating hours of approximately 3,500 under design wind speeds. Each rotation of the turbine generates enough electricity to meet the daily power demand of one household for two to four days. In May 2025, “Qihang” completed grid-connection testing at the Dongying test site, achieving breakthroughs in core technologies including integrated design of ultra-high-power floating wind turbines.



“Qihang” 20 MW Floating Offshore Wind Turbine

Intellectual Property (IP) Protection

The Company is actively building a comprehensive Intellectual Property protection system that covers all application scenarios, including the establishment of rules and regulations, application and conversion, and daily management. We have formulated and issued management systems and work plans such as the *Intellectual Property Management Measures* and the *Work Plan for High-Quality Development of Intellectual Property* to integrate the concept of high-quality development throughout the entire chain of IP creation, protection, management, and utilisation. We strengthen internal channels for rights protection, enhance employees’ awareness of Intellectual Property protection, and collaborate with relevant government departments to address industry-wide rights protection challenges, intensify crackdowns on infringement, and jointly foster an industry environment that respects Intellectual Property.

Impacts, Risks and Opportunities Management

Sustainability-related risks and opportunities have been integrated into CRRC’s overall risk management system. In alignment with international risk management guidelines and frameworks, CRRC conducts ESG risk management on a routine basis and advances ESG risk assessments in a structured manner. Particular attention is paid to the distinctive characteristics of scientific and technological innovation—including uncertainty, rapid iteration, and far-reaching impact. Through methods such as questionnaire surveys, scenario analysis, and expert workshops, CRRC systematically identifies and assesses various innovation-related risks and opportunities—including directions for technological breakthroughs, R&D cycle risks, IP portfolio strategies, and industrialization potential—and formulates targeted response strategies. This ensures effective control of innovation risks and proactive capture of strategic opportunities amid dynamic technological and market conditions.

Metrics and Targets

Metric	Unit	FY2025
R&D Investment	RMB10,000	1,816,422.90
R&D Investment Growth Rate	%	8.86
R&D Investment Ratio	%	6.65
Number of R&D Personnel	Persons	23,339
Percentage of R&D Personnel	%	15.39
Cumulative Number of Authorised Patents	Pieces	32,919
Cumulative Number of Authorised Invention Patents	Pieces	19,530
Number of Invention Patents Applied to Main Business Operations	Pieces	19,530
Number of Patent Applications	Pieces	5,869
Number of Invention Patent Applications	Pieces	4,506
Number of Invention Patents Authorised	Pieces	2,259

Clean Technology R&D

CRRC integrates green and low-carbon principles throughout its scientific and technological innovation and product development processes. Aligned with the “Dual Carbon” goals and driven by demand for green transportation and green energy, CRRC continuously advances clean technology R&D, green material application, and green product iteration to enhance product energy efficiency and environmental performance over their full life cycles.

Green R&D Strategy

Focusing on its core responsibilities and businesses, CRRC actively fosters a dual-track, dual-cluster industrial structure comprising rail transit equipment and clean energy equipment, building a modern industrial system characterized by tiered deployment, healthy interaction, and clustered development, thereby comprehensively enhancing its system-level solution capabilities and core competitiveness. Guided by digitalization, high-end positioning, green transformation, internationalization, collaboration, and branding, CRRC systematically constructs a green R&D system oriented toward carbon neutrality and establishes a green investment management system covering all elements and managing all stages. It clarifies investment priorities and continues to increase investment in clean technologies, driving the green and low-carbon transformation of industries through scientific and technological innovation. In FY2025, investment in clean technologies account for 67% of total investment, which is one percentage point more than that in the previous year; by 2030, CRRC aims to raise the share of clean technology investment to 70%.

Through the “Carbon + R&D” integration mechanism, the Company embeds carbon emission accounting, carbon footprint assessment, and green technology evaluation across the entire R&D value chain, continuously increasing investment in low-carbon, zero-carbon, and negative-carbon technology R&D. With institutional leadership, systemic integration, and technological breakthroughs forming a tripartite approach, CRRC is striving to become a leader in green manufacturing, a model for green transportation, and an enabler of green lifestyles, providing a systematic “CRRC solution” for the low-carbon transformation of global rail transit and energy industries.

Green R&D Achievements

CRRC drives green transformation through technological innovation, achieving systematic breakthroughs in two strategic directions: low-carbonization of rail transit equipment and industrialization of clean energy equipment, establishing a comprehensive green technology portfolio covering the full “production-storage-transportation-utilization” chain.

Innovation Breakthroughs in Green Rail Transit Equipment

The Company continues to lead the green and low-carbon transformation of rail transit equipment, accelerating the replacement and upgrading of conventional diesel-powered equipment with new-energy power systems centred on hydrogen and battery-electric technologies. In 2025, CRRC achieved a series of innovation breakthroughs in hydrogen-powered rail transit, establishing a diversified hydrogen product matrix covering urban commuter, intercity, cultural-tourism, and shunting applications—pioneering global zero-carbon development in rail transit.

Case Official Launch of the “Qingchun” Hydrogen-Powered Cultural-Tourism Train



In October 2025, CRRC Changchun, a subsidiary of CRRC, launched China's first hydrogen-powered cultural-tourism train, the “Qingchun”, featuring flexible train formation (1–6 cars), suitable for both urban commuter and cultural-tourism routes. This initiative fills the market gap for low-capacity hydrogen-powered rail transit and expands the application of hydrogen technologies across diversified scenarios.

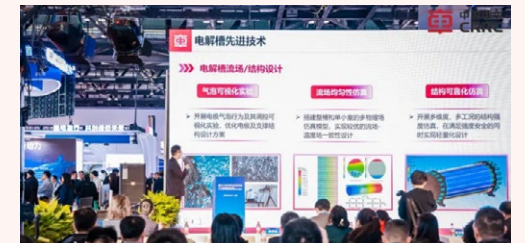


China's First Hydrogen-Powered
Cultural Tourism Train, “Qingchun”

Case Launch of a New-Generation 4,000 Nm³/h Alkaline Electrolyzer



In March 2025, CRRC's subsidiary Zhuzhou Institute launched a new-generation 4,000 Nm³/h alkaline electrolyzer at the 4th China International Hydrogen Energy Exhibition. With a rated hydrogen production capacity of 4,000Nm³/h, the electrolyzer features safety, high efficiency, wide-load adaptability, and extended service life. Concurrently, core components, including PPS membranes, PTFE gaskets, and a 500 Nm³/h PEM electrolyzer, were introduced, establishing a full green-power-based hydrogen production value chain covering hydrogen generation, storage, transportation, and utilization.



Electrolyzer Technology Launch



Technology Transfer and Innovation in Clean Energy Equipment

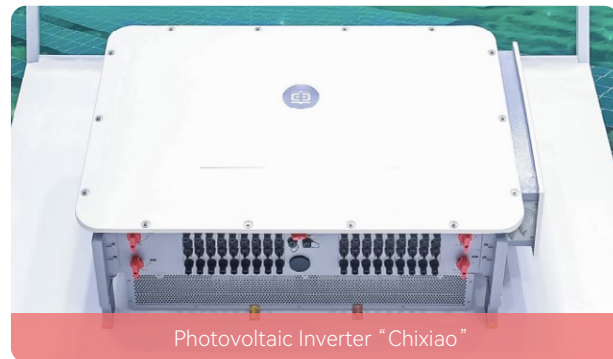
In 2025, CRRC achieved key breakthroughs across the entire hydrogen value chain, production, storage, transportation, and utilization, advancing the deep transfer of rail transit core technologies to clean energy equipment. Leveraging its core technological advantages in traction converters and energy management, CRRC accelerated its deployment into integrated “wind-solar-hydrogen-storage” industries.

Wind Power Sector

In November 2025, CRRC’s independently developed 12.5 MW “Lingfeng” onshore wind turbine for desert, Gobi, and wasteland environments completed on-site installation and commenced grid-connected testing in Zhangbei. With a rotor diameter of 250 meters, each unit generates approximately \$38\$ million kWh annually, equivalent to saving 15,000 tce and reducing carbon dioxide emissions by 36,000 tonnes, marking the entry of ultra-high-power onshore wind technology into the commercial validation phase.



The “Lingfeng” Installation Site



Photovoltaic Inverter “Chixiao”

Photovoltaic (PV) Sector

In June 2025, CRRC launched the new-generation “Chixiao” string-type PV inverter, rated at 2,000 V and 455 kW. Integrating high-speed rail-grade design standards and proprietary silicon carbide (SiC) power modules, it successfully transferred traction converter technology to the PV sector; concurrently, innovative products such as polyurethane composite PV mounting frames were also introduced.

Energy Storage Domain

CRRC is prioritizing the deep integration of energy storage with green electricity-based hydrogen production. Both the “Renewable Energy Off-Grid Hydrogen Production Simulation System” and the “Electricity-Hydrogen-Ammonia Integrated Intelligent Capacity Allocation Platform” treat energy storage as a critical module, enhancing renewable energy consumption and improving the stability of hydrogen production systems through simulation-based optimization and intelligent scheduling, thereby delivering systemic solutions for scenarios with high shares of renewable energy.



Off-grid Renewable Energy Hydrogen Production
Simulation System Released

Sustainable Supply Chain Management

The Company continues to improve its supply chain management system, deeply integrating sustainability principles across the entire supply chain, strengthening risk control, and advancing supplier development and capacity building. It is committed to driving the upgrading of the entire industrial chain through digitalization, intelligence, and green transformation, thereby comprehensively enhancing the sustainability performance of its supply chain.

Management System

The Company thoroughly implements the green, low-carbon, and high-quality development strategies, taking the construction of a secure, resilient, green, and efficient modern supply chain as its core mission and fully embedding sustainability principles across the entire supply chain. It has systematically established a “two-level, three-tier” management architecture: the Industrial Chain and Supply Chain Management Headquarters and first-tier subsidiaries constitute the “two-level” execution entities; the Industrial Chain and Supply Chain Management Committee serves as the decision-making body; the Industrial Chain Management Department and related business departments serve as the management layer; and all subsidiaries serve as the operational layer, forming an operation mechanism characterized by clearly defined responsibilities, seamless vertical coordination, and efficient cross-functional collaboration.

The Company continued to improve its institutional framework, officially issuing the *Administrative Measures for Suppliers* during the reporting period. In November 2025, it completed a company-wide internal benchmarking inspection and concurrently implemented four supporting policies: the *Administrative Regulations on Supplier Performance Evaluation*, the *Administrative Regulations on Adverse Supplier Conduct and Blacklisting*, the *Administrative Regulations on Overseas Suppliers*, and the *Administrative Regulations on Supplier Anti-corruption and Anti-bribery*. These comprehensively standardise supplier qualification, performance assessment, resource pool development, and Compliance Management.

We formulated and implemented the *Administrative Measures for Industrial and Supply Chain Resilience and Security*, focusing on nine key areas: strategic planning, supervision and evaluation, planning management, supply chain management, procurement logistics, security and resilience, digital and intelligent transformation, green and low-carbon practices, and talent development, thereby strengthening the management of key supply chain links. We continue to deepen the “comprehensive centralised procurement” strategy to reduce purchasing costs and improve operational efficiency. The Company is also advancing the development of “one network, one platform” to achieve standardised supply chain management.



Supplier Qualification
(Access Management)

In accordance with the Administrative Measures for Suppliers, new suppliers must complete seven review processes to be added to the resource pool: supplier registration, potential supplier audit, supplier recommendation or self-recommendation, comprehensive capability assessment, trial supplier approval, CRRC product certification or third-party product certification, and qualified supplier approval. In addition to basic qualification requirements, we have incorporated energy conservation, environmental protection, “Dual Carbon”, and ESG-Related requirements as important components of supplier qualification. Depending on the procurement category, suppliers must hold relevant quality management system and product certifications, such as ISO 9001, ISO/TS 22163, and IATF 16949.



Supplier Performance
Evaluation
(Evaluation
Management)

Pursuant to the Administrative Regulations on Supplier Performance Evaluation, the Company has established a comprehensive evaluation system covering performance, credit, green “Dual Carbon”, ESG-Related evaluation, and outstanding contribution assessment. Requirements for energy conservation, environmental protection, “Dual Carbon”, and ESG are fundamental prerequisites for supplier access and performance management. To systematically advance the construction of a green supply chain, the Company has formulated and implemented the Guiding Opinions of CRRC on Low-Carbon Procurement and Supply Chain Construction, the Three-Year Action Plan of CRRC for Green Supply Chain Construction, and the Working Guidance of CRRC on Supplier Green and Low-Carbon Evaluation, explicitly integrating green and low-carbon performance into the entire process of supplier qualification, comprehensive capability assessment, and routine performance evaluation. A supplier ESG management and evaluation indicator system has been introduced, assessing the sustainable development capabilities of all six major categories of the Company's suppliers across more than 100 indicators in the environmental, social, and governance dimensions. Indicators related to hazardous waste and emissions account for over 20% of the assessment, with specific evaluation criteria including annual emissions indicators and targets, ISO 14001 environmental management system certification, and waste recycling rates.



Supplier Resource Pool
Management
(Adverse Conduct and
Withdrawal)

In accordance with the Administrative Regulations on Adverse Supplier Conduct and Blacklisting, adverse behaviours such as quality issues with products, processes, or services, delivery problems, breaches of contract or discipline, Intellectual Property infringement, violations of national “Dual Carbon” and environmental regulations, and dishonesty are managed at different levels according to their impact, with cooperation being terminated in severe cases. Regarding the management of suppliers' reduction of hazardous substance emissions, the Company provides guidance for rectification to help them improve their environmental performance. If a supplier fails to meet the requirements within the specified timeframe, the termination of the partnership will be considered. For suppliers that consistently fail to meet hazardous substance emission audit requirements, their qualification for cooperation will be revoked.

Supply Chain Risk Management

With the goal of building an autonomous, controllable, secure, and efficient industrial and supply chain system, the Company has formulated the *Industrial and Supply Chain Management System* and a specialised plan. These documents define the development path and annual work plan, incorporating supplier risk management into the Company's key annual operational priorities for coordinated advancement.

In terms of risk identification, the Company implements a “seven-step methodology”, conducting holistic assessments across supplier management organization, financial data, environmental and occupational health and safety, production and manufacturing, design and R&D, procurement, and process engineering, thereby effectively identifying potential environmental and social risks. Simultaneously, leveraging its two-tiered “Headquarters-Subsidiary” organizational structure and incorporating feedback from government authorities, customers, and subsidiaries, the Company dynamically identifies, classifies, and manages supplier non-compliant behaviour and blacklist risks.

Collaborative Development

Aiming for mutual development and win-win outcomes, the Company promotes a “five unifications” management model: a unified system of rules, category management, supplier management, digital platform, and capability building, to systematically coordinate the upstream and downstream of the Supply Chain. We issued the *Notice on Releasing the CRRC Supplier Management Series of Standards and Fully Activating the CRRC Procurement Supplier Performance Evaluation Module* to steadily advance the sharing and mutual recognition of supplier and product qualifications.

Building on this foundation, the company further deepened integrated development across the industrial chain. During the reporting period, it hosted the CRRC Modern Industrial Chain Integration and Co-Chain Initiative Conference, focusing on key industrial chains including rail transit equipment, clean energy equipment, and hydrogen energy. An open and shared cooperation platform was established to drive in-depth linkage among upstream and downstream enterprises in technological innovation, resource allocation, and market coordination, thereby continuously enhancing the overall competitiveness and resilience of the industrial chain.

Meanwhile, the company actively promoted green collaboration and standards leadership, planning to conduct green evaluations across the entire supply chain. This initiative aims to foster collaborative application of green technologies and standardization efforts, gradually establishing an industrial chain carbon neutrality ecosystem covering both upstream and downstream. It will drive systematic emissions reduction and green transformation across the entire value chain, injecting new impetus into high-quality, sustainable development.

Case

Hosting the CRRC Freight Car Enterprise Green and Low-Carbon Supply Chain Training Session to Implement Green Concepts in Practice



In July 2025, CRRC successfully held the “CRRC Freight Car Enterprise Green and Low-Carbon Supply Chain Training Session” in Harbin. Co-organized by CRRC’s subsidiaries CRRC Asset Management, CRRC Qiqihar Group, and CRRC Yangtze Group, the session attracted participation from CRRC’s headquarters, its subsidiaries, and over 150 representatives from core suppliers. Centred on building a green and low-carbon supply chain, the session systematically communicated CRRC’s “35·50” carbon neutrality target and ESG management requirements. Experts from the Shanghai Jiao Tong University ESG Research Institute, the Fifth Electronic Research Institute of the Ministry of Industry and Information Technology, and the Bank of China delivered specialized lectures on critical topics including product carbon footprint calculation, green factory certification systems, and green finance support policies. This training not only strengthened consensus on green transformation across the industrial chain but also effectively accelerated the transition of green supply chain strategies from conceptual frameworks to concrete actions, injecting new momentum into CRRC’s construction of a high-quality, sustainable industrial ecosystem.



2025CRRC Freight Car Enterprise Green and Low-Carbon Supply Chain Training Session

Equal Treatment of Small and Medium-sized Enterprises (SMEs)

In supply chain management, CRRC consistently adheres to the principles of diversification and fairness, placing emphasis on establishing and maintaining long-term, stable cooperative relationships with small and medium-sized suppliers. The Company does not restrict cooperation opportunities due to a supplier’s relatively small scale, nor does it impose unreasonable pressure on such suppliers. CRRC strictly fulfills contractual obligations, ensuring timely payment of dues. During the reporting period, no overdue payments to SMEs occurred, fully safeguarding the legitimate rights and interests of small and medium-sized suppliers.



Excellent CRRC

Consolidating the Foundations of Corporate Governance

United Nations Sustainable Development Goals
(SDGs) Addressed in This Chapter

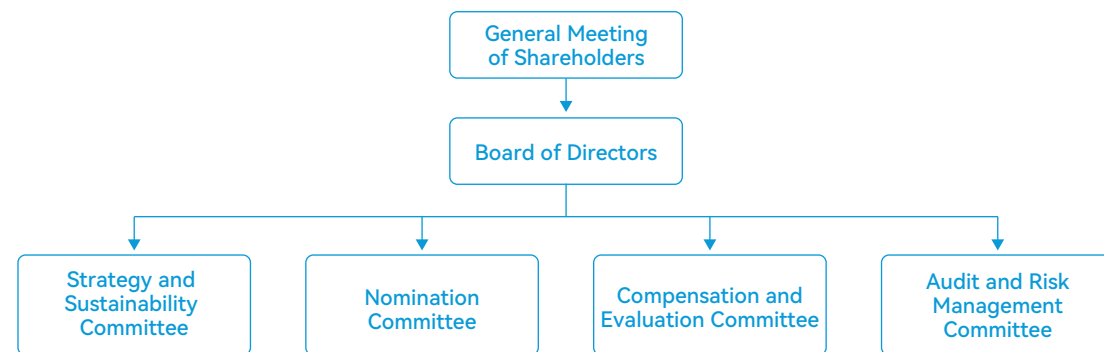


Optimizing Corporate Governance

CRRC strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other laws and regulations, as well as the regulatory rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. The Company fully implements the deployment requirements of the SASAC regarding deepening SOE reform and improving corporate governance. It continues to strengthen its organisational structure, clarify the authority and responsibilities of its management bodies, refine its corporate governance mechanisms, and enhance the scientific nature of its decision-making and operational efficiency to comprehensively build a standardised, modern corporate governance system.

Corporate Governance Structure

CRRC has established a corporate governance structure represented by the General Meeting of Shareholders, Board of Directors, and Senior Management, ensuring clear delineation of authority and responsibilities, and standardized operations, among the organs of power, decision-making bodies, and management. Under the Board of Directors are four specialized committees: the Strategy and Sustainability Committee; the Nomination Committee; the Compensation and Evaluation Committee; and the Audit and Risk Management Committee, providing multidimensional support for major decisions.



▲ CRRC Corporate Governance Structure

During the Reporting Period, the Company held four Shareholders' Meetings and 11 Board of Directors meetings. It revised and passed corporate governance policies including the Articles of Association, the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors, and the Working Rules for the Audit and Risk Management Committee of the Board of Directors. Details of these meetings were published as announcements on [the websites of Shanghai Stock Exchange website](#), [CNINFO website](#), [Hong Kong Stock Exchanges website](#), and other designated media.

Board of Directors

Board Diversity

The appointment of directors adheres to the principle of meritocracy, based on the skills and experience required for the effective functioning of the Board as a whole, while also considering the objectives and requirements for board diversity. The Company considers board diversity from multiple dimensions, including but not limited to professional experience, skills, knowledge, tenure, geographical region, cultural and educational background, gender, and age. The current members of the Board of Directors come from various industries both in China and abroad, possessing extensive professional knowledge and practical experience in fields such as rail transit industry enterprise management, accounting and risk management, finance, and green investment, which facilitates strategic planning and scientific decision-making. For detailed information on Board members, please refer to [the Company's official website](#) and the *CRRC Corporation Limited 2025 Annual Report*.

In FY2025, the Re-Election of the Fourth Session of the Board of Directors Was Completed. Directors Are Elected by the Shareholders' Meeting, and Each Term of the Board Is Three Years. The Current Board Consists of Eight Directors, Including Two Executive Directors, Five Non-Executive Directors, and One Employee Director. Among Them, There Is One Female Director, Accounting For 12.5%.

Board Independence

Independent directors are selected in strict accordance with the qualifications stipulated in the *Articles of Association*, and the number and background of incumbent independent directors meet the requirements of the listing rules of the places where the Company is listed. The *Working Rules for Independent Directors* specify their qualifications, nomination and election procedures, duties and rights, and guarantees for performance. During the nomination process, the nominator must verify and declare the candidate's eligibility and independence, and the nominee must also make a public declaration of their independence. The Board's Nomination Committee reviews their qualifications and forms an opinion. Independent directors are required to conduct an annual self-assessment of their independence and submit a written confirmation.

In FY2025, the proportion of non-executive directors on the board reached 62.5%, and the proportion of independent directors reached 50%. The proportion of board members independent of senior management was 100%. The chairpersons of the Remuneration and Appraisal Committee, the Audit and Risk Management Committee, and the Nomination Committee are all held by independent directors. Additionally, the Remuneration and Appraisal Committee and the Audit and Risk Management Committee are composed entirely of non-executive directors. The company's independent directors play a role in "participating in decision-making, providing supervision and checks and balances, and offering professional consultation", diligently fulfilling their duties and participating in major decisions.

Director and Senior Management Remuneration Management

The remuneration of senior executives consists of base salary and performance-based compensation, closely linked to performance evaluation outcomes. This structure aims to balance incentives and accountability while aligning closely with the Company's strategy and sustainable development goals. Performance evaluations cover work performance within each executive's functional area, achievement of individual key objectives, and team collaboration effectiveness. In addition, critical sustainability dimensions, including energy conservation and emissions reduction, ecological and environmental protection, quality and efficiency, technological innovation, and production safety, are integrated into the operational performance evaluation system. For major safety, quality, and environmental risks, a strict "one-vote veto" mechanism applies to performance evaluation.

To strengthen accountability, CRRC implements a remuneration clawback mechanism. If senior executives cause asset losses to the company due to serious violations of national laws and regulations or failure or improper performance of duties, CRRC shall, depending on the severity of the case, reduce their annual performance-based remuneration and may claw back part or all of the performance-based remuneration and term-based incentive income already disbursed, thereby ensuring alignment between compensation incentives and risk responsibilities.



Regulating Compliant Operations

Compliant operations constitute a critical foundation for CRRC’s high-quality development and international expansion. Closely aligning with the requirements of high-level opening-up and the Belt and Road Initiative, CRRC continuously improves its compliance management system and strengthens compliance awareness across all employees, building a robust compliance capability that safeguards business development and empowers sustainable international operations.

Improving the Compliance Management System

As a pilot enterprise designated by the SASAC for building world-class rule-of-law enterprises, CRRC thoroughly studies and implements Xi Jinping’s thought on the rule of law, fully implements SASAC’s deployment, and adheres to the principle that “compliance is our core competitiveness.” The company treats the establishment and improvement of a comprehensive compliance management system as a pivotal breakthrough point, integrating compliance management into the top-level design of corporate strategy. Starting from organizational coordination, institutional standardization, operational mechanisms, cultural cultivation, and rigid safeguards, CRRC has established the “CRRC C (Compliance)” compliance management system, structured around the “123455” framework. This has significantly enhanced CRRC’s capacity for governing the enterprise according to law and preventing risks.

In 2025, under the guidance of the *Articles of Association*, the company systematically built the “CRRC Digital Law Code”, which integrates typification, hierarchisation, and process-orientation. It issued the *Management System for the Chief Compliance Officer*, which clarifies qualification thresholds, standardises selection procedures, and details the list of responsibilities to ensure that the chief compliance officer is deeply involved in major decisions and effectively fulfils the functions of ‘Preventing Risks, Promoting Compliance, and Stabilising Operations’. The company established a pool of legal and compliance experts and, with the support of relevant ministries and commissions, took the lead in conducting professional title evaluations for corporate lawyers. By ‘Tapping Internal Potential, Borrowing External Intelligence, and Sharing Across All Domains’, it provides intellectual support for creating a world-class rule-of-law enterprise. The company strengthened source control of compliance risks by organising the development of the “Zhuolun·Fadun” Risk Prevention and Control and Intelligent Contract Review Application for Law and Compliance to enhance its risk management capabilities. It also promoted the extension of compliance management responsibility to the business front-end and improved the collaborative compliance review mechanism of “Business Self-Inspection, Specialist Preliminary Review, and Professional Final Review”. Effectiveness evaluations of compliance management were conducted for key subsidiaries, and the “Closed-Loop Management” of evaluation and improvement was reinforced. The company has also cultivated a compliance culture through multi-dimensional publicity and education, promoting the internalisation of compliance concepts into mindsets and their externalisation into actions.

Case

Joint Specialized Training on Cross-Border Compliance with Renmin University of China Law School

In July 2025, CRRC held a Specialized Training on Cross-Border Compliance at the Law School of Renmin University of China. Nearly 90 legal and compliance management personnel participated in the five-day intensive program, covering topics including international compliance hotspots, risk prevention in overseas investment, responses to trade frictions, and applications of legal artificial intelligence. Participants also visited the China International Economic and Trade Arbitration Commission (CIETAC) for on-site learning and exchange. The program aims to strengthen participants’ awareness of cross-border rule-of-law principles and practical compliance capabilities, providing professional support for CRRC’s deep participation in the “Belt and Road” Initiative and effective mitigation of overseas operational risks.



CRRC Specialized Training on Cross-Border Compliance Opening Ceremony

Metric	Unit	FY2025
Number of Compliance Training Sessions	Sessions	1,089
Total Duration of Compliance Training	Hours	3,196.5
Number of Participants in Legal and Compliance Training	Person-Time	76,485

Enhancing Tax Transparency

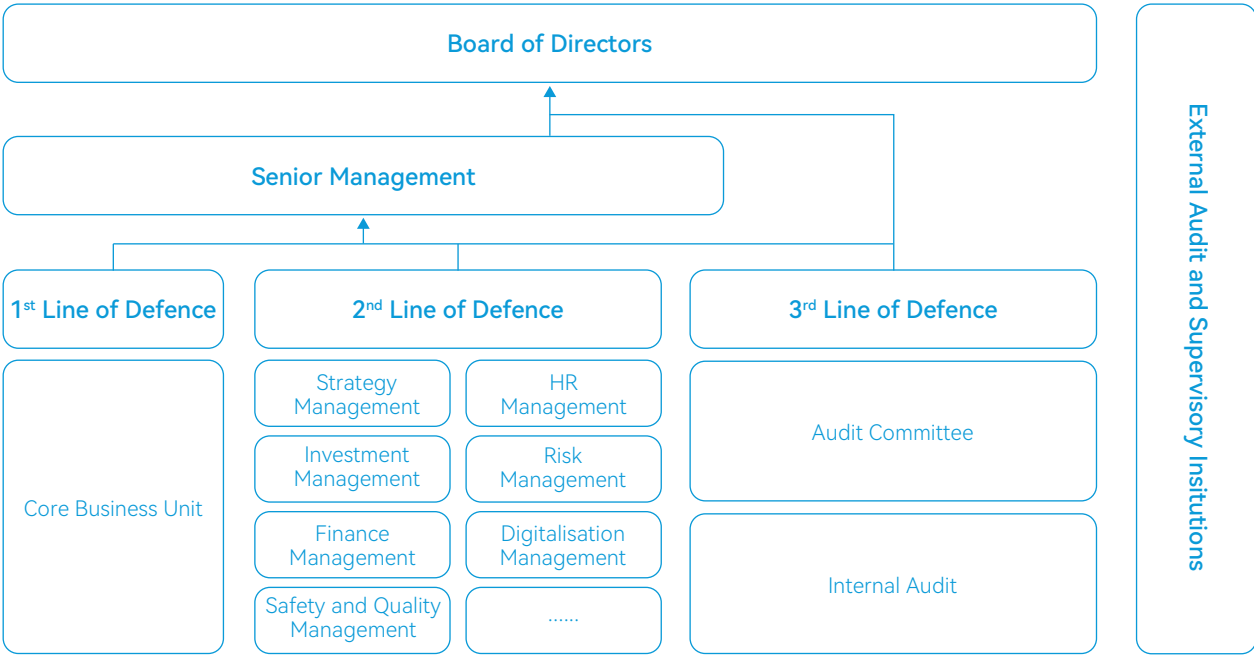
The Company strictly adheres to domestic regulations such as the *Enterprise Income Tax Law of the People’s Republic of China* and the *Law of the People’s Republic of China on the Administration of Tax Collection*, as well as international rules including bilateral tax treaties signed between China and investment host countries, insisting on paying taxes in accordance with the law and standardising the handling of cross-border tax matters. It places great importance on tax risk management, establishing a regular mechanism for self-inspection and third-party audits. All subsidiaries are required to conduct a comprehensive tax risk self-assessment at least once a year, incorporating the results and corrective measures into their annual tax work summary. Additionally, the Company engages an independent third-party institution annually to conduct a professional audit of its enterprise income tax annual declaration and issue a report, ensuring the accuracy, transparency, and compliance of its filing and payment processes, thereby continuously strengthening its tax risk defences.

Strengthening Risk Management

CRRC continues to refine the top-level design of audit and risk control, enhance organizational effectiveness, and systematically upgrade supervisory capabilities and team professionalism through digitalization and intelligent transformation, achieving notable results.

Consolidating the Risk Control System

In accordance with regulations such as the *Provisions on Comprehensive Risk Management for Central State-Owned Enterprises* and the *Basic Norms for Enterprise Internal Control*, the Company has established a risk management and internal control system encompassing the *Comprehensive Risk Management regulations*, *Internal Control Work Provisions*, the *Risk Management and Internal Control Manual*, and various specialised policies. Following the “Three Lines of Defence” principle for risk management, it has built a three-dimensional prevention and control system featuring “points, lines, and planes plus a dual-layer firewall”, achieving multi-layered, precise risk management to ensure all types of risks are effectively controlled.



▲ CRRC “Three Lines of Defence” of Risk Management



Risk Management Mechanism

Based on the *Risk Control Checklist for Key Projects*, key project risk management is conducted through a “three-in-one” full-chain management approach of “pre-event monitoring, in-event control, and post-event response”. The Company has improved its major project risk review mechanism by embedding risk assessment into the business decision-making process, forming review criteria of “three checkpoints” and “four non-pass conditions” to strictly control risks at the source. It formulated the *Notice on Country Risk Alerts for 2025* to enhance risk identification and assessment for sensitive countries, thereby improving its ability to prevent and mitigate risks in international operations.

Risk Accountability Mechanism

CRRC is exploring a three-dimensional performance evaluation and accountability mechanism for major risks, reinforcing risk control through strengthened evaluation and accountability. Subsidiaries at all levels continue to refine and institutionalize their responsibility-pursuit systems, effectively transforming accountability outcomes into corporate governance effectiveness and providing institutional safeguards for responsibility-pursuit work.

Internal Control Supervision and Evaluation

In FY2025, the Company Organised Internal Control Evaluation Inspections for Its Subsidiaries, Completing the *CRRC 2023–2025 Work Plan for Full Coverage of Internal Control System Supervision and Evaluation*. The Company Participated in the “2025 Best Practice Cases for Internal Control of Chinese Listed Companies” Selection Organised by the China Association for Public Companies, Where It Was Successfully Selected as a “Best Practice Case”, and Its Subsidiary, Times New Material, Was Chosen as an “Excellent Case”.

Implementing Internal Audit

The Company has established a complete system of regulations with the *Internal Audit Work Provisions* as its fundamental policy. In 2025, it revised regulations such as the *Management Measures for the Audit and Risk Control Shared Centre (Trial)*, optimised the “1+1+N” audit management structure, and strengthened the construction of the audit and risk control shared centre to centralise resources for internal audit supervision.

The Company formulated the *Audit and Risk Control Digitalization and Intelligent Transformation Plan*, upgrading “digitalisation” to “digital intelligence” and systematically planning the construction of a new generation integrated system for digital and intelligent audit and risk control. It has embedded the “Audit +” concept into the Company’s actual business management processes, promoting the integration of business and auditing through an “Audit + Business” approach.

Performance Indicators during the Reporting Period



CRRC fully implemented the SASAC’s annual key audit tasks and the company’s operational priorities, formulating **339** audit project plans and completing **347** audits. Additionally, CRRC annually engages third-party audit firms to assess the effectiveness of internal controls over financial reporting.

Strengthening Talent Development

CRRC implements the “Talent Development Plan for Audit and Risk Control” to strengthen the audit and risk control team. It continues to advance talent development programs, including “Kunlun”, “Zhu Jian”, “Qi Ming”, “Chang Jian”, “Qing Luan”, and the “Fu Du Forum”, and organizes activities such as the “Centennial Soul-Casting: Audit Safeguarding Industrial Movement” Economic Audit Skills Competition and the Audit and Risk Control Case Competition. Leveraging information technology and the Audit and Risk Control Shared Centre platform, CRRC conducts technical breakthrough initiatives in audit and risk control, promoting learning through competitions and capability enhancement through research to elevate professional competencies. In FY2025, CRRC organised various training programs, receiving 312 person-time participants, covering 62 courses with a 100% course completion rate and accumulating over 3,200 total training hours.

Anti Bribery and Anti-Corruption

CRRC advances the construction of a business ethics management system, focusing on anti-bribery and anti-corruption efforts, advocating fair competition, ensuring unimpeded reporting and complaint channels, safeguarding a healthy market order, and resolutely opposing conduct that violates commercial ethics.

Advocating Integrity and Anti-Corruption

The Company strictly complies with laws and regulations such as the *Criminal Law of the People’s Republic of China*, the *Company Law of the People’s Republic of China*, the *Supervision Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Administrative Sanctions for Public Officials*, and the *Several Provisions on Integrity in Employment for Leaders of State-Owned Enterprises*, as well as international principles and initiatives like the *United Nations Convention Against Corruption*. It has formulated and issued policies including the *Guiding Opinions on Constructing a 'Multi-faceted' Grand Supervision System*, the *Anti-corruption Compliance Management Measures*, and the *Interim Provisions on Prohibiting Commercial Bribery* to build a comprehensive anti-corruption compliance management system.

The leadership team (Chairman, President, and Vice Presidents) is explicitly designated as the responsible entity for anti-corruption compliance management and internal supervision. The Discipline Inspection Commission, the Inspection Office, and the Audit Department serve as dedicated supervisory departments; meanwhile, functional departments, including the Human Resources Department and Finance Department, perform business-level supervision duties. These departments operate in organic coordination to form a synergistic supervisory force and advance anti-corruption compliance work in accordance with law. During the reporting period, the Company recorded zero cases of embezzlement litigation.

Anti-Corruption Risk Management

The Company enforces a “zero-tolerance” policy towards corrupt behaviour, focusing on key operational areas such as procurement, marketing, commission management, and business entertainment. It has formulated the *Code of Integrity for Procurement Personnel*, the *Code of Integrity for Marketing Personnel*, the *Commission Management Measures*, and the *Business Entertainment Management Regulations*. Procurement personnel are required to adhere to the “eight prohibition”, maintaining appropriate personal relationships and a clear distinction between public and private interests. Marketing personnel must follow the “six forbidden”, upholding the principles of honesty, trustworthiness, and fair competition. Simultaneously, the Company strictly enforces management measures for commissions and business entertainment, implementing escalated management for commissions on domestic and overseas projects and strengthening full-process control and accountability, thereby adhering to the bottom line of integrity, frugality, transparency, and standardisation.

Anti-Corruption Supervision and Inspection

The Company deepens the development of the integrated supervision system, implements the “Digital Discipline Inspection Toolkit” project, and develops the digital supervision system for “Business Transactions with Reformed Enterprises”, continuously extending supervision to grassroots levels. Specialized internal anti-corruption supervision inspections are conducted regularly, at least once annually, with coverage spanning the implementation of major special initiatives and progress in overseas corruption governance. A combination of methods, including promotion meetings, research-based guidance, interviews and inquiries, and disciplinary inspection recommendations, is employed to strengthen routine supervision and inspection, ensuring effective implementation of issues identified during inspections. Violations of anti-corruption policies are dealt with seriously based on the severity and impact of the misconduct, through measures such as interviews and reminders, criticism and education, rectification directives, and accountability. In high-risk areas characterized by concentrated power, intensive capital, or abundant resources, the Company guides subsidiaries to carry out “project-based supervision” to promote the establishment of long-term mechanisms for integrity management.

The Company continuously carries out cross-border corruption governance. It has adjusted and optimised the leadership and working groups for cross-border corruption governance and issued the *CRRC 2025 Key Points for Cross-border Corruption Governance Work* to focus on resolving operational risks and closing management loopholes. The Company introduced the *Work Guidelines for Overseas Integrity Officers*, clarifying organisational management, responsibilities, and authority, and is steadily advancing the pilot programme for integrity officers. It conducted supervision and inspection visits to four overseas institutions in four locations across Malaysia and Indonesia, focusing on seven key tasks to fortify the line of defence for integrity in areas such as “Belt and Road” overseas investments.



Performance Indicators during the Reporting Period



The Company guided subsidiaries to conduct over **300** supervision and inspection activities in total.

Integrity Culture Development

By regularly holding cadre warning education conferences, conducting “Discipline Inspection Cadres Talk about Discipline” sessions, and organising integrity culture month activities, the Company continues to foster a clean and upright atmosphere of integrity. It carries out routine inspections and “look-back” reviews to ensure the effectiveness of inspection rectifications. During the reporting period, two cadre warning education conferences were held, deeply analysing typical cases of disciplinary and legal violations to further strengthen the disciplinary awareness of Party members and cadres. Anti-corruption education was provided to all employees (full-time, part-time employees, and contractors), with 43 anti-corruption training sessions conducted.

Case The 18th Cadre Warning Education Conference



In December 2025, to continuously reinforce the business philosophy of operating lawfully and in compliance with regulations and to strengthen integrity awareness among all staff, CRRC held its eighteenth warning education conference for managers. Management teams and core backbone personnel from CRRC’s headquarters and its subsidiaries participated in this centralized learning session, either at the main venue or at local branch venues.

Sun Yongcai, Party Secretary and Chairman of CRRC, presided over the meeting and delivered a keynote speech titled “Upholding Our Original Aspirations and Missions, Operating Lawfully and in Compliance, and Sustainedly Fostering a Clean, Upright, and Dynamic Working Environment.” He emphasized that managers at all levels must lead by example, strictly abide by rules and regulations, exercise power in accordance with established procedures, and combine strict oversight with supportive care to motivate employees to fulfil their duties proactively, within the framework of compliance and discipline. This further reinforced all staff’s reverence for institutional rules and professional ethics and underscored the integration of integrity and compliance requirements throughout the entire value chain of management and operations, laying a solid disciplinary and cultural foundation for CRRC’s stable and sustainable development.



CRRC 18th Cadre Warning Education Conference

Supplier Integrity

The Company has formulated the *Administrative Provisions on Anti-corruption and Anti-bribery for Suppliers* to monitor the corrupt behaviour of suppliers throughout the entire process via a dynamic supervision mechanism. It organises subsidiaries at all levels to sign integrity and mutual assurance commitments with suppliers and advocates that suppliers also comply with relevant anti-corruption and anti-bribery laws and regulations when cooperating with other enterprises. Suppliers who violate their integrity commitments or make false or deceptive statements, representations or warranties may be blacklisted, depending on the severity of their actions. Regarding supplier integrity training, specialized integrity education for the supply chain is conducted at least once annually, reinforcing supplier integrity awareness through platforms such as procurement and supply chain management system work conferences.

Metric	Unit	FY2025
Number of Anti-Corruption Training Sessions	Sessions	43
Duration of Anti-Corruption Training	Hours	80
Number of Employees Receiving Anti-Corruption Training	Persons	151,602
Percentage of Employees Receiving Anti-Corruption Training	%	100
Number of Directors Receiving Anti-Corruption Training	Persons	8
Percentage of Directors Receiving Anti-Corruption Training	%	100

Unimpeded Whistleblowing Channels

In accordance with the spirit and requirements of the *Detailed Rules for the Implementation of the Central Government’s Eight-Point Regulations* and the *Implementation Opinions on Strengthening Work Style Construction* issued by the General Office of the CPC Central Committee and the General Office of the State Council, the Company has formulated systems such as the *Working Measures for Handling Disciplinary Inspection, Petitions and Reports*, the *Working Measures for Disciplinary Review by Disciplinary Inspection Organs*, the *Working Measures for Case Review by Disciplinary Inspection Organs*, and the *Working Measures for the Supervision and Management of Disciplinary Inspection Cases*, which clarify the management procedures for accepting and investigating reports.

A multi-departmental collaborative supervision and safeguard mechanism has been established, operating under the principles of “graded acceptance, division of responsibilities, impartial verification, and protection of reporters”. The scope of report acceptance covers suspected violations by company employees and business partners, including breaches of laws and regulations, regulatory provisions, industry standards, international treaties and rules, the “Articles of Association of CRRC Corporation Limited”, and internal rules and regulations, in relation to corporate operations and employee performance of duties. For major projects, joint supervision, on-site supervision, item-by-item verification of key matters, and integrity interviews with key managerial personnel are implemented to strengthen integrity safeguards.

Reporting Channels

Dedicated personnel handle complaints received via multiple channels, including e-mail, telephone, suggestion boxes, and reception rooms, regularly collect and consolidate leads, maintain an official work log, and conduct periodic analysis and disposition. Reporting channels are as follows:

Whistleblowing E-mail: weiguijubao@crrcgc.cc

Whistleblowing Hotline: 010-51872519

Whistleblowing Address: 16-5 West Fourth Ring Middle Road, Haidian District, Beijing, China

Whistleblower Protection

In accordance with the *Administrative Provisions on Whistleblowing for Irregular Conduct*, personnel responsible for handling reports and related staff are required to strictly perform their duties in compliance with regulations, properly store reporting materials, and are strictly prohibited from disclosing the identity of the whistleblower and the reported matters to the reported person or any irrelevant personnel. Any form of retaliation against whistleblowers is strictly forbidden. Those who retaliate and cause adverse consequences will be held accountable or subject to disciplinary action in accordance with regulations.

Business Ethics Management

Business Ethics Audits

The Company places great importance on issues related to business ethics and compliant operations and has specifically formulated policy documents such as the *Code of Business Conduct* and the *Employee Integrity and Compliance Handbook* to standardise the conduct of the Company's employees and guide relevant work. It conducts internal supervision and inspection of business ethics standards annually. All businesses, operating locations, and subsidiaries undergo business ethics audits covering key topics such as anti-bribery, anti-corruption, and employee conduct norms, and the Company constantly monitors for any disciplinary violations such as favouritism, corruption, or lack of integrity among employees. By promptly identifying and warning against abnormal behaviour, we achieve early detection, intervention, and resolution, effectively preventing various case risks, ensuring that all responsible parties fulfil their duties, and promoting the Company's steady operations. During the reporting period, all businesses, operating locations, and subsidiaries underwent business ethics audits.

Anti-Unfair Competition

The Company strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Antitrust Law of the People's Republic of China*, and continues to implement policy documents such as the *Code of Business Conduct* and the *Employee Integrity and Compliance Handbook*. These serve to standardise the Company's operations and employee conduct, strictly prohibiting a series of unfair competition practices including false advertising, infringement of trade secrets, commercial bribery, and improper transactions, thereby upholding the bottom line of compliant operations and safeguarding the Company's sustained and healthy development.

In all marketing activities for products and services, the Company consistently adheres to principles of integrity, transparency, and fairness, ensuring that information regarding product performance, technical specifications, service commitments, pricing, and other aspects is truthful, accurate, and complete, resolutely eliminating exaggerated claims and false promises. The Company consistently pursues market opportunities through lawful means, including technological innovation, quality enhancement, and service optimization, and strictly prohibits any practice involving the provision of improper benefits, kickbacks, or bribes to secure transactions. Key processes including bidding and procurement, and supply chain collaboration, are subject to targeted regulation to ensure fair competition. Competitive and sensitive information including product pricing, cost structures, technical solutions, R&D plans, and customer data, is subject to strict controls, effectively protecting both the Company's and the industry's legitimate rights and interests and mitigating emerging risks such as data infringement. During the reporting period, no litigation or major administrative penalties arose from unfair competition practices

The Company has established and improved an employee compliance training system, regularly conducting training on laws and regulations concerning anti-unfair competition and antitrust, as well as internal policies, to enhance compliance awareness across all staff. A dedicated complaint and reporting channel has been set up, clearly defining employees' obligation to report violations of the Code of Conduct and unfair competition practices, while strictly prohibiting retaliatory actions. For further details, refer to the "[Unimpeded Whistleblowing Channels](#)"  section of the Report.



Investor Rights Protection

CRRC strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for the Management of Investor Relations of Listed Companies*, the *Administrative Measures for Investor Relations*, and other relevant laws, regulations, and provisions. The Company has formulated several systems, including the *Administrative Measures for Information Disclosure*, to maintain fairness, justice, and openness in information disclosure and to protect investors' right to know and other legitimate rights and interests.

Standardised Information Disclosure

The Company has established an information disclosure system covering the stock market, bond market, and interbank market, and implemented a "five-in-one" information disclosure coordination mechanism involving the Chairman, the Secretary to the Board of Directors, business departments, subsidiaries, and expert teams, to ensure high-quality information disclosure. It rigorously fulfils its review and disclosure obligations, ensuring standardized decision-making, timely disclosure, and compliant execution for projects involving outward investment, external guarantees, financial assistance, and related-party transactions.

During the reporting period, the Company issued over 300 announcements on the stock and interbank markets, including Annual Reports, semi-Annual Reports, quarterly reports, and related documents; resolutions of the General Meeting of Shareholders and the Board of Directors; and announcements concerning other material matters. All public information disclosures for the year complied fully with applicable laws and regulations, with no instances of false statements, misleading representations, or material omissions in violation of disclosure requirements.

The Company's information disclosure practices received broad recognition from capital market participants, regulatory authorities, and professional institutions. Its operational performance evaluation achieved Grade A for 14 consecutive years. Since the SASAC launched its standardized board construction assessment program, the Company has been rated "Excellent" for seven consecutive years. It has also received the Shanghai Stock Exchange's highest annual information disclosure evaluation grade, Grade A, for ten consecutive years, and was awarded the "Best Investor Relations Practice of Chinese Listed Companies 2024."

Investor Relations Management

The Company continuously enhances its investor relations management capabilities by establishing a routine communication mechanism. Through regularly scheduled earnings briefings, teleconferences, press conferences, and reverse roadshows, it promptly addresses investor concerns, accurately interprets operating performance, and conveys corporate value in an intuitive manner. Dedicated staff handle incoming calls, e-mails, and inquiries submitted via the Shanghai Stock Exchange's E-Interaction platform to ensure efficient two-way communication with investors. The Company places emphasis on cultivating key institutional investors through telephone outreach and in-person visits to maintain strong relationships, and actively participates in investor education initiatives to promote rational investment behaviour.

During the reporting period, the Company organized one earnings press conference, three earnings roadshows, one reverse roadshow, three earnings briefings, and four earnings teleconferences. It has received the Shanghai Stock Exchange's highest annual information disclosure evaluation grade, Grade A, for ten consecutive years. It was awarded the "Tianma Award" for Investor Relations Management at the 16th China Listed Companies Investor Relations Management Awards hosted by Securities Times; selected among the "Top 100 Value-Creating Listed Companies on the Main Board" at the 19th Listed Companies Value Awards; honoured with the "Most Investment-Worthy Award," "Dividend Return Award," and "Outstanding Hong Kong-Listed Companies Golden Bull Award" by China Securities Journal's Golden Bull Awards for Listed Companies; recognized as a "Best Practice Case in Investor Relations Management" and a "Best Practice Case for Board Offices" by the China Association for Public Companies; and received the Gold Award for "Visionary Report" in the LACP 2024 Annual Report Awards by the U.S.-based League of American Communications Professionals (LACP), as well as the Silver Award at the ARC International Annual Report Competition.



Protecting Shareholder Rights and Interestst

Say on Pay Policy

According to the *Articles of Association*, shareholders enjoy rights and assume obligations based on the class and number of shares they hold. The Compa-ny places great importance on shareholders’ say on pay in remuneration governance, granting shareholders full voting rights on remuneration policies and their implementation, covering matters such as the content of the remuneration policy, payment amounts, and reports from the remuneration committee. The scope of shareholder voting covers the overall remuneration policy and total remuneration, not limited to individual components, ensuring comprehensive participation in decision-making. The vote applies to all executive directors on the Board of Directors and supports either collective or individual voting, respecting shareholder autonomy. A once-a-year remuneration voting mechanism is implemented to ensure sharehold-ers’ continuous supervision and adjustment of remuneration policies, ensuring they align with the Company’s strategy and shareholder interests, and promoting the Company’s steady growth under a reasonable and fair remuneration system.

Enhancing Quality and Efficiency for Greater Returns

The Company adheres to the relevant provisions of its *Articles of Association* and the CRRC Corporation Limited Medium- and Long-Term Shareholder Return Plan, placing great importance on investor returns. In response to the Shanghai Stock Exchange’s “Enhance Quality and Efficiency, Prioritise Returns” initiative, we have formulated a special action plan and are timely in researching and promoting methods such as interim dividends to enhance the stability and sustainability of dividend payments, sharing the Company’s operating results with shareholders. Since our restructuring and listing in 2015, we have implemented cash dividends annually with a steadily increasing ratio, having distributed cumulative cash dividends exceeding RMB 55 billion (tax included) to date, with an average annual cash dividend payout ratio of approximately 45%, which is higher than the average for the A-share capital market.



Upholding Party Building as a Guiding Principle

CRRC consistently regards strengthening the leadership of the Communist Party of China as the “root” and “soul” of enterprise development. Through systematic and institutionalized Party building work, CRRC effectively transforms the Party’s political and organizational advantages into governance, development, and competitive advantages, providing fundamental political assurance for achieving high-quality development and building a world-class enterprise.

Highlighting Political Guidance to Steer Corporate Development

CRRC unswervingly places the Party’s political development at the top of its agenda, establishes and strictly implements the “First Agenda” system, and ensures full and faithful implementation of the CPC Central Committee’s decisions, deployments, and General Secretary Xi Jinping’s important instruc-tions and directives. By refining the “Three Major and One Important” decision-making mechanism, dynamically optimizing the list of matters subject to prior deliberation by the Party Committee, and clarifying the Party organization’s position within the corporate governance structure, the Company’s Party Committee conducted prior deliberations on 102 major business management matters in 2025, effectively fulfilling its leadership role of “setting the direction, overseeing the overall situation, and ensuring implementation”. In alignment with national strategies such as developing new quality productivity, CRRC has taken the lead in formulating and implementing a series of strategic decisions to ensure the correct political orientation of enterprise development.

Strengthening the Organizational System to Forge a Robust Combat Fortress

CRRC continues to deepen the “Leading New Quality Year” special action, continuously consolidating the “three fundamentals”, and comprehensively advancing and reinforcing standardized and normalized construction of primary-level Party organizations. It has developed a plan for enhancing industrial chains, supply chains, and innovation chains through Party building, highlighting Party-building empowerment and specifying implementation pathways; through joint construction and co-development initiatives, the Party’s organizational capacity has been extended to the frontlines of techno-logical breakthroughs and major projects. CRRC attaches great importance to Party building in overseas entities and mixed-ownership enterprises, formulating targeted improvement plans to achieve dynamic coverage and effective management by Party organizations. By establishing Party member responsibility zones and model posts, and widely organizing themed activities for achieving excellence, CRRC completed 4,778 excellence-achievement projects throughout the year, promoting deep integration between Party building and production operations, and transforming primary-level Party organizations into strong fortresses safeguarding reform and development.

Strengthening Discipline and Supervision to Cultivate a Clean and Upright Political Ecosystem

CRRC advances comprehensive and rigorous governance of the Party in depth, establishing an integrated, multi-dimensional supervision system to safeguard healthy development. It conducts in-depth study and education on the spirit of the CPC Central Committee’s Eight-point Regulation, precise-ly targets and rectifies chronic “Four Undesirable Work Styles” problems, such as unauthorized banquets, and carries out warning education on a regular basis. Disciplinary inspection organs focus on areas where power is highly concentrated and funds are densely allocated, innovatively applying information-based tools such as the “Digital Discipline Inspection Toolbox” to conduct precise supervision—particularly strengthening integrity risk prevention and control in overseas projects and centralized procurement. CRRC promotes the three-pronged approach to combating corruption, deterrence, restriction, and self-discipline, as an integrated whole; it has formulated a plan for building a culture of integrity in the new era, established the “Qingfeng Zhenggui” integrity culture brand, strengthened education and management of personnel in key positions, and fostered a clean, upright, and enterprising environment conducive to both integrity and entrepreneurship.

Focusing on Cultural Branding to Unite Efforts Toward Common Endeavours

Deeply implement the “Six-in-One” cultural heritage project, systematically organize industrial cultural heritage, promote the red gene of “serving the country through industry,” and continuously enhance the cohesion and centripetal force of corporate culture. Brand-building achievements are remark-able: the influence of brands such as “Fuxing” continues to expand, and the Company’s brand value remains firmly at the industry’s forefront. Actively build an international communication system and successfully shape the image of a responsible multinational enterprise. Meanwhile, fully leverage the roles of mass organizations, including trade unions and the Communist Youth League, to deepen reforms in the construction of industrial workers’ teams, establish an employee care system, safeguard employees’ lawful rights and interests, and organize rich and diverse cultural and sports activities, effectively strengthening all employees’ sense of belonging and mission, thus converging tremendous momentum to drive enterprise development.

Outlook

The journey ahead spans thousands of miles, with favourable winds filling our sails; responsibilities weigh heavily, yet we set out anew with resolve. 2026 marks the inaugural year of the 15th Five-Year Plan. Standing at the new starting point following the successful conclusion of the 14th Five-Year Plan, we will be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the guiding principles of The 20th National Congress of the Communist Party of China and its successive plenary sessions, stay tightly aligned with the central theme of high-quality development, embed sustainability deeply into strategic execution and operational practice, and advance courageously and steadfastly, fulfilling our mission of “connecting the world and benefiting humanity”, to serve national strategies, lead industry transformation, and support global sustainable development.

Anchoring to “Dual Carbon” Goals, Leading the Green Transformation of the Industry

Looking ahead to 2026, we will anchor ourselves to the “35·50” carbon neutrality target and be guided by the “6G” green philosophy, continuously advancing demonstration projects for zero-carbon factories and zero-carbon workshops, expanding the scale of green electricity utilization and renewable energy substitution. Focusing on core areas such as hydrogen-powered rail transit and new-energy locomotives, we will accelerate green technology iteration and large-scale application, improve the carbon footprint management system across product lifecycles, and drive coordinated carbon reduction across upstream and downstream supply chain partners, striving to become a leader in green manufacturing and a model for low-carbon transportation.

Strengthening the Innovation Engine, Forging the Core of Sustainable Development

Looking ahead to 2026, we will uphold self-reliance and strength in science and technology, centring efforts on cultivating new quality productivity, intensifying investment in fundamental research and forward-looking technologies, and deepening the “dual-track, dual-cluster” layout encompassing rail transit equipment and clean energy equipment. We will refine the “Five-in-One” R&D platform, break through key core technologies, including hydrogen fuel cells, ultra-high-power wind power generation, and intelligent control, and establish a sustainable technology patent pool and standards system, empowering innovation-driven upgrades toward higher-end, digitalized, and green products.

Expanding Global Footprint, Co-constructing an Open and Collaborative Ecosystem

Looking ahead to 2026, we will seize high-quality development opportunities under the Belt and Road Initiative, deepen innovations in the “Five Localizations” model and the DLS business model, and broaden presence in both premium and emerging markets. We will strengthen localized operations and maintenance services for overseas projects, promote the coordinated “going global” of technology, standards, and services, and extend the successful experience of benchmark projects, including the Jakarta-Bandung High-Speed Railway and the Hungary-Serbia Railway, to more countries and regions, building an internationally respected corporate brand.

Coordinating Responsibility Chains, Enhancing Sustainable Governance Effectiveness

Looking ahead to 2026, we will refine the “two-tier, three-level” supply chain management system, conduct green evaluations and capability empowerment across the entire supply chain, and support small and medium-sized supplier enterprises in upgrading their performance in environmental protection, occupational safety, and compliance. We will further deepen ESG governance system construction, integrate key performance indicators more deeply into evaluation and incentive mechanisms, enhance transparency and comparability of ESG disclosures, and build a secure, resilient, and mutually beneficial industrial ecosystem.

Cultivating a People-Oriented Foundation, Jointly Building the Cornerstone of Harmonious Development

Looking ahead to 2026, we will further optimize the talent development environment, foster a more diverse, inclusive, equitable, and respectful workplace culture, safeguard employees’ legitimate rights and interests, and promote their holistic development. We will continue to engage in social responsibility initiatives, including rural revitalization, public science education, and ecological conservation, leveraging our professional expertise to give back to society and ensure that the fruits of development benefit employees and stakeholders alike.

In 2026, CRRC will translate the concept of sustainable development into vibrant practice for high-quality development with even greater determination and more pragmatic actions. In serving national strategies, advancing industry progress, and supporting global sustainable development, CRRC will demonstrate the robust commitment and distinctive ethos befitting a “major national asset,” contributing enduring CRRC wisdom and strength to the innovation of human mobility and the enhancement of quality of life!



Appendix

Appendix I: Sustainability Key Performance Indicators

Part I: Environmental Performance

Metric	Unit	FY2025	FY2024	FY2023
Ecological Environment Protection				
Environmental Protection Investment	RMB10,000	45,410.99	42,063.54	46,913.51
Emissions Management				
Air Pollutant Emissions				
Ozone-Depleting Substance Emissions	Tonnes	89.32	89.96	/
Sulphur Oxide Emissions	Tonnes	46.52	77.31	86.50
Particulate Matter (PM) Emissions	Tonnes	1,035.36	1,063.36	1,064.30
Nitrogen Oxide Emissions	Tonnes	176.72	215.71	217.63
VOCs Emissions	Tonnes	2,913.93	3,071.12	3,101.41
Mercury Emissions	Tonnes	0	0	0
Heavy Metal Emissions	Tonnes	0	0	0
Dioxin Emissions	Tonnes	0	0	0
Wastewater Pollutant Emissions				
Wastewater Discharge Volume	Tonnes	9,566,388.96	8,712,094.17	9,291,640.41
Wastewater Discharge Reduction	Tonnes	/ ¹⁴	579,546.24	795,505.90
COD Discharge	Tonnes	383.04	347.87	371.15
Ammonia Nitrogen Discharge	Tonnes	38.48	34.23	34.92
Solid Waste				
Total Hazardous Waste	Tonnes	35,412.35	27,475.20	24,013.80
Hazardous Waste Intensity	Tonnes/RMB 10,000 Revenue	0.0013	0.0011	0.0010
Total Non-Hazardous Waste	Tonnes	610,940.60	524,187.00	507,057.41
Non-Hazardous Waste Intensity	Tonnes/RMB 10,000 Revenue	0.0224	0.0213	0.0216

¹⁴During the reporting period, the total volume of wastewater discharged increased compared to the previous year due to the expansion of the Company's production capacity; however, the overall wastewater discharge intensity remained stable.

Metric	Unit	FY2025	FY2024	FY2023
Resource Circular Utilisation				
Total Energy Consumption	Tce	588,523.79	573,156.99	573,322.26
Direct Energy Consumption	Tce	169,466.84	177,220.47	190,633.41
Indirect Energy Consumption	Tce	419,056.94	395,936.52	382,688.85
Total Energy Consumption Intensity	Tce/RMB 10,000 Output Value	0.0181	0.0203	/
Water Resource Management				
Freshwater Consumption	Tonnes	16,660,878	15,208,547	15,596,741
Freshwater Consumption Intensity	Tonnes /RMB 10,000 Output Value	0.51	0.54	0.57
Waste Recycling and Utilisation				
Amount of Waste Recycled and Utilised	Tonnes	516,807.00	420,844.13	410,778.92
Waste Recycling and Utilisation Rate	%	84.32	80.26	80.93
Climate Change Response				
GHG Emissions				
Total Greenhouse Gas Emissions (Scope I + II)	tCO2e	1,765,173.29	2,000,101.10	2,008,714.44
Greenhouse Gas Emissions (Scope I)	tCO2e	338,155.07	317,759.04	305,114.60
Greenhouse Gas (GHG) Emissions (Scope II)	tCO2e	1,427,018.21	1,682,342.06	1,703,599.84
Greenhouse Gas (GHG) Emissions Intensity (Scope I + II)	tCO2e/ RMB 10,000 Output Value	0.0542	0.0707	0.0788
Greenhouse Gas (GHG) Emissions Intensity (Scope I)	tCO2e/ RMB 10,000 Output Value	0.0104	0.0112	0.012
Greenhouse Gas (GHG) Emissions Intensity (Scope II)	tCO2e/ RMB 10,000 Output Value	0.0438	0.0595	0.0668
GHG Emissions Reduction	tCO2e	243,927.81	8,613.34	95,048.29



Part II: Social Performance

Metric	Unit	FY2025	FY2024	FY2023
Employee Rights and Welfare				
Total Number of Employees	Persons	151,602	152,082	154,292
Employee Ratio by Gender				
Proportion of Male Employees	%	83.74	83.45	83.09
Proportion of Female Employees	%	16.26	16.55	16.91
Percentage of Male Senior Management Staff at Headquarters	%	87.50	88.89	83.33
Percentage of Female Senior Management Staff at Headquarters	%	12.50	11.11	16.67
Employee Ratio by Work Location				
Proportion of Employees in Mainland China	%	95.83	95.60	95.60
Proportion of Employees in Hong Kong, Macao, Taiwan and Overseas	%	4.17	4.40	4.40
Employee Ratio by Age Group				
Proportion of Employees Aged 30 and Under	%	17.71	17.05	16.83
Proportion of Employees Aged 30 To 50	%	64.11	64.24	63.86
Proportion of Employees Aged Over 50	%	18.81	18.71	19.31
Employee Ratio by Educational Background				
Proportion of Employees with a Doctoral Degree	%	0.49	0.41	0.39
Proportion of Employees with a Master's Degree	%	14.08	12.37	10.59
Proportion of Employees with a Bachelor's Degree or Below	%	85.43	87.22	89.02
Number of Ethnic Minority Employees	Persons	7,362	7,806	7,920
Number of New Hires	Persons	7,275	6,475	6,896
Number of Newly Hired Female Employees	Persons	1,201	1,071	1,172
Number of Newly Hired Male Employees	Persons	6,074	5,404	5,724
Number of New Graduate Hires	Persons	4,017	4,308	3,787
Number of New Experienced Hires	Persons	3,258	2,167	3,109
Employee Turnover Rate	%	1.46	2.64	1.53
Male Employee Turnover Rate	%	1.29	2.24	1.32
Female Employee Turnover Rate	%	0.16	0.40	0.21
Turnover Rate for Employees Aged 30 and Under	%	0.79	1.03	0.55
Turnover Rate for Employees Aged 30 To 50	%	0.63	1.30	0.92
Turnover Rate for Employees Over 50	%	0.04	0.30	0.05
Domestic Employee Turnover Rate	%	1.4	2.64	1.48
Overseas Employee Turnover Rate	%	0.05	0.00	0.05
Social Insurance Coverage Rate	%	100	100	100

Metric	Unit	FY2025	FY2024	FY2023
Number of Labour Disputes	Cases	0	0	148
Employee Development and Training				
Employee Training Coverage Rate	%	100	100	100
Percentage of Male Employees Trained	%	100	100	100
Percentage of Female Employees Trained	%	100	100	100
Percentage of Senior Management Level Employees Trained	%	100	100	100
Percentage of Mid-Level Management Level Employees Trained	%	100	100	100
Percentage of Junior-Level Employees Trained	%	100	100	100
Number of Employee Training Sessions	Sessions	346,782	341,651	373,809
Annual Training Expenditure	RMB 10,000	23,173.05	22,088.45	22,160.22
Total Annual Training Hours	Hours	13,978,212	13,964,198	14,023,984
Average Training Hours per Employee	Hours	92	96	103
Average Training Hours per Male Employee	Hours	92	97	105
Average Training Hours per Female Employee	Hours	91	90	97
Average Training Hours per Employee at Senior Management Level	Hours	121	109	120
Average Training Hours per Employee at Middle Management Level	Hours	109	86	87
Average Training Hours per General Staff Member	Hours	91	101	118
Occupational Health and Safety				
Number of Work-Related Fatalities Among Full-Time and Part-Time Employees	Persons	0	0	0
Rate of Work-Related Fatalities Among Full-Time and Part-Time Employees	%	0	0	0
Lost-Time Injury Rate for Full-Time and Part-Time Employees	%	0.24	0.38	/
Total Recordable Incident Rate for Full-Time and Part-Time Employees	%	0.31	0.51	/
Number of Work-Related Fatalities Among Contractors/Outsourced Personnel	Persons	0	0	/
Rate of Work-Related Fatalities Among Contractors/Outsourced Personnel	%	0	0	/
Lost-Time Injury Rate for Contractors/Outsourced Personnel	%	0.18	0.19	/
Total Recordable Incident Rate for Contractors/Outsourced Personnel	%	0.29	0.33	/
Number of Major and Above Safety Incidents	#	0	0	0
Work Safety Investment	RMB 10,000	59,321.00	52,642.28	56,859.92
Personnel Coverage Rate of Work Safety Liability Insurance	%	100	100	100



Metric	Unit	FY2025	FY2024	FY2023
Number of Participants in Work Safety Training	Person-Times	411,403	519,178	488,899
Rural Revitalization and Philanthropy				
Investment in Rural Revitalization	RMB 10,000	1,962.60	2,211.00	/
Hours Invested in Philanthropy and Volunteer Activities	Hours	256,000	200,000	185,000
Number of Participants in Philanthropy and Volunteer Activities	Persons	10,000	6,000	5,700
Amount Invested in Philanthropy and Volunteer Activities	RMB 10,000	2,030.00	2,165.00	1,970.88
Sustainable Supply Chain				
Number of Suppliers by Region	#	34,053	37,072	20,071
Number of Suppliers in Mainland China	#	33,385	36,845	19,830
Number of Suppliers in Hong Kong, Macao, Taiwan and Overseas	#	668	227	241
Number of Suppliers Reviewed	#	34,053	14,622	11,225
Number of Suppliers Whose Cooperation Was Suspended Due to Non-Compliance	#	32	36	52
Product Responsibility				
Number of Products Recalled Due to Safety Issues	Units	0	0	0
Percentage of Products Recalled Due to Safety Issues	%	0	0	0
Technological Innovation				
R&D Investment	RMB 10,000	1,816,422.90	1,668,558.80	1,481,339.20
R&D Investment Growth Rate	%	8.86	12.64	11.44
R&D Investment Ratio	%	6.65	6.77	6.32
Number of R&D Personnel	Persons	23,339	21,138	19,000
R&D Personnel Ratio	%	15.39	13.90	12.31
Cumulative Number of Granted Patents	Pieces	32,919	31,614	31,335
Cumulative Number of Granted Invention Patents	Pieces	19,530	17,110	15,783
Number of Patent Applications	Pieces	5,869	4,952	5,615
Number of Invention Patent Applications	Pieces	4,506	3,673	4,064
Number of Invention Patents Granted	Pieces	2,259	1,733	/

Part III: Governance Performance

Metric	Unit	FY2025	FY2024	FY2023
Corporate Governance				
Number of Board of Directors Meetings Held	Times	11	11	10
Board of Directors Attendance Rate	%	100	100	/
Number of Board Members	Persons	8	6	7
Number of Independent Directors	Persons	4	3	/
Proportion of Board Members Independent of Senior Management	%	100	83.33	/
Proportion of Executive Directors	%	25	50	/
Investor Relations and Shareholder Rights Management				
Number of Shareholders' General Meetings Held	Times	4	2	2
Risk Control and Compliance Operations				
Number of Legal and Compliance Training Sessions	Times	1,089	513	333
Duration of Legal and Compliance Training	Hours	3,196.50	1,382	929
Number of Attendees in Legal and Compliance Training	Person-Times	76,485	42,017	29,836
Number of Anti-Corruption Training Sessions	Sessions	43	116	89
Duration of Anti-Corruption Training	Hours	80	232	178
Number of Directors Who Received Anti-Corruption Training	Persons	8	6	/
Percentage of Directors Who Received Anti-Corruption Training	%	100	100	/
Number of Senior Management Who Received Anti-Corruption Training	Persons	8	9	/



Appendix II: Sustainability Report Indicator Index

Contents	SSE Guidelines	HKEX ESG Reporting Guide	GRI standards	SDGs
Foreword				
About the Report	Article 3, 4, 6	Reporting Principles Reporting Scope	GRI2-1、GRI2-2 GRI2-3、GRI2-6	
Message from the Chairman	/	/	GRI2-22	/
About CRRC	/	/	GRI2-1、GRI2-6	
Honours and Awards	/	/	/	
Sustainability Governance				
Board Statement on Sustainability Management	Article 2, 5, 6, 9, 12	Governance Structure	GRI2-12、GRI2-13 GRI2-14、GRI2-22	 
Sustainability Management and Strategy	Article 12, 13, 51	/	GRI2-12、GRI2-13 GRI2-14	
Stakeholder Communication	Article 53	/	GRI2-29	
Materiality Analysis	Article 11, 52	/	GRI3	
Management of Sustainability-Related Impacts, Risks, and Opportunities	Article 18, 52	/	/	
Sustainability Special Topics				
Special Topic I: Global Responsibility Fulfilment, Empowering CRRC to Lead Globally	/	/	GRI203-1、GRI203-2	/
Topic II: Green and Intelligent Dual Engines, Driving the Coordinated Development of the Industrial Chain	Article 20, 22, 23, 41, 42, 45	/	/	
Green CRRC, Seizing Clean Technology Opportunities				
Environmental Compliance Management	Article 29, 33	A3、A3.1	GRI2-23、GRI2-24 GRI3、GRI101-2 GRI101-5、GRI302	   
Climate Change Response	Article 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27	D17、D19、D20 D21、D22、D24 D25、D27、D28 D29、D37、D40	GRI2-23、GRI3 GRI102-1、GRI102-2 GRI102-4、GRI102-5 GRI102-6、GRI102-7 GRI102-8、GRI201-2 GRI305-1、GRI305-2 GRI305-3、GRI305-4 GRI305-5	
Pollutant Emissions	Article 30	A1、A1.1、A1.5	GRI2-23、GRI3 GRI305-6、GRI305-7 GRI306	

Metric	Unit	FY2025	FY2024	FY2023
Percentage of Senior Management Who Received Anti-Corruption Training	%	100	100	/
Number of Employees Who Received Anti-Corruption Training	Persons	151,602	152,082	/
Percentage of Employees Who Received Anti-Corruption Training	%	100	100	/
Number of corruption litigation cases (concluded cases brought against the issuer or its employees during the reporting period)	Cases	0	0	0
Financial Performance ¹⁵				
Total Assets	RMB 10,000	55,077,443.4	51,845,552.7	47,185,734.8
Total Operating Revenue	RMB 10,000	27,306,309.8	24,647,438.9	23,427,140.6
Operating Revenue Growth Rate	%	10.79	5.21	/
Total Profit	RMB 10,000	1,931,863.1	1,743,285.8	1,637,351.4
Total Profit Growth Rate	%	10.82	6.47	/
Attributable to Ordinary Shareholders Weighted Average Return on Net Assets	%	7.70	7.51	7.40
Various Taxes	RMB 10,000	1,385,950.2	1,302,164.6	/

Lost-time injury rate for full-time and part-time employees = (Number of work-related injuries resulting in at least one day of absence for full-time and part-time employees during the reporting period / Total hours worked by all full-time and part-time employees during the reporting period) * 1,000,000

Lost-time injury rate for contractors/outourced personnel = (Number of work-related injuries resulting in at least one day of absence for contractors/ outourced personnel during the reporting period / Total hours worked by all contractors/outourced personnel during the reporting period) * 1,000,000

Total recordable accident rate for full-time and part-time employees = (Total number of work-related injuries for full-time and part-time employees during the reporting period / Total hours worked by all full-time and part-time employees during the reporting period) * 1,000,000

Total recordable accident rate for contractors/outourced personnel = (Total number of work-related injuries for contractors/outourced personnel during the reporting period / Total hours worked by all contractors/outourced personnel during the reporting period) * 1,000,000

¹⁵On April 3, 2025, the Company's subsidiaries, CRRC Logistics Co., Ltd. and CRRC Digital Intelligence Technology (Xiong'an) Co., Ltd., completed the acquisition of 100% equity interest in CRRC Zhicheng Culture & Technology (Beijing) Co., Ltd., which is held by the Company's controlling shareholder, CRRC Group Co., Ltd. On November 30, 2025, another subsidiary of the Company, CRRC Changchun Railway Vehicles Co., Ltd., completed the acquisition of 100% equity interest in Beijing CRRC Equipment Technology Co., Ltd., which is also held by CRRC Group, the Company's controlling shareholder. The above acquisitions constitute business combinations under common control, and prior year data have been restated in accordance with accounting standards for business enterprises.

Contents	SSE Guidelines	HKEX ESG Reporting Guide	GRI standards	SDGs
Waste Management	Article 31	A1、A1.3 A1.4、A1.6	GRI2-23、GRI3 GRI303-2、GRI303-4 GRI306	
Energy Utilization	Article 35	A2、A2.1、A2.3	GRI2-23、GRI3 GRI103-1、GRI103-2 GRI103-4、GRI103-5	
Water Utilization	Article 36	A2、A2.2、A2.4	GRI2-23、GRI3 GRI301、GRI302 GRI303-1、GRI303-3 GRI303-5	
Circular Economy	Article 34, 37	A2、A2.5	GRI2-23、GRI3 GRI301-1、GRI301-2 GRI301-3	
Ecological Environment and Biodiversity Conservation	Article 32	A3、A3.1	GRI2-23、GRI3 GRI101-2、GRI101-4	
People-Oriented CRRC, Promoting the Common Development of Multiple Parties				
Protecting the Rights and Interests of Employees	Article 49, 50(1)	B1、B1.1、B4 B4.1、B4.2	GRI2-7、GRI2-8 GRI2-23、GRI3 GRI102-3、GRI401-1 GRI401-2、GRI405-1 GRI406-1、GRI407-1 GRI408-1、GRI409-1	
Promoting Talent Development	Article 50(3)	B3、B3.1、B3.2	GRI2-23、GRI2-24 GRI3、GRI102-3 GRI404-1、GRI404-2 GRI405-1	
Building a Solid Line of Defence for Safety	Article 50(2)	B2、B2.2、B2.3	GRI2-9、GRI2-23 GRI2-24、GRI3 GRI403-1、GRI403-2 GRI403-3、GRI403-5 GRI403-6、GRI403-7 GRI403-9 GRI403-10	
Empowering Rural Revitalization	Article 38, 39	/	GRI203-1、GRI203-2 GRI413-1、GRI413-2	
Engaging in Social Public Welfare	Article 38, 40	B8、B8.1、B8.2	GRI203-1、GRI203-2 GRI413-1、GRI413-2	
Win-Win CRRC, Innovation-Driven Quality Advancement				
Product and Service Quality Management	Article 14, 15, 16, 17, 18, 19, 47	B6、B6.2、B6.4	GRI2-23、GRI203 GRI302-5、GRI416-2	
Data Security and Customer Privacy Protection	Article 48	B6.5	GRI418-1	

Contents	SSE Guidelines	HKEX ESG Reporting Guide	GRI standards	
Innovation-Driven Development	Article 14, 15, 16, 17, 18, 19, 41, 42	B6.3	GRI2-6、GRI2-23	
Clean Technology R&D	Article 41, 42	/	GRI2-6、GRI2-23	
Sustainable Supply Chain Management	Article 44, 45, 46, 52	B5、B5.1、B5.2 B5.3、B5.4	GRI2-23、GRI3 GRI204-1、GRI308-1 GRI308-2、GRI414-2	
Excellent CRRC, Consolidating the Foundations of Corporate Governance				
Optimizing Corporate Governance	/	/	GRI2-9、GRI2-10 GRI2-11、GRI2-16 GRI2-17、GRI2-23 GRI405-1	
Regulating Compliant Operations	/	/	GRI207-1、GRI207-2 GRI207-3、GRI2-23 GRI2-27	
Strengthening Risk Management	/	/	GRI2-23、GRI2-27	
Anti Bribery and Anti-Corruption	Article 54, 55	B7.1、B7.2、B7.3	GRI2-23、GRI3 GRI205-2、GRI205-3	
Business Ethics Management	Article 54, 55, 56	B7.2、B7.3	GRI2-23、GRI3 GRI205-2、GRI205-3 GRI206-1	
Investor Rights Protection	/	/	GRI2-19、GRI2-20	
Upholding Party Building as a Guiding Principle	/	/	/	
Outlook				/
Appendix				
Appendix I: Sustainability Key Performance Indicators	Article 11, 19, 24, 30, 31, 33, 35, 36, 37, 39, 40, 42, 47, 48, 50, 55	A1.1、A1.3、A1.4 A1.5、A1.6、A2.1 A2.2、A2.3、A2.4 A2.5、B1.1、B1.2 B2.2、B3.2、B5.1 B6.1、B6.2、B7.1 B7.3、B8.2	GRI102-5、GRI102-6 GRI102-7、GRI102-8 GRI201-1、GRI205-2 GRI205-3、GRI206-1 GRI301、GRI302-1 GRI302-3、GRI302-4 GRI303-3、GRI303-4 GRI303-5、GRI305-6 GRI305-7、GRI306-3 GRI306-5、GRI401-1 GRI403-5、GRI403-9 GRI403-10 GRI404-1、GRI404-3 GRI405-2、GRI416 GRI417、GRI418	/
Appendix II: Sustainability Report Indicator Index	Article 57	/	/	/
Appendix III: Definition	/	/	/	/
Appendix IV: Feedback	Article 9	/	/	/



Appendix III: Definition

Short in the Report	Full Name
SASAC	State-owned Assets Supervision and Administration Commission
SSE	Shanghai Stock Exchange
HKEX	The Stock Exchange of Hong Kong Limited
SSE Guidelines	Shanghai Stock Exchange’ s Guidelines No. 14 for the Self-regulation of Listed Companies – Sustainability report (Trial)
HKEX ESG Reporting Guide	The Main Board Listing Rules of The Stock Exchange of Hong Kong Limited Appendix C2 Environmental, Social and Governance Reporting Guide
CRRC Qiqihar Group	CRRC Qiqihar Group Co., Ltd
CRRC Shenyang	CRRC Shenyang Co., Ltd
Shandong Wind Power	CRRC Shandong Wind Power Co., Ltd.
CRRC Harbin	CRRC Harbin Co., Ltd
CRRC Changchun	CRRC Changchun Railway Vehicles Co., Ltd
CRRC Dalian	CRRC Dalian Co., Ltd.
Dalian Institute	CRRC Dalian Institute Co., Ltd.
CRRC Tangshan	CRRC Tangshan Co., Ltd.
Sifang Co., Ltd.	CRRC Qingdao Sifang Co., Ltd.
Sifang Institute	CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd
Puzhen Co., Ltd.	CRRC Nanjing Puzhen Co., Ltd.
CRRC Puzhen Alstom	CRRC Puzhen Alstom Transportation System Co., Ltd.
CRRC Hefei	CRRC Hefei Co., Ltd.
CRRC Hangzhou	CRRC Hangzhou Co., Ltd.
Qishuyan Co., Ltd.	CRRC Qishuyan Co., Ltd.
Qishuyan Institute	CRRC Qishuyan Institute Co., Ltd.
CRRC Yangtze Group	CRRC Yangtze Group Co., Ltd
Meishan Brake	Meishan CRRC Brake Science&Technology Co., Ltd
CRRC Zhuzhou	CRRC Zhuzhou Locomotive Co., Ltd
Ziyang Co., Ltd.	CRRC Ziyang Co., Ltd.
Zhuzhou Institute	CRRC Zhuzhou Institute Co., Ltd.
Times Electric	Zhuzhou CRRC Times Electric Co, Ltd.
Times New Material	Zhuzhou Times New Material Technology Co., Ltd.
CRRC Asset Management	CRRC Asset Management Co., Ltd.
CRRC, the Company, we, us	CRRC Corporation Limited
the Report	CRRC Corporation Limited FY 2025 Sustainability Report
RMB	Renminbi Yuan
FY2025, this fiscal year, the reporting period	The Period from 1 January 2025 to 31 December 2025

Appendix IV: Feedback

Dear Reader,

Thank you for reading the CRRC Corporation Limited FY2025 Sustainability Report. To enhance the quality and standard of our reporting, we sincerely invite you to provide your valuable opinions and suggestions. We look forward to your feedback.

Multiple-Choice Questions (please place a √ in the appropriate box)

How would you rate the Report’s reflection of CRRC’s impact on the economy, society, and the environment:

☐Excellent ☐Good ☐Fair ☐Poor ☐Very Poor

How would you rate the Report’s response to and disclosure of issues of concern to stakeholders:

☐Excellent ☐Good ☐Fair ☐Poor ☐Very Poor

How would you rate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in the Report:

☐Excellent ☐Good ☐Fair ☐Poor ☐Very Poor

How would you rate the readability of the Report:

☐Excellent ☐Good ☐Fair ☐Poor ☐Very Poor

What is your overall rating of the Report:

☐Excellent ☐Good ☐Fair ☐Poor ☐Very Poor

Open-ended questions

What aspects of the Report did you find most satisfactory?

What other information would you like to see disclosed in the Report?

What comments and suggestions do you have for CRRC’s sustainability management work?

You are welcome to provide your personal information if you wish:

Name: _____

Occupation: _____

Organisation: _____

Telephone: _____

E-mail: _____

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