

8 June 2021

File Ref: [OIA-7-19618]

John Brinsley-Pirie  
By email: john.brinsley-pirie@parliament.govt.nz

Dear Mr Brinsley-Pirie

### **Request for information 2021-102**

I refer to your request for information dated 30 April 2021, which was received by Greater Wellington Regional Council (Greater Wellington) on 30 April 2021. You have requested the following:

*"What advice, queries or other communications were made or received relating to any concerns around the electric buses referred to in the below article in relation to human rights or forced labour concerns?"*

<https://www.stuff.co.nz/national/300288398/nzs-electric-buses-prompt-forced-uyghur-labour-concerns>

*What actions have been taken since the publication of this article in relation to the human rights and labour concerns referred to?"*

#### **Greater Wellington's response follows:**

We have identified one email stream as being relevant to your request, and that is attached as **Attachment 1**.

If you have any concerns with the decision or information referred to above, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987 (the Act).

## **Additional Information and Context**

We were made aware of the speculated labour practices associated with certain agencies within the People's Republic of China following an inquiry from the journalist who wrote the article you provided. Following on from us being aware of the media article, officers sought to ascertain the veracity of various pieces of information on what they understood at the time while formulating a response (these internal emails are attached in Attachment 1). The interactions captured by the emails in Attachment 1 can best be described as officers trying to get to the bottom of things in an environment in which time was of the essence, and it is clear that officers ultimately needed to check in with the relevant Operators who are the entities that have actually purchased the vehicles in question, as opposed to Greater Wellington.

As a public entity, Greater Wellington has a very strong commitment to achieving the highest possible standard of probity in relation to procurement processes for our bus fleet. While we cannot comment on the veracity of the speculated labour practices associated with certain agencies within the People's Republic of China, we acknowledge that the ethical procurement of our buses is an important concern that is addressed in partnership with our bus operators.

The procurement of our buses (including sourcing and purchasing) is undertaken by the bus operators themselves, rather than Greater Wellington. The buses are the property of the bus operators.

The Bus Partnering Contract requires bus operators to comply with strict standards for the specification, assembly and operation of buses used on the Metlink network. Clause 9 of this contract requires all bus operators to ensure that all buses and depots comply with, and perform services in accordance with all applicable laws, licences, consents and good industry practice. In the event of material breach, we have a comprehensive default regime that allows us to take prompt corrective action.

To better understand the situation and accuracy of the speculations in relation to the supply of electric vehicles (EVs), I contacted our bus operators directly to obtain the most up to date information on aspects of the supply chain associated with EVs that will soon form an integral part of the Metlink network. The aim of this correspondence was to obtain accurate information on the procurement practices of our bus operators and confirm their compliance with the Bus Partnering Contract.

I have provided our request and the responses from the operators as **Attachments 2, 3, 4 and 5**. The correspondence with our bus operators has strengthened our understanding of, and confidence in the supply chain and procurement process of our bus fleet.

You will see from the letters from our Operators that both reported their due diligence revealed no evidence of the use of forced labour in their supply chains. Their responses noted that each company had satisfied itself – to the extent they could - about labour conditions following visits to workshops.

Greater Wellington will continue to review procurement processes in partnership with our bus operators to ensure social considerations are fully and formally considered as part of the procurement process. We will focus on establishing a supplier code of conduct and ensure that procurement processes align with the corporate values of Greater Wellington.

Ultimately, this is a matter of integrity for Greater Wellington. We will not accept goods and services built on labour that is forced or which works in unacceptable conditions.

I hope the foregoing and the attachments respond to your questions, and am more than happy to receive any additional requests.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Scott Gallacher". The signature is written in a cursive style with a horizontal line underneath.

**Scott Gallacher**

Kaiwhakahaere Matua Metlink | General Manager Metlink

Attachments (5)

## Andrew Fairclough

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**From:** Fiona Abbott  
**Sent:** Tuesday, 27 April 2021 4:46 PM  
**To:** Comms  
**Cc:** Paul Blane; Josh Hayes; Barry Fryer; Pareesha Mehta-Wilson  
**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

Hi there

I have had a go at answering the questions but it needs some good word-smithing and perhaps a legal once over, particularly with the highlighted version which is essentially about where GW stands as a corporate citizen and social procurement practices.

How many buses in the Metlink system were built by CRRC?

- Tranzit's 10 existing EVs and the 31 incoming EVs have parts procured through CRRC. The 67 buses owned by NZ Bus are 100% built by CRRC. The procurement of these buses pre-dates the significant attention that has daylighted the treatment of the Uyghur workers

Were any of Metlink's trains built by CRRC and, if so, how many?

- Not to our knowledge

Do you have any concerns about CRRC from a security or human rights perspective?

- Metlink has the same concerns about security and human rights as any good corporate citizen.
- Procurement of our bus fleet is undertaken by our partners under our Partnering Contract
- We require all Operators to comply with all applicable laws, licences, standards, consents and good industry practice relevant to operating a public transport operator.
- Given we are on an aggressive decarbonisation pathway for both our bus and train fleets, we will be actively working with our partners to ensure they incorporate social procurement in future fleet procurement and that such procurement aligns with GW's corporate values.

Is there anything else you'd like to add?

- No

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**From:** Paul Blane <Paul.Blane@gw.govt.nz>  
**Sent:** Tuesday, April 27, 2021 3:21 PM  
**To:** Josh Hayes <Josh.Hayes@gw.govt.nz>; Fiona Abbott <Fiona.Abbott@gw.govt.nz>; Barry Fryer <Barry.Fryer@gw.govt.nz>; Pareesha Mehta-Wilson <Pareesha.Mehta-Wilson@gw.govt.nz>  
**Cc:** Comms <comms@gw.govt.nz>  
**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

My additions are below.

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**From:** Josh Hayes <[Josh.Hayes@gw.govt.nz](mailto:Josh.Hayes@gw.govt.nz)>  
**Sent:** Tuesday, 27 April 2021 2:56 PM  
**To:** Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>; Barry Fryer <[Barry.Fryer@gw.govt.nz](mailto:Barry.Fryer@gw.govt.nz)>; Paul Blane <[Paul.Blane@gw.govt.nz](mailto:Paul.Blane@gw.govt.nz)>; Pareesha Mehta-Wilson <[Pareesha.Mehta-Wilson@gw.govt.nz](mailto:Pareesha.Mehta-Wilson@gw.govt.nz)>  
**Cc:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>  
**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

Great, thanks Fiona

- Question 2 - Do we know how many buses have components build by CRRC? I understand that Tranzit's 31 incoming EVs have parts procured through CRRC. YES I'm not sure about Tranzit's present 10 EVs YES, THESE ARE PART BUILT BY CRRC IN THE SAME WAY THAT THE 31 ARE any of the 67. This isn't immediately present in the contractual material and will take some digging round. Paul may know this off the top of his head. THE 67 NZBUS BUSES ARE 100% BUILT BY CRRC.
- Question 3 - What is our stance in terms of the contract with respect to requiring our suppliers to act as good corporate citizens? In general we require all Operators to comply with all applicable laws, licences, standards, consents and good industry practice relevant to operating a public transport operator
- Question 4 - Do we believe this should cover the issues with CRRC that are raised below? This is speculative/opinion based which I am not equipped to answer. Previous media releases might inform this however.
- Question 5 - To what degree do we enforce this? Have the power to enforce this? Pay attention to it during procurement? We have a comprehensive default regime in our Partnering Contracts which allow us to take corrective action for events such as a material breach. I won't comment on any weighting that occurs during procurement as this is commercially sensitive. It should be noted however that the procurement of our Operators was finalised in 2018. For the remaining terms of our Partnering Contracts we are currently limited to contracting with existing operators for the procurement of electric vehicles. PRACTICALLY WE COULD MANAGE WHERE THE BUSES ARE PROCURED FROM AS THIS IS ACHIEVED THROUGH A CONTRACT VARIATION. WE CAN ADD REQUIREMENTS THROUGH THE CONTRACT VARIATION PROCES AS WE HAVE DONE FOR OTHER MATTERS.

Ngā mihi  
Josh

### Josh Hayes – He/Him

Kawenata Kaiwhakahaere | Contracts Advisor

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**From:** Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>

**Sent:** Tuesday, 27 April 2021 2:17 PM

**To:** Josh Hayes <[Josh.Hayes@gw.govt.nz](mailto:Josh.Hayes@gw.govt.nz)>; Barry Fryer <[Barry.Fryer@gw.govt.nz](mailto:Barry.Fryer@gw.govt.nz)>; Paul Blane <[Paul.Blane@gw.govt.nz](mailto:Paul.Blane@gw.govt.nz)>; Pareesha Mehta-Wilson <[Pareesha.Mehta-Wilson@gw.govt.nz](mailto:Pareesha.Mehta-Wilson@gw.govt.nz)>

**Cc:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>

**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

At the moment it is a question for a story so is being treated as a media question. However, as belts and braces with respect to quality of the answer and process, we should treat it as both. So, as Scott's delegate, I am happy to sign off as both. I am going to assume though if we take too long, the question becomes moot as the deadline is missed?

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**From:** Josh Hayes <[Josh.Hayes@gw.govt.nz](mailto:Josh.Hayes@gw.govt.nz)>

**Sent:** Tuesday, April 27, 2021 2:09 PM

**To:** Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>; Barry Fryer <[Barry.Fryer@gw.govt.nz](mailto:Barry.Fryer@gw.govt.nz)>; Paul Blane

<[Paul.Blane@gw.govt.nz](mailto:Paul.Blane@gw.govt.nz)>; Pareesha Mehta-Wilson <[Pareesha.Mehta-Wilson@gw.govt.nz](mailto:Pareesha.Mehta-Wilson@gw.govt.nz)>

**Cc:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>

**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

Hi all

I can look at some aspects of this. Just to check firstly however, is this being treated as a LGOIMA request, with the response going back through Dem Services and Scott G to approve?

Ngā mihi

Josh

**Josh Hayes – He/Him**

Kawenata Kaiwhakahaere | Contracts Advisor

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**From:** Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>

**Sent:** Tuesday, 27 April 2021 1:59 PM

**To:** Barry Fryer <[Barry.Fryer@gw.govt.nz](mailto:Barry.Fryer@gw.govt.nz)>; Paul Blane <[Paul.Blane@gw.govt.nz](mailto:Paul.Blane@gw.govt.nz)>; Josh Hayes <[Josh.Hayes@gw.govt.nz](mailto:Josh.Hayes@gw.govt.nz)>

**Cc:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>; Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>

**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

Hello Paul, Barry, and Josh

Please see below the enquiry on the CRRC manufacture of vehicles. Please ignore the 4.30pm deadline at this point.

1. Matt is going to find me a previous media release where this might have been raised
2. Do we know how many buses have components build by CRRC?
3. What is our stance in terms of the contract with respect to requiring our suppliers to act as good corporate citizens?
4. Do we believe this should cover the issues with CRRC that are raised below?
5. To what degree do we enforce this? Have the power to enforce this? Pay attention to it during procurement?

Thanks. Please let me know if we can't answer any of the above

F

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**From:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>

**Sent:** Tuesday, April 27, 2021 1:38 PM

**To:** Fiona Abbott <[Fiona.Abbott@gw.govt.nz](mailto:Fiona.Abbott@gw.govt.nz)>

Cc: Barry Fryer <[Barry.Fryer@gw.govt.nz](mailto:Barry.Fryer@gw.govt.nz)>

Subject: FW: Media inquiry: CRRC banned in US, forced labour concerns

Hi Fiona,

Please see the media enquiry below regarding the use of Uyghur labour in bus and train construction. The reporter's ridiculous deadline was 4:30pm today. We cannot meet that and I've let him know. However, this may come back to us so I'd like to know who to work with on the answer. On buses, I've had a quick conversation with Paul Blane and it seems there are some complexities involved in this (role of operators/corporate citizen clauses in contracts etc).

Cheers

Steve



**Stephen Heath**

Kaiwhakatauria whakanikoniko | Senior Media Advisor – Customer Engagement

**Greater Wellington Te Pane Matua Taiao**

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**From:** Marc Daalder <[marc.daalder@newsroom.co.nz](mailto:marc.daalder@newsroom.co.nz)>

**Sent:** Tuesday, 27 April 2021 11:01 AM

**To:** Comms <[comms@gw.govt.nz](mailto:comms@gw.govt.nz)>

**Subject:** Media inquiry: CRRC banned in US, forced labour concerns

Kia ora,

I'm wondering whether Metlink and/or GWRC would be able to comment for a story I'm working on about the Chinese bus manufacturer CRRC, which has built many of Wellington's electric buses. In 2019, the United States Congress passed legislation with bipartisan support banning the US Government from contracting with CRRC, on national security concerns. In 2020, the President signed an executive order banning any American investment in the company. That same year, the Australian Strategic Policy Institute [found CRRC was one of 82 companies](#) that were "potentially directly or indirectly benefiting from the use of Uyghur workers outside Xinjiang through abusive labour transfer programs".

How many buses in the Metlink system were built by CRRC? Were any of Metlink's trains built by CRRC and, if so, how many? Do you have any concerns about CRRC from a security or human rights perspective? Is there anything else you'd like to add?

Thank you for your help! My deadline is 4:30pm today.

Best,

Marc

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Marc Daalder

Senior Political Reporter

**newsroom.**

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S7(2)(a)

[@marcdaalder](mailto:marcdaalder) | [@newsroomnz](https://www.newsroomnz.co.nz)

## Andrew Fairclough

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**From:** Stephen Heath  
**Sent:** Wednesday, 12 May 2021 11:38 AM  
**To:** Andrew Fairclough  
**Subject:** RE: Media inquiry: CRRC banned in US, forced labour concerns

Hi Andrew,

Please see below information provided to the news media. The first relates to questions asked by TVNZ; the second refers to a statement we sent to Stuff after an approach from the media. Both Thomas Nash and Roger Blakeley have spoken to the media of their own volition without reference to us:

### **TVNZ questions (our answers in red)**

- *If MFAT pointed to the information already out in the public domain, what due diligence did GWRC do in relation to understanding CRRC's links to forced labour? **The information referred to was published in March 2020, the contracting process effectively began in 2017 with contracts signed in 2018.***
- *When was the contract with CRRC and GWRC established? **There is no contract between CRRC and Greater Wellington. Bus procurement contracts are between our public transport operators and the manufacturers.***
- *If the contract was pre the Australian Strategic Policy Institute publication highlighting CRRC's potentially direct benefits from Uyghur exploitation (<https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2021-04/Uyghurs%20for%20sale%2019%20April%202021.pdf> and <https://www.aspi.org.au/report/uyghurs-sale>), when did GWRC become aware of these allegations and what was done once aware? **As noted above, the contracting process began in 2017 with contracts signed in 2018. We became aware of allegations concerning Uyghurs last week following the article published by Newsroom.***
- *Are there plans to continue a contract with CRRC and receive the buses? **We are reviewing the situation.***

Note that TVNZ approached MFAT and this is the advice they gave the reporter:

- **The New Zealand Government has for some time made clear its grave concerns regarding ongoing reporting of severe human rights abuses taking place against the Uyghur people in Xinjiang**
- **MFAT cannot provide formal advice on commercial risk and reputation issues, or legal advice to organisations seeking to work with companies overseas.**
- **MFAT informed GWRC that we have no further specific information regarding CRRC's operations beyond what is already in the public domain.**
- **We encourage New Zealand organisations to seek independent legal advice, assess risks according to their own and suppliers' codes of conduct, and undertake due diligence.**

### **Information for Stuff**

#### **Statement from Cr Roger Blakeley, Chair of Greater Wellington's Transport Committee (Friday 30 April)**

We work in partnership with our operators to specify the standards our buses need to meet. Purchasing and sourcing is undertaken by our operators, and we pay for the use of the buses under our contracts with them. We require operators to comply with all applicable laws, licences, standards, consents and good industry practice relevant to providing services as a public transport operator.

I can confirm that 67 EV buses currently on order by NZ Bus in China are wholly manufactured by CRRC. Of the 31 EV buses on order by Tranzurban, the chassis are manufactured by CRRC but the fit out is completed in Tauranga.

While we can't comment on the veracity of reports of forced labour, we acknowledge that ethical sourcing is emerging as an important issue, particularly with respect to significant international procurement.

We rely on government direction but we have not been advised of any concerns that would potentially limit the supply of electric buses to the New Zealand market.

We have sought advice from the Ministry of Foreign Affairs and Trade. No comment was offered on dealings with CRRC, and no prohibition was noted.

Greater Wellington is reviewing its procurement practices in relation to ethical sourcing. Working with our operators, we will focus on establishing a supplier code of conduct and aligning our processes of due diligence.

Cheers  
Steve



**Stephen Heath**

Kaiwhakatauria whakanikoniko | Senior Media Advisor – Customer Engagement

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**From:** Andrew Fairclough <Andrew.Fairclough@gw.govt.nz>  
**Sent:** Wednesday, 12 May 2021 11:16 AM  
**To:** Stephen Heath <Stephen.Heath@gw.govt.nz>  
**Subject:** FW: Media inquiry: CRRC banned in US, forced labour concerns

Hi Stephen,

I am working on an OIA regarding our new EVs and the speculations of forced labour practices by CRRC in China. Details/initial emails are below if you need it.

I heard that you recently worked with Cr Roger Blakely on a statement regarding this? Particularly commenting on the fact that we are currently investigating the matter.

Would you be able to provide me with what was said?

Thank you!

**Andrew Fairclough**

Strategy and Investment Coordinator

**Metlink**

**M 022 406 8751**

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6 May 2021

Jay Zmijewski  
NZ Bus  
Jay.Zmijewski@nzbus.co.nz

Dear Jay

## **Procurement: Supply Chain Integrity**

As you know, with recent media speculation over the labour practices associated with certain agencies within the People's Republic of China, and acknowledging your crucial partnership roles with us as we move towards greater decarbonisation of our bus network, we wanted to check in with you to ensure we have the most up to date information on aspects of the supply chain associated with your purchase of electric vehicles (EVs) that will soon form an integral part of the Metlink network.

Can you confirm for us the scale of product(s) being sourced from within the People's Republic of China for your EVs, the agencies involved and the manufacturing origin (down to the relevant Province) of such product(s)? In addition, would you be able to confirm what other part(s) of your EVs are being sourced, manufactured and/or produced from other countries, including New Zealand.

Could you also confirm, once again, for us the due diligence which you undertook in terms of your supply chain?

Until the media articles late last week, neither ourselves nor yourself had identified issues directly related to the concerns now being raised, but we want to ensure we are working together to improve our understanding of, and confidence in the supply chain.

I look forward to hearing back from you.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Scott Gallacher".

**Scott Gallacher**  
Kaiwhakahaere Matua Metlink | General Manager Metlink



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Viaduct Harbour  
PO Box 47901, Ponsonby  
Auckland, 1144  
Tel 09 373 9118  
www.nzbus.co.nz

25 May 2021

Mr Scott Gallacher  
General Manager Metlink  
Greater Wellington Regional Council  
PO Box 11646  
Wellington 6011

Dear Scott

**Procurement: Supply Chain Integrity - CRRC**

Thank you for your letter dated 6<sup>th</sup> May 2021 and your request for information relating to aspects of our supply chain associated with the purchase of 67 (EV's), 25 of which will soon be operating as part of the Metlink network.

**Background**

Firstly, it should be noted that GWRC approved the orders before they were placed.

In 2019 as part of our procurement process we went out to open competitive tender for the supply of new EV's. A total of seven companies were invited to submit tenders.

Over a number of months, the number of companies competing for the tender was reduced down to two, namely ADL and CRRC. These two companies made their final bids, and the successful bid was submitted by CRRC. Subsequent to the selection process the Chief Engineer and I spent three days visiting CRRC's factory located in Ningbo, South East China, close to Shanghai and one day at their Zhuzhou facility where the power trains are produced. The object of the exercise was two-fold:

- (1) To go over our specifications in detail to ensure everyone associated with our contract was crystal clear on what was required and moreover the standard of workmanship that must be achieved in the build process.
- (2) We wanted to see and tour the factory where these buses were to be built and assembled. We spent several hours in the factory and I have to say, as a qualified Engineer myself, that the premises and the production line were equal to, or better, than any I have seen anywhere in Europe. Everywhere was spotlessly clean which is always a good sign of a committed, motivated workforce.

We were also allowed to walk around the product line and randomly speak to staff, unsupervised. Everyone we spoke to was interested and motivated.

As part of the manufacturing process CRRC source a significant amount of material and componentry from overseas, mainly from mainland Europe, for example:

- Aluminium and stainless steel material comes from Finland and Switzerland as does the material which forms the main part of the body structure.
- Front and Rear axles are produced by ZF which is a top-quality brand and comes direct from Germany.

Items produced locally:

- The power train is sourced locally in China in Zhuzhou in the province of Changsha. We spent a full day at this facility viewing the power train's production line, their test laboratory and smart cloud centre; all ultra-modern.

The above represents a significant amount of the material used in the build of our EV's. There are a few other smaller items which are sourced locally. Our Due Diligence does not cover these, nor does it include every single piece that makes up the finished product. It should be noted that most of the buses operating in New Zealand are manufactured or assembled in China.

Our experience with CRRC to date has been a successful one. They have produced the 12 EV's which are operating successfully in Auckland. They have been built to our standards and they were delivered on time.

The first batch of 25 for Wellington have been built and are currently sitting at a port in China, they should have been en route to New Zealand, however, the boat they were booked to sail on was cancelled. They have now been re-booked and should arrive in New Zealand in early July 2021.

I trust the above answers the points you have raised. If not, please do not hesitate to make contact.

Kind regards



Barry Hinkley  
Chief Executive Officer  
**NZ Bus**

6 May 2021

Keven Snelgrove  
Tranzurban  
Kevns@tranzit.co.nz

Dear Keven

## **Procurement: Supply Chain Integrity**

As you know, with recent media speculation over the labour practices associated with certain agencies within the People's Republic of China, and acknowledging your crucial partnership roles with us as we move towards greater decarbonisation of our bus network, we wanted to check in with you to ensure we have the most up to date information on aspects of the supply chain associated with your purchase of electric vehicles (EVs) that will soon form an integral part of the Metlink network.

Can you confirm for us the scale of product(s) being sourced from within the People's Republic of China for your EVs, the agencies involved and the manufacturing origin (down to the relevant Province) of such product(s)? In addition, would you be able to confirm what other part(s) of your EVs are being sourced, manufactured and/or produced from other countries, including New Zealand.

Could you also confirm, once again, for us the due diligence which you undertook in terms of your supply chain?

Until the media articles late last week, neither ourselves nor yourself had identified issues directly related to the concerns now being raised, but we want to ensure we are working together to improve our understanding of, and confidence in the supply chain.

I look forward to hearing back from you.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Scott Gallacher".

**Scott Gallacher**  
Kaiwhakahaere Matua Metlink | General Manager Metlink

Monday, May 10, 2021

To: Scott Gallacher  
General Manager Metlink  
Email: [scott.gallacher@gw.govt.nz](mailto:scott.gallacher@gw.govt.nz)

Dear Scott,

RE: Procurement: Supply Chain Integrity

Thank you for your letter dated 6<sup>th</sup> May relating to Tranzurban's supply chain, specifically associated with our purchase of electric buses that will soon be part of the Metlink network.

Before I answer your questions, I would like to say that we were deeply concerned by the recent media reports that allege one of our suppliers is a customer of a company that has used forced labour in the People's Republic of China. This is something we find abhorrent, and we are more than happy to work with Greater Wellington Regional Council on providing you with information. Like yourself, we want to ensure we can work together to improve our understanding of, and have confidence in, the supply chain.

Q. Can you confirm for us the scale of product(s) being sourced from within the People's Republic of China for your EVs?

A. *Our electric buses are built in New Zealand using parts sourced from New Zealand as well as from leading global suppliers in China and Europe. Tranzit currently sources its electric motors, controllers, and inverters from CRRC in China and these components make up less than 10% of our EV buses. In addition, we source chassis, charger, axle assembly and our high voltage batteries from other suppliers in China – the total of which comes to approximately 43% of our EV bus components.*

Q. Can you confirm the agencies involved and the manufacturing origin (down to the relevant Province) of such product(s)?

A.

Component	Origin
Axles	China (Suzhou province) and Italy
Motor	Guangdong province
Chassis steel	Shanghai
1080kw charger for Grenada depot	Guangdong province
Dashboard	Zhejiang province
Air compressor	Jiangsu province
Batteries (CATL)	Fujian province
Steering pump	Zhejiang province
Gearbox	Germany
VCCU (Vehicle Charge Control Unit)	Guangdong province
MCCU (Motor Control Unit)	Hunan province
Cables (High Voltage)	Fujian province

Q. In addition, would you be able to confirm what other part(s) of your EVs are being sourced, manufactured and/or produced from other countries, including New Zealand?

*As mentioned in question one, our electric buses are built in New Zealand using parts sourced from New Zealand as well as from leading global suppliers in China and Europe.*

*Our braking system, steering of the electric motor, driver's seat, some pantograph components, and tyres are sourced from Germany. Our passenger seats are sourced from Poland.*

*The rest of our EV bus components are sourced from New Zealand and include: the body design and build, other pantograph components and lighting and switches.*

Q. Could you also confirm, once again, for us the due diligence which you undertook in terms of your supply chain?

*A. Prior to 2017, when Tranzurban signed the tender documents to deliver 60 percent of the urban network in Wellington with Greater Wellington Regional Council, myself, and my brother Paul Snelgrove, were joined by a small team of our specialist EV mechanics and we visited several factories in China, the UK and Europe to determine which best global technology we would use in our EV buses. Following these visits, we chose several Chinese and European suppliers to produce specific components we now use. At no time during these visits, did we feel uncomfortable in the way people were being treated. The relationships we established with our preferred suppliers is ongoing today, so much so that when the media stories were first published, we reached out to our contact at CRRC for confirmation that none of the components we use in our electric buses have been made with forced labour. This has subsequently been confirmed.*

I hope the above answers satisfy your requirements. Please do contact me directly if you require more information.

Moving forward Tranzurban will continue to ask questions around whether the Ministry of Foreign Affairs and Trade could provide more support for private businesses like ours, doing business in China as international supply chains can be complex and difficult to monitor and there is no credible way to vet working conditions and labour rights in individual firms aside from visiting them, which is what we have done.

Thank you for your time.

Kind regards



Keven Snelgrove  
Director of Transport and Logistics  
Tranzurban