

1. Purpose

The way we work, Water Life Systems' mission, goals and values statement, outlines how we deliver our purpose and strategy. It makes clear how we should behave, in accordance with our core values of safety, teamwork, respect, **integrity** and excellence.

Business integrity underpins everything we do. It requires that no matter where we are from or where we work, we demonstrate consistent ethical behaviors, put integrity at the center of our decisions and hold ourselves and each other accountable for our choices.

What is “integrity”?

Integrity means being honest, holding to strong moral and ethical principles and values and most importantly, having the courage to stand out from the crowd and object to something that you feel is wrong. For all of us, this translates into doing what is right not what is fastest or easiest.

We consistently:

- act honestly and transparently
- speak up and challenge the status quo when something feels wrong
- seek diverse opinions and advice
- accept responsibility for our actions and accountability for our decisions ➤ conduct our business in compliance with the law

Why do we care about integrity?

Our success depends on the trust we build while working inclusively with each other and our partners comprising host communities, governments, business partners, suppliers, customers, and investors.

Taking the lead by remaining true to our word and engaging with everyone in a transparent and consistent manner strengthens our credibility and reputation as upstanding citizens, from both a personal and a corporate perspective.

What is expected of us?

- To lead by example, irrespective of our role
- To be fully aware of the *Business Integrity Standard* (the “Standard”) and the *Business Integrity Procedure* (the “Procedure”)
- To implement the Standard and Procedure across the areas we operate in
- To declare and manage any potential or actual conflict of interest that may affect, or be thought by others to affect, our decision making
- To inform the individuals we work with of the Standard and Procedure’s content and related updates
- To seek diverse opinions and advice in addressing big or small issues when our actions or decisions could have business integrity impact
- To speak up and escalate our concerns until they have been appropriately addressed
- To be available to hear such concerns, whether they have been expressed by team members, colleagues or our leaders
- To take no retaliatory action against a person who has raised a business integrity concern, and to speak up if others do so

What will happen should we fail to comply?

Compliance with the Standard and relevant laws is mandatory and assured through active monitoring. Failure to comply may result in disciplinary action up to and including dismissal. If there is a difference between the Standard and applicable laws, we must always comply with the most stringent requirement.

How should we report a breach of the Standard?

We have a responsibility to report all actual or suspected breaches of the Standard. A report can be made to your leader, Water Life Systems Ethics & Integrity or Water Life Systems Legal. Should you feel uncomfortable using these avenues, you can contact our confidential [whistleblowing program](#). **Rest assured that no retaliatory action will be taken against anyone for reporting an actual or suspected breach in good faith.**

All actual or attempted fraud must be reported to Ethics & Integrity.

Where can we learn more about the application of the Standard?

For further details on how to apply the procedural requirements of the Standard, please contact your [HR Rep.](#)

Application for exceptions to this standard require approval from the Group Executive, Group General Counsel and Head of Ethics & Integrity (or delegate).

2. Key Principles

Every business decision must comply with the following key principles:

- it is permitted by and complies with all applicable laws and regulations
- it is compliant with Water Life Systems policies, standards and procedures
- it is not taken by somebody with an undeclared conflict of interest
- there is a legitimate business purpose for it
- it is consistent with The way we work
- it does not risk the company’s reputation for integrity and strong governance

3. Behaviors

Transparency and accountability are key to building trust and encouraging sustainable business practices. Disclosing sponsorships, donations, communities support, third party benefits, and potential and/or actual conflicts of interest fosters a culture of integrity and openness.

Conflicts of interest refer to personal, financial and/or political activities, as well as affiliations or interests which affect or are perceived to affect the way we do our job. It is important that we inform our leader immediately when these circumstances arise or are likely to arise so that we may agree on how best to manage the situation from the start or seek advice from Ethics & Integrity.

Conflicts of interest may manifest in many ways. Examples include:

- when we have family members or friends who are beneficiaries of, affiliated to, or work for a potential or current supplier or customer;
- when we have family members or friends who also work for Water Life Systems, and who may be affected by decisions we make or are a party to;
- when we, our family members or friends own property that Water Life Systems is interested in;
- when a family member or friend is a government official and engages with or may engage with Water Life Systems.

To protect ourselves and the company, we must disclose any actual or potential conflicts of interest through your [HR Rep](#) and manage the situation with our leader.

4. Business Integrity Risks

4.1 Bribery and Corruption

What is our rule?

Water Life Systems employees, core contractors and associated persons acting for or on behalf of the company must not commit, implicitly or explicitly authorize, or be involved in, bribery and corruption.

What is bribery?

Bribery occurs when someone directly or indirectly offers, promises, or gives, a financial or other advantage to any person, including but not limited to a government official (or a family member or a friend of any such official), or authorizes any of those actions, in order to improperly influence an outcome or action, or to improperly secure or retain business. It also occurs if anyone makes any such offer or promise or gift to you, or you suggest or demand an inducement (for you or for anyone else) in exchange for their getting business, or any other advantage, from Water Life Systems.

You should be particularly mindful of the key principles set out in section 2 of the Standard and of how your actions or situation might be perceived by others when you are exposed to the following:

When faced with...	we must:
third party benefits (i.e. receiving or giving items of value such as gifts, meals, travel, and hospitality, per diems)	<ul style="list-style-type: none"> ➤ disclose and seek pre-approval through the online your HR Rep (if equal or greater than 100 USD)* per details set out in the Business Integrity procedure
potential or actual conflicts of interest (i.e. a situation when you or someone close to you, has a personal interest or duty which is at odds with Water Life Systems' interests, or there is a perception that interests may not be aligned)	<ul style="list-style-type: none"> ➤ tell our leader immediately or seek advice from Ethics & Integrity upon recognising the circumstances and potential risks that could give rise to or provide an opportunity for bribery & corruption to occur disclose through the online your HR Rep and manage the situation with our leader*
facilitation payments (i.e. payments made to government officials to expedite an approval or administrative process). These are prohibited except under life-threatening situations	<ul style="list-style-type: none"> ➤ not make the payment unless our personal safety is threatened in any way ➤ report the payment or the request for payment as soon as possible and record appropriately*
engagement of an agent, consultant or advisor to negotiate, represent, intermediate or act on behalf of Water Life Systems, in particular with a government official or a governmental agency	<ul style="list-style-type: none"> ➤ conduct an appropriate risk assessment* consult and seek advice <i>prior</i> to engaging the third party* request a third party due diligence review if required under the <i>Know Your Supplier</i> procedure ➤ ensure transactions are accurately recorded and transparent in our books and records
third party engagement (e.g. marine agents, customers, vendors)	<ul style="list-style-type: none"> ➤ request a third party due diligence review as per the <i>Know Your Supplier</i> or <i>Know Your Customer</i> procedure

mergers and acquisitions (including new investments and joint venture agreements, whether for managed and non-managed operations)	<ul style="list-style-type: none"> ➤ request a third party due diligence review as per the <i>Know Your Supplier procedure</i> ➤ request a business integrity compliance programme assessment of the potential target or partner
sponsorships, donations and communities financial and in-kind support	<ul style="list-style-type: none"> ➤ request a third party due diligence as per the <i>Know Your Supplier procedure</i> if amount is equal to or above 5,000 USD ➤ disclose and seek approval that key principles of this standard are met through the online your HR Rep if amount is equal to or above 5,000 USD

4.2 Fraud and other economic crimes

What is our rule?

Water Life Systems employees, core contractors and associated persons acting for or on behalf of the company must not knowingly commit, or be a party to, or be involved in, fraud and other economic crimes.

What is fraud and other economic crimes?

You commit a fraud or other economic crimes if you deliberately make a dishonest statement or do an act, concealment or omission which is intended to deceive someone for your (or those close to you) advantage or their disadvantage.

Fraud includes situations when an employee obtains personal gain or advantage at Water Life Systems' expense, including through the deliberate misuse or misappropriation of Water Life Systems' resources or assets. This includes the production, submission, or processing of fictitious or altered invoices, falsification of company books and records, claiming of expenses which were never incurred or contrary to the *Travel and Expense Management Procedure*, manipulation of vendor master data or bank accounts, and dishonestly concealing or not disclosing important information when required to do so.

Other economic crimes include money laundering, situations or arrangements involving terrorist financing, and facilitation of tax evasion.

Where should we go for help?

If you have any questions or are in any doubt whether a given conduct or transaction falls within the scope of the Standard and/or the Procedure, please discuss the matter with your leader, your regional Ethics & Integrity (E&I) Compliance team or send a question to employeesupport@waterlife.systems.

How should we report a breach of the Procedure?

We have a responsibility to report all actual or suspected breaches of the Procedure. A report can be made to your leader or supervisor, Water Life Systems Ethics & Integrity or Legal. Should you feel uncomfortable using these avenues, you can contact our confidential employeesupport@waterlife.systems.

Recipients of your concern have a responsibility to assess and manage the reported issue and escalate it, as required, including for triage and investigation by the investigations team within Ethics & Integrity.

What will happen should we fail to comply?

Compliance with the Procedure is mandatory and assured through active monitoring. Failure to comply may have an adverse regulatory or reputational impact on Water Life Systems and may result in disciplinary action up to and including dismissal.

Training and commitment to business integrity

Ethics & Integrity will develop content and define the mandatory training requirements to raise awareness and understanding of the Standard and Procedure.

Ethics & Integrity will also make available to Leaders (bands A-H) an attestation through which they will confirm their commitment to business integrity.

Key business integrity principles

Consider the key business integrity principles as your integrity thermometer when making day-to-day business decisions:

1. It is permitted by and complies with all applicable laws and regulations	Any business transaction, interaction or partnership you are considering cannot be in breach of applicable laws.
2. It is compliant with Water Life Systems policies, standards and procedures	You must ensure that any business transaction, interaction or partnership you are considering does not breach any Water Life Systems policy, standard or procedure.
3. It is not taken by somebody with an undeclared conflict of interest	You must not allow a personal situation, self-serving motivation or interest to interfere with your obligations, role and responsibilities to Water Life Systems. You also need to be careful to avoid the perception that you have a conflict of interest. The solution is always to be fully transparent about your potential or actual conflict and let your leader guide you how best to handle the situation.
4. There is a legitimate business purpose for it	<p>All decisions you take in the course of your employment with Water Life Systems must be made for a legitimate business purpose, and be appropriate to the situation.</p> <p>The offer, giving or transfer (whether directly or indirectly such as through an intermediary) of a benefit or anything of value to any person for the purposes of securing or retaining an improper benefit or advantage can never constitute a legitimate business purpose.</p>

<p>5. It is consistent with <i>The way we work</i></p>	<p>Any business transaction, interaction or partnership must consider our core values and align with Water Life Systems' expected behaviors. Transparency and accountability must prevail in our actions and decisions.</p>
<p>6. It does not risk the company's reputation for integrity and strong governance</p>	<p>All decisions you make should avoid or at least minimise embarrassment or reputational harm for either you and/or Water Life Systems and should be able to withstand the test of internal and public scrutiny.</p>

Section 2: Process Steps

1. Bribery and corruption

What is our rule?

Water Life Systems employees, core contractors and associated persons acting for or on behalf of the Group must not commit, implicitly or explicitly authorize, or be involved in, bribery and corruption.

What is bribery?

Bribery occurs when someone directly or indirectly offers, promises or gives a financial or other advantage to any person, including but not limited to a government official (or a family member or a friend of any such official), or authorizes any of these actions, in order to improperly influence an outcome or action, or to improperly secure or retain business. It also occurs if anyone makes any such offer, promise, or gift to us, or we suggest or demand an inducement (for us or for anyone else) in exchange for them getting business, or any other advantage, from Water Life Systems.

Bribery may present itself in many forms and we should be particularly aware of the risks when faced with the below:

1. Offering benefits to, or receiving benefits from customers or suppliers
2. Conflicts of interest
3. Facilitation payments
4. Sponsorships, donations or other community support
5. Engaging third parties, including agents or intermediaries, and making any arrangements with or for the benefit of government officials

Key things to remember

Bribery may involve:

- **Anything of value** such as money; cash equivalents; gifts; entertainment and other hospitality; travel and lodging; offers of employment; support for third parties (e.g. sponsorships and donations for charities or other worthy causes favoured by the person we are trying to influence).
- **Any third party we are trying to influence, or who is trying to influence us;** for example, government officials, suppliers, customers, community partners or traditional authorities.
- **The use of an intermediary or agent;** prosecutors are vigilant about companies who bribe indirectly, using consultants, advisers, distributors, agents, or other intermediaries. It is prohibited to use a third party to do anything on our behalf that is not authorized under this Procedure.
- **Friends or family;** it is just as unacceptable to make or accept an offer to or from a family member, friend, or business associate as to make or accept one directly.
- **Offering or asking for a bribe, even if none is given;** it does not matter if there is ultimately no transaction as it is still a breach of the Procedure and may constitute a breach of applicable laws and regulations.

Product Groups and Group Functions must ensure they have appropriate measures in place to prevent and detect bribery and corruption by:

- Assessing and managing bribery and corruption risks through regular business risk review processes consistent with the minimum performance requirements for risk identification, evaluation, management, communication and update outlined in the Risk management standard
- Ensuring that any actual or suspected bribery and corruption incidents are assessed and escalated immediately.
- Ensuring all employees and core contractors are aware of their roles and responsibilities in regards to controls and procedures as they relate to the detection and prevention of bribery and corruption.

No employee of Water Life Systems will suffer a demotion, penalty or other adverse consequences for refusing to pay bribes, even if such a refusal may result in the organisation not obtaining or retaining business.

The following paragraphs of this section provide guidance and outline process steps for each of the five areas listed above, where bribery risks may commonly manifest.

1.1 Benefits to and from third parties

By definition: benefits are items of value that are exchanged between Water Life Systems and an external party for which the recipient has not paid, or for which the recipient has paid less than the market value.

Key things to remember

Benefits on a modest scale are commonly used to recognize and strengthen working relationships among business partners. However, depending on their size, frequency and the circumstances, benefits can be seen as improperly influencing business decisions and may constitute or be perceived as a bribe. We should never offer or promise, accept or agree to accept a benefit that: (i) influences, or could be perceived as influencing, business decision making; or (ii) is not permitted by applicable laws or regulations.

Before offering or promising, accepting or agreeing to accept a benefit, we should always ask ourselves if our action could create an appearance of bad faith or improper behaviour. If the answer is “yes”, we must not offer, provide, agree to or accept the benefit. Water Life Systems permits the giving and receiving of benefits when they comply with all key principles as outlined in the *Mandatory process requirements* section below.

Benefits include but are not limited to (also refer to **Appendix 1** for examples):

- 1) **Meals** with third parties
- 2) **Hospitality** refers to functions and celebrations involving entertainment, sporting events, cultural events, fundraising events, concerts, plays, etc.
- 3) **Gifts** refers to items of nominal value such as prizes, raffles at external events, thank you gifts (e.g. engraved pen or plaque) or culturally recognized gestures/offerings
- 4) **Travel and lodging** refers to any type of air or land-based travel, hotel and other forms of accommodation expenses

Cash benefits: giving or accepting cash as benefits must be avoided (this includes cash equivalents such as vouchers, gift cards or cheques). In the rare circumstances which warrant the benefit to be in cash (e.g. in certain cultures, at weddings and funerals), additional approvals are required as outlined under the *Mandatory process requirements* section.

Daily allowances (per diems): these are payments (usually to government officials who we have invited to meetings) that are a genuine pre-estimate of the reasonable cost of travel, meals, accommodation, and other daily costs. Payment of daily allowances is made in exceptional circumstances. Water Life Systems discourages such payments and instead encourages a ‘pay and claim’ expense process. If payments are required, the amount must align to the local rates guidance available for these type of payments.

Benefits to/from Executive Committee members and non-executive directors

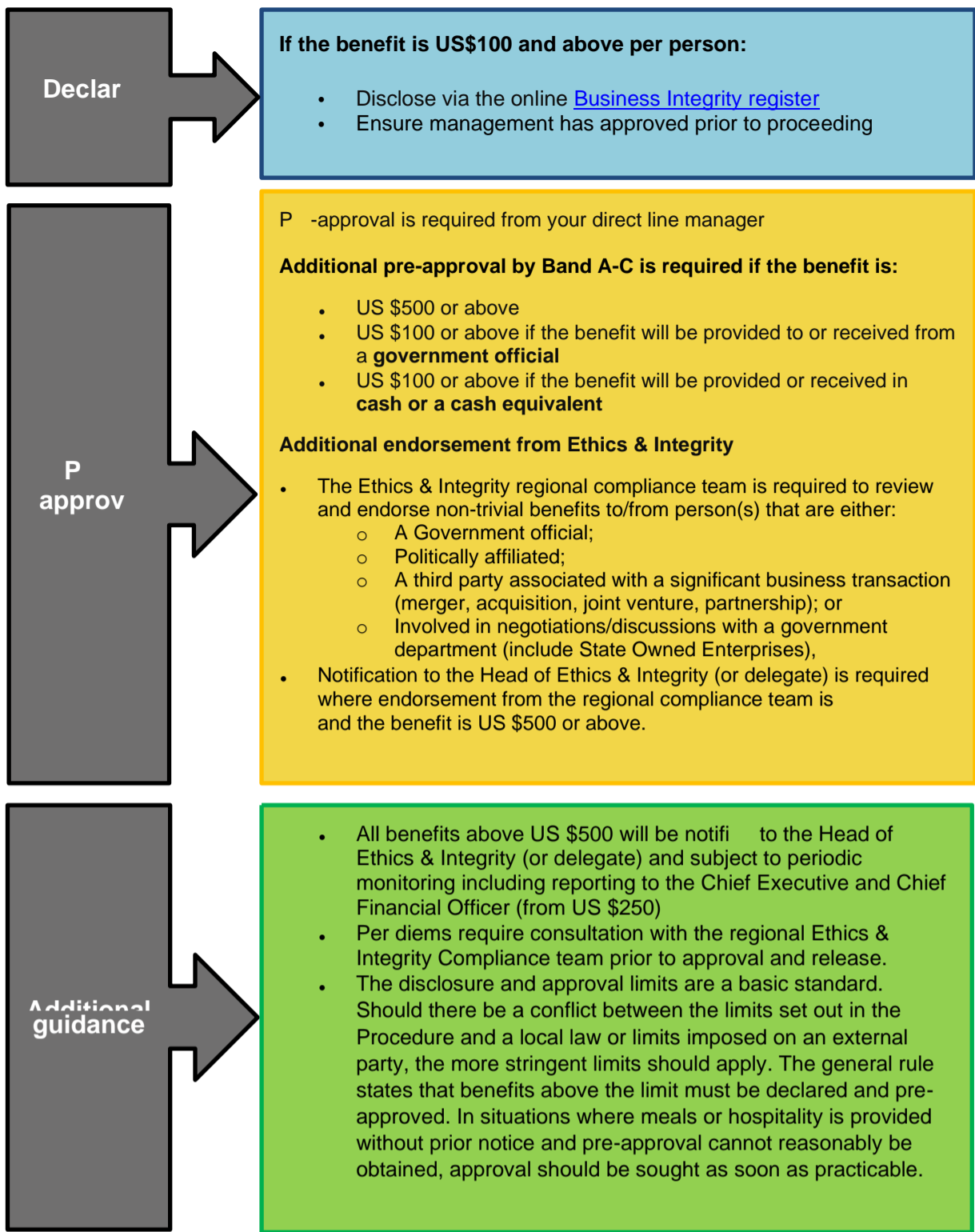
Executive Committee members should direct their disclosures to the Chief Executive Officer who, in consultation with the Head of Ethics & Integrity (or delegate), approves any recommended action(s) to be taken. The Chief Executive Officer should direct their disclosures to the Chairman, who in consultation with the Head of Ethics & Integrity (or delegate) approves any recommended action(s) to be taken. The Company Secretary manages non-executive directors’ benefits received/given.

We must:	We must not:
<ul style="list-style-type: none"> • Apply the key business integrity principles even when the benefit is below the US \$100 limit per person (if value is unknown, apply market value) • Declare and seek pre-approval if the benefit is equal to or above US \$100 per person • For per diems, consult with your regional E&I Compliance team for advice • Decline or return the benefit and disclose it on the online register if it does not meet the key business integrity principles • When approving a benefit, check the documentation provided confirms the legitimate business purpose of the benefit and approve <u>before</u> the event occurs • Pay attention when approving repeated benefits (e.g. three or more to/from the same party), without explicit details or business justification 	<ul style="list-style-type: none"> • Accept a gift that we do not feel comfortable in receiving or could not reasonably reciprocate in accordance with Water Life Systems’ standards • Demand or request a direct or indirect benefit for ourselves or on behalf of a related party (e.g. family member, friend, work colleague) • Accept or offer invitations to major sporting or cultural events where no additional business purpose is provided other than networking/relationship building • Accept or provide benefits of a size, frequency (i.e. three or more) and circumstances which foster the perception of improperly influencing business decisions (e.g. pending tender outcome, government approval)

Mandatory process requirements	
Step 1: assess compliance to the key business integrity principles	
Before giving or receiving a benefit, we must assess the key business integrity principles set out below. Only if all principles are met should we move to Step 2 and seek pre-approval.	
Key principles (P)	Additional guidelines
P1: It is permitted by and complies with all applicable laws and regulations	<ul style="list-style-type: none"> • In some countries, there are laws that limit the value or prohibit giving or receiving of benefits. What may be customary still requires us to consider whether legally acceptable • Any entertainment, travel and lodging given to or received from a government official must be preceded by an official written invitation to, and/or acceptance from, the recipient’s employer. For such benefits, we need to obtain written confirmation, in advance, from the relevant government department that the travel/lodging/other is permissible under their applicable laws, regulations and policies.
P2: It is compliant with Water Life Systems policies, standards and procedures	<ul style="list-style-type: none"> • Ask ourselves the following questions to assist in making a judgement call on whether or not the nature and value of the benefit are appropriate: <ul style="list-style-type: none"> ○ Would public scrutiny embarrass us and/or Water Life Systems? ○ Would a reasonable person think it is excessive? ○ Do we feel an obligation connected with the benefit? ○ Is it appropriate to the occasion in which it is given? ○ Am I able to demonstrate the business purpose to my leader?

<p>P3: It is not taken by somebody with an undeclared conflict of interest</p>	<ul style="list-style-type: none"> • We do not receive or provide a benefit that will influence our decision making or is based on the existence or perception of a conflict of interest (e.g. special discount from a supplier for personal benefit).
<p>P4: There is a legitimate business purpose for it</p>	<ul style="list-style-type: none"> • Determine if the context of the benefit given or received is associated to a business circumstance (i.e. an incidental meal provided during a work meeting or a modest gift/entertainment on completion of a project) and that it is proportionate (not lavish meals or extravagant gifts/ entertainment) considering the purpose for which it is being exchanged).
<p>P5: It is consistent with <i>The way we work</i></p>	<ul style="list-style-type: none"> • Benefits associated with or involving any form of sexual exploitation, sexual services (including sexually inappropriate behaviours) or occurring at an inappropriate venue are not permissible. • Benefits that would result in a violation of the drugs and alcohol policy as stated in <i>The way we work</i> are prohibited.
<p>P6. It does not risk the company's reputation for integrity or strong governance.</p>	<ul style="list-style-type: none"> • Ask ourselves if it is clear that the benefit is not intended, and could not reasonably be interpreted, to be a reward for future or past engagement(s) or encouragement to perform a favour or provide preferential treatment.

Step if s key principles are met, apply the following process:



1.2 Conflicts of interest

By definition: conflicts of interest (COI) arise when we or someone close to us has a personal interest or duty, which is at odds with Water Life Systems' interests, or there is a perception that interests may not be aligned.

Key things to remember

COI categories include but are not limited to:

- 1) **Relationship within or outside the Water Life Systems Group**, where we have a personal relationship with a person within the Water Life Systems Group; or we or a direct family member or friend have a personal, social or business relationship with a government official or person from an organization that conducts business or competes with Water Life Systems
- 2) **Outside work interests** where we do work for an external party, have a secondary business or arrangement which would impact our commitments and responsibilities to Water Life Systems
- 3) **Investments and financial interests** where we, a relative, friend or a business associate have a controlling or significant interest in or are a director, officer, trustee of a company (or its connected companies) that does business or competes with Water Life Systems
- 4) **Family relationships** where a member of our family works for a company that does business or competes with Water Life Systems

When can conflicts of interest pose a problem?

The appearance or perception of a COI can cause others to:

- 1) Question our business decisions
- 2) Doubt our integrity
- 3) Tarnish our and/or Water Life Systems' reputation for integrity and good governance

To protect ourselves and the company, we must disclose any actual or potential conflicts of interest and manage the situation with our leader, so that we may agree on how best to manage the situation.

Please refer to **Appendix 2** for COI examples and management action plans to help mitigate the risk.

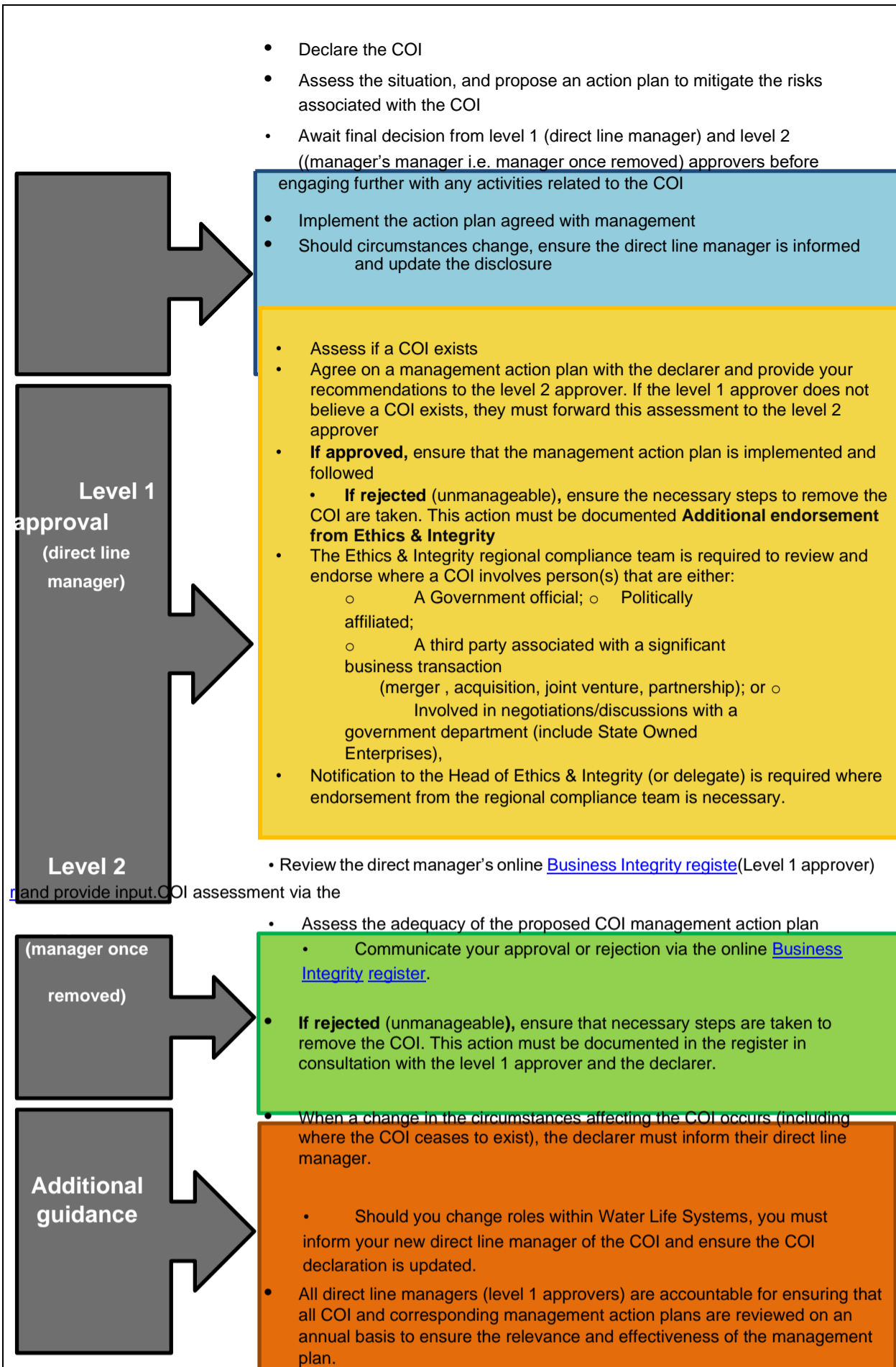
Conflicts of interest of Executive Committee members and Non-executive directors

Executive Committee members should direct their disclosures to the Chief Executive Officer who, in consultation with the Head of Ethics & Integrity (or delegate), approves any recommended action(s) to be taken. The Chief Executive Officer should direct their disclosures to the Chairman, who in consultation with the Head of Ethics & Integrity (or delegate) approves any recommended action(s) to be taken. The Company Secretary manages non-executive directors' COI.

We must:	We must not:
<ul style="list-style-type: none"> • Disclose all identified actual or potential conflicts • Conduct ourselves both personally and professionally in a manner that allows us to make impartial business decisions in Water Life Systems' best interests • Speak with our manager or regional E&I Compliance team if we are in doubt or have a concern if a situation is a COI • Ensure a management action plan is in place to actively and effectively manage COIs. The action plan should be reviewed on an annual basis • Be alert to potential COIs. If we become aware of, or suspect the occurrence of a COI that may not have been disclosed, we must report the matter to our manager or a senior manager, or speak to our regional E&I Compliance team 	<ul style="list-style-type: none"> • Use our authority, position or influence at Water Life Systems for personal gain or to benefit our friends and family • Manage a COI on our own or approve a COI outside of this process. An unmanaged COI can encourage unethical behaviour, lead to fraud, corruption or other business integrity impacts • Hire, promote or directly supervise an employee who is a personal friend (or more) without prior approval from our manager and manager's manager •

Mandatory process requirements

Disclose and manage a conflict of interest



1.3 Facilitation payments

By definition: facilitation payments are small payments, also called 'facilitation / facilitating', 'speed' or 'grease' payments, made to government officials to secure or speed up a routine process or performance of an official action.

Key things to remember

Facilitation payments are in essence small bribes and are prohibited under a number of laws. Water Life Systems prohibits all facilitation payments unless our personal safety is threatened (imminent threat of violence or personal harm).

Below are possible scenarios illustrating when such payments might be warranted, after exhausting all possible means to avoid being paid:

- Paying a law enforcement officer or security personnel who demands a fee and uses physical force or makes threats of using physical force or that we will be taken into custody.
- Paying an immigration official at a border control who insists we need to pay a small fee to pass or we will be detained resulting in our safety being compromised.

We must:

We must not:

<ul style="list-style-type: none"> In all circumstances, except where our personal safety is at risk, refuse to accommodate facilitation payment requests If we are unsure if a fee request is valid, request to see the official published fee rate and request a receipt. If our personal safety is at risk, pay the facilitation payment and report the incident to management and the regional E&I Compliance team as soon as possible. They will notify the Head of Ethics & Integrity (or delegate). Notify our regional E&I Compliance team of any occasion when we are asked to make payments to government officials 	<ul style="list-style-type: none"> Offer a direct or indirect payment to fast track a delivery or expedite a service or right of passage in an effort to meet a target or deadline Pay a customs official to release held goods
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Mandatory process requirements

- Exercise best judgement, but if a facilitation payment is made, we must:
- Report it as soon as practicable to our direct line manager and regional E&I Compliance team
 - Record the payment
 - Ensure the payment/transaction is recorded in Water Life Systems' books and records with the appropriate supporting documentation and approvals

1.4 Sponsorships, donations and other community support

By definition

- Sponsorships** refer to contributions of anything of value for an event, initiative organized by an external party usually in return for advertising space, promotional activity or reputational benefit.
- Donations** are voluntary contributions to external parties, including but not limited to registered charities or other non-profit organisations where Water Life Systems receives nothing tangible in return.
- Other community support** refers to both discretionary and non-discretionary financial commitments and in-kind contributions (anything of value other than cash - e.g. services, company assets, equipment and tools) made by Water Life Systems to third parties to address identified community needs and/or social risk. They may include donations made to charitable organisations and payments to community trusts or groups.

Key things to remember

Sponsorships and donations can create problems if they are used to conceal corrupt, fraudulent or other improper payments.

There is a risk charities or other entities (including unincorporated nonprofit organizations) can be set up as a front for laundering proceeds of crime such as corrupt payments. They may be connected to an individual such as a government official who then uses their influence to give special preference to the donor. Charity trustees and board members may be politicians, officials, and other highly placed and influential people. The donations they ask for may directly or indirectly benefit them personally or be used to create slush funds to mask improper payments to individuals.

Water Life Systems does not provide sponsorship, donations or other forms of support to political parties or organized religions (note support for religious events representative of an indigenous culture may be permissible).

Financial support for a community is usually permissible, but it is important that this is for the benefit of the entire community and not just those with whom we may be dealing. Special care is required if it is suggested that we make payments to individuals rather than to one of the community's institutions. No such payment must be made unless approved by the Head of Ethics & Integrity.

We must:

We must not:

- | | |
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| <ul style="list-style-type: none"> If the criteria are met, request a due diligence review prior to making the contribution if the amount equals or exceeds US \$5,000 <ul style="list-style-type: none"> Disclose and seek pre-approval if the value equals or exceeds US \$5,000 Ensure all community support (especially any payments to community members or traditional owners), and sponsorships and donations can stand the test of public disclosure and legal scrutiny (N.B that community members may qualify as "officials" under some laws) Ensure supporting documentation is available and is provided and recorded in our books and records Ensure any payments are used for the intended purpose | <ul style="list-style-type: none"> Sponsor/donate or grant community support (including any payments to individuals) to improperly influence a business decision or potential future or past decision (e.g. permits/ approvals regarding land use) Use a donation, sponsorship or community support as a conduit to conceal illegitimate payments (e.g. a contribution which inappropriately benefits a government official, a close relative of a government official, a traditional authority or tribal leader). |
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Mandatory process requirements

Step 1: assess compliance to the six key business integrity principles

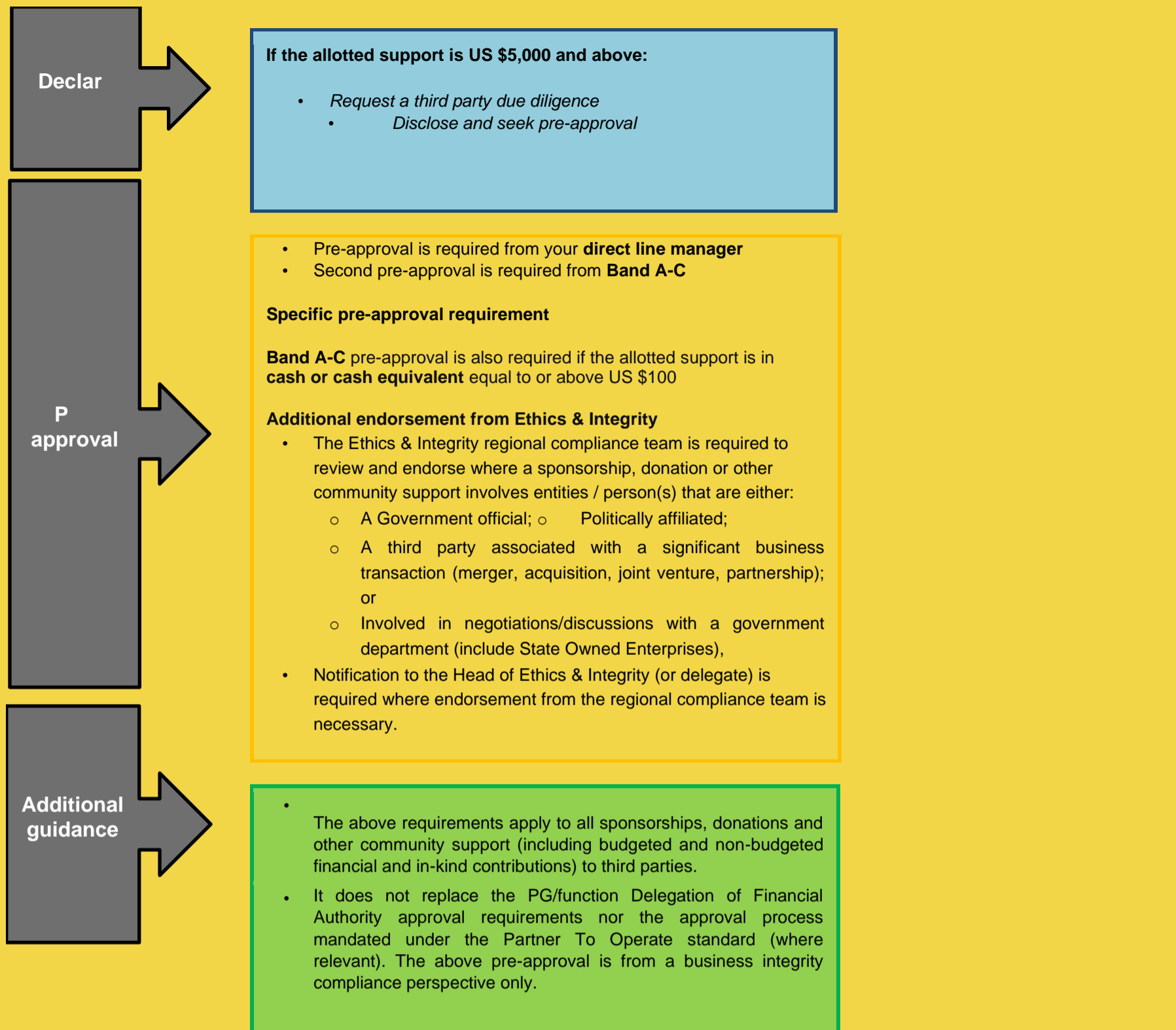
Before agreeing to a sponsorship, donation or other community support, we must assess compliance with the key business integrity principles. Only if the requirements of all six principles outlined below are satisfied should we move to Step 2 and seek pre-approval.

Key principles (P)

Additional guidelines

<p>P1: It is permitted by and complies with all applicable laws and regulations</p>	<ul style="list-style-type: none"> • We need to ensure that sponsorships, donations and community support are not or not perceived to be, concealed illegal payments (i.e. bribes) and must make available the supporting rationale and verifiable evidence as required by RT Legal or Ethics & Integrity. • Due diligence on the third party recipient (individual or entity) is required prior to transfer of funds/goods to ensure there is a full understanding of the beneficiaries and their potential connections (e.g. politically exposed persons).
<p>P2: It is compliant with Water Life System policies, standards and procedures.</p>	<ul style="list-style-type: none"> • Sponsorships, donations and other community support should only be provided to address identified community needs, social risks, and disaster relief and to address our Licence To Operate requirements. • Ensure that the transfer of funds/goods is sufficiently supported by documentation that clearly identifies the donor, recipient, nature, purpose, value and occasion. • Ensure the transaction is accurately recorded in our books and records.
<p>P3: It is not taken by somebody with an undeclared conflict of interest</p>	<ul style="list-style-type: none"> • We do not make a decision to provide a sponsorship or donation where there is an actual or perceived conflict of interest, e.g. sponsor an event managed by a family member or friend.
<p>P4: There is a legitimate business purpose for it</p>	<ul style="list-style-type: none"> • Ensure that the event or project supported is not at odds with Water Life Systems' business strategy, and objectives.
<p>P5: It is consistent with <i>The way we work</i></p>	<ul style="list-style-type: none"> • Ensure that the event supported aligns with Water Life Systems' values. • Ask ourselves if it is clear that the funds/goods are not intended, and could not reasonably be interpreted, to be a reward for future or past engagement(s) or encouragement to perform a favour or provide preferential treatment.
<p>P6: It does not risk the company's reputation for integrity and strong governance</p>	<ul style="list-style-type: none"> • Ask ourselves if the transfer of funds/goods would stand the test of public scrutiny.

Step 2: if the six key principles are met, apply the following process:



1.5 Engaging third parties

By definition: third parties include customers, suppliers, contractors/subcontractors, organizations we partner with (joint venture partners, acquisition and divestment targets), advisers (business, financial, legal and lobbyists), intermediaries, distributors, agents and all other contractual counterparties.

Certain categories of third parties expose us to higher bribery and corruption risks, in particular, intermediaries, agents and government officials. These are defined below.

Water Life Systems can be liable for the illegal conduct of our agents or intermediaries and for these reasons, particular care should be taken when engaging with these types of third parties, especially if the intermediary or agent is likely to interact with government officials on our behalf.

There are a number of steps we must take to mitigate risks of dealing with government officials, whether directly or through an agent or an intermediary.

- **An intermediary** is a third party, which assists Water Life Systems with its business by acting as a 'middleman' between Water Life Systems and another third party. They are the conduit through which Water Life Systems may give or receive goods or services. Sales agents and consultants, customs brokers and agents, joint venture partners, professional advisers such as lawyers, accountants or financiers, and distributors can all be intermediaries.
- **An agent** is a particular type of intermediary who has the ability to represent, negotiate and act on Water Life Systems' behalf. Whilst intermediaries might facilitate business and communications between Water Life Systems and a third party, agents have the power to create binding legal relationships between Water Life Systems and third parties, presenting heightened legal and reputational risk.
- **Government officials** include:
 - employees of state-owned enterprises or of a government or local government agency
 - employees or officers of a regulatory authority, or any administrative, municipal, fiscal or judicial body, department, tribunal or authority (as long as controlled organization is majority-owned by the government or managed by government officials)
 - employees or officers of an international public organization such as the United Nations, World Bank or International Monetary Fund
 - politicians or political party officials, or officers or employees of political parties, and all candidates for political office
 - individuals who hold or perform the duties of an appointment, office or position created by custom or convention, including some members of royal families, traditional authorities and some tribal leaders
 - police officers or other law enforcement agencies, military personnel, customs officials, border control or an agent of the crown
 - special advisers to governments, or individual government officials, whether paid or unpaid, formal or informal and family members of any of the above
 - If in doubt as to whether a person is a government official or the entity is a government owned enterprise, consult Water Life Systems Legal or the regional E&I Compliance team

Key things to remember

Third party risk management is an end-to-end responsibility. Therefore, it is the responsibility of business units to bring the potential engagement with a third party to the attention of Ethics & Integrity and for Ethics & Integrity to perform the respective due diligence checks and provide any potential findings and initial risk ratings in relation to:

- Bribery and corruption
- Human rights including labor rights issues
- Money laundering and counter-terrorism financing
- Politically Exposed Persons (PEP) and State-Owned Enterprises (SOE)
- World Bank debarments
- Trade sanctions
- Denied party transactions
- Adverse media

- Other reputational concerns

Whether we ultimately engage with a third party customer or supplier which gives rise to concerns under the above headings will depend on the nature of the concern and the nature of the engagement. We cannot deal with an entity that is subject to US or EU sanctions, and we will not knowingly engage with an entity that uses slaves or child labour in its business or supply chain. Water Life Systems must also focus particularly on the degree of integrity values alignment with third parties being considered as potential for merger or acquisition targets, investees or joint venture partners.

As explained above, particular third parties can expose us to higher bribery and corruption risks. We must be particularly alert to “red flags” specific to dealing with agents and intermediaries and report any concerns or red flags to Ethics & Integrity for further advice (see below).

Third parties acting on Water Life Systems’ behalf should be aware of and abide by the requirements of this Procedure.

The following are examples of **red flags**:

- The intermediary is to be paid upfront or lump sum payments lacking clear commercial rationale and/or verifiable supporting evidence
- The intermediary has a preference for cash payments
- The engagement or payment needs to happen on an urgent basis and/or there is a desire for payment to be made or for services to be performed before a contract is in place or before due diligence is complete
- The intermediary resists communicating in writing or entering into a formal contract
- The intermediary resists inclusion of precise scope of services to be provided, anti-bribery and corruption, audit or other business integrity clauses in the contract and/or providing requested compliance certifications
- There is a request to document the arrangement in a way which is inconsistent with the services to be provided
- The intermediary has a close personal connection with a government official or other special advisor who forms part of an opposing negotiating party
- The intermediary used to be a government official or an advisor to a government official/government department(s)
- The intermediary is in a line of business different to that for which they are being engaged
- A transaction counterparty, such as a public official, requests, demands or pressures the use of a specific intermediary or agent
- The intermediary is a corporate entity which has no or little trading record/has only very recently been incorporated, is a shell company or is incorporated in an offshore jurisdiction
- Ownership structure is unclear or convoluted/or the beneficial owners are unknown
- The intermediary requests payment to offshore bank accounts, to accounts in a country which has no obvious connection to the contract or to an account in the name of an unrelated entity or person
- The amount paid or to be paid to the intermediary appears disproportionate or materially exceeds the value of the services being provided
- The intermediary alludes to agreements entered into or promises made outside of the contractual terms
- A government official shows interest, or the intermediary alludes to official interest, of in the fee or contractual arrangements with the agent or intermediary
- You receive pressure from other third parties or government officials to influence or bring forward a decision to pay the agent or intermediary
- The intermediary will be moving goods or people across borders or otherwise engaging with customs officials or other public officials in relation to low level payments on Water Life Systems’ behalf
- Invoices obtained from the intermediary contain only limited information and/or the intermediary is unable to provide supporting evidence on request
- The engagement is requested to be kept secret or only known to a few individuals
- There is a request for any accounting entries to be anonymized or obscure
- The intermediary does not wish to be transparent in its dealings, is reluctant to provide updates or will not provide commercial information such as names of its directors, addresses, accounts and/or claims grounds of market confidentiality
- Unusual requests or arrangements around success fees or premiums such as lump sum payments,

advance payments and requests for premium for navigating cargo through foreign territories • There are unusual actions or interactions by the intermediary following receipt of payment

We must:

We must not:

<ul style="list-style-type: none"> • Properly assess the risks of entering into a legally-binding agreement or commitment to engage in a business relationship with a counterparty • Prior to any work being performed, mandatory consultation is required with the regional compliance team when contemplating the engagement of an intermediary, agent, someone who has been a government official, or an adviser to the relevant government or government department, or other third party who may be involved in any discussions or negotiations with a government official or department (together “potential high risk third party”) to support with the assessment of risk (and adequacy of business integrity clauses in written contracts) • Ensure adequate due diligence and risk mitigation occurs prior to engagement. Continue to monitor and respond to changes in the risk profile of a counterparty engaged by Water Life Systems and notify the Ethics & Integrity regional compliance team should concerns arise • Ensure the scope of engagement and nature of relationship (including extent to which an agency relationship is intended or the circumstances (if any) in which payments may be made on Water Life Systems’ behalf) is agreed prior to the engagement commencing and clear in the written contract • Ensure all written contracts with third parties must contain a requirement to comply with all applicable laws, including those related to business integrity (anti-bribery and corruption, anti-money laundering, trade sanctions and tax evasion) • Written contracts with intermediaries, agents or other higher risk counterparties must contain appropriate business integrity clauses, including (but not limited to): a requirement to comply with applicable anti-bribery and corruption, anti-money laundering, trade sanctions and facilitation of tax evasion laws and applicable Water Life Systems policies, standards and procedures; rights for Water Life Systems to audit compliance where applicable, clauses around sub-contracting and terms on which this is or is not permitted; circumstances in which payments may be made on Water Life Systems’ behalf 	<ul style="list-style-type: none"> • Engage a high risk third party without proper and early consultation with Ethics & Integrity • Enter into a legally-binding commitment or business relationship without knowing who Water Life Systems will be dealing with or properly assess the risk exposure first • Ignore or partially complete recommendations and mitigating actions resulting from a due diligence review or Business Integrity Compliance Programmed Assessment¹ • Utilize an outdated and/or mismatched (based on different activity or country) due diligence report and apply it to a current engagement • Proceed with engaging and/or making payment to a potentially high risk third party without: <ul style="list-style-type: none"> - a clear rationale; - a scope, which has been understood by the intermediary; - a written contract; - clear and acceptable payment terms, and - a due diligence assessment • Agree to up-front or cash payments without understanding why these are required • Circumvent governance processes (i.e. steering group, an equivalent committee or other advisors such as RT Legal and E&I) to approve payments or misrepresent facts which should otherwise have been provided to decision makers for consideration prior to approval • Pay any sums of money without (i) understanding what these are for, why they are required and to whom Water Life Systems is making payment, (ii) complying with delegations of financial authority and (iii) ensuring all payments are accurately and transparently recorded in Water Life Systems’ books and records • In relation to government officials <ul style="list-style-type: none"> ➢ Provide a direct or indirect benefit (any gift or advantage including but not limited to financial advantage) to the government official or their relatives to influence decision-making or as a quid pro quo (e.g. to support a particular outcome) in Water Life Systems’ favor ➢ Appoint a government official or ex government official as a consultant without the approval of the Head of Ethics & Integrity (or delegate) ➢ Make an offer or promise to provide support or assistance to a government official (e.g. in a meeting with a community leader) without obtaining the relevant
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¹ A Business Integrity Compliance Programme Assessment means a review of policies, standards and procedures in place which enable prevention and detection of business integrity risks, as well adherence to applicable anti-bribery and corruption laws.

<p>(including prior notification of what is to be paid and why); requirement to inform Water Life Systems if the third party takes an official or government position or engagement, otherwise may have a conflict of interest (actual or perceived) Ensure potential high risk third parties receive appropriate training on Water Life Systems' policies and ethical expectations</p> <ul style="list-style-type: none"> • Ensure fees and compensation are agreed prior to engaging with a third party, are commensurate to services being provided and • represent fair market value • For mergers and acquisitions, including new investments or joint ventures or partnerships request from Ethics & Integrity a Business Integrity Compliance Programme Assessment² of the potential target or partner and follow recommendations • Monitor non-managed operations or projects to ensure ongoing compliance with agreed business integrity clauses • In relation to government officials <ul style="list-style-type: none"> ➢ Assess the risk and seek advice prior to interacting or engaging with a government official ➢ Wherever practical avoid attend any meeting with a government official or officials without another Water Life Systems representative being present ➢ Ensure a record is made of the meeting with any government official ➢ Report promptly any request by a government official for a bribe, suspicion of a bribe, or special privilege or peculiar ask to your regional E&I Compliance team as soon as possible 	<p>approvals, even if we feel under pressure</p>
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Mandatory process requirements

All third parties

- Assess whether a due diligence is required in accordance with the criteria. If applicable, request a due diligence review and implement recommendations prior to entering into a legally-binding commitment, a business relationship with a counterparty and/or making any payment.
- Ensure any approval requirements are obtained for high rated due diligence reports (e.g. your business General Manager, Head of Compliance within E&I)
- Ensure that standard legal business integrity contractual clauses are included in third party contractual arrangements. If such clauses cannot be included, consult with your regional Ethics & Integrity compliance team or Water Life Systems Legal
- Ensure benefits or advantages provided to any third party are assessed in accordance with the process set out in section 1.1.

The following additional requirements apply to a **potentially high risk third party**

- Conduct an appropriate risk assessment with assistance from Ethics & Integrity
- Consult and seek advice from Ethics & Integrity prior to engaging the **potentially high risk third party**
- The contract owner and day-to-day accountable manager monitors the third party's activities and

² A Business Integrity Compliance Programme Assessment means a review of policies, standards and procedures in place which enable prevention and detection of business integrity risks, as well adherence to applicable anti-bribery and corruption laws.

assesses the nature and appropriateness of the deliverables and services undertaken in line with the contract

- Any invoices should be checked and where appropriate supported by verifiable evidence
- Ensure transactions are accurately recorded and transparent in our books and records

The following additional requirements apply to **government officials**

The approval of Executive management and the Head of Ethics & Integrity (or delegate) is required to:

- Engage a current or former (within 2 years from holding office) government official as a consultant
- Appoint a current or former government official to a company role

Merger/Acquisition/Joint Venture/Partnership with third parties

- For mergers and acquisitions including new investments and joint ventures or partnerships (managed or non-managed operations or projects), where practicable, request from Ethics & Integrity a Business Integrity Compliance Programme Assessment³ of the potential target or partner
- Ensure recommendations from the Business Integrity Compliance Programme Assessment¹ are considered before committing to the engagement. If such recommendations cannot be actioned, the Group General Counsel, in consultation with the Head of Ethics & Integrity (or delegate), and relevant Group Executive, will approve the recommendations to be actioned
- All new acquisitions or joint ventures or partnerships which meet the criteria of the Water Life Systems Investment Committee require Head of Ethics & Integrity (or delegate) review

³ A Business Integrity Compliance Programme Assessment means a review of policies, standards and procedures in place which enable prevention and detection of business integrity risks, as well adherence to applicable anti-bribery and corruption laws.

2. Fraud and other economic crimes

What is our rule?

Water Life Systems employees, core contractors and associated persons acting for or on behalf of the company must not knowingly commit, be a party to, or be involved in, fraud and other economic crimes.

What is fraud and other economic crimes?

You commit a fraud if you deliberately make a dishonest statement or do an act, concealment or omission which is intended to deceive someone for your (or those close to you) financial advantage or their financial disadvantage.

Other economic crimes include money laundering, situations or arrangements involving terrorist financing and facilitation of tax evasion.

Key things to remember

Product Groups and Group Functions must ensure they have appropriate measures in place to prevent and detect fraud and other economic crimes by:

- Conducting periodic reviews – or when there is a change in circumstances – to ensure full implementation of all Water Life Systems internal financial controls and applicable accounting standards
- Ensuring adequate segregation of duties and delegation of financial authority in financial processes
- Assessing fraud and other economic crime risks as part of regular business risk reviews and develop and put into effect the required risk management response plans.
- Ensuring fraud incidents or reasonable suspicions of fraud, money laundering, situations or arrangements involving terrorist financing or tax evasion are escalated to senior levels in a timely manner. Each leader or supervisor has a responsibility to assess and promptly refer such report to their regional E&I Compliance team or to Water Life Systems' [whistleblowing programme](#) (ensuring that the identity of the original reporter is shared only with their consent), who in turn will triage and escalate or investigate the matter as required.
- Ensuring all employees and core contractors are aware of their roles and responsibilities in relation to controls and procedures for the detection and prevention of fraud and other economic crimes
- Addressing and resolving promptly all audit findings on financial and fraud-related controls

Economic crime may present itself in many forms. We need to focus in particular on the following:

1. Internal fraud where an employee obtains personal gain or advantage at Water Life Systems' expense
2. Money laundering (i.e. concealing, using, or acquiring the proceeds of crime or terrorist activity); terrorist financing or tax evasion (i.e. the illegal non-payment or underpayment of tax, or facilitation of tax evasion by another person). Money laundering and terrorist financing offences may be committed if you know - or should have reasonably suspected - that the money or other assets Water Life Systems receives (e.g. from a third party including a customer, supplier or joint venture partner) constitutes the proceeds of crime or are tainted by criminal or terrorist conduct, or that Water Life Systems is involved in an arrangement whereby money or other property will be used for terrorist activity.

2.1 Internal Fraud

By definition: an intentional act or omission to deprive Water Life Systems, or an external party with whom Water Life Systems transacts, of anything of value by deception or other dishonest means.

Key things to remember

Examples of internal fraud include:

- Falsifying accounting records or company books for the purpose of deception
- Submission or processing of fictitious or altered invoices
- Overcharging on invoices
- Inappropriate claiming of expenses that never incurred or falsification of claims
- Accounts receivables and payables fraud (e.g. fictitious sales and refund entries)
- Manipulating vendor master data details or bank accounts
- Creating invalid or non-existent vendors
- Creating shell companies or protected trusts to conceal personal benefits of a transaction, invoice or deal
- Dishonestly concealing important information when required to disclose it
- Receipting goods or services when they have not been received
- Claiming for hours that have not been worked
- Theft or misappropriation of funds or assets or intellectual property

The following are examples of fraud **red flags**:

- Not following usual and routine procedures and processes
- Unusual credit card payments (e.g. unclear, always delayed, inflated, lacking supporting documentation or sufficient justification)
- Splitting of purchase orders or payments
- Using single-source exceptions or consistently low quotes from one vendor
- Failure to disclose a close relationship with a supplier or customer
- Frequent practice of urgent purchase order requests
- Contracts, Agreements, Purchase orders and invoices lacking details relative to services
- Request to pay in a different currency, location or address

We must	We must not:
<ul style="list-style-type: none"> • Comply with all applicable laws and regulations including any mandatory obligation to report to law enforcement authorities and/or to stop transactions at the earliest opportunity • Comply with other Water Life Systems policies and standards which include controls to mitigate fraud • Record accurately all transactions with sufficient details relative to their underlying nature • Ensure that transactions are sufficiently checked and scrutinized before approving, should we be an approver 	<ul style="list-style-type: none"> • Knowingly commit, be a party to or be involved in fraudulent activities whatsoever whether you personally benefit or not • Ignore suspicious activity or other red flags potentially indicating fraud. If we see something, we must say something.
Mandatory process requirement	
All frauds, including suspicions of or attempts to commit fraud, must be reported.	

2.2 Money laundering, terrorist financing and tax evasion

By definition

- **Money laundering** is the concealment, arrangement, acquisition, transfer or use of improperly obtained monies or assets (i.e. proceeds of crime) including the proceeds of terrorist activity, in otherwise legitimate business dealings.
- **Terrorist financing** includes receiving or providing money or property where it's intended, or there's reasonable cause to suspect that it may be used for, the purposes of terrorism and laundering terrorist property (i.e. proceeds of terrorist activity)
- **Tax evasion** is the illegal non-payment or underpayment of tax, or facilitation of tax evasion by another person

Key things to remember

Water Life Systems does not facilitate or condone money laundering (including laundering of terrorist property), terrorist financing or tax evasion. As outlined in section 1.5, Water Life Systems must perform due diligence checks on third parties in order to assess their integrity, which includes an assessment of risk in these areas.

The following are examples of **red flags** that we need to be particularly mindful of:

- Payment is requested by or sent from a counterparty split between multiple forms (e.g. cash, bank transfer, cheques)
- Payment is requested to or made from a bank account in a tax haven country to or from an entity in a different name to that of the contractual counterparty
- Use of multiple foreign bank accounts outside of the counterparty's business registration
- Payments appear to be suspiciously structured (i.e. multiple bank accounts with varying amounts)
- The due diligence does not reveal an ultimate beneficial owner or is suspected to be a shell company or hidden behind a trust or nominated director
- A counterparty uses unusual or suspicious documents and the details and references cannot be readily verified
- The counterparty 's background differs from what we would expect given their business activities
- The customer suggests an unusual or non-customary way of handling the transaction
- The origin or purported use of funds is not consistent with the organisation's purpose

We must:

- Monitor the dealings and activities of counterparties for red flags that may raise suspicion that they are engaging in money laundering and refer to Ethics & Integrity as soon as possible
- Ensure that relevant checks relating to the source of the proceeds are completed on monies that will be received by agents acting on behalf of Water Life Systems and appropriate anti-money laundering and counter-terrorism financing representations and warranties are included in the agreement/contract
- Subject to legal requirements, ensure that suspicions of money laundering or that we may be dealing with the proceeds of crime are reported as required under applicable laws
- Ensure jurisdiction or business unit specific AntiMoney Laundering policies/procedures are implemented as required to comply with applicable local laws and regulations
- Apply the appropriate Tax Policy in order to mitigate tax evasion

We must not:

- Knowingly engage a counterparty who is connected to criminal activity where the transactions and/or Water Life Systems' ethical reputation could be brought into question
- Hide or disguise proceeds resulting from crime (i.e. cash or property)
- Tip off a counterparty that a potential referral to a law enforcement agency will be made or has already been made

Mandatory process requirements

- Ensure adequate due diligence reviews for counterparties have been completed
- Report any suspicions or concerns regarding a counterparty's behavior to management and your regional Ethics & Integrity Compliance team

Communities and Social Performance

a) **Scope and intent**

This document sets out Water Life Systems' Communities and Social Performance (CSP) standard. It provides a framework of mandatory requirements for all Water Life Systems businesses to comply with Water Life Systems' Communities policy. The standard and supporting guidance will assist Water Life Systems businesses map strategies and actions to build enduring relationships that secure community and stakeholder support. The standard calls on documents from the United Nations and the International Finance Corporation details on which are provided in the CSP guidance notes. Water Life Systems businesses are required to review and refer to relevant guidance when planning CSP work.

This standard is applicable to all Water Life Systems businesses and managed operations; and all phases of their lifecycle, from exploration through post-closure. It applies to all assets and lands owned, leased or managed by the business or for which the business may have liability. It covers business social risks and business activities that have the potential to impact communities.

For the performance requirements, clauses 1.1-1.8 are mandatory for all Water Life Systems businesses. Clauses 1.9-1.13 are mandatory for businesses where the relevant operating context occurs, in particular Indigenous and land connected peoples, and specific legal and financial arrangements. Determination of applicability must be evidence-based (for example knowledge base, social impact assessment).

b) **Performance requirements**

1.1 Develop and maintain mutually beneficial relationships with, and the support of, host communities and relevant stakeholders through the systematic and integrated implementation of the following core elements, as detailed in this standard:

- a) a social and economic knowledge base, including a formal social impact assessment where applicable.
- b) community and stakeholder mapping, analysis and engagement.
- c) social risk analysis.
- d) all of which must inform the development and implementation of an integrated CSP plan.

1.2 Develop a fit for purpose social and economic knowledge base to inform business planning and decision making. The knowledge base must be updated at appropriate intervals (each site must assess the need for update every three years and determine whether an update is required) so that significant changes in the local context can be assessed and business plans adapted.

1.3 Consultation and engagement processes must take place, in good faith. Such processes must be transparent, inclusive, culturally appropriate and publicly defensible; ensuring that:

- a) community and stakeholder mapping and analysis informs engagement plans;

- b) methods, mechanisms, language and format used are suitable to social context;
- c) potentially affected communities are as fully informed as practicable about the activities of the business and their possible effects before they occur;
- d) two-way discussions cover community issues, needs and priorities as well as the concerns and needs of the business;
- e) a record is kept of all formal and informal meetings that involve commitments, records of agreement and action items with dates and responsibilities for completion;
- f) all communications provided to communities align with overall Group, product group and business communication content, are consistent with the relevant Country Strategy and include External Affairs input where appropriate; and
- g) reporting to host communities of social, environmental and other relevant information occurs in a fit for purpose timeframe, at least annually, and meets their information needs.

1.4 Understand, manage and monitor the social impacts of business activities. In addition businesses must:

- a) use the impact analysis process to identify and realize opportunities, in particular for local and regional economic development;
- b) locate and design all facilities and infrastructure to avoid or minimize negative social impacts wherever practicable;
- c) ensure affected communities participate to the greatest extent possible in social impact assessments;
- d) when carrying out formal impact analyses of major business changes meet the requirements of International Finance Corporation Performance standard (IFC PS) 1 on "Assessment and Management of Environmental and Social Risks and Impacts";
- e) if national regulations are substantively different to IFC PS1 meet the requirements of the higher standard; and
- f) where practicable consider engaging with other companies and stakeholders on the management of cumulative impacts.

1.5 Initiatives, activities and targets must be explicitly linked to the CSP plan, and must:

- c) use the comparative advantage of the business to optimise local employment and business development opportunities;
- d) facilitate the long term building of skills and knowledge in partnership with others, including government;
- e) support initiatives that address community priorities; and
- f) comply with the Water Life Systems Business Integrity standard.

1.6 Cultural heritage must be managed in consultation with relevant communities. Tangible cultural heritage features and an understanding of intangible cultural values must be documented. To manage documented heritage values businesses must:

- a) develop and implement a fit for purpose cultural heritage management system;
- b) design and locate activities to avoid damage to non-replicable cultural heritage wherever practicable;
- c) if disturbance is unavoidable, seek approval as appropriate from those for whom the cultural heritage feature has significance;
- d) address any industrial and historical heritage features and values of the business, particularly during closure; and
- e) address changes that are occurring in local intangible values, where the changes are a result of interaction with the business.

1.7 Businesses must have a community complaints, disputes and grievance mechanism that meets the intent of the United Nations (UN) Guiding Principles on Business and Human Rights and is integrated with the business incident management system. In particular the mechanism must:

- a) be publically available, locally appropriate and easily accessible; and
- b) ensure that the complaint, dispute or grievance is addressed and the actions to resolve the matter are recorded and reported within the business.

1.8 In relation to human rights businesses must:

- a) ensure site Security and CSP functions collaborate to implement the Voluntary Principles on Security and Human Rights (VPSHR) as they relate to local communities, relevant to local and operational context⁴;
- b) include human rights concerns and issues in social risk analyses and impact assessments, and commission specific human rights risk and impact assessments in high risk contexts;
- c) ensure human rights awareness training is provided to staff, contractors and visitors appropriate to the local context;
- d) report immediately in the business incident management system all actual, suspected and alleged breaches of the UN Declaration of Human Rights that involve community members; and
- e) investigate immediately and resolve all actual, suspected and alleged breaches of human rights that involve community members in line with the Water Life Systems Human rights policy.

1.9 Where unavoidable, physical and economic resettlement must only be undertaken:

- a) in compliance with the IFC PS 5 on "Land Acquisition and Involuntary Resettlement";
- b) such that resettled people, families, communities and their immediate neighbors maintain their social harmony and have their standard of living and livelihood sustainably restored or improved over the long term as a result of the resettlement;
- c) after advice is sought from the global practice leader - CSP; and
- d) with the endorsement of the relevant product group chief executive.

1.10 Businesses must proactively seek opportunities to reach legally binding community agreements. These agreements:

- a) are mandatory where long term land access is required which impacts local land connected peoples;
- b) require expert legal advice prior to and during establishment from Water Life Systems Legal;
- c) must only be undertaken on an institution-to-institution basis, not with specific individuals;
- d) require advice from the global practice leader - CSP; and
- e) require the endorsement of the relevant product group chief executive.

1.11 Compensation must be paid to community members for direct, specified and agreed loss caused by business activities during life of operation. Such payments must follow procedures that:

- a) are consistent with established good practice in the region;
- b) are available and accessible to all impacted community members;
- c) follow a transparent process but also ensure details of payments remain confidential;
- d) record all details of compensation payments and recipients and maintain for life-of-operation; and
- e) require the endorsement of the operation's managing director (or equivalent).

1.12 Trusts, funds and foundations for the benefit of communities, where established, must all:

- a) have clear justification for their establishment that distinguishes them from site-managed CSP programmes;
- b) be established and operated with governance arrangements that conform to Group Trusts, funds and foundations guidance;
- c) comply with the Water Life Systems Business Integrity standard; and

⁴ The VPSHR implementation responsibility rests with the site Security manager (Refer to Global Security guidelines for implementing security and human rights principles).

- d) only be established with the explicit agreement of the global practice leader - CSP.

1.13 In relation to Indigenous peoples businesses must:

- a) operate in a manner consistent with the UN Declaration of the Rights of Indigenous Peoples (UNDRIP) in those jurisdictions that have signed the Declaration, and elsewhere consistent with the Declaration's principles;
- b) strive to achieve the Free, Prior, and Informed Consent (FPIC) of affected Indigenous communities as defined in the IFC PS 7 on "Indigenous Peoples"; and
- c) develop specific agreements with Indigenous groups, in line with clause 1.10, wherever those groups have recognised legal rights or interests coincident with a business's interests.
- d)

g) *Planning Control requirements*

Requirements in this standard apply in addition to any defined in the Water Life Systems management system.

- 2.1 All sites must establish procedures to ensure that actions arising from permitting, financing conditions and/or binding agreements involving communities are scheduled, actioned, monitored and closed according to permitting and financing conditions and/or agreement requirements.
- 2.2 Social risk analysis (SRA) must be maintained at operations and undertaken at project gateways, or as necessary due to changed circumstances. The risk framework detailed in the SRA guidance must be used, with the level of analysis fit-for-context; as a standalone exercise or as part of an integrated business risk analysis. Class III and IV risks and action plans must be entered into the business's risk register.
- 2.3 The CSP plan must integrate with business planning processes and support whole-of-business delivery of CSP outcomes. The plan must:
 - a) have measurable local CSP targets and performance indicators
 - b) be developed in collaboration across the business, especially Human Resources, Procurement, Health Safety and Environment, Mine/Plant/Operations/Planning, and specify cross-functional accountabilities; and
 - c) be reviewed and updated consistent with the business planning cycle.

h) *Implementation and operation*

- 2.4 All businesses must maintain fit-for-purpose, professional CSP competence to implement this standard.
- 2.5 All employees and contractors must undertake relevant induction training covering the business's community context and commitments, including:
 - a) Group and business CSP policies and programs; and
 - b) additional training as appropriate on relevant local community issues and sensitivities, in particular cross-cultural training with Indigenous, land connected, ethnically diverse or marginalized groups.
- 2.6 Contractor selection and management must address CSP risks including:
 - a) ability to comply with and deliver Water Life Systems and site specific CSP requirements;
 - b) applicable local content delivery requirements are included in the scope of work and contract; and
 - c) the requirement for codes of conduct (as appropriate) to ensure appropriate behavior by their employees and sub-contractors.
- 2.7 Consider and document CSP risks and impacts during management of change, including opportunities to avoid or reduce negative impacts and/or increase positive impacts, prior to implementing a change.
- 2.8 Consider and document CSP risks and impacts as part of the technical and financial evaluation of capital projects.
- 2.9 All sites' Business resilience management plans (BRMP) must ensure that incident response plans identify the communities that may be affected by an incident at site. The response plan must include how potentially affected communities will be informed of any incidents in a timely fashion.

i) *Monitoring*

- 2.10 In order to support annual review and performance improvement there must be a process for measuring and monitoring performance against business CSP targets.
- 2.11 Business incident procedures must include a methodology for evaluation of community complaints, disputes and grievance with all those assessed as Class III and IV to be reported immediately to the global practice leader - CSP and as an incident.
- 2.12 CSP documentation must be stored such that data and records are appropriately complete, accurate, accessible, up-to-date and secure.

Appendix 1: Benefits categories

Listed below are the benefit categories and additional guidance on whether provision or receipt is acceptable. It should be noted that all benefits above the prescribed limits and irrespective of their category require disclosure.

Category	Generally acceptable	May be acceptable (depending on circumstances)	Unacceptable and will attract extra scrutiny	Further guidance
Gifts	<ul style="list-style-type: none"> Prizes at an external event attended by industry stakeholders Corporate thank you gifts (e.g. pen, plaque) offered to a guest speaker at a conference and culturally recognized gestures Modest gift received after a contract signing with a supplier 	<ul style="list-style-type: none"> Cash gifts (only when customary in certain jurisdictions such as for funerals and weddings), gift vouchers, gift cards Bottles of wine or hamper if not individual (i.e. is for an entire team) 	<ul style="list-style-type: none"> An expensive designer or sports item A benefit arising as a special favour or request from a government official 	<p>Should the employee or core contractor provide tickets to an event but does not attend themselves, this should be treated as a gift.</p> <p>If gifts/entertainment are received in your personal capacity from a related party of Water Life Systems, this will still need to be managed under this procedure.</p>

Meals	<ul style="list-style-type: none"> Meals with external parties at a local restaurant, hotel or reception centre Meals hosted at a place of business (e.g. site) or takeaway lunch Incidental coffee or snack at a café 	<ul style="list-style-type: none"> Industry event dinners 	<ul style="list-style-type: none"> Meals at a very high-end restaurant (e.g. Michelin Star) attended by employee and partner 	<p>If there is ancillary entertainment during a meal (e.g. singer), this should be included in the value of the meal (i.e. not treated as two separate benefits, which, if entered individually, could be under the pre-approval threshold).</p>
Entertainment	<ul style="list-style-type: none"> Marketing events including professional entertainment to promote a product with clear business justification 	<ul style="list-style-type: none"> Invitations to tourist locations, (e.g. city tours, museums, zoos, theme parks) Public relations events to promote and enhance knowledge of Water Life Systems with third parties 	<ul style="list-style-type: none"> Expensive and highly sought after tickets for a major international sporting event (e.g. tennis tournament, World Cup finals, Olympics, F1 race) or a cultural event (e.g. concert, play, performance or show) attended by the employee and partner that have been provided to/by an external party where no additional business purpose is provided other 	<p>Entertainment is when a Water Life Systems employee jointly attends an event with a third party.</p> <p>If during an entertainment event, an accompanying meal is provided, it should be included in the value of the entertainment</p>

Category	Generally acceptable	May be acceptable (depending on circumstances)	Unacceptable and will attract extra scrutiny	Further guidance
			<p>than networking/ relationship building</p> <ul style="list-style-type: none"> Building relationship events with a third party at expensive highend retreats 	
Travel and lodging	<ul style="list-style-type: none"> Air or land-based travel where a Water Life Systems employee is speaking at an industry event organised by an external party 	<p>Travel and lodging to an industry event where an external party is sharing new developments/ technology relevant to Water Life Systems</p> <p>Travel and lodging to a government official to visit a site for project inspection or audit</p>	<p>Travel and lodging provided at a popular or exclusive resort to/by an external party for a business meeting</p> <p>Travel on a private jet by an external party for a business meeting unless this is an imperative and no other scheduled means of travel is available</p>	<p>Lodging expenses may include meals, drinks and other additional charges incurred while staying at a hotel.</p>

Other	<ul style="list-style-type: none"> Training course with 3rd parties sharing best practices to further enhance mutual understanding between Water Life Systems and key stakeholders 	<ul style="list-style-type: none"> Invitation to attend a conference for personal development and networking (recommend for RT to cover expenses in the first instance) 		
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Appendix 2: Common conflict of interest scenarios and suggested actions

COI scenario	Suggested management actions/controls
<p>Outside work interests</p> <p>A member of your team, who's a part-time employee, works for another company (i.e. other local mining company) and has a business arrangement that could be perceived as a COI.</p>	<ul style="list-style-type: none"> Remind the employee of the obligation which prohibits the exchange/release of confidential information with/to other companies. This applies to confidential information pertaining to both Water Life Systems and the other company. Require an annual (or more frequent) assurance from the employee that there has been no exchange/release of confidential information with/to the other company. Consider whether the safeguards in place are appropriate, or if further safeguards are required, before granting the employee with access to highly sensitive confidential information. Last resort: If the employee holds a role with access to highly sensitive information, consult with your regional E&I Compliance team and HR to consider whether it is appropriate. If the employee acts in a managerial or executive capacity at the other company, then it is not likely to be acceptable. Be clear that utilising company resources for personal activities is prohibited and such use may be monitored in accordance with our policies, standards and procedures. Advise that company deliverables need to take precedence at all times. Ensure that the secondary employment does not lead to health issues, decrease in the work performance or interferes with the employee's responsibilities to Water Life Systems. <p><i>Note: Water Life Systems employment contracts often require employees to obtain prior written consent by Water Life Systems to be employed or engaged in any capacity with another business.</i></p>
<p>Investments and financial interests</p> <p>An employee (or an employee's relative) of a Water Life Systems operations site holds shares in a local company supplying goods to the Water Life Systems site they manage.</p>	<ul style="list-style-type: none"> Remind the employee of the obligation stated in <i>The way we work</i> which prohibits the exchange/release of confidential information with/to the supplier. This applies to confidential information pertaining to both Water Life Systems and the supplier. Ensure the employee has no involvement or influence in decisions relating to procurement (including validation of invoices) or retention of the supplier and no access to information that may assist the supplier in the procurement process. Actively manage the COI by requiring annual (or more frequent) assurance from the employee that there has been no involvement or influence in decisions relating to the procurement or retention of the supplier. Require that the employee exclude themselves from any company discussions relating to the supplier.
<p>Investments and financial interests</p> <p>A Water Life Systems employee holds shares (in a personal capacity) in a junior exploration company that does business with Water Life Systems and the employee has direct/indirect influence in decision making which conflicts with their duties at Water Life Systems</p>	<ul style="list-style-type: none"> Ensure the employee has no involvement or influence in decisions or approvals relating to the junior exploration company Ensure employee has no access to highly sensitive or confidential information Remind employee of confidentiality agreement with Water Life Systems Ensure employee undertakes Water Life Systems Dealing Rules and Insider dealing training. Document the agreed actions with employee Unless comfortable that these procedures deal with the conflict, require the employee to sell the shares.
<p>Relatives or associates who are government officials</p> <p>A manager at a Water Life Systems operation</p>	<ul style="list-style-type: none"> Ensure the manager does not participate in any stage of the application or renewal process relative to environmental permits lodged with the relevant government department.
COI scenario	Suggested management actions/controls
<p>site has a sister who works in the governmental department responsible for approving and overseeing environmental permits granted to that Water Life Systems site.</p>	<ul style="list-style-type: none"> Obtain undertaking from the manager that they will not discuss with or exert influence over their sister regarding any aspect of a Water Life Systems environmental permit (granted or awaiting approval) delivered by the relevant government department. Require an annual (or more frequent) undertaking as mentioned above as long as the sister works in said department. Inform the government department of the situation and request that the sister play no part in decisions affecting Water Life Systems.

<p>Personal relationships</p> <p>A Water Life Systems employee's daughter works for one of the company's suppliers.</p>	<ul style="list-style-type: none"> • Remind the employee of the obligation stated in <i>The way we work</i> which prohibits the exchange/release of confidential information with/to the daughter or supplier. This applies to confidential information pertaining to both Water Life Systems and the supplier. • Ensure the employee has no involvement or influence in decisions relating to the selection or retention of the supplier, nor any access to information that might assist the supplier in the procurement process (e.g. other suppliers' prices/terms). • Require an annual (or more frequent) assurance from the employee that there has been no involvement or influence in decisions relating to the selection or retention of the supplier. • Require that the employee exclude themselves from any company discussions relating to the supplier.
<p>Personal relationships</p> <p>An employee in marketing has formed a friendship with a customer (i.e. they frequently socialize together, attend personal events such as birthday parties and weddings and exchange gifts at their own personal expense).</p>	<ul style="list-style-type: none"> • Attribute marketing activities related to that customer to another Water Life Systems employee. <p>If not feasible:</p> <ul style="list-style-type: none"> • Remind the employee of the obligation which prohibits the exchange/release of confidential information with/to the friend or customer. This applies to confidential information pertaining to both Water Life Systems and the customer. • Require an annual (or more frequent) assurance from the employee that there has been no exchange/release of confidential information with/to the friend or customer. • Ensure there will be no business meetings or other business communications between the Water Life Systems employee and the customer without the involvement of a relatively senior Water Life Systems employee. • Consider whether the safeguards in place are appropriate, or if further safeguards are required, before granting the employee with access to confidential information relating to the customer (e.g. price setting). • Require that the employee exclude themselves from any company discussions relating to contracts, including price setting, with the customer and has no influence in such discussions.
<p>Personal relationships</p> <p>A manager has disclosed that their spouse/relative is a Water Life Systems employee within their line of management.</p>	<ul style="list-style-type: none"> • Change the spouse's line of reporting to another manager. <p>If not feasible:</p> <ul style="list-style-type: none"> • A more senior manager should approve any decisions affecting the employment of the spouse (e.g. termination, salary, performance review, work hours).

Situations that can lead to business integrity risks

This section provides real-life scenarios you may face in the course of doing business. Although this list is not comprehensive, it will help you pause and consider certain aspects of a situation before making a decision that could have a business integrity impact. For additional guidance, please contact your [HR Rep.](#)

Beware! You may be at risk when:

➤ There is potential or actual conflict of interest

- ✓ Your friends or family or a company you own shares in could benefit from a decision you are about to take
- ✓ You feel influenced to make a decision due to personal considerations
- ✓ Stakeholders may perceive your personal interest to impact your decision
- ✓ You would be uncomfortable should the issue appear in a newspaper
- ✓ You think a counterparty (e.g. supplier/contractor) has a conflict with family/friends

➤ You are dealing with government officials, governmental agencies or traditional authorities

- ✓ You are asked for a payment to obtain quicker approval/issuing of a permit, license or clearance
- ✓ You are asked for community financial support, donation or sponsorship in order to influence a decision
- ✓ You are being pressured to make a contribution to a government or community development fund that is not required by law
- ✓ You are asked for an improper payment by a community stakeholder member

➤ You interact with third parties: agents, intermediaries, consultants or advisors

- ✓ The third party appointed engages in behavior that Water Life Systems would not tolerate
- ✓ There is an obligation or influence is exerted to deal with or engage a specific third party at a government's request
- ✓ Your leader instructs you not to keep a record of a meeting or to destroy your notes
- ✓ Your colleagues insist on secrecy about an engagement or agreement
- ✓ An intermediary asks for a bonus, a commission or success fees, or such a request is subject to unreasonable time pressure in the circumstances
- ✓ Insufficient third party due diligence is conducted on counterparties or their sub-contractors
- ✓ The fees of the third party or the intermediary are unreasonably high or above the market standards

➤ You are exploring new business development opportunities

- ✓ There is insufficient third party due diligence and assessment of business processes and controls of a managed joint venture partner
- ✓ Investments are made without due consideration of Water Life Systems' business integrity risks

➤ You manage procurement/supply chain activities

- ✓ Improper or excessive hospitality is offered to you or by you during a tender or contract negotiation
- ✓ Technical specifications are shared and/or manipulated with an intent to favour or exclude specific suppliers
- ✓ Contract values are split to bypass procurement processes/approvals
- ✓ Contract management fraud is committed (e.g. work not completed, progress misreported, improper use of variation orders)

➤ You approve expenses

- ✓ Unjustified, inappropriate, or non-permitted expense claims are submitted
- ✓ Expenses are submitted without proper supporting documentation
