

CTFG_Policy_013



Chow Tai Fook Jewellery Group Limited

《Code of Conduct》

Ethical Commitment

1. Chow Tai Fook Jewellery Group Limited and its subsidiaries (collectively, hereafter referred to as the Group) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff¹ of the Group at all times. This Code sets out the basic standard of conduct expected of all directors and staff, and the Group's policy on acceptance of advantage and handling of conflict of interest when dealing with the Group's business.

Prevention of Bribery

2. The Group prohibits all forms of bribery and corruption. All directors and staff are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Mainland China, Hong Kong, China, or elsewhere. In conducting all business or affairs of the Group, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong and must not:
 - (1) solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the Group's business or affairs, or offer any advantage to an agent of another as a reward for or inducement to doing any act or showing favour in relation to his principal's business or affairs;
 - (2) offer any advantage to any public servant (incl. Government/public body employee) as a reward for or inducement to his performing any act in his official capacity or his showing any favour or providing any assistance in business dealing with the Government/a public body; or
 - (3) offer any advantage to any staff of a Government department or public body while they are having business dealing with the latter.

(The relevant provisions of the POBO are at Annex 1.)

¹ "Staff" cover full-time, part-time and temporary staff, except where specified.

Acceptance of Advantage

3. It is the Group's policy that directors and staff should not solicit or accept any advantage for themselves or others, from any person, company or organization having business dealings with the Group or any subordinate, except that they may accept (but not solicit) the following when offered on a voluntary basis:
 - (1) advertising or promotional gifts or souvenirs of a nominal value; or
 - (2) gifts given on festive or special occasions; or
 - (3) discounts or other special offers given by any person or company to them as customers.
4. If the total value of the gifts or advantages referred to in paragraph 3 exceeds HKD500 or equivalent (Hong Kong, China, Macau, China and overseas) or RMB500 (Mainland China), the recipient can use the suggested form as set out in Annex 2 to declare the nature and management approach to the respective department head and Executive Office. If a director or staff member wishes to accept any advantages not covered in paragraph 3 and the total value exceeds the amount specified in paragraph 4, he/she shall also specify the nature and total value of the advantages and address to the respective department head and Executive Office.
5. However, a director or staff member should decline an offer of advantage if acceptance could affect his/her objectivity in conducting the Group business or induce him/her to act against the interest of the Group, or acceptance will likely lead to perception or allegation of impropriety.
6. If a director or staff member has to act on behalf of a client in the course of carrying out the Group's business, he/she should also comply with any additional restrictions on acceptance of advantage that may be set by the client.

Offer of Advantage

7. Directors and staff are prohibited from offering advantages to any director, staff member or agent of another company or organization, for the purpose of influencing such person in any dealing, or any public official, whether directly or indirectly through a third party, when conducting the Group's business. Even when an offer of advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his employer/principal to accept it under the relevant circumstance before the advantage is offered.

Entertainment

8. Although entertainment² is an acceptable form of business and social behaviour, a director or staff member should avoid accepting lavish or frequent entertainment from persons with whom the Group has business dealing (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

Records, Accounts and Other Documents

9. Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the Group give a true representation of the facts, events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Group, regardless of whether there is any gain or advantage involved, may constitute a breach of the ethical standards of the Group and may also constitute an offence under local laws and regulations. The Group reserves the right to investigate and take appropriate disciplinary or legal action.

² As defined in the POBO, "entertainment" refers to food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time.

Compliance with Laws of Mainland China, Hong Kong China, and in Other Jurisdictions

10. Directors or staff should comply with all local laws and regulations when conducting the Group's business, and also those in other jurisdictions when conducting business there or where applicable.

Conflict of Interest

11. Directors and staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Group) or the perception of such conflicts. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the respective department head (if applicable) and Executive Office using the suggested form as set out in Annex 3.
12. Some common examples of conflict of interest are described below but they are by no means exhaustive:
 - (1) A staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Group.
 - (2) One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member involved in the process.
 - (3) A director of the Group has financial interest in a company whose quotation or tender is under consideration by the Board.

Misuse of Official Position, Group Assets and Information

13. Directors and staff must not misuse their official position in the Group to pursue their own private interests, which include both financial and personal interests and those of their family members, relatives or close personal friends.
14. Directors and staff in charge of or having access to any Group assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Group's business. Unauthorized use, such as misuse for personal interest, is strictly prohibited.

15. Directors and staff should not disclose any classified information of the Group without authorization or misuse any Group information (e.g. unauthorized sale of information). Those who have access to or are in control of such information, including information in the Group's computer system, should protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data, including directors', staff's and customers' personal data, to ensure compliance with Hong Kong's Personal Data (Privacy) Ordinance and/or other applicable local laws and regulations.

Relationship with Suppliers, Contractors and Customers

16. Directors and staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Group.
17. Directors and staff should not accept any loan from, or through the assistance of, any individual or organization having business dealings with the Group. There is however no restriction on borrowing from licensed banks or financial institutions.

Compliance with the Code

18. It is the responsibility of every director and staff member of the Group to understand and comply with this Code, whether performing his/her duties of the Group in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.
19. Any director or staff member in breach of this Code will be subject to disciplinary action, including termination of appointment. Any enquiries about this Code should be made to GRMC (grmc@chowtaifook.com); and any possible breaches of this Code should be reported to the immediate supervisor or department head or directly to the whistleblowing officers (wb@chowtaifook.com). In cases of suspected corruption or other criminal offences, the Group shall take appropriate action to stop it and reserve the right to recover its losses from the relevant persons or report the cases to the appropriate authority.

Extracts of the Prevention of Bribery Ordinance (Cap. 201)

Section 9

- (1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –
- doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,
- shall be guilty of an offence.
- (2) Any person, who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –
- doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,
- shall be guilty of an offence.
- (3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document –
- in respect of which the principal is interested; and
 - which contains any statement which is false or erroneous or defective in any material particular; and
 - which to his knowledge is intended to mislead the principal,
- shall be guilty of an offence.
- (4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

- (5) For the purposes of subsection (4) permission shall –
- be given before the advantage is offered, solicited or accepted; or
 - in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

Section 4

- (1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's –
- performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;
 - expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in his or that other public servant's capacity as a public servant; or
 - assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,
- shall be guilty of an offence.
- (3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.

Extracts of the Prevention of Bribery Ordinance (Cap. 201)

Section 8

- (1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence.
- (2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

Section 2

“Advantage” means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

“Entertainment” means :

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

Section 19

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

REPORT ON GIFTS / ADVANTAGES RECEIVED

Information of Receiving Staff	
Name :	(Staff no.: _____)
Department :	
Phone :	Email: _____

Information of the Offeror and the Gift / Advantage
<p>Offeror Information</p> <p>Company : _____</p> <p>Relationship (with the Group, e.g. Supplier) : _____</p> <p>Name : _____ (Title : _____)</p>
<p>Description & Value of the Gift / Advantage</p> <p><input type="checkbox"/> Advertising or promotional gifts or souvenirs of a nominal value</p> <p><input type="checkbox"/> Gifts given on festive or special occasions</p> <p><input type="checkbox"/> Discounts or other special offers</p> <p><input type="checkbox"/> Others (please specify) : Nature of the gift/advantage : _____ Occasion on which it was received : _____</p> <p>Total Assessed Value : _____</p>
<p>Method of Disposal</p> <p><input type="checkbox"/> Retained by the Receiving Staff</p> <p><input type="checkbox"/> Retained for Display / as a Souvenir in the Office</p> <p><input type="checkbox"/> Share among the Office</p> <p><input type="checkbox"/> Reserve as Lucky Draw Prize at Staff Function</p> <p><input type="checkbox"/> Donate to a Charitable Organization</p> <p><input type="checkbox"/> Return to Offeror</p> <p><input type="checkbox"/> Others (please specify) : _____</p>

Receiving Staff Signature	Department Head Acknowledgement	Report Date
		(DD/MM/YYYY)

To be Completed by Executive Office	
Reference no. :	Date :

DECLARATION OF CONFLICT OF INTEREST

Information of Declaration Staff	
Name :	_____ (Staff no.: _____)
Department :	_____
Phone :	_____ Email: _____

Description of Conflict of Interest Situation
Persons/companies with whom/which I have official dealings : _____
My relationship with the persons/companies (e.g. relative) : _____
Relationship of the persons/companies with our Company (e.g. supplier) : _____
Brief description of my duties which involved the persons/companies (e.g. handling of tender exercise) _____ _____ _____ _____

Receiving Staff Signature	Department Head Acknowledgement	Report Date
		(DD/MM/YYYY)

To be Completed by Executive Office	
Reference no. :	Date :