

# **China Construction Bank**

## **Anti-bribery and Anti-corruption Policy Overview**

China Construction Bank Corporation (hereinafter referred to as “CCB”) adheres to the core values of “honesty, fairness, stability and creativity” and values the business ethics and integrity of its employees and third parties with whom it has business relationships. CCB strictly abides by all anti-bribery and anti-corruption laws and regulations of China and the places where it operates as well as the international standards and is committed to maintaining a fair, honest and transparent business environment. It requires all employees to observe business ethics, abide by market rules, and participate in fair competition, adopting a policy of “zero tolerance” for bribery and corruption.

### **I. Scope of Application**

The anti-bribery and anti-corruption policies apply to CCB and all its subsidiaries, as well as all employees (including in-service employees who have signed labor contracts with CCB, members of the Board of Directors, members of the Board of Supervisors, members of the Senior Management, as well as any other workers who are engaged by CCB or have signed agreements with labor dispatch agencies to provide ancillary financial services).

### **II. Overall Principles and Requirements**

CCB requires every employee to, based on the principle of integrity and self-discipline, keep public and private affairs separate, practice in compliance with rules and regulations, conscientiously avoid and declare actual or potential conflicts of interest, and oppose misusing authority and seeking personal gain. The following behavior of employees will not be tolerated:

1. Embezzling or misappropriating funds or other property of CCB or its customers.
2. Exploiting authority to seek improper benefits for close relatives or other specific relations.
3. Conducting off-book business activities in violation of rules.
4. Establishing or covertly establishing “little coffers”.

5. Using public funds beyond the standard and scope, reimbursing public funds for private expenses, traveling at public expense, or otherwise spending public funds in violation of rules.
6. Accepting arrangements for activities such as banquets, travel, fitness and entertainment that affect the job integrity, or accepting giftware, cash gifts, or negotiable securities.
7. Going into business, owning shares or securities of unlisted enterprises, engaging or participating in other for-profit activities, carrying out paid intermediary activities in their own name or in the name of others, or taking part-time jobs without authorization.
8. Conducting insider trading in securities in violation of rules or conspiring with others to manipulate the market.
9. Being suspected of corruption and bribery crimes, including taking advantage of authority to embezzle the entity's property, embezzling public funds, offering or accepting bribes, privately sharing state-owned assets, seeking illegal profits for themselves or their friends or relatives, or misusing authority.

We undertake to immediately stop, investigate and verify any employee's violation of CCB's anti-bribery and anti-corruption policies upon discovery. We will hold the employee accountable in accordance with CCB's internal policies or submit the case to the judicial authorities and carry out notification and remediation, as the case may be.

### **III. Key Concerns and Requirements**

#### **i. Personnel appointment and removal**

CCB has established a sound job avoidance policy to ensure the effectiveness of the internal control mechanism and the impartiality of employees' performance. When recruited or transferred to other positions or when they should avoid a job relationship due to marriage or change of positions, employees need to truthfully report information about their relatives who should be avoided. Employees are strictly prohibited from exploiting the influence of their authority or positions to seek benefits for the promotion of their close relatives or other specific relations.

#### **ii. Procurement**

The institutions and individuals participating in CCB's procurement shall strictly follow

CCB's unified procurement policy and inspect the procured commodities as required.

Employees are strictly prohibited from:

- (1) Conducting the procurement negotiation and bid invitation as just a formality, unofficially deciding the supplier, or directly deciding the supplier of products or services.
- (2) Breaking up the whole procurement plan into parts to avoid centralized procurement.
- (3) Divulging important procurement information and thus affecting the fairness of procurement or harming the interests of CCB.
- (4) Colluding with suppliers to manipulate procurement and thus harming the interests of CCB.
- (5) Illegally recommending potential suppliers who have an interest relationship with employees as candidate suppliers.

### **iii. Credit**

CCB strictly prevents the risk of bribery and corruption in the credit business segment.

It has established an internal control structure with clear responsibilities and mutual restraint and continuously supervises and inspects it to ensure the effectiveness of controls. Employees must:

- (1) Comply with management regulations on due diligence and authenticity verification of credit business, and never intentionally conceal major problems found in investigation, intentionally conceal risky situations, artificially manipulate rating results, or direct or lead customers to produce false materials.
- (2) Strictly implement the independent approval policy, and never disclose to customers the opinions expressed by members of credit approval institutions at review meetings, authorize, induce, interfere with or obstruct others' independent voting, or vote as authorized by others.
- (3) Strictly implement the loan approval procedures, and never reverse or reduce the procedures in violation of regulations or transact credit business beyond their authority.
- (4) Strictly follow the business avoidance policy, and never issue unsecured loans to related persons in violation of regulations or issue loans with guarantee to related persons under conditions more favorable than those of similar loans to other borrowers.

#### **iv. Public welfare donations**

CCB public welfare donations<sup>1</sup> strictly comply with national laws, regulations and policies, conform to relevant management regulations of CCB, and are based on the principle of being in the public interest and conducive to improving people's livelihood. CCB enforces and strictly implements the approval procedure, standardizes the operation, and makes donation information open and transparent.

Once approved, a public welfare donation project must be implemented in strict accordance with the donation plan and the donation agreement. No entity or individual may change the nature or use of the donated property without authorization or retain or misappropriate the donated funds or items in any form. If donated funds or items are misappropriated, encroached on or embezzled, the person directly accountable, the managing officer and other accountable persons shall be seriously punished in accordance with internal rules and regulations or be referred to the judicial authorities if suspected of a crime.

#### **v. Management of cooperative institutions**

CCB conducts whole-process management of cooperative institutions in access selection, duration management and exit management. CCB pays close attention to the business activities of cooperative institutions and urges them to operate lawfully and in compliance with regulations. CCB will promptly clear and terminate the cooperative relationship with cooperative institutions that are subject to administrative penalties such as regulatory inquiries and business suspension orders or severely infringe on consumer rights and interests.

### **IV. Management Mechanism**

#### **i. Organizational guarantee**

Anti-bribery and anti-corruption are supervised by CCB's Board of Directors, Board of Supervisors and Senior Management, which work closely with the public sector to ensure the proper and full implementation of relevant tasks. CCB has established a sound management and supervision mechanism, and the dispatched offices of public

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<sup>1</sup> CCB public welfare donations refer to the property donated by CCB for public welfare and philanthropy to lawfully established public welfare social organizations, non-profit public welfare institutions, government organs at all levels and other social groups and individuals in need of assistance.

institutions, the compliance department, the risk management department, and the internal audit department work together to identify, assess, investigate and control possible bribery and corruption risks in a timely manner and effectively implement the anti-bribery and anti-corruption policies.

#### **ii. Risk assessment**

CCB carries out self-assessment of employee behavior management and case risk every year, which includes assessing CCB's anti-bribery and anti-corruption work, so as to timely identify potential problems and management defects and improve them, and the assessment results are reported to the Board of Directors.

#### **iii. Whistleblowing**

CCB encourages its employees and any third party that has a business relationship with CCB to report cases of bribery and corruption and emphasizes the importance of whistleblowing. CCB prohibits retaliation against whistleblowers. It has established a sound policy for protection of whistleblowers to strictly punish those discouraging whistleblowing, effectively protect the legitimate rights and interests of whistleblowers, and positively incentivize whistleblowers.

CCB has set up smooth whistleblowing channels. The Head Office and branches have designated the email boxes and telephone numbers for whistleblowing, publicized the information of whistleblowing channels on the website, and set the system function of clue whistleblowing. Employees may report in their real names or anonymously online or offline.

#### **iv. Compliance education and training**

CCB provides compliance education and training for all employees on a regular basis, covering laws and regulations on anti-bribery and anti-corruption and warning education on corruption and bribery cases, in forms of on-site publicity, online training and online testing, to achieve compliance education's accurate access to employees. For employees in key business areas and key positions, CCB has prepared the compliance education textbooks and carries out targeted warning education activities.

#### **v. Management of employee behavior**

In compliance with the international regulatory trend that attaches equal importance to prudence and behavior, CCB promotes the improvement of the compliance management

system that emphasizes “everyone’s responsibility”, defines the responsibility for management of employee behavior, strengthens the identification and investigation of abnormal behavior of employees in key areas such as credit and procurement, and prevents employees from committing illegal and criminal acts such as bribery and corruption.

**vi. Backup of records**

CCB keeps the transaction and accounting data worth verifying that is formed in CCB’s business and trading activities in strict accordance with the prescribed retention period. CCB strictly prohibits selling, altering, forging, stealing or exchanging the files or destroying the files without evaluation according to procedures.

The policy overview is written in simplified Chinese with English version. If there is any difference between the two versions, the simplified Chinese version shall prevail.