

Regulations on Energy Conservation and Ecological Environment Protection Management of CRRC Corporation Limited (Summary)

I. General Provisions

(I) To faithfully implement Xi Jinping Thought on Ecological Civilization, fully implement the five development concepts of "innovation, harmonization, green, openness and sharing", adhere to the principle of giving priority to conservation, protection and natural restoration, put the basic national policy of saving resources and protecting the environment as well as the national strategy of carbon peaking and carbon neutrality into practice, and fulfill the social responsibility of energy conservation, carbon reduction and ecological environmental protection, the Company has formulated the present Provisions in accordance with the Law on Energy Conservation of the People's Republic of China, the Environmental Protection Law of the People's Republic of China, and the Measures for the Supervision and Administration of Energy Conservation and Ecological Environment Protection by Central Enterprises, as well as other laws and regulations.

(II) These Provisions shall apply to CRRC Corporation Limited (hereinafter referred to as the Company) and its wholly-owned, majority-owned and practically controlled subsidiaries at all levels (hereinafter referred to as the Subsidiaries).

(III)The work of the Company and the Subsidiaries on energy conservation and ecological environment protection shall be based on the following principles:

1.Pursue a green and low-carbon development path. Implement the concept that "clear waters and green mountains are invaluable assets". Give priority to ecology and properly handle the relationship between energy conservation, carbon reduction, ecological environmental protection and enterprise development, and build a green, low-carbon and circular development system.

2.Give priority to conservation and protection. Adhere to the fundamental national policy of resource conservation and environmental protection. Make great efforts to build resource-saving and environment-friendly enterprises, promote industrial restructuring, transformation and upgrading of enterprises, and promote sustainable development of enterprises.

3.Compliance with the law. Strictly abide by the national laws, regulations, and relevant policies on energy conservation and ecological environment protection, and be subjected to the supervision and management of the competent departments for energy conservation and ecological environment protection of the country, superior ministries and commissions, and local people's governments in accordance with the law.

4.Uphold the principles of corporate responsibility. Subsidiaries are the main bodies of responsibility for energy conservation and ecological

environmental protection work, and should strictly implement “party and government share the same responsibility” and “party and government are both responsible for one post”. In accordance with the requirements of development management, production management and business management, all Subsidiaries must adhere to energy conservation and ecological environmental protection, put energy conservation and ecological environmental protection work into the whole process of production and operation.

5. Classification supervision. The management of energy conservation and eco-environmental protection of the Subsidiaries by the Company shall be carried out in accordance with the principles of classification supervision, and be divided into two categories: production-oriented subsidiaries and non-production-oriented subsidiaries, which are dynamically supervised and adjusted in due course.

II. Basic Requirements

(I) The Company and the Subsidiaries shall strictly comply with relevant laws, regulations, policies and standards of the the country, superior ministries, and local governments relating to energy conservation and eco-environmental protection, consciously accept the supervision of the society, effectively control the total amount of energy consumption, continuously improve the efficiency of energy utilization, reduce the emission of pollutants and control the emission of greenhouse gases.

(II)The Company and the Subsidiaries shall actively and prudently promote the work of carbon peaking and carbon neutrality, formulate and implement action plans and action programs for carbon peaking and carbon neutrality scientifically and rationally, establish and improve the statistical accounting and information disclosure system for greenhouse gas emissions, and take effective measures to control carbon emissions.

(III)The Company and the Subsidiaries shall actively practice the concept of green, low-carbon and circular development, and incorporate energy conservation, ecological environmental protection, carbon peaking and carbon neutrality and strategic guidance and target requirements into the corporate development strategy and planning; Initiative optimize the structure of corporate industry, product structure and energy consumption structure; Promote the green and low-carbon development of the rail transportation industry, and strengthen the green and low-carbon strategic emerging industries; Scientifically and orderly promote the development and utilization of renewable energy sources, such as wind energy, solar energy and biomass, and enhance the efficiency of the comprehensive utilization of energy and the proportion of green energy.

(IV)The Company and the Subsidiaries are suggested to promote the application of energy-saving and low-carbon environmental protection new technologies, new processes, new equipment, new materials and new energy. Organize the research and application of energy-saving and environmental protection technologies, low carbon, zero carbon and

negative carbon technologies. Promote the professional, large-scale, and low-carbon development of casting, forging, heat treatment and other businesses. Encourage third party governance for energy conservation, carbon reduction, and pollution reduction and operation management.

Subsidiaries shall optimize production processes and procedures and eliminate highly polluting, energy-consuming and low-level production technologies and processes. Eliminate electromechanical products such as transformers and motors with high energy consumption in accordance with the catalogue stipulated by the nation and local governments.

(V)The Company and the Subsidiaries shall prepare the annual budget for energy saving, carbon reduction and ecological environment protection to ensure sufficient investment of funds.

The Company shall allocate special funds annually to support energy conservation, carbon reduction and ecological environmental protection projects. Subsidiaries shall make full use of the project funds for the implementation and acceptance of the relevant projects.

(VI)The Company and the Subsidiaries shall give play to the leading role of green and low-carbon consumption, strengthen the green management of product life cycle, and expand the effective supply of green and low-carbon products and services.

In the process of product R&D, design, manufacturing and service, Subsidiaries shall pay full attention to and reduce the energy consumption and environmental impact during the whole product life cycle, build

green and low-carbon factories, carry out green and low-carbon design, implement green and low-carbon procurement, manufacture energy-saving and low-carbon environmental protection products, and improve the green and low-carbon quality of products and services.

(VII) The main person in charge of the Company and the Subsidiaries shall take the main leadership responsibility for the work on energy conservation and ecological environment protection of the Company. The person in charge who takes charge of leadership responsibility shall coordinate and organize the implementation of various energy conservation and ecological environment protection systems and measures. Other responsible persons shall bear the leadership responsibility for energy conservation and ecological environment protection within their business scope. Each functional department shall be responsible for energy conservation and ecological environmental protection within its business scope in accordance with its business responsibilities.

(VIII) Subsidiaries shall establish a responsibility system for energy conservation and ecological environmental protection, clarify the relevant responsibilities of various departments and personnel at all levels, and improve the rules and regulations for energy conservation and ecological environmental protection. Subsidiaries shall establish an appraisal, reward and punishment system for energy conservation and ecological environmental protection, and the results of the appraisal shall be taken

into account as an important part of the comprehensive appraisal and evaluation of the relevant leaders, departments and personnel.

(IX) Production-oriented Subsidiaries shall establish and improve the organization and management system of energy conservation and ecological environmental protection, set up leading and working organizations for energy conservation and ecological environmental protection, responsible for the general work of energy conservation and ecological environmental protection, research and make decisions on major issues and deployment of related work. Set up or specify the supervision and management organization of energy conservation and ecological environment protection that is suitable for the production and operation of the enterprise, and specify the management personnel in accordance with the relevant requirements. Institutional settings, personnel qualifications and the number of staff should be in line with the relevant provisions of the country and the industry, and matched with the content and nature of the enterprise's production and operation, the scope of management, management span, etc.. Meet the needs of the enterprise's management of energy conservation and ecological environmental protection, at the same time provide appropriate remuneration and benefits to maintain relative stability of the team.

III. Operational Management

(I) According to the requirements of the country and superior ministries and commissions for energy conservation and ecological

environment protection in combination with the medium and long-term development planning and operation and management needs, the Company shall formulate and issue the five-year plan and annual targets for energy conservation and ecological environment protection.

Subsidiaries should decompose the target indicators of energy conservation and ecological environmental protection issued by the Company, formulate corresponding management plans and organize their implementation to ensure that the target indicators of energy conservation and ecological environmental protection are under control.

(II)The Company and the Subsidiaries shall conduct preliminary environmental due diligence and environmental risk assessment for the implementation of equity investment, mergers and acquisitions, and carry out energy-saving demonstration to ensure that the investment activities are in line with the requirements of energy-saving and environmental protection laws and regulations.

(III)The Company and the Subsidiaries shall understand and abide by the energy and environmental laws and regulations of the host country when investing abroad and setting up offices.

(IV)The Subsidiaries shall promote cleaner production, develop circular economy, carry out cleaner production audit, and create a resource-saving and environment-friendly enterprise. The Subsidiaries are encouraged to carry out product green mark and energy efficiency mark certification.

Production-oriented subsidiaries shall actively build a green and low-carbon manufacturing system. Set up green and low-carbon factories, and realize the "six modernization" goals of intensive use of land, harmless raw materials, clean production, utilization of waste, low carbon energy, and efficient utilization of resources and energy; Develop green and low-carbon products for the whole life cycle of products, strengthen research on green and low-carbon technologies, accelerate low-carbon innovation of the whole system of products, and achieve the goals of less resource consumption, less environmental impact, higher renewable utilization, and lower carbon emissions; Create a green and low-carbon supply chain and establish and improve a green and low-carbon procurement management system. Carry out green and low-carbon assessment of suppliers, improve the green and low-carbon level of supply chain, and promote the transformation of green and low-carbon supply chain; Promote the construction of zero-carbon, intelligent, ecological, large-scale, intensive and standardized green demonstration industrial parks.

(V)The introduction of technology and equipment by the Subsidiaries shall comply with relevant national regulations and requirements on energy conservation and ecological environment protection to prevent pollution transfer. In the absence of mature pollution control technologies domestically, pollution control technology shall be introduced at the same time.

(VI) Technological transformation of Subsidiaries should be technologically advanced, high utilization of energy and resources, low emissions of pollutants, economically rational and efficient cleaner production equipment and processes. It is strictly prohibited to introduce, transfer, produce or adopt backward industries, production processes, equipment and products with high energy consumption and heavy pollution that have been eliminated by the country.

(VII) Subsidiaries shall strengthen the management of equipment and facilities, incorporate energy-saving and carbon-reducing environmental protection facilities into the scope of equipment management, and maintain the rate of completion and operation. The leakage of pipe network shall be rectified in time to reduce energy waste. Where pollution prevention and control facilities really need to be shut down, sealed up or dismantled, they must be reported to the local competent administrative department of environmental protection for approval.

(VIII) Subsidiaries shall organize to check and determine the energy consumption quota index of main products, equipment and processes, and the index shall not be higher than the maximum limit of unit product published by the country. Subsidiaries are encouraged to realize the advancement of quota index through monitoring, measurement, benchmarking, management, technological transformation and other means.

(IX)Subsidiaries shall adopt energy efficiency benchmarking, energy audit, energy conservation review, energy control system, equipment efficiency monitoring system, online pollutant monitoring system, lean management and other tools to carry out fine management of energy consumption, equipment efficiency and pollution source control. Subsidiaries should pay attention to fully identifying and utilizing energy price policies to reduce energy costs.

Subsidiaries should make full use of the big data of online monitoring and real-time measurement of energy, equipment and pollutants to further optimize the management of process technology, production organization, working hour quota, personnel allocation, distribution mechanism and other aspects to realize digital enterprise and green manufacturing.

(X)The generation and discharge of wastewater, waste gas, noise, solid waste and other pollutants of the Subsidiaries shall be subject to source control and process management to reduce the amount of production and discharge from the source. Solid waste shall be classified, managed and comprehensively utilized in accordance with the principles of reduce, recycle and detoxification, and shall be stored, transferred and disposed of in accordance with the law. It is not allowed to pile up or discard at will. Safety management of radiation environment should be carried out to prevent accidents.

(XI)The production and operation activities of subsidiaries shall

strictly implement the requirements of the red line of ecological protection, the bottom line of environmental quality, the upper line of resource utilization and the negative list of environmental access, reduce the disturbance to the ecological environment and actively carry out ecological restoration.

(XII)The Company shall strengthen environmental risk management and control, actively carry out identification of environmental impact factors, risk points investigation and hidden risk management, supervise and inspect the ecological environmental protection work of its Subsidiaries and prevent environmental pollution incidents.

(XII)Subsidiaries shall consciously accept ecological and environmental protection inspections at all levels, actively cooperate with ecological and environmental protection inspections in strict accordance with relevant regulations, truthfully reflect the situation and problems, do a good job of rectification and implementation, and strengthen the work of supervision and reform, inspection accountability and information disclosure.

IV. Statistical Monitoring and Reporting

(I)The Company and the Subsidiaries shall establish and improve a statistical and monitoring system for energy conservation and ecological environmental protection, set up a bottom-up, step-by-step inspection data monitoring and statistical reporting information system, strengthen the statistical monitoring of energy consumption, carbon emissions and

pollutant emissions in the production process, and enhance the informatization level of the statistics and monitoring of energy conservation and ecological environmental protection.

(II)The Subsidiaries shall strengthen the basic management of energy conservation and ecological environmental protection measurement, quota and statistics, and establish original records and statistical accounts of energy consumption, carbon emission and pollutant emission. Energy consumption indicators, carbon emission indicators and pollutant emission indicators are regularly collected, summarized and analyzed in strict accordance with the calibre, scope, standards and methodology prescribed by the country, local people's governments and the Company.

(III)The Subsidiaries shall ensure the authenticity, completeness and accuracy of the statistical data on energy conservation and ecological environmental protection, and evaluate and verify the data and effects of energy conservation and ecological environmental protection through self-inspection, third-party testing, external audit and other forms.

V. Contingency Management

(I)The Company and the Subsidiaries shall adhere to the principle of giving priority to prevention and combining prevention with emergency response, establish an contingency management mechanism of "combined up with down, multi-party interaction, orderly coordination and efficient operation", and carry out contingency management of

environmental emergencies.

(II) The Company and the Subsidiaries shall formulate and improve contingency plans for sudden environmental incidents in accordance with the law. The Subsidiaries shall prepare their comprehensive contingency plans, special contingency plans and on-site disposal plans according to the nature, characteristics and possible environmental impact of the emergency, submit it to the local ecological and environmental authorities for filing as required, and regularly carry out emergency plan drills, evaluations and revisions.