

**Anti-bribery and Anti-corruption System**  
**(JW-09-2020-ZD)**

## Anti-bribery and Anti-corruption System

### Chapter I General Provisions

**Article 1** In order to strengthen the internal governance and control of Beijing Enterprises Water Group Limited (hereinafter referred to as the "Group"), effectively prevent the Group's corruption risks, crack down on corruption, and prevent acts that damage the interests of the Group and shareholders, combined with the actual situation of the Group, the System is established in accordance with the *Constitution of the People's Republic of China, Criminal Law of the People's Republic of China, Criminal Procedure Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, and Rules for Work of Handling Whistleblowing and Accusation of Disciplinary Inspection and Supervisory Organs*, with reference to the relevant provisions of the *United Nations Convention against Corruption*.

**Article 2** The Group shall strictly abide by applicable laws and regulations on anti-bribery and anti-corruption. All employees of the Group shall be required to abide by the anti-bribery and anti-corruption policies and systems of the Group. The Group shall always compete fairly with the companies in the industry in compliance with laws and regulations and code of ethics. We shall not enter into any agreements with competitors, suppliers or clients that violate competition rules.

**Article 3** The System is applicable to the centers, regions, business divisions, wholly-owned and holding companies of the Group Headquarters.

### Chapter II Anti-bribery and Anti-corruption Measures

**Article 4** Establish an anti-bribery and anti-corruption organization of the Group to carry out control, prevention and punishment of commercial bribery and corruption.

**Article 5** Implement a commercial bribery prevention commitment system for key personnel in the key links, and key personnel shall sign the *Incorruptibility Commitment Letter* with the Group.

**Article 6** Open reporting channels, set up and release reporting mailboxes, reporting telephones, etc., and handle reports and accusations in accordance with laws and regulations.

**Article 7** Adhere to the combination of routine supervision and special supervision, and study and conduct commercial bribery prevention and anti-corruption countermeasures and measures.

**Article 8** Carry out investigations and studies, grasp the characteristics and laws of corruption and commercial bribery, and put forward specific countermeasures and measures in education, systems, etc. to effectively prevent emergence and tendency of problems.

**Article 9** Audit the legality, compliance, authenticity and completeness of the economic activities of wholly-owned companies, holding companies and join-stock companies with significant influence within the Group.

### **Chapter III Measures for Handling Whistleblowing and Accusation**

**Article 10** For any organization or individual who reports violations of rules, disciplines and laws to the Group in accordance with the law, the legitimate rights

and interests shall be protected by law.

**Article 11** The Group shall strictly keep confidential the contents of the report and the information of the whistleblower, and implement various confidentiality requirements.

**Article 12** The reporting channels include but are not limited to the following methods: mailbox, telephone, letter, visit.

**Article 13** A report by use of a real name of the whistleblower or the organization name with specific contact information is a real-name report.

**Article 14** Anonymous reports within the scope of acceptance shall be accepted by the Group in accordance with the procedures.

**Article 15** For reports that are accepted by the Group, a comprehensive analysis shall be conducted in combination with the situation mastered by the routine supervision. After the procedure of reporting for approval is performed, the reports shall be handled by means of inquiry, preliminary verification, pending report for investigation, settlement, etc., or transferred to the inspection and investigation department for handling.

**Article 16** Reporting the problem by framing others, forging materials, etc., with the intention of causing others to be subject to adverse effects, defamation or accountability is a false accusation. In terms of false accusation, the Group reserves the right to investigate the legal liability of the whistleblower.

#### **Chapter IV Prohibitive Provisions**

**Article 17** The "corruption" mentioned in the System refers to the employees of the Group seeking or intending to seek personal undue benefits by taking

advantages of the positions, infringing on the legitimate rights of the Group or damaging the interests of the Group by power abuse and dereliction of duty, as well as other serious violations of integrity and compliance in the daily operation and management.

**Article 18** The employees of the Group shall be honest and self-disciplined, and shall not take advantage of the positions to accept bribes from others in the course of performing their duties. They shall strictly abide by the rules of fair competition, abide by national laws and regulations and rules and regulations of the Group, and shall not bribe others to seek undue benefits. The following acts are prohibited:

(I) Giving property or property interests to the other party in order to seek undue benefits in the operation and management;

(II) Illegally soliciting or accepting the property or property interests of other interested third parties;

(III) Illegal acceptance of entertaining or other high-consumption entertainment activities of clients, bidders, suppliers and contractors that may affect the integrity of the position;

(IV) Other acts that affect the integrity of the position.

**Article 19** The employees of the Group shall perform their duties diligently, safeguard the interests of the group, and shall not take advantage of their positions to illegally embezzle or damage the interests of the Group. The following acts are prohibited:

(I) Illegally possessing Group property by embezzling, stealing, defrauding

or otherwise;

(II) Misappropriating group funds for personal use or borrowing to others, or embezzling group assets;

(III) Use of business entertainment costs and office costs in violation of regulations for jobbery or misappropriating public funds for personal use;

(IV) Setting up or sharing private coffers without authorization in violation of regulations;

(V) Possession of gifts in business activities and foreign affairs activities in violation of relevant regulations;

(VI) Colluding with others to provide false materials or false information, and defraud funds of the Group;

(VIII) Abuse of power or negligence of duty resulting in loss of the interests of the Group;

(IX) Other acts that illegally embezzle or damage the interests of the Group.

**Article 20** Employees shall be honest, abide by professional ethics, and perform the duty of loyalty to the Group. The following acts are prohibited:

(I) Engaging in business activities that harm the interests of the Group;

(II) Power abuse to seek benefits for close relatives or specific person of interest and damage the interests of the Group;

(III) Engaging in any business activities that may cause conflicts with the interests of the Group without prior approval;

(IV) Violating the obligation of loyalty to the Group, taking advantages of the positions, manipulating the Group to carry out unfair connected transactions, and

damaging the interests of the Group;

(V) Purchasing or selling the securities of the Group or other groups by using the non-public information acquired by taking advantages of the positions, or providing the non-public information to others;

(VI) Carrying out private business during working hours, or engaging in private business by using facilities, equipment or other assets of the Group;

(VII) Engaging in personal profit-seeking activities by using resources of the Group such as business channels, business information, business secrets, intellectual property, etc. by taking advantages of positions;

(VIII) Intentionally providing false or forged personal data causing serious consequences;

(IX) Violating the confidentiality regulations and information security management regulations of the Group, infringing on business secrets or disclosing business secrets, resulting in significant loss or impact on the Group's interests;

(X) Other serious violations of integrity and professional ethics.

### **Chapter V Supplementary Provisions**

**Article 21** Matters not covered in the System shall be implemented in accordance with national laws and regulations and relevant systems of the Group.

**Article 22** The System shall be interpreted by the Discipline Inspection and Supervision Department of the Group.

**Article 23** The System shall be implemented as of the date of issuance.

**(The English translation of the system is for reference only and the Chinese**

**version shall prevail in case of any inconsistency between the Chinese version and English translation thereof)**