

GROUP POLICY

Policy Version
V1

Policy Function
Social Impact
Department

Policy Approver
Vice Chairmen of the
Group

Chow Tai Fook Jewellery Group Limited Donations & Charitable Sponsorships Policy

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CHOW TAI FOOK

1. Purpose

To align with Chow Tai Fook Jewellery Group's transformation and sustainable development goals, this policy establishes a structured framework for managing donations and charitable sponsorships. The policy aims to enhance the Group's social impact by centralising the donations and charitable sponsorships projects, ensuring strategic alignment, and maximising the value of resources allocated to social initiatives.

2. Scope

This policy applies to Chow Tai Fook Jewellery Group Limited and its subsidiaries (collectively, the "Group"). It governs all monetary donations, in-kind donations, and charitable sponsorships initiated by the Group, ensuring consistency and compliance with the Group's Social Impact Pillars.

3. Authorisation and Oversight

3.1 The Vice Chairmen's Office and Finance are responsible for the final approval and oversight of all donations and charitable sponsorships budgets. The Social Impact Department is authorised to centrally manage and monitor the implementation of this policy.

3.2 The Social Impact Department is the policy owner, responsible for developing, editing, enforcing, and monitoring the overall implementation of this policy. The department ensures alignment with the Group's Social Impact Pillars and governance framework.

4. Social Impact Pillars

Chow Tai Fook Jewellery adopts "Chinese Culture Cultivation, Talent Development, Family Wellbeing Enhancement" as its social impact pillars, alongside the enduring importance of Community Relationships. All donations and charitable sponsorships must align with these strategic priorities to maximize the Group's philanthropic reach and foster sustainable value.

5. Donations and Charitable Sponsorships

5.1 Definitions

- **Donations:** Monetary or in-kind contributions to authorised charitable organisations with valid donation receipts.
- **Charitable Sponsorships:** Collaborative projects with non-profit organisations, charitable initiatives, or in-kind sponsorships.

5.2 Principles

- **Alignment with Values:** All donations and charitable sponsorships must align with the Group's mission, vision, and core values.
- **Transparency:** Contributions must be made transparently and documented appropriately.
- **Accountability:** Decisions must be made responsibly, with due diligence to ensure ethical and legal compliance.
- **Sustainability:** Contributions should support initiatives that promote social, environmental, and economic sustainability.
- **Risk Mitigation:** Potential risks, including reputational, legal, and financial risks, must be assessed and mitigated.
- **No Personal Donations and Charitable Sponsorships reimbursement:** All contributions must be made in the Group's capacity. Donations and charitable sponsorships made by individual employees will not be reimbursed by the Group.

Eligibility Criteria:

Donations and charitable sponsorships will be considered for organisations and initiatives that:

- Operate in alignment with the Group's values and sustainability goals
- Demonstrate transparency and accountability in their operations
- Have a clear and measurable impact on the community or cause they support
- Are legally registered and compliant with applicable laws and regulations

5.3 Approval Process

Budgeted Donations & Charitable Sponsorships: Applications must be submitted through the OA system under the "Donations & Charitable Sponsorships (Budgeted)" process. The Social Impact Department consolidates applications and submits them to the Vice Chairman's Office for final approval.

Non-Budgeted Donations & Charitable Sponsorships: Ad hoc requests must follow the "Donations & Charitable Sponsorships (Non-Budgeted)" process in the OA system. Prior approval from the Social Impact Department is mandatory before execution. (Non-

Budgeted)" process in the OA system. Prior approval from the Social Impact Department is mandatory before execution.

5.4 Reimbursement and Payment

Operation teams must submit payment requests in the EAS system, selecting the Social Impact Department as the cost-bearing center and attaching all relevant documents (e.g. proposals, agreements, invoices).

No un-approved or un-budgeted donations & charitable sponsorships listed in 5.3 may proceed without prior approval.

5.5 Reporting and Documentation

Departments must email completed project proposals and relevant documents to the Social Impact Department within one month of project completion for impact assessment and record-keeping.

6. Due Diligence

We are committed to ensuring that our donations and partnerships are impactful, transparent, and aligned with our mission. To achieve this, we have established a thorough due diligence process to evaluate potential partner organisations and projects. This process helps us understand our partners' background, governance structure, and operational effectiveness, ensuring that our contributions create meaningful and sustainable change.

Due Diligence Process

Stage 1: Organisational Background Review

Stage 2: Governance and Leadership Review

Stage 3: Project Collaboration and Monitoring

By adhering to this due diligence process, we aim to:

- Build strong, trustworthy partnerships with organisations that share our values
- Ensure that donations are used effectively and responsibly
- Measure and communicate the impact of our contributions to stakeholders

We reserve the right to discontinue funding or partnerships if an organisation fails to meet the standards outlined in this policy or if the project does not align with our mission and goals.

Before approving any donations or charitable sponsorships, the following steps must be taken:

- Assessment: Evaluate the recipient organisation's mission, activities, and impact to ensure alignment with the Group's values.

- **Legal Compliance:** Verify that the organisation complies with all relevant laws and regulations, including but not limiting to anti-money laundering and counter-terrorist financing laws.
- **Reputation Check:** Conduct a background check to ensure the organisation has no history of unethical or illegal activities.
- **Risk Assessment:** Identify and assess potential risks associated with the donations or charitable sponsorships, including reputational, financial, and legal risks.
- **Political Contributions:** As a general principle, all political contributions should be avoided.
- **Approval:** Submit the proposal to the appropriate authority for review and approval.

7. Risk Mitigation Measures

- **Documentation:** Maintain detailed records of all donations and charitable sponsorships.
- **Monitoring:** Regularly monitor the use of funds and the impact of the donations or charitable sponsorships to ensure compliance with agreed terms.
- **Exit Strategy:** Establish clear terms for discontinuing support if the recipient organization fails to meet expectations or engages in unethical practices.

8. Reporting and Transparency

- **Internal Reporting:** Provide regular reports to senior management and the board of directors on donations and charitable sponsorships, including their impact and any issues encountered.
- **External Disclosure:** Disclose relevant information about donations and charitable sponsorships in the Group's annual sustainability report or other public communications.

9. Compliance

Failure to comply with this policy may result in penalty, including termination of collaboration or legal consequences.

10. Review and Revision

This policy will be regularly reviewed to ensure alignment with the Group's strategic goals and compliance with applicable laws and regulations. Revisions will be initiated by the Social Impact Department and approved by the Vice Chairmen's Office.

11. Version Control

Version	Policy Owner/Department	Effective Date	Key Updates
V1	Social Impact Department	01/06/2025	The Policy defines current policies related to donations & charitable sponsorships.

Language Version In the event of any inconsistency between the English version and the Chinese version of this document, the English version shall prevail.

12. Reference/ supplementary document

For guidance on applying via the OA system and EAS operations, please refer to the "Donations and Charitable Sponsorships Policy – Operation Manual".

13. Contact Information

For questions or concerns regarding this policy, please contact Social Impact Department by email: VCO-SI-INFO@chowtaifook.com.