



周大福

CHOW TAI FOOK

CHOW TAI FOOK JEWELLERY GROUP

周大福珠寶集團

2023 Sustainability Report

可持續發展報告

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About this Report

Reporting Period and Scope

Chow Tai Fook Jewellery Group is pleased to present its eighth Sustainability Report (this “Report”) covering the financial year from 1 April 2022 to 31 March 2023. The reporting scope¹ reflects the Group’s core and material business units in Mainland China (the “Mainland”) and Hong Kong and Macau of China, including 1,860 self-operated POS, offices and four production hubs.

Reporting Principles

This Report is compiled in accordance with the Environmental, Social and Governance Reporting (“ESG”) Reporting Guide of The Stock Exchange of Hong Kong Limited (“HKEX”) and with reference to the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards. This Report is prepared in line with the four reporting principles in the ESG Reporting Guide of the HKEX, including materiality, quantitative, balance and consistency. In addition, our climate-related disclosure refers to the Recommendations from the Task Force on Climate-Related Financial Disclosures (“TCFD”). We are also continuously adapting and improving our sustainability reporting in line with the evolving landscape of relevant indices and benchmarks such as the Hang Seng Corporate Sustainability Index.

Dissemination Method

This Report will only be disseminated electronically via the Sustainability section of the Group website and on the website of the HKEX. For more information about the Group’s sustainability philosophy and performance, please visit the **Sustainability section** of our Group website. For disclosures on business highlights, financial performance, strategic reporting and corporate governance, please refer to the **Annual Report 2023** of the Group.



Sustainability section of
our Group website



Our Annual
Report 2023

Independent Verification

This Report has been independently verified by Hong Kong Quality Assurance Agency on its accuracy, completeness and compliance with reporting guidelines. For independent verification statements, please refer to the Verification Statement section.

¹ The scope of this Report does not include offices and 50 POS located in other markets, including Taiwan (China), Cambodia, Canada, Japan, Korea, Malaysia, the Philippines, Singapore, Thailand, United States and Vietnam.

Contact Us

The Group values and regards every stakeholder's comments as an important driving force in pursuit of our centennial goal. We welcome your valuable comments on the contents of this Report and the sustainable development of the Group. Please contact us via email at ir@chowtaifook.com.



Hang Seng Corporate
Sustainability Index
Series Member 2022-2023

Index Constituent

- Hang Seng Corporate Sustainability Index
- Hang Seng (Mainland and Hong Kong) Corporate Sustainability Index
- Hang Seng Corporate Sustainability Benchmark Index

Leadership Messages

Chairman's Message

Dear Stakeholders,

As a responsible business, Chow Tai Fook operates with a long-term mindset, ensuring that we protect the trust that we have cultivated over the last 94 years. A challenging business environment last year did not deter us from advancing our sustainability initiatives to deliver a positive impact for people and the environment, while also generating positive long-term value.

We aim to contribute to combatting our greatest planetary, climate and human challenges by promoting responsible business practices. This includes supporting the five United Nations' Sustainability Development Goals ("SDGs") through "Our Centennial Commitment", which continues to guide our future-looking strategy.

Setting a Path to Resource Efficiency & Carbon Reduction

Since we began reporting in FY2019 (base year), the Group has achieved 30% and 36% reductions in GHG emissions and water use intensity, respectively, and 52% reduction in waste intensity from production. But this is only the start of our journey. We are committed to further bolstering our business resilience and reducing our environmental impact through greener operations and responsible sourcing and selling. In FY2023, we undertook a thorough assessment of the environmental performance of our production hubs to identify emissions reduction and resource optimisation opportunities, strengthening our commitments to clean energy sourcing and resource optimisation, and deploying technology to reduce our environmental impact. These findings will inform our next phase of progress towards our targets.



Promoting Sustainability Through Responsible Sourcing

Chow Tai Fook is committed to producing and marketing our products responsibly. We continue to apply and go beyond the ethical and responsible standards in sourcing, as our size and scale presents unique opportunities to effect positive change. This includes proactively strengthening supplier due diligence and working with our core diamond suppliers to identify and address material sustainability risks. We launched the Best Practice Principles for Suppliers (“BPPS”) in 2021, joining hands with our partners to uphold stringent sustainability standards. 75% of key suppliers have met the requirements of BPPS, representing material progress towards our goal of ensuring that all key long-term suppliers are fully compliant by 2029.

Preserving Chinese Craftsmanship and Traditions

A deep commitment to preserving and protecting Chinese craftsmanship and traditions remains at the heart of our business. Through our daily work, we preserve time-tested techniques and pay tribute to our heritage. We are engaging with new generations of designers, industry practitioners and the general public to keep traditional skills alive, by sharing knowledge and fostering appreciation of time-honoured techniques and processes. We have engaged over 4.6 million people through our community programmes, making progress towards our goal of engaging 10 million people by 2029.

We partnered again with the Chinese University of Hong Kong on research to preserve knowledge of traditional gold jewellery techniques and craftsmanship, and held public exhibitions in Hong Kong during the financial year. Drawing on the talents of researchers in art history, archaeology, scientific testing and experimental restoration, the exhibition celebrated ancient Chinese gold craftsmanship spanning 3,500 years.

Developing Talents Now and for the Future

Chow Tai Fook is also investing in talent development, recognising that our people are our most important asset. We continue to cultivate an inclusive corporate culture where employees are provided with development opportunities. In the past year, we have invested ample resources in nurturing the next generation of industry professionals through apprenticeship and internship opportunities as we cooperated with local partners in various vocational training programmes, thus driving social impact in the communities we serve.



Strengthening Corporate Governance

Chow Tai Fook has continued to strengthen our governance structure and practices. We have delivered Board training programmes on ESG and, with the Board's oversight, are improving sustainability related risk management to bolster long-term corporate resilience. With the addition of three new board members, the Group has increased female representation on its Board to 20% while the proportion of female senior management is up to 42%. In line with this achievement, we remain committed to improving diversity across the Group.

In closing, I would like to thank all our employees, partners and stakeholders for their contributions to these efforts. With the world recovering from the effects of the pandemic, we are looking ahead to the future with optimism. I am confident that our business will continue to deliver positive impact in the communities we serve.

Dr. Cheng Kar-Shun, Henry

Chairman

Hong Kong, China, 8 June 2023



Sustainability Committee Co-chairmen Messages



As an industry leader, Chow Tai Fook places significant emphasis on responsible business practices and the importance of putting sustainability at the heart of our approach to how we operate. In so doing, we aim to make a positive contribution to the environment and communities in which we operate, in addition to enhancing stakeholder trust and maintaining a competitive advantage for our Group.

The Group is dedicated to promoting sustainable development throughout our value chain. We have adopted a systematic risk management framework which helps us identify sustainability-related risks and opportunities in the value chain, and enhanced transparency of the supply chain through management and interaction with our suppliers. Through this supplier management mechanism, which includes regular assessments and on-site inspections, we can ensure the quality of our products and services. We have optimised the due diligence management framework for suppliers in FY2023, and conducted due diligence on major diamond raw material suppliers – aiming to effectively identify potential risks in compliance, business ethics, human rights, environmental protection and other aspects at the source, and implement corresponding follow-up management.

Furthermore, we are fully committed to enhancing how we manage and mitigate against global sustainability challenges, such as carbon neutrality, green operations, and climate change. During the year, we enhanced the standard environmental protection policy at group level, which serves as a guide for all business units and urges our business partners to work together in improving their environmental management and performance. In addition, we took the lead in evaluating and reviewing management objectives, strategies and optimisation opportunities at our production hubs, enabling us to formulate a more effective carbon reduction roadmap that aligns with or even exceeds the expectations of our customers and stakeholders.

Mr. Cheng Chi-Heng, Conroy and Ms. Cheng Chi-Man, Sonia

Vice-chairmen

Co-chairmen of Sustainability Committee

Hong Kong, China, 8 June 2023

At the community level, Chow Tai Fook is deeply committed to preserving centuries-long traditions of Chinese jewellery craftsmanship. We not only emphasise the quality of our jewellery, but also aim to evoke emotional and spiritual resonance as well as cultural significance. In FY2023, we collaborated with the Art Museum of the Chinese University of Hong Kong to host the exhibition, “Golden Techniques II: Art of the Chinese Goldsmiths”, showcasing the outcomes of extensive research on gold craftsmanship. Through the exhibition and interactions with our craftsmanship ambassadors, we have promoted the conservation of traditional Chinese craftsmanship and cultural heritage. We have also further highlighted our CTF • HUÁ Collection, which combines traditional craftsmanship with modern aesthetics and nurtures a sense of Chinese cultural identity among our customers, as we embrace our role as purveyors of a significant cultural legacy.

Chow Tai Fook is dedicated to establishing a diverse and inclusive workforce, through the development of our People strategy, caring for the physical and mental well-being of our employees, and cultivating exceptional talent. This year, we optimised our talent recruitment strategies and employee benefits to enhance the sense of well-being and belonging among our employees. We also renovated some of the office space at our major operating centres, to enable a more agile style of working that inspires creativity and enhances efficiency.

We remain committed to engaging our employees and partners in our charity activities, in an ongoing effort to give back to the communities in which we operate. In the next financial year, we will further develop charity strategies that align closely with community needs to maximise our social impact and that reflect the Group’s values.

Thanks to the trust and support of our stakeholders over the past 94 years, we will continue to pursue our vision of sustainable development and our Centennial Commitment with greater determination, as we invest in a sustainable future.

About Chow Tai Fook Jewellery Group

Company Profile

Chow Tai Fook Jewellery Group Limited (the “Group”; SEHK stock code: 1929) was listed on the Main Board of The Stock Exchange of Hong Kong in December 2011. The Group’s vision is to become the most trustworthy jewellery group in the world.

Founded in 1929, the Group’s iconic brand “CHOW TAI FOOK” is widely recognised for its trustworthiness and authenticity, and is renowned for its product design, quality and value. A long-standing commitment to innovation and craftsmanship has contributed to the Group’s success, along with that of its iconic retail brand, and has been embodied in its rich heritage. Underpinning this success are our long-held core values of “Sincerity • Eternity”.

The Group’s differentiation strategy continues to make inroads into diverse customer segments by catering to a bespoke experience for different lifestyles and personalities, as well as customers’ different life stages. Offering a wide variety of products, services and channels, the Group’s brand portfolio comprises the CHOW TAI FOOK flagship brand with curated retail experiences, and other individual brands including HEARTS ON FIRE, ENZO, SOINLOVE and MONOLOGUE.

The Group’s commitment to sustainable growth is anchored in its customer-centric focus and strategies, which are in place to promote long-term innovation in business, in people and in culture. Another asset underpinning sustainable growth is a sophisticated and agile business model. This supports the Group by fostering excellence and extending opportunities along the entire value chain to communities and industry partners across the world.

With an extensive retail network in China, Japan, Korea, Southeast Asia, the United States and Canada, as well as a fast-growing smart retail business, the Group is implementing effective online-to-offline (“O2O”) strategies to succeed in today’s omni-channel retail environment.

Retail Network¹



Mainland China: **7,519**



Hong Kong and Macau of China: **86**



Other markets: **50**

¹ Retail network covers all POS in Mainland China, Hong Kong and Macau of China and other markets, including self-operated POS and franchised POS.

Performance in FY2023

For the year ended 31 March 2023

Revenue

94,684

HK\$ million

Core operating profit

9,439

HK\$ million

Earnings per share

0.54

HK\$

Dividend per share for the year²

1.22

HK\$

POS³

7,655

Total number of employees⁴

28,700+

Total amount of donations

47.7

HK\$ million

GHG emissions

0.63

tCO₂e/ HK\$1 million revenue

MSCI ESG Index Rating



CDP Water Security
Assessment 2022



Note: Management level

CDP Climate Change
Assessment 2022



Note: Awareness level

Sustainalytics

Rated as “**low ESG risk**”

Platinum Label of the Low Carbon
Manufacturing Programme of
WWF-Hong Kong



Wuhan, Shunde and Shenzhen
production hubs

² Being a total of full year dividend of HK\$0.50 per share and special dividend of HK\$0.72 per share. The proposed final and special dividends of HK\$1.00 per share are subject to the approval of shareholders at the forthcoming annual general meeting of the Company.

³ As at 31 March 2023.

⁴ As at 31 March 2023, the number of employees only covers the Group's core and material business units in Mainland China, Hong Kong & Macau of China.

Stakeholder Engagement

Materiality Assessment

We conduct materiality assessments regularly, to identify material sustainability issues which are most relevant to our business and stakeholders. Based on previous assessment results, we reassessed and revised our sustainability issues in FY2023 in response to changes in sustainable development and business environment trends, sustainability-related policies and guidelines, industry practices, international reporting standards and ESG indices requirements, so as to reflect the sustainable development risks and opportunities that have a significant impact on the Group. We have commissioned an independent third-party consultant to conduct a double materiality assessment that identifies 20 material sustainability issues from both financial materiality and impact materiality perspectives. We will invite internal and external stakeholders to participate in surveys and interviews to understand their views on these issues, followed by prioritisation and presentation of results to the Group’s management for discussion and verification. This double materiality assessment will be completed in FY2024, and we will disclose the double materiality matrix in the Sustainability Report for the next financial year.

FY2019 – FY2022

Major stakeholders such as management, employees, industry and sustainability practitioners, suppliers, franchisees and sustainable finance practitioners were invited to take part in interviews to understand their insights and expectations on the Group’s sustainability strategies.

FY2023

We have commissioned an independent third-party consultant to conduct a double materiality assessment, and will invite internal and external stakeholders to participate in surveys and interviews to evaluate the impact of issues on the Group as well as on the economy, the environment and society. This double materiality assessment will be completed in FY2024.

Craftsmanship, Innovation & Technology

1. Promote & preserve jewellery heritage & craftsmanship
2. Support the development of jewellery industry
3. Innovation in product & customer experience

Responsible Sourcing

4. Transparency & traceability of raw materials
5. Human rights protection & labour practices in the supply chain
6. Environmental impacts in the supply chain

People Focused

7. Employee health & safety
8. Diversity & inclusion
9. Training & career development
10. Labour practices
11. Community contributions & social impacts

Resource Efficiency & Carbon Reduction





12. Carbon emission & energy management
13. Climate change impacts
14. Circularity & waste management
15. Biodiversity and ecosystem
16. Water management




Ethical Business Practices

17. Corporate governance & business ethics
18. Product quality & safety
19. Customer data privacy & information security
20. Corporate culture

In order to promote a sustainable value chain, we rely on the collective participation of stakeholders across the Group. We regularly communicate with internal and external stakeholders to understand their opinions and expectations towards the Group, so as to identify and prioritise material sustainability issues, allowing us to effectively manage our sustainable development strategies to cope with challenges and opportunities, thus realising Our Centennial Commitment.

Key Stakeholder Groups and Ongoing Engagement Methods/ Areas of Interest

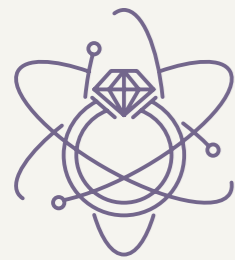
Category of Stakeholders	Key Engagement Methods	Key Areas of Interest/ Concern
Customers 	<ul style="list-style-type: none"> CTF Club newsletter and membership activities Social media Customer hotlines and enquiry mailbox 	<ul style="list-style-type: none"> Quality control on products Quality customer service Customer privacy Ethically responsible sourcing
Employees 	<ul style="list-style-type: none"> Sustainability focus groups and surveys Staff satisfaction surveys Staff grievance mailbox “Listen to Your Heart” engagement programme 	<ul style="list-style-type: none"> Employee remuneration, benefits and wellbeing Training and career development Ethical business practices Craftsmanship preservation and innovation Occupational health and safety
Business Partners 	<ul style="list-style-type: none"> Sustainability interviews and surveys Business meetings Group website 	<ul style="list-style-type: none"> Ethical business practices Quality control on products Data protection
Industry Associations 	<ul style="list-style-type: none"> Sustainability interviews and surveys Industry association activities and conferences Group website 	<ul style="list-style-type: none"> Corporate value and ethical business practices Customer care Resource efficiency and carbon reduction

Category of Stakeholders	Key Engagement Methods	Key Areas of Interest/ Concern
Investors 	<ul style="list-style-type: none"> • Sustainability interviews and surveys • Analyst results conferences/ live webcasts • Investor meetings and luncheons • Non-deal roadshows • Group website • Company announcements and circulars • Annual General Meeting • Investor Relations e-mailbox 	<ul style="list-style-type: none"> • Business development, strategies and prospects • Branding and reputation • Corporate governance • Ethical business practices • Talent attraction and retention • Resource efficiency and carbon reduction
Media 	<ul style="list-style-type: none"> • Media interviews and luncheons • Company announcements and circulars • Press releases • Group website • Media e-mailbox 	<ul style="list-style-type: none"> • Business development, strategies and prospects • Corporate governance • Quality products and customer service • Community care
NGOs 	<ul style="list-style-type: none"> • Sustainability interviews and surveys • Community and NGO activities 	<ul style="list-style-type: none"> • Corporate value and ethical business practices • Employee wellbeing and diversity • Resource efficiency and carbon reduction • Community care

Our Centennial Commitment

Chow Tai Fook Jewellery Group’s Centennial Commitment promises to implement sustainability goals in four major areas – Craftsmanship, Innovation & Technology, Responsible Sourcing, People Focused and Resource Efficiency & Carbon Reduction – on or before 2029, to demonstrate our support for the United Nations Sustainable Development Goals (“SDGs”). The Board and the Sustainability Committee are actively reviewing these goals and the progress achieved so far, and plan to make revisions and set more aggressive goals to accelerate environmental and social sustainable development in the future.

Craftsmanship, Innovation & Technology



2029 Goal

Promote cross-generational craftsmanship, innovation and technology

Cultivate the artisanal spirit through mass engagement and in-depth experiential programmes reaching 10 million people



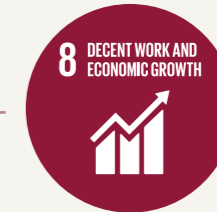
People Focused



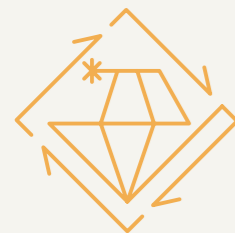
2029 Goal

Cultivate our caring culture that embraces giving back to our community, employee development, diversity, inclusion, wellbeing and family-friendly practices

Increase employees’ volunteer service hours by 30%*



Responsible Sourcing



2029 Goal

Implement our Best Practice Principles for Suppliers

Ensure 100% of key long-term suppliers are fully compliant



Resource Efficiency & Carbon Reduction



2029 Goal

Reduce the ecological footprint of our operations

Reduce GHG intensity and water consumption intensity of the Group and waste generation intensity of production hubs by at least 15%*



* Base year for all numerical targets is FY2019.

FY2023 Highlights



Craftsmanship, Innovation & Technology



4,600,000+ participants joined mass engagement initiatives and in-depth experiential programmes over the years*

*Since FY2019



80+ public craftsmanship, innovation & technology activities



36 ambassadors participated in the "Golden Techniques II: Art of the Chinese Goldsmiths" exhibition to showcase the research results on ancient Chinese goldsmiths



People Focused



1,020,000+ total training hours



18,400+ hours of volunteer service



HK\$47.7 million of total donations



Agile working mode with partial floors of major operating buildings renovated into a hybrid office space



Responsible Sourcing



75% of key suppliers signed our Best Practice Principles for Suppliers ("BPPS")



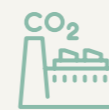
Supplier due diligence was carried out to evaluate key diamond raw material suppliers to identify sustainability-related risks



Promoted green sourcing guidelines with "Blissful Wetlands" product launched using exclusive environmental-friendly packaging



Resource Efficiency & Carbon Reduction



30% reduction in GHG emissions intensity*

*Compared to FY2019



36% reduction in water use intensity*



52% reduction in waste intensity from production*



Formulated carbon reduction roadmap with environmental targets of production hubs comprehensively evaluated and revised

LCMP

Platinum Label in the Low Carbon Manufacturing Programme awarded by WWF-Hong Kong

Sustainability Governance

The Board is responsible for overseeing the Group's overall strategic direction and risk tolerance, and for guiding and supervising the Group's affairs, ensuring high-level corporate governance and risk management in compliance with applicable laws and regulations; including but not limited to all applicable principles and code provisions of the Corporate Governance Code as set out in Appendix 14 to the HKEX Listing Rules.

The Group is committed to integrating sustainability strategies into business strategies in order to promote a sustainable value chain. Sustainability governance has been incorporated into our corporate governance structure, constituted of Board Committees, the Sustainability Office, functional departments and business units.

For more information about corporate governance, including governance structure and responsibilities, professional development, remuneration and operations of the Board, please refer to the **Corporate Governance Report** (p.89-119) in our Annual Report 2023.

Structure and Responsibilities for Sustainability Governance

We have a sound governance structure to manage our sustainability approach and performance. As a committee under the Board, the Sustainability Committee is co-chaired by two Vice-chairmen of the Group, and constituted of two other Executive Directors and two independent non-executive Directors. It is responsible for formulating sustainability goals and strategies, overseeing management policies and incentive measures, evaluating implementation performance, reviewing and overseeing the sustainability reporting. The committee members come from extensive business backgrounds, with expertise in corporate strategy and risk management, listed company governance, technology and data analysis, and are equipped with experiences in local and global markets. With diversified sustainability knowledge and experience, the Sustainability Committee can effectively formulate and promote the Group's Sustainability Strategy, assist the Board in setting long-term strategies, and prioritise resource allocation, thus optimising the management of material sustainability issues in a systematic way and bringing long-term benefits to the environment and society.

During the year, the Sustainability Committee has increased its attention on:

- Social goals that bring enduring benefits to society through the Group's business.
- Integration between operational practices and Sustainability Strategy throughout our value chain.
- Knowledge and opportunities about net zero emissions as a hot social topic.

For detailed responsibilities of the governance structure, please refer to the **Sustainability Governance section** of the Group's website.

Optimisation and Achievements in Sustainability Governance

To ensure the Group's effective communication of its governance approach with stakeholders while pursuing sustainable development goals and monitoring the progress, we have placed more emphasis on identifying areas for improvement and promoting process optimisation while quantifying and tracking our achievements, assuring that our governance framework stays up-to-date. Our optimisation plans will be carried out in phases and cover various aspects. Our achievements throughout the year are summarised as follows:

Aspects for Optimisation	Goals	Achievements in FY2023
Governance System	To further optimise our sustainability governance framework to effectively review and allocate resources, and facilitate the effective formulation and implementation of sustainability strategies	<ul style="list-style-type: none"> Optimised the structure of the Sustainability Committee of the Board and introduced diversified perspectives to the formulation of long-term strategies and goals Established Sustainability Task Force to incorporate sustainability principles and objectives into business decision-making process
Management Process	To further optimise management policies and approaches	<ul style="list-style-type: none"> Refined the Anti-Fraud Policy, Whistleblowing Policy, supplier management mechanism, and enhanced the Environmental Protection Policy and management principles Performed a readiness assessment based on the requirements of the TCFD and the IFRS S2 Climate-related Disclosures Framework published by The International Sustainability Standards Board ("ISSB")
Sustainability Performance Management & Assessment	To improve the visibility and quality of major sustainability data and to facilitate performance assessment and adjustment of strategies through data analysis	<ul style="list-style-type: none"> Completed the replacement of the sustainability data collection system Clarified data structure of key indicators and data management responsibilities
Professional Knowledge and Capability	To enhance the management's professional knowledge for performance assessment and strategies for trending environmental, social and governance topics, enabling them to carry out their duties more effectively	<ul style="list-style-type: none"> Committee members received external professional trainings, covering international sustainability trends, carbon neutrality trends, climate change risks and their impact on our business strategies and performance The management participated in various sustainable development seminars and sharing sessions to gain insights into the leading practices of sustainable development and its adoption in our business management

Risk Management

Our proactive approach to risk management identifies and mitigates ESG risks. We have established a strong risk culture that relies on effective leadership and communication underpinned by robust policies and practices. The Board has overall responsibility for overseeing the Group's Enterprise Risk Management framework and takes active corresponding measures to cope with ever changing challenges. The framework operates on the basis of three lines of defense to facilitate effective risk management and internal controls. It also guides us to regularly identify, evaluate, address, control and track business-related risks and their impacts. For more details on the Group's risk management, please refer to the **[Risk Management Report](#)** (p.120-142) in our 2023 Annual Report.

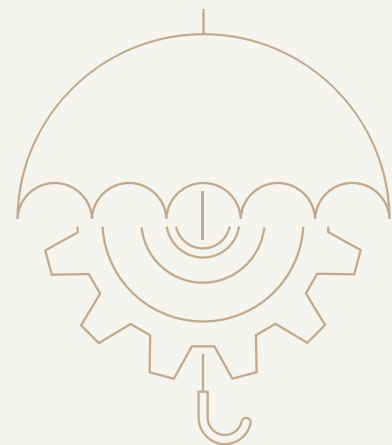
Sustainability Risk Management

The Group Risk Management Committee reviews the operation and effectiveness of internal controls and the procedures by which ESG risks are monitored and mitigated. Our ESG Risk Management Framework combines top-down and bottom-up approaches to prioritise, validate and manage ESG risks systematically.

We have identified the risk of insufficient understanding of significant environmental, social and governance issues as one of our principal risks in FY2023. In order to address and mitigate this risk effectively, we conducted ongoing stakeholder engagement activities and materiality assessment surveys to identify, improve and assess various sustainability issues that may affect our business and stakeholders, and strengthened the coordination and communication of the Group's sustainable development information including our strategic objectives, policies and achievements.

Climate-related Financial Disclosures

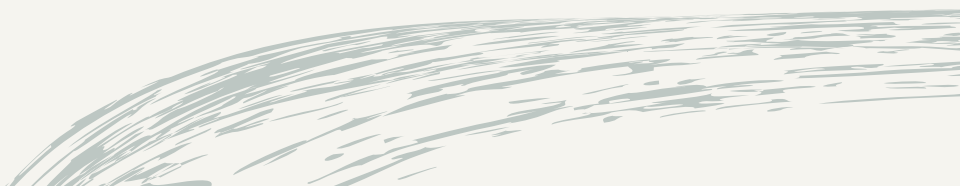
In the face of increasingly frequent extreme weather events, we are more aware of the urgency to deal with climate change issues. We manage climate-related physical and transitional risks and opportunities based on our risk management framework. To accelerate the Group's carbon reduction plans, we are actively paying attention to the carbon neutrality commitments around the world, including national dual-carbon policies, as well as changes in relevant policies and standards.



Chow Tai Fook made reference to the framework of recommendations of TCFD in managing and disclosing climate-related risks and opportunities systematically. The following outlines the core elements of our approach to climate change:

Core Elements	Our Response
Governance	<p><u>Sustainability Governance</u></p> <ul style="list-style-type: none"> The Board is responsible for overseeing the Group’s overall Sustainability Strategy and performance, and appoints the Sustainability Committee to manage climate-related risks and opportunities in conjunction with the Sustainability Task Force. The Committee reports regularly to the Board on sustainability matters, including climate-related issues
Strategy	<p><u>Climate-related risks and opportunities and their financial impact</u></p> <ul style="list-style-type: none"> We identify the Group’s physical and transitional risks and related financial and operational impact, as well as opportunities to move towards a low-carbon economy <p><u>Our Centennial Commitment</u></p> <ul style="list-style-type: none"> We have formulated a 10-year Sustainability Strategy, which includes the goals for reducing GHG and water consumption intensity of the Group and waste intensity in our production hubs by at least 15% by 2029 as compared to the base year in FY2019. We are committed to mitigating climate change by implementing energy conservation and emission reduction measures in production, office and POS scenarios
Risk Management	<p><u>Sustainability Risk Management</u></p> <p><u>Materiality Assessment</u></p> <ul style="list-style-type: none"> We identify climate change risks through the risk management framework, and conduct materiality assessment to analyse stakeholders’ insights on relevant issues, so as to respond to and mitigate climate change risks
Metrics and Targets	<p><u>Our Centennial Commitment</u></p> <p><u>Resource Efficiency & Carbon Reduction</u></p> <ul style="list-style-type: none"> We have set goals for reducing GHG and water consumption intensity of the Group and waste intensity in our production hubs and regularly report on GHG emissions and other climate-related environmental indicators

Please refer to **Our Response to TCFD Recommendations on Climate Change** for more information.



Business Resilience

In addition to establishing a robust risk management and internal monitoring system to prevent and mitigate risks, we have also formulated a comprehensive crisis management plan and framework, which clearly specify the definition of crisis, roles and responsibilities of relevant personnel and the reporting and response processes in the event of a crisis. The Group has set up a crisis management team, which is composed of management from different business segments and functions, responsible for coordinating crisis management resources and directing relevant crisis response strategies and measures. During the financial year, we conducted crisis management training to enable the management to conduct comprehensive and effective assessment and management before, during and after a crisis, so as to minimise its impact on the Group, maintain smooth business operations and strengthen business resilience.

Ethical Business Practices

The Group adheres to the customer-oriented philosophy by providing customers with quality products and services, building CHOW TAI FOOK JEWELLERY into an iconic jewellery brand. We strive to optimise customer experience and create blissfulness for customers through comprehensive product quality assurance measures and customer service procedures to meet or exceed laws, regulations and industry standards related to product quality, health and safety issues, advertising and labeling and privacy issues.



Product Quality

We strive to provide customers with quality and safe products. All of our production hubs have obtained ISO 9001 quality management system certification. In addition, our precious metal testing centres have obtained the CNAS-CL01 accreditation from China National Accreditation Service for Conformity Assessment (equivalent to ISO/ IEC 17025:2005 certification), and the Chow Tai Fook Fei Cui Testing Centre has also been certified by the Hong Kong Laboratory Accreditation Scheme to guarantee all products meet relevant quality and safety standards. We have implemented strict quality control measures at major stages from raw materials procurement, production to after-sales to ensure that every process is meticulous.



Raw Materials Procurement

- Standardised the inspection standards of raw materials, jewellery and jade, accessories and other materials to ensure compliance with relevant standards of the industry and places where we operate

Inspection and Production

- Inspect finished products in the production process in accordance with ISO 9001 quality management system certification to ensure that they meet the standards
- Established precious metal testing centres, which conduct precious metal purity appraisal for precious metal jewellery in accordance with GB11887-2008 "Jewellery – Fineness of precious metal alloys and designation"
- Established Chow Tai Fook Fei Cui Testing Centre, which conducts quality and genuity tests for related finished products in accordance with the standards of ISO/ IEC17025:2017 "Criteria for the Accreditation of Testing and Calibration Laboratory Capability"

After-sales

- Formulated recall procedures for product quality issues, recalled problematic products and conducted investigations in a timely manner, and formulated preventive measures to mitigate the risk of recurrence of similar incidents

Since FY2023, our ISO 18323:2015 Jewellery – Consumer confidence in the diamond industry Certification has expanded the scope from T MARK products to all diamond products, reassuring that they comply with industry practices in all aspects. In addition, our products have also obtained the Natural Diamond Quality Assurance Mark, Natural Jade Quality Mark and Quality Gold Mark respectively, to assure our customers with confidence.



FY2023 KPIs for Products Quality

99.8%

Inspection pass rate – in-house products

99.0%

Inspection pass rate – outsourced products

0

Products sold or shipped subject to recalls for safety and health reasons

1

Product health and safety related complaints received

Improvement of Customer Services

We devote ourselves to bringing quality shopping experience to our customers and making CHOW TAI FOOK JEWELLERY an iconic jewellery brand. We formulate a **Brand Standard Manual** to standardise our store environment, furnishings, service standards and staff appearance. Through unified standards and mechanisms, we can create quality experience for our customers. In order to enhance the brand image, we are planning to extensively optimise our service procedures, including store layouts and product promotion strategies, to deliver a fresh brand image to our customers with sincere services. We are a member of the Hong Kong Retail Management Association, and have been awarded Quality Service Certification, Flagship Service Certification, Retail Epidemic Prevention Measures Certification, Q-Mark Quality Service Certification Brand issued by the Hong Kong Quality Mark Bureau and other retail service-related certifications.

Electronic Shopping Experience

Refining brand website, online shopping platform and membership page, streamlining digital tools and enhancing seamless digital experience in stores

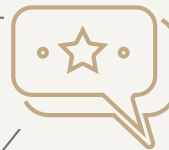


Customer Survey

Understanding customers' opinions on store image, products, frontline staff service and professionalism through customer satisfaction surveys, shopping reviews and customer service hotline

Complaint Handling

Formulating complaint handling procedures, handling customer complaints in a timely and sincere manner



Daily Communication

Setting up communication channels such as suggestion boxes, hotlines, social media platforms and messenger apps to stay close with customers around the clock and improve service quality from their perspective

Mystery Shopper

Evaluating sales service quality by mystery shopper inspections



Protection of Consumer Rights and Interests

Chow Tai Fook adheres to the principle of customer orientation, abides by relevant national and industry regulations and standards to safeguard the rights and interests of consumers. We strive to ensure the authenticity and reliability of product information. A designated team has set up a comprehensive management system to manage and supervise product pricing strategies and enhance the transparency of product pricing. Besides, we continue to improve service quality, set an industry benchmark, thus providing our customers with excellent services with sincerity.

Protection of Customer Privacy

Protecting personal data privacy is the key to maintaining customers' trust on the Group. We abide by the Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China, Hong Kong Personal Data (Privacy) Ordinance and other relevant laws and regulations to formulate the **Privacy Policy** and **Personal Data Collection Statements**, specifying our collection, processing, use, storage and protection of personal data, including the process of handling member accounts. We shall obtain customers' consent before collection to protect their legal rights. The Group has also established a comprehensive protection system, including the **Confidentiality Guideline for the Use of Customer Information** and **Data Protection and Encryption Policy**, to protect customer personal information at all means and reduce the risk of customer information leakage.

We include customer privacy risks as one of the Group's major risks and conduct risk assessments. The Group has established the Privacy Governance Committee to supervise the implementation of the privacy governance management mechanism together with dedicated departments, to implement privacy protection measures in daily operations and regularly review the results. During the financial year, we conducted a comprehensive privacy risk assessment on our key systems that process customer information, identified potential data leakage risks or other related risks, and took timely actions to prevent any major risks. As such, we could minimise risk probability and the impact on the Group, customers and other stakeholders. During the financial year, we did not receive any complaint related to customer privacy.

In order to enhance employees' awareness of protecting personal data, we organised relevant trainings to explain the requirements of applicable laws and policies to employees.

Cybersecurity

To safeguard the interests of our customers, we not only prioritise the protection of personal data privacy, but also strive to ensure network security. Through data protection and encryption policies, we regulate the requirements for protecting confidential and sensitive information. In addition, we engaged a professional consultant to assess the maturity level of our IT security, and regularly conduct penetration tests on key IT systems to identify security loopholes and make remedies, so as to prevent risks in a timely manner. We have also commissioned a professional consultant to review our IT policies and systems and network architecture with reference to the Cybersecurity Framework issued by the National Institute of Standards and Technology, which can effectively assist the Group in identifying, managing and mitigating network security risks.

In FY2023, we followed the Information Security Multi-Level Protection Scheme Management Measures of the People's Republic of China and other relevant regulations, and engaged a professional and recognised evaluation agency to carry out multi-level protection evaluation on one of our key systems, and successfully obtained the national network security level protection certificate. We plan to extend the assessment to other IT systems to strengthen our cybersecurity management. We will also organise regular trainings and drills to enhance employees' awareness on cybersecurity and contingency measures.

Equal Opportunity and Human Rights

The Group respects human rights and prevents any violation in compliance with international human rights principles, including the “Universal Declaration of Human Rights” and the “United Nations Guiding Principles on Business and Human Rights”. As stipulated in the human rights policies set out in our **Best Practice Principles, Code of Conduct** and other relevant policies, we treat all employees fairly and equally. We do not condone any child labour, forced labour, discrimination, retaliation, exploitation of rest time and other behaviours that violate principles of human rights in the workplace. In case of any suspected violations of human rights, including child and forced labour, the Group will require relevant departments or personnel to take follow-up actions timely while ensuring the safety of employees.

We also make use of the Group’s influence and insist that all suppliers respect human rights. We have incorporated the human rights principles in our **Best Practice Principles for Suppliers**, requiring suppliers to respect and support international and local human rights laws, and prohibit any forms of slavery, human trafficking, child labour, forced labour, workplace discrimination and other behaviours abusing human rights.

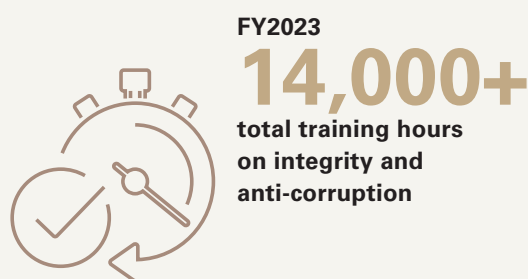
In FY2023, the Group did not discover any relevant cases, nor did it violate any laws and regulations related to child and forced labour.

Business Ethics and Integrity

The Group is committed to upholding high standards of business ethics and integrity in its daily operations, preventing all kinds of corruption, bribery, fraud, money laundering and other violations. Under the supervision of the Board, we require employees to strictly abide by the **Code of Conduct, Anti-Fraud Policy, Anti-Money Laundering Policy** and other related management systems, and also require suppliers to abide by the terms of anti-corruption and fair competition. The Group’s governance and compliance functional departments are responsible for coordinating and monitoring the relevant management departments to ensure that the policies are effective at the business operation level.

Integrity and Anti-Corruption Training

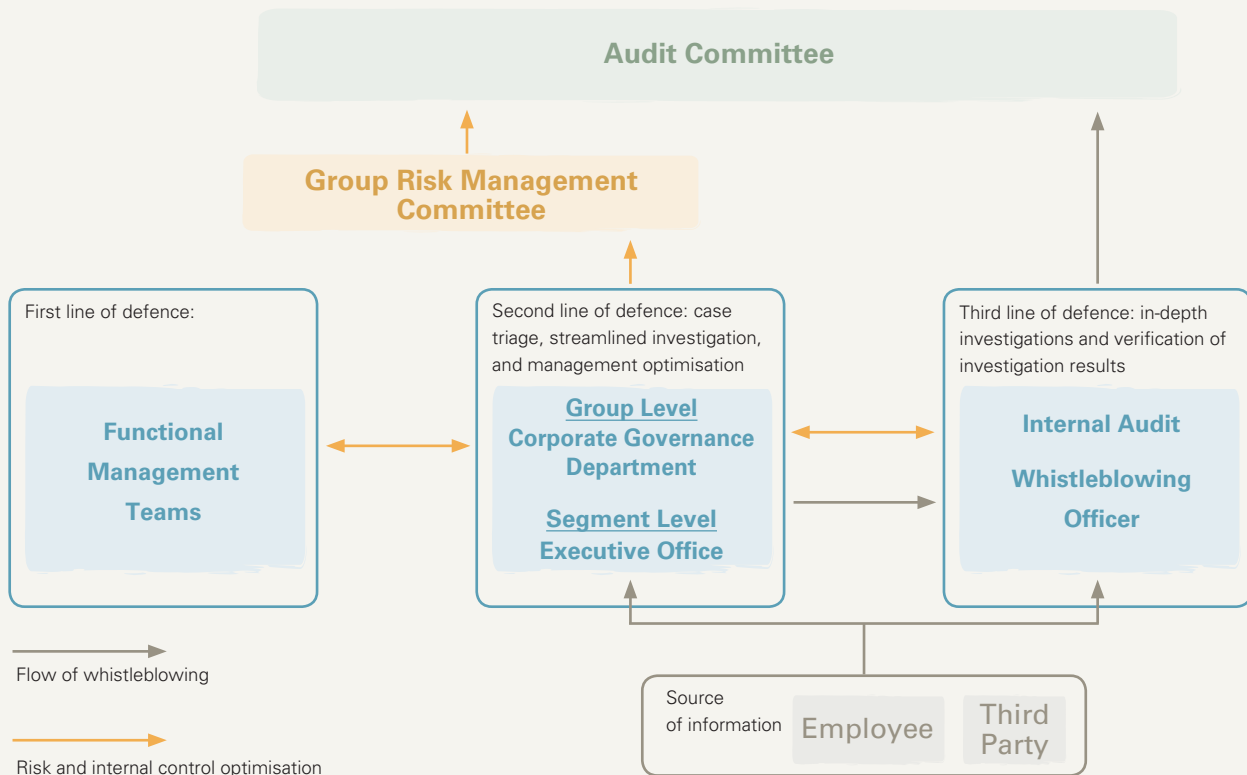
Since the onboarding of a new employee, we have clearly communicated the Group’s anti-corruption and integrity principles to the employee through employee handbook and code of conduct. At the same time, we regularly arrange integrity and anti-corruption training for employees at various levels to ensure that they understand the requirements of the Group’s policies and systems. During the financial year, we invited the ICAC to provide suitable frontline and back-office staff with trainings on anti-corruption, and uploaded relevant training courses on our online training platform, with a view to strengthen employees’ awareness on corruption prevention and their integrity standards.



Whistleblowing Policy and Mechanism

The Group's **Whistleblowing Policy** encourages employees, customers, franchisees, suppliers and other third-party partners who have dealings with the Group to report potential significant misconduct, fraud, violations of laws and regulations or the Group's code of conduct, or any other improper activities that may cause harm to others or the environment, through confidential channels, including designated email addresses or mailboxes.

Group Whistleblowing Mechanism



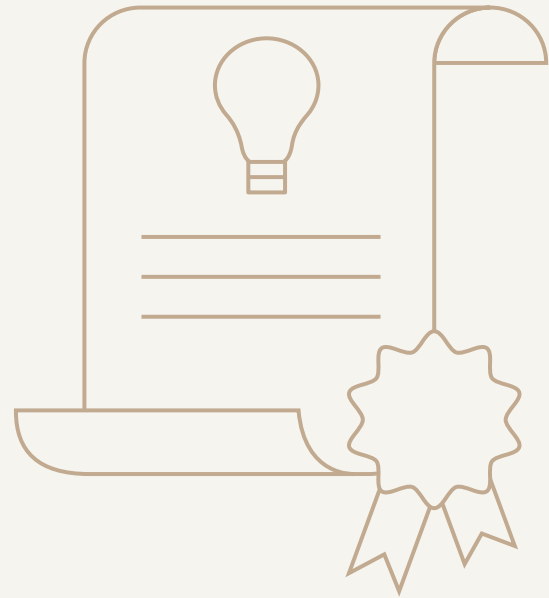
The Group continuously reviews and enhances the **Whistleblowing Policy** and related management mechanisms. During the financial year, the Group refined the **Whistleblowing Policy**, which opened up to accept anonymous reporting, extended its application to cover external third parties, and included specific matters of concern apart from fraud. Additionally, we have committed to optimising the management mechanism so that, under the supervision of the Audit Committee, internal audit and whistleblowing teams independently conduct investigation, identify risk areas and internal control deficiencies, and provide improvement recommendations, while functional management teams assist in investigations, implement timely rectification and optimise internal control mechanisms and processes through cross-team reviews and collaboration. These initiatives aim to address employee and third-party reports properly and promptly, while jointly improving management standards, preventing risks and minimising losses.

In FY2023, our whistleblowing mechanism received a total of 115 reported cases, of which 38 cases had sufficient evidence for the whistleblowing team to conduct investigation. These cases primarily involved employee violations of the Group's code of conduct or misappropriation of corporate assets. After investigation, we have verified that no significant impact on the Group accompanied by rectification of internal control processes.

Intellectual Property

The protection of intellectual property rights is crucial to safeguarding the rights and interests of the Group. We register our intellectual property and trademarks in accordance with applicable laws and regulations, formulate the **Intellectual Property Management Regulations** and establish an intellectual property management system to standardise the management procedures of trademarks, patents, copyrights and other intellectual property. We provide employees with clear guidelines to ensure that they use the brand and logo of the Group properly.

In addition, we respect the intellectual property rights of others, and closely monitor the intellectual property compliance of the Group. If any violations are found, we will immediately conduct investigation and take follow-up actions.



Group Policies

In order to maintain sound sustainability governance, we have formulated a series of sustainability policies, which apply to all business units under the Group, to standardise the governance, environmental and social performance of daily operations and business, and to comply with applicable laws and regulations and industry standards in locations where we operate. The Sustainability Committee reviews such policies from time to time to guarantee their effectiveness. In FY2023, we enhanced the **Environmental Protection Policy** based on international sustainability standards, peer benchmarks and environmental issues, regulating energy consumption, water consumption and waste discharge in daily operations and business, aiming to uphold industry best practices. Please refer to our **Sustainability section** of our website for details of relevant policies.

 <p>Governance</p>	 <p>Environmental</p>	 <p>Social</p>
<ul style="list-style-type: none"> • Chow Tai Fook <u>Best Practice Principles</u> • <u>Code of Conduct</u> • <u>Anti-Money Laundering Policy</u> • <u>Anti-Fraud Policy</u> • <u>Whistleblowing Policy</u> • <u>Privacy Policy</u> 	<ul style="list-style-type: none"> • <u>Environmental Protection Policy</u> • Environmental Management Manuals (all production hubs) • Waste Separation Guideline • Green Office Guideline 	<ul style="list-style-type: none"> • <u>Best Practice Principles for Suppliers</u> • Occupational Health and Safety Policy • Code of Conduct for Precious Metal Suppliers • Purchasing Policy • Procurement and Supplier Management Policy



Craftsmanship, Innovation & Technology

Inheriting its 94-year history, Chow Tai Fook has always been dedicating itself to becoming a cradle of inheriting jewellery craftsmanship, cultivating innovation and talents through ingenious craftsmanship, innovation and technology, passing on the ancient Chinese craftsmanship to the future generations.

2029 Goal Promote cross-generational craftsmanship, innovation and technology

- Cultivate the artisanal spirit through mass engagement and in-depth experiential programmes reaching **10 million** people

FY2023 Highlights



4,600,000+

participants joined mass engagement initiatives and in-depth experiential programmes over the years*

*Since FY2019



80+

public craftsmanship, innovation and technology activities



36

ambassadors participated in the "Golden Techniques II: Art of the Chinese Goldsmiths" exhibition to showcase the research results on ancient Chinese goldsmiths

SDGs



Material Issues

- Promote & preserve jewellery heritage & craftsmanship
- Support the development of jewellery industry
- Innovation in product & customer experience

Management Approach

As we carry on the legacy of Chinese jewellery-making, we aspire to conserve and pass on the most valuable aspects of our cultural heritage to the next generation. Having inherited many time-tested techniques from ancient China, we are constantly renewing and improving the craft with innovative design approaches and technologies to increase its reach, appeal and appreciation among new generations of craftsmen and customers. From FY2019 to FY2023, we successfully cultivated the artisanal spirit through mass engagement and in-depth experiential programmes reaching more than 4,600,000 people.

Inheriting Traditional Craftsmanship and Promoting Chinese Culture

Chow Tai Fook is proud to have a rich and long history of jewellery craftsmanship. Over 94 years, we have passed on thousands of years of traditional craftsmanship in Mainland China through handicraft production, talent cultivation and scientific management.

CTF • HUÁ Collection

CTF • HUÁ Collection redefines gold jewellery by combining modern aesthetic vision with traditional gold craftsmanship to design a series of simple and versatile gold jewellery. The Collection features design elements inspired by symbols, pictographs, and decorative patterns that carry the meaning of blessing in ancient China. This symbolism is renewed in the jewellery collection with added considerations for modern aesthetics, composition, and wearing habits, allowing customers to pass on not only the sincerest wishes from one person to another, but also Chinese tradition of art appreciation and the artisanal spirit.

In order to demonstrate the integration of tradition and modernity, we organised “A Style Legacy” event in respect of CTF • HUÁ Collection at K11 Art Mall in Tsim Sha Tsui, Hong Kong in June 2022, allowing the public to experience a hybrid aesthetics of the classic and contemporary that transcends through time. The event has different exhibition areas to showcase the stories of each gold jewellery in the CTF • HUÁ Collection.



“Golden Techniques II: Art of the Chinese Goldsmiths” Exhibition



Since 2014, Chow Tai Fook Master Studio and the Art Museum of The Chinese University of Hong Kong have carried out a research project on ancient Chinese goldsmiths, in the hope of illuminating their knowledge through a combination of history, scientific testing, and craftsmanship. In 2018, we entered the second phase of research, and released our findings in February 2023, to deepen public understanding of traditional goldsmithing.

The results of this research were presented to the public through the exhibition, “Golden Techniques II: Art of the Chinese Goldsmiths”, held at the Art Museum of The Chinese University of Hong Kong. This exhibition sheds light on three major techniques: gold and silver inlay, damascene, and the production and use of gold wire, alongside hammer-chiselling, casting and precision gold soldering. Bangles, bracelets, ornaments, gold bars, buckles, rings, necklaces and pendants spanning 3,500 years of history were presented, showcasing ancient jewellery making techniques and design elements influenced by both Chinese and Western culture. The exhibition also included an interactive education area, where visitors could learn about the historical evolution of goldsmithing through interactive installations and craft restoration videos.

We also selected 36 craft ambassadors from Chow Tai Fook and The Chinese University of Hong Kong to boost public awareness and appreciation of a goldsmith’s craftsmanship, through guided tours and a series of in-depth experiential educational activities, such as seminars, craft demonstrations, workshops and lectures.



Inheriting Eight Major Goldsmith Techniques

We have a wide variety of jewellery collections. With a scientific management approach, we could properly preserve collections that embody eight major goldsmith techniques, including filigreeing, toreutics, hammering, inlaying, gold inlaying, enameling, openwork and chiseling. We cooperate with various institutions to organise or participate in exhibitions, or donate ancient artifacts to museums. Our Collections and Exhibits Assessment Committee selects treasures based on value of craft, design, uniqueness of raw materials and historical significance, among other criteria, enabling the public to understand the exquisite and complex traditional crafts and their historical significance.



#Hammering



#Filigreeing



Lotus Bowl

From 2019 to 2020, we re-engraved the treasure of the Suzhou Museum, "Secret Color Porcelain Lotus Bowl", by using five major techniques, namely hammering, toreutics filigreeing, inlaying and enameling. The pattern of lotus flower, the Buddhist sacred object, is skillfully integrated with the porcelain. Exquisite textures and colors are presented with complex techniques, showcasing the blessings of eternity and endless luck. A total of two replicas of such treasure were exhibited in the permanent collections of Suzhou Museum and Chow Tai Fook History Museum.

#Hammering
#Toreutics
#Filigreeing
#Inlaying
#Enameling



Gods Birthday Celebration on Pure Gold Dragon Boat

The craftsman designed the "Gods Birthday Celebration on Pure Gold Dragon Boat" based on the cultural relics "Ivory Carving Dragon Boat" in the Palace Museum. By using three major techniques including filigreeing, openwork and chiseling, the craftsman delicately carved out the facial features and movements of characters, and plant patterns on the boat, implying the blessing of birthday celebration of the Eight Immortals, auspiciousness, success, luck and prosperity. The hollowed-out structure of the "Dragon Boat" is required to be carefully calculated based on the loading capacity of the boat, showing the craftsman's ingenious ideas and skilled craftsmanship. This treasure won the Gold Award in the Baihua Cup Crafts Competition held by China Arts and Crafts Association in 2017.

#Filigreeing #Openwork #Chiseling



Divine Horse of CTF • HUÁ Collection

"Divine Horse of CTF • HUÁ Collection" adopts five major techniques of hammering, toreutics filigreeing, inlaying and enameling. The patterns of peony, twig and cloud on the body are produced with high-temperature enamel. The horse's back, reins, wreath and flowers are inlaid with pure handmade filigree while its head, mane and saddle are inlaid with red enamel, showing the auspicious meaning of promising future and good luck.

#Hammering #Toreutics
#Filigreeing #Inlaying #Enameling



Eternity Ewer of CTF • HUÁ Collection

"Eternity Ewer of CTF • HUÁ Collection" adopts three major techniques of toreutics, filigreeing and inlaying. The body of the pot is inlaid with gems such as lapis lazuli, turquoise, opal, pearl and chalcedony, and is decorated with flowers made of pure handmade filigree. It shows the beauty of traditional craftsmanship.

#Toreutics #Filigreeing
#Inlaying



"Safe and Joy Blessings" Pure Gold Pendant of CTF • HUÁ Collection

"Safe and Joy Blessings" Pure Gold Pendant of CTF • HUÁ Collection adopts two major techniques of enameling and openwork. The Ruyi button is shaped like a blooming flower, and the hollowed-out rotating bead in the middle is carved with the word "Ping An" in ancient seal script, symbolizing good fortune, peace and prosperity.

#Enameling #Openwork



Promoting History and Culture to Facilitate Industry Development

To pass on the long-established jewellery craftsmanship and history to the next generation, we have invested resources in talent cultivation, training top craftsmen in the industry, and passing on craftsmanship from generation to generation. We also establish a public education platform, organise regular educational projects and activities, and actively participate in industry events, sharing research results of jewellery crafts, history and culture through different media to promote jewellery knowledge, with an aim to nurture potential talents and educate the public.





Talent Cultivation

We believe cultivating talents who are interested and passionate about jewellery craftsmanship and nurturing the future pillars of the jewellery industry is the top priority to promote industry development. We arrange relevant training for new employees to display the treasures of the Group and help them understand the history and exquisite craftsmanship that have been passed down for nearly a century.

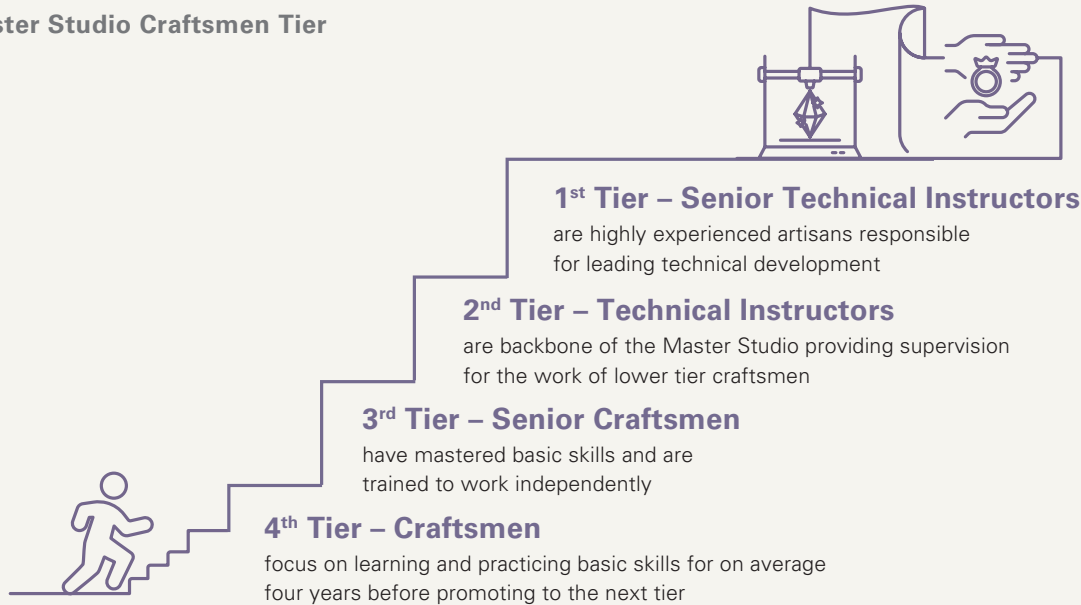
Master Studio

Chow Tai Fook Master Studio plays an important role in inheriting traditional craftsmanship. There are currently more than 460 professional craftsmen, divided into four tiers: craftsmen, senior craftsmen, technical instructors and senior technical instructors. The 1st and 2nd tiers of our craftsmen have decades of experience in gold and jewellery making and have received numerous awards. They provide guidance and supervision for craftsmen in the 3rd and 4th tiers. They receive on-the-job training such as jewellery craft courses, craft support for World Skills Competition, skill improvement training and technical exchanges. They also participate in various external activities from time to time to showcase traditional crafts to the public and teach jewellery making knowledge and techniques to youngsters who aspire to join the jewellery industry, with the hope of cultivating new practitioners for the industry.

Awards and Honours of Master Studio

-  Shenzhen – “High-level Talent Certificate” in 2022
-  Shenzhen – “May 1st Labour Medal” in 2022
-  Yantian District, Shenzhen – Honourary Certificate of “Industrial Talent” in 2022
-  Chuk Kam Jewellery Design Competition 2022 – Best Craftsmanship Award

Master Studio Craftsmen Tier



FY2023 Highlights for Master Studio

465

craftsmen

5,629

training hours of craftsmen

984

participants of external experience activities and courses

4,860

hours of external experience activities and courses in total

Joint Incubation Centre Established by Chow Tai Fook and Zheng Jingyi Vocational Technical School

With an aim to promote school-enterprise cooperation and search for talents in the jewellery industry, Chow Tai Fook cooperated with Zheng Jingyi Vocational Technical School in Shunde, China to establish a Joint Incubation Centre. Through apprenticeship courses, craftsmen from master studios were invited to provide students with 3D modeling, craftsmanship and design and other comprehensive jewellery making courses, with an aim to carry forward jewelry craftsmanship and create an industry benchmark. In FY2023, we enrolled a total of 28 students and provided over 3,000 hours of courses.



Public Education

We also spare no effort in organising a series of public education activities to introduce jewellery craftsmanship and historical culture to the public. Through Loupe, our design and craftsmanship incubation space, we provide a platform for talented and creative designers and craftsmen to showcase their masterpieces. We regularly organise and participate in industry events, including visits, courses, industry exhibitions and seminars, to enhance public exposure to jewellery knowledge and culture.



FY2023 Highlights for Loupe

62

designers-in-
residence

150

residency events

121,000+

participants

139

workshops

5,700+

hours of events

Awards and Honours of Loupe

Best Design Brand Award organised by Hong Kong Designers Association – Hall of Fame Brand Award – Loupe

The 23rd Hong Kong Jewellery Design Competition organised by the Hong Kong Trade Development Council:

- Best of Show award and Most Popular award – “Where Dreams Lie” by Yukki Hui;
- Merit – “Dancing in the Rain” by Catherine Lin and “Chrysanthemum Dream with the Bee” by Joys Man

Chuk Kam Jewellery Design Competition 2022 organised by The Hong Kong Jewellers’ and Goldsmiths’ Association Student Group First runner-up – “An Abundance of Glory and Blessings” by Joys Man

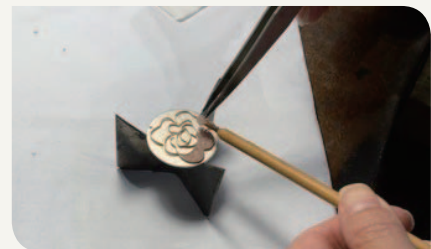
Hong Kong Smart Design Award – “Wear your Smiles” by Janus Ng



To celebrate the fourth anniversary of the establishment of Loupe and the graduation of the ninth batch of designers-in-residence, a special exhibition, “Return”, was held to showcase the jewellery designs of different styles by young designers



The graduation exhibition of the tenth batch of designers-in-residence with the theme of “+Complete+Beauty” was held to exhibit jewellery designs that imply perfection



We co-organised the exhibition of Sparkle and Charm: Contemporary Enamel Art, along with the Chinese University of Hong Kong to promote the development history, craft characteristics and artistic value of enamel antiques

Introducing Innovative Technologies and Creative Designs

As a pioneer in the jewellery industry, Chow Tai Fook is committed to becoming an inheritor of craftsmanship. At Chow Tai Fook, we are proud to have some of the top talents in the industry and we invest in innovative designs to put forward traditional craftsmanship. In addition, regarding the rapid development of innovative technology, we keep abreast of the trend and introduce leading technologies to the jewellery industry to push forward a more efficient, safer and more convenient jewellery production process.

Creative Designs

The Jewellery Creative Centre and Master Studio of the Group are cradles of design talents and craftsmen. They research and develop innovative jewellery designs with professional attainments, and create soulful products from the perspective of customers.

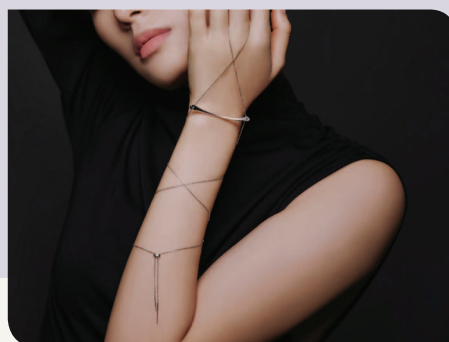
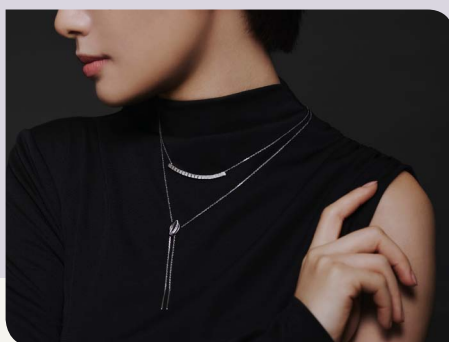
Fantasia: Ingenious Craft Design

Aiming to demonstrate our ingenious craftsmanship, Chow Tai Fook spent five years on material selection, design and production, blending nearly a hundred years of gold craftsmanship and contemporary design to create a handicraft, Fantasia, a unicorn which would only appear in myths and legends, presented to the public. One side of the single horn on the forehead of Fantasia is inlaid with a 106.94-carat fire opal, and the other side is inlaid with 18K white gold and white diamonds, presenting an unprecedented design. The craftsmen skillfully outlined the vivid and three-dimensional outline of Fantasia, while reforming the traditional gold surface treatment process by carving its face with ingenious textures such as gusts of wind and gorgeous scales, creating an extraordinary heroic posture, which perfectly embodies the unique beauty of the combination of hard gold craftsmanship and 18K white gold.



Innovative and Creative Design of re:form

During this financial year, we developed the “re:form” jewellery project, breaking new ground in jewellery design by allowing customers to use their imagination to mix and match for different occasions as they repurpose pieces to extend the product lifecycle. The project demonstrates our pursuit for design innovation using new product textures and details. Its unique jewellery concept won the 2022 Red Dot Design Award in Germany and the International Design Award (“IDA”) Gold Award.



Cooperating with Local Designers

Chow Tai Fook participated in the second edition of the Industrial Designers Society of Hong Kong “ReMIX” matching programme, sponsored by “CREATEHK” of the Hong Kong Special Administrative Region Government. The programme aims to encourage more local brands to cooperate with designers, to improve product design standards in Hong Kong and thus create more development opportunities for local designers.

As a participating brand, we were pleased to collaborate with PONG, a Hong Kong industrial designer team, to create products that empowered Hong Kong designers to bring new vision to the brand and long-term value to products.



Executive Director of Chow Tai Fook Jewellery Group, Mr. Cheng Ping-Hei, Hamilton (right) and Designer, Mr. Leo Yiu (left)



Responsible Sourcing

Chow Tai Fook engages actively with our suppliers and business partners to promote the sustainable development of the supply chain, ensuring that the sourcing process meets or surpasses environmental and social standards.

2029 Goal **Implement our Best Practice Principles for Suppliers (“BPPS”)**

- Ensure **100%** of key long-term suppliers are fully compliant

FY2023 Highlights



75%
of key suppliers signed our Best Practice Principles for Suppliers



Supplier due diligence was carried out to evaluate key diamond raw material suppliers to identify sustainability-related risks



Promoted green sourcing guidelines with “Blissful Wetlands” product launched using exclusive environmental-friendly packaging

SDGs



Material Issues

- Transparency & traceability of raw materials
- Human rights protection & labour practices in the supply chain
- Environmental impacts in the supply chain

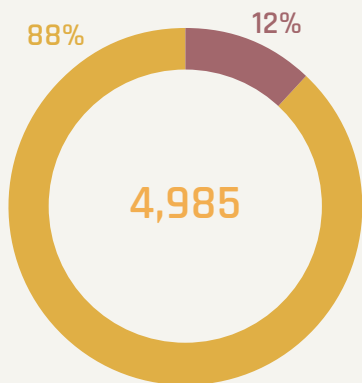
Management Approach

We actively communicate and cooperate with suppliers, abide by and promote relevant national and industry ethical standards, to improve the transparency and resilience of our supply chain. When we purchase diamonds, jadeite, pearls, gemstones and other raw materials, we comply with the Hong Kong Trade Descriptions Ordinance and other national and industry standards, as well as the requirements of the World Jewellery Confederation to ensure that they meet the requirements of quality and business ethics. We are highly concerned about the impact of packaging materials of finished products on the environment, and endeavour to promote a green supply chain. We cooperate with packaging material suppliers to adopt environmentally friendly packaging materials to reduce the impact of waste disposal on the downstream environment.

We have released the **BPPS** since FY2022, covering our suppliers of raw materials for production and non-product goods and services, contractors, service providers and consultants, requiring them to uphold best practices, including the following aspects:

Best Practice Principles for Suppliers		
 Business Ethics	 Environmental	 Social
<ul style="list-style-type: none"> • Integrity • Compliance with Laws and Regulations • Intellectual Property Rights • Anti-money Laundering, Counter Terrorist or Armed Activities • Qualifications and Certifications • Traceability of Materials • Product Security and Safety 	<ul style="list-style-type: none"> • Considerations for Environmental Protection • Emission of Hazardous Substance • Resource Management • Energy Use Management • Greenhouse Gas and Climate Crisis Management • Protection of Life on Land 	<ul style="list-style-type: none"> • Human Rights and Labour Rights • Occupational Health and Safety • Community Engagement and Development

FY2023 Suppliers Highlights



- Suppliers of materials for production
- Suppliers of non-product goods and services



Suppliers of Materials for Production

290	227	85
Mainland China	Hong Kong & Macau of China	Other regions



Suppliers of Non-Product Goods and Services

3,234	684	465
Mainland China	Hong Kong & Macau of China	Other regions

75%¹ of key suppliers signed or met the BPPS

182

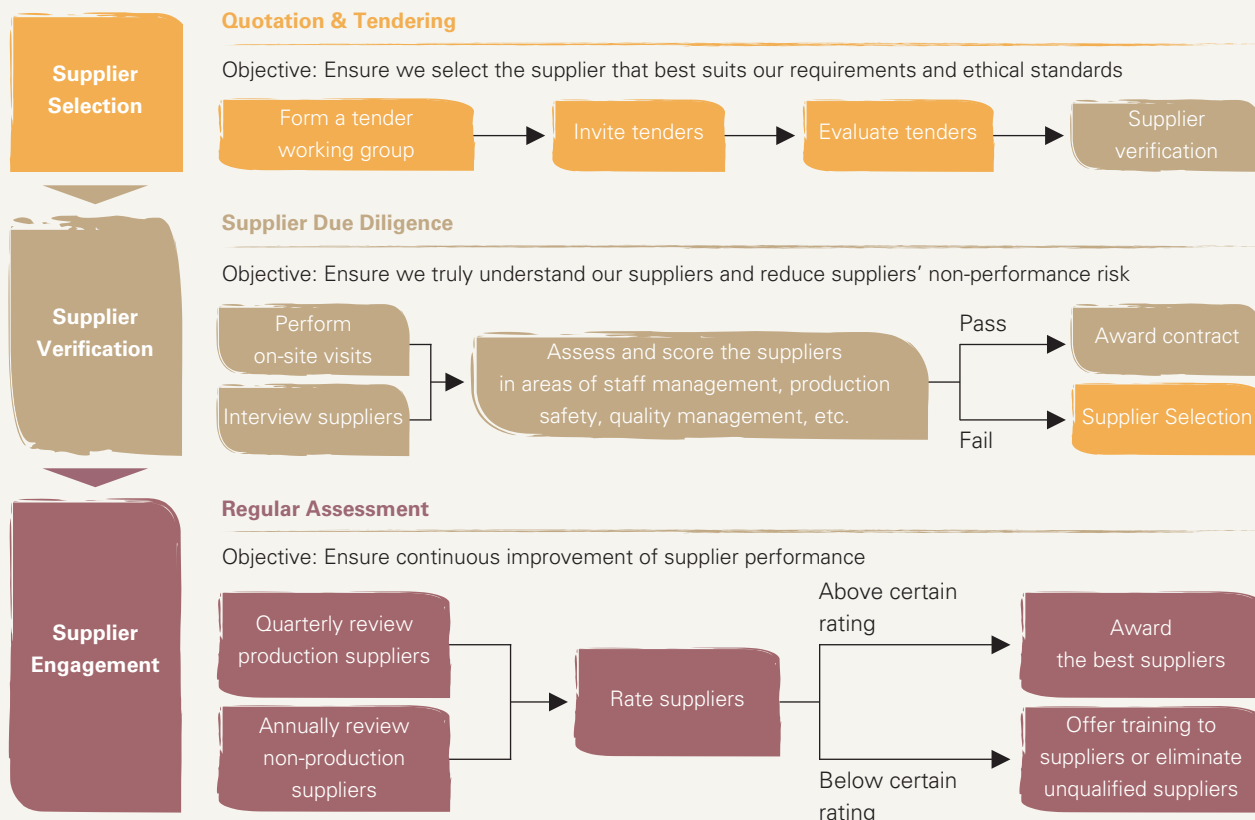
¹ We will regularly review the list of key suppliers and adjust the number of key suppliers based on changes in our business and other factors.

Cooperating with Suppliers to Improve Industry Standards

As a leading jewellery company, we uphold the principles of human rights protection, anti-corruption, occupational health and safety and environmental protection to promote the sustainability of the supply chain. We are a member of the International Colored Gemstone Association, and our subsidiary CTF Diamond Trading Company Limited is also a member of the Responsible Jewellery Council and abides by its standards for responsible sourcing. All transactions and shipments of rough diamonds and processed diamonds comply with the Kimberley Process, the World Diamond Council’s assurance system and relevant national and industry laws and regulations. We also ensure that all rough and polished diamonds are procured from legal sources and conflict-free. We are regularly audited by industry-leading business partners to ensure compliance with their code of conduct, labour standards and other standards. During the financial year, we passed the De Beers Group audit, verifying that our business complies with its supplier best practice principles.

We have established a comprehensive supplier management framework, which requires relevant employees to rigorously select, verify and communicate with suppliers based on the framework.

Supplier Management Framework



Apart from regulating ourselves, we also strive to work with suppliers to promote responsible sourcing. The suppliers who signed **BPPS** should conduct self-assessments to ensure compliance and promote standards of human rights, business ethics and social and environmental responsibilities. When formulating the standards, we refer to the following relevant international and industry best practices:



² Organization for Economic Co-operation and Development

³ For mineral supply chains from conflict-affected and high-risk areas

Supplier Due Diligence

To improve the sustainability of our supply chain, we refer to recognised international and industry standards and guidelines. We have improved our supplier due diligence management mechanism to cover management systems, risk identification and assessment, risk management, verification, due diligence and annual review.

During the year, we have strived to promote management systems and guidelines for supplier due diligence as well as for risk identification and assessment. Based on our management systems and guidelines, we conducted due diligence on key diamond raw material suppliers

and used digital tools to analyse the background, qualifications, policy implementation and transparency of suppliers to identify and assess their sustainability risks, including hotspots of anti-money laundering and counter-financing of terrorism, conflict-affected and high-risk areas, and corruption and bribery.

In FY2023, we did not identify any diamond raw material suppliers with significant sustainability risks.



Continuous Risk-Monitoring and Third-Party Audits for Suppliers of Non-Product Goods and Services

We adhere to the supplier management framework and regularly engage third-party auditing firms to conduct social and environmental due diligence assessments on our suppliers. In FY2023, a total of 21 key suppliers in the Mainland underwent these assessments, in which no high-risk issues in violation of the supplier code of conduct were identified. For suppliers that are identified as requiring rectifications, we are developing communication plans and providing recommendations for rectifications.

During the financial year, we implemented continuous supplier risk monitoring through a digital platform. Areas cover legal disputes, environmental penalties, product recalls and intellectual property etc. The Supplier Management Department, along with relevant procurement departments, maintains regular communication with suppliers to improve their performance and mitigate risks.

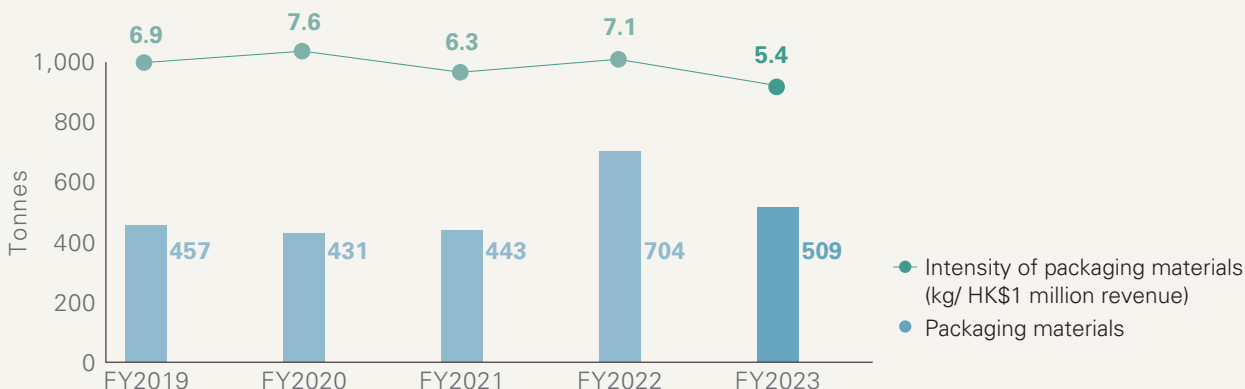
Green Procurement

Chow Tai Fook is committed to promoting environmentally-friendly practices in the supply chain. To uphold the principles of environmental protection throughout the procurement process, we prioritise the use of raw materials, packaging materials, equipment and office supplies that have less impact on the environment to reduce the ecological footprint of the supply chain. The **Environmental Protection Policy** of the Group sets out the principles of green procurement and provide guidelines to employees to adopt environmental practices during the procurement process. Guidelines for green procurement are as follows:

Guidelines for Green Procurement

Management	<ul style="list-style-type: none"> Review demand and check inventory before procurement, and purchase according to actual usage requirement Encourage suppliers to implement emission reduction or other eco-friendly measures and introduce environmental management performance in the assessment of suppliers Prefer products locally made and in bulk purchase to reduce the ecological footprint of the transportation process
Selection	<ul style="list-style-type: none"> Prefer suppliers with relevant environmental protection certifications, including ISO 14001 Environmental Protection System Certification and Forest Stewardship Council ("FSC") Certification Prefer electronic equipment with energy-saving labels
Design	<ul style="list-style-type: none"> Duly consider environmental factors throughout the whole lifecycle from design to disposal of products and packaging, such as prioritising the use of recyclable or degradable materials to facilitate recycling as much as possible and minimise impact on the environment Minimise the use of packaging materials and reduce the weight of packaging

Packaging Material for Finished Products



“Greener Planet Series”

In FY2023, Chow Tai Fook launched the sustainability action, “Greener Planet Series” in collaboration with the Mangrove Conservation Foundation (“MCF”). The “Blissful Wetlands” campaign aims to protect the endangered spoon-billed sandpiper and its natural habitat in Mainland China, in an effort to conserve biodiversity.

To realise the aim of ecological protection, we cooperated with an industry-leading packaging material supplier to design exclusive environmentally friendly packaging boxes. The packaging box is made of FSC certified paper and hot stamping. Using an innovative printing technique, we eliminated the common difficulty of recycling hot stamping products, allowing it to be recycled together with paper – greatly reducing the environmental burden caused by the disposal of packaging materials.

At the same time, we launched an innovative mini programme, “Greener Planet Series – RMB 1 to Protect the Spoon-billed Sandpiper”, and launched the limited-edition gold charm, “Blissful Wetlands”, which successfully raised public awareness of nature conservation. The event donated RMB 760,000 to the MCF and encouraged more than 3,000 people to donate through the app.



“Blissful Wetlands” product



Exclusive environmentally-friendly packaging box



“Greener Planet Series – RMB 1 to Protect the Spoon-billed Sandpiper” Mini Programme



People Focused

Chow Tai Fook strives to nurture outstanding talents for the future with the well-established workplace culture, and allocate resources to community investment projects to create social values.

2029 Goal Cultivate our caring culture that embraces employee development, diversity, inclusion, wellbeing and family-friendly practices as well as giving back to our community

- Increase employees' volunteer service hours by **30%** compared with FY2019

FY2023 Highlights



1,020,000+
total training hours



18,400+
hours of
volunteer service



HK\$47.7 million
of total donations



Agile working mode
with partial floors of major
operating buildings renovated
into a hybrid office space

SDGs



Material Issues

- Employee health & safety
- Diversity & inclusion
- Training & career development
- Labour practices
- Community contributions & social impacts

Management Approach

Chow Tai Fook upholds a people-focused principle, and has established a healthy and positive workplace culture. We are committed to fostering the employer brand, and promoting the Group as the preferred employer of the public, by treating all employees equally and striving to eliminate discrimination – which helps us to recruit the best talent. From the start of employment, we strive to build a good employee experience for the new employee by providing support and encouragement to stimulate enthusiasm for work, while maintaining work-life balance. We are also committed to cultivating a charitable spirit throughout the Group, and creating social impacts through active participation in charity activities.

Major Aspects of the Group in Talent Management



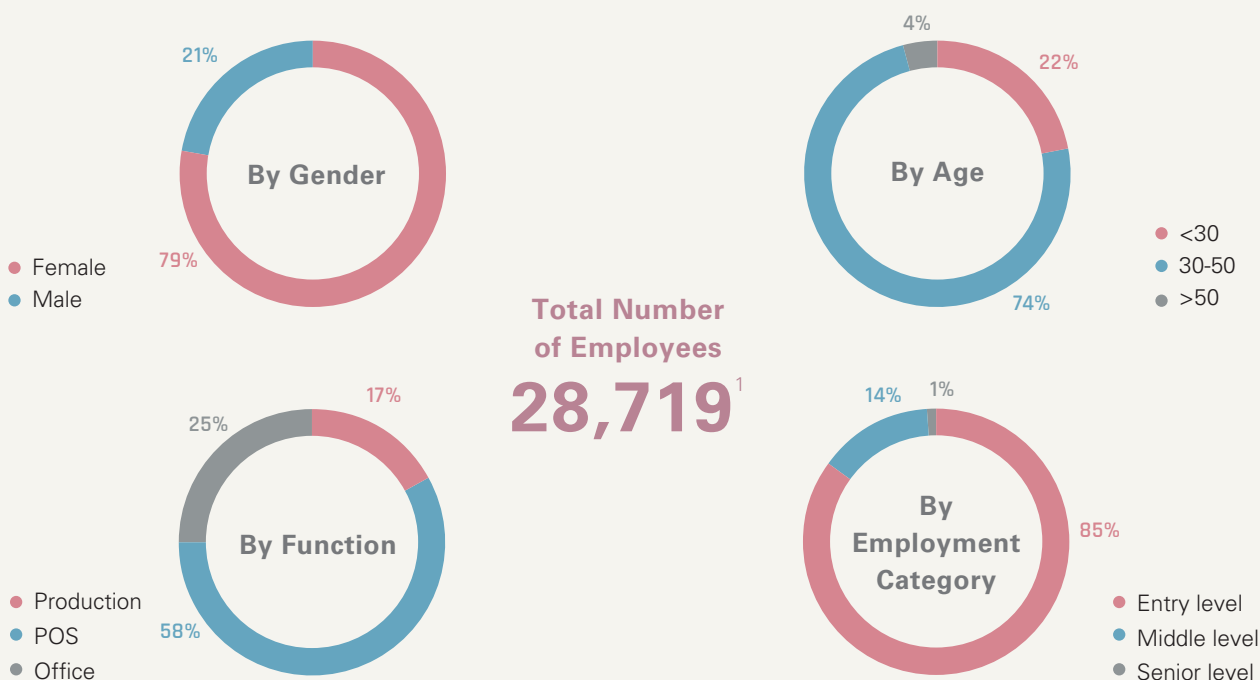
Awards and Honours

-  Caring Company Logo 2022/2023 of Hong Kong
-  Hong Kong Volunteer Award 2022 organised by Home and Youth Affairs Bureau and Agency for Volunteer Service of Hong Kong – Outstanding Partnership Project Award – Do Good ~ Caring Action
-  Community Investment and Inclusion Fund of Hong Kong – Social Capital Builder Award 2022 – Social Capital Builder Logo Award
-  Chief Happiness Officer Association of Hong Kong – CHO Appreciation Award 2022 – Top 10 Happiest Company to Work For Award; CHO Do Good Award
-  TWGHs Corporate Partnership Recognition 2022 of Hong Kong
-  Jockey Club Age-friendly City Partnership Scheme 2022 Sticker of Hong Kong
-  National Harmonious Labour Relations Creation Demonstration Campaign – National Harmonious Labour Relations Creation Demonstration Enterprise

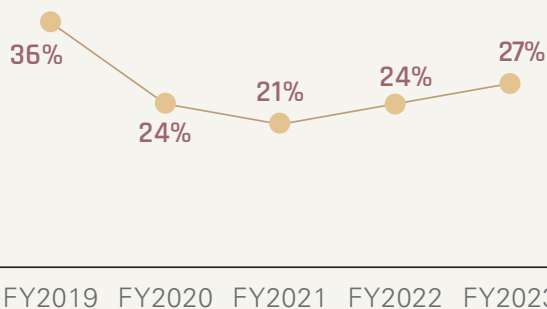
Profile of Our People

To safeguard the interests of the Group and our employees, we have outlined the remuneration policy, working hours, overtime work, leaves and holidays, dismissal and other arrangements in our Employee Handbook and other human resources systems. We continue to optimise our recruitment networks targeting outstanding talents. All employees are treated fairly and equally on the basis of meritocracy.

As at 31 March 2023, the distribution of employees of the Group is as follows:



Employee Turnover¹



The Group's management closely monitors employee turnover rates when formulating talent management strategies in order to implement appropriate measures to retain talent. The overall employee turnover rates have remained stable in the past five years at a level comparable to or slightly better than its peers.

FY2019 FY2020 FY2021 FY2022 FY2023

¹ As at 31 March 2023, the number of employees and turnover data only cover the Group's core and material business units in Mainland China, Hong Kong & Macau of China.

Diverse and Inclusive Workplace and Becoming Preferred Employer

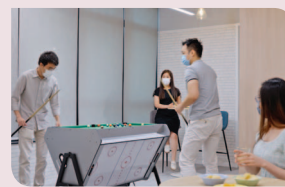
We attach great importance to employee experience, and strive to establish a healthy, harmonious and zero-discrimination workplace culture through strengthening communication, and to eliminate discrimination related to race, class, age, disability, appearance, gender, marriage, family status or sexual harassment. Chow Tai Fook's Board fully recognise the benefits of diversity in the workplace and is committed to promoting diversity. With the three female Directors joining the Board in recent years, we have increased the proportion of female Directors in the Board to 20%, while as at 31 March 2023, the ratio of female to male in the senior management was 42%:58%.

We also strive to maintain an inclusive workplace culture that listens to and responds to the needs of our employees. To this end, we have set up a number of communication channels, including the General Manager mailbox, WeChat public platform, suggestion collection platform, suggestion box and official Weibo, for employees to openly and honestly put forward their opinions so that we could provide appropriate support. In FY2023, we organised an employee feedback and improvement themed activity, providing a platform for our employees to raise pain points and opinions at work, and jointly find solutions to improve work efficiency and performance.

Agile Working Mode

In recent years, agile working has become increasingly popular, with working from home being the new norm in many workplaces. With a deep understanding of the workplace and personal needs of our employees, and with the aim to care for their well-being while enhancing their job performance and efficiency, we have enabled flexible working hours and location for certain back office staff to cater to their duties and personal preferences.

In FY2023, we have renovated partial floors of major operating buildings into hybrid office space blending technology and contemporary design. This office space offers a diverse range of co-working spaces, meeting rooms, event areas and rest zones, all tailored to the collaborative and individual needs of our employees. This setup will provide the flexibility and inspiration needed to unleash the full potential of our employees.



Promoting Physical and Mental Health and Creating a Healthy Workplace Culture

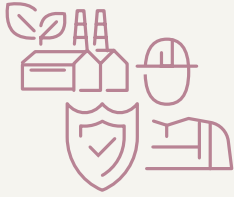
We have formulated the **Occupational Health and Safety (“OHS”) Policy** in accordance with the Occupational Safety and Health Ordinance of Hong Kong, the Law on Occupational Disease Prevention and Control of the People’s Republic of China and other applicable laws and regulations to identify and control occupational safety and health risks and provide employees with a safe and healthy working environment. Each business segment forms an OHS team to supervise the implementation of OHS measures and distribute OHS information in a timely manner. We will regularly review the policy to ensure compliance with the latest legal regulations and industry standards, and organise relevant training courses from time to time, including new employee training, refresher training and safety production training for the production management centre, to deepen employees’ understanding of OHS regulations, emergency procedures, occupational hazards, production safety and other areas, in an effort to reduce employees’ work-related injury rate. All production hubs have obtained ISO 45001 OHS management system certifications, and the effective implementation of OHS measures is assured through strict management procedures.

OHS KPIs

	FY2021	FY2022	FY2023
Number of work-related fatalities	0	0	0
Number of lost days due to work injuries	3,204	1,680	1,286
Injury rate per 1,000 employees	3.5	2.5	1.6

Over the past three years, we have recorded a stable number of lost days due to work injuries and employees’ work-related injury rate.

OHS Management Practices



Production

- Provide adequate personal protective equipment for applicable employees
- Equip with adequate safety and fire-fighting equipment, and conduct drills
- Regularly assess OHS risks and take corresponding control measures
- Formulate a system for reporting, investigating and handling safety accidents to ensure timely handling and response to production safety accidents
- Conduct regular and random security audits and inspections, and improve immediately when security loopholes are found
- Develop a reward and punishment mechanism, clarify the responsibility of employees to ensure OHS, and strengthen safety awareness



Office and POS

- Regularly inspect machinery and fire protection equipment, and conduct drills
- Carry out regular inspections to ensure that first aid supplies, fire prevention supplies and other emergency response supplies are in place
- The Hong Kong Q-Mark Quality Service Scheme will conduct quarterly inspections of branches to ensure that the OHS environment and equipment meet its standards
- Formulate accident emergency response measures, strengthen employees' awareness of emergency prevention and handling, and arrange suitable employees to obtain first aid certificates

Offering a Decent Working Environment for Employees' Sake

Chow Tai Fook is keen to establish a decent working environment and bring blissfulness to employees. We have established an extensive and professional remuneration and benefits strategy, and review employee remuneration and benefits in a timely manner according to market trends to enhance our competitiveness. We provide social insurance and housing provident funds (applicable to employees in Mainland China), MPF (applicable to employees in Hong Kong of China), Employee Assistance Programme ("EAP"), medical subsidies and health checkups, bursaries, shopping discounts, meals, activity allowances, dividends, outstanding employee awards, long-term service awards and emeritus service awards and a series of benefits.

We expect that every employee can feel a sense of belonging at Chow Tai Fook. Through various employee experience activities that promote physical and mental health, including handicrafts, sports, parent-child activities and environmental protection education, we strive to enhance the physical and mental health of employees, and allow them to gather together in their spare time to strengthen cohesion.



Birthday party



Kokedama workshop



Coffee grounds aromatherapy DIY workshop



Fitness club



Cantonese mooncake DIY workshop



EAP ambassador training



No cell phone camping challenge

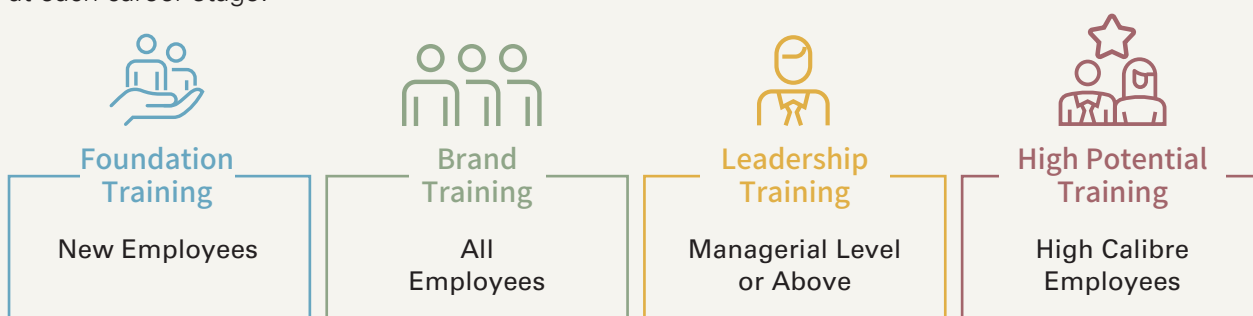


Football fun day

Providing Training and Career Development Opportunities

We attach great importance to the learning and career development of employees at Chow Tai Fook. We put great store by the all-round development of our employees, enable them to unleash their potential and gain a sense of personal and team achievement. We have established a comprehensive training framework to provide employees with internal and external training courses suitable for their career development and learning needs.

We provide different programmes and courses, such as the customised “New Employee 180-day Learning Journey” for new hires, the “Management Trainee Programme” that provides guidance for the future talent pool, and the “Leadership and Strategic Management Course” that expands the international perspectives of the management, allowing every employee to enjoy a learning journey at each career stage.



In addition, we offer examination leave and other additional leave, training allowances and bursaries for executives in order to cater to different learning needs. With the increasing popularity of agile working mode, we have vigorously developed the e-learning platform, Smart Learning, through which our employees can join online courses at “Intellectual Elite” for management sharing, sharing from different departments and functions anytime and anywhere, thus rigorously improving their professional knowledge and potential.



FY2023 Training Highlights



To provide better training experiences for our employees, franchisees, and business partners, we have established training centres in Wuhan and Shenzhen, which offer comprehensive training programmes to cultivate talents in the jewellery industry. We also provide sufficient support to enable employees to implement their career development plans. We conduct appraisals of employees’ performance every year, and apply the appraisal results to their remuneration and promotion management.

Mentorship Programme for Frontline Staff

To ensure that new frontline staff can quickly integrate into our workplace, acquire job-specific expertise and skills and foster a sense of team work, we have established the Mentorship Programme. This programme involves the appointment of experienced and qualified mentors to guide new frontline staff in mastering the corporate culture, organisational structure, work processes and other necessary knowledge and skills. In addition, we will provide discretionary incentives and awards for “Best Newcomer” and “Best Mentor” to both new employees and their mentors, with the aim of promoting knowledge transfer, cooperation, and mutual success, while reinforcing their sense of belonging to the Group and validating their career development trajectory.



“Boutique of Mine” Competition

Chow Tai Fook has been organising the “Boutique of Mine” Competition annually since 2020, with the goal of building a platform for the younger generations to showcase their talents. The challenge is open to university students who can participate in teams and gain exposure to the jewellery industry and POS operations, which prepares them for their future professional endeavours. This year’s challenge was themed “Finding Modern Players in the Generation Z”, featuring three stages of online playthrough, modern breakthrough, and modern domination, which included gaming elements to incentivise participants to think creatively and explore their potential. The participants were required to submit innovative pop-up store proposals revolving around five jewellery collections under the CHOW TAI FOOK brand. The challenge attracted over 2,000 applicants and had over 10,000 students participating in online courses. A total of 243 creative proposals were received and evaluated by the judging panel based on store design, jewellery design, brand communication, marketing planning, and overall concept. The challenge successfully drew the attention of the Generation Z, inspiring many young people to embrace their passion and creativity, and promoting the entrepreneurial spirit of the younger generation.



Scheme on Corporate Summer Internship on the Mainland and Overseas

Chow Tai Fook participated in the Scheme on Corporate Summer Internship on the Mainland and Overseas in 2023 organised by the Home and Youth Affairs Bureau of the Government of the Hong Kong Special Administrative Region, providing a six-week valuable internship opportunities for local tertiary students to learn about different areas of business in Chow Tai Fook and the ecology and development of the jewellery industry.

Advocating Employees to Participate in Charitable Activities to Create Social Impact

Chow Tai Fook has always spared no effort to give back to the society. Chow Tai Fook has set up a volunteer team for many years. It is committed to cooperating with various social welfare organizations, making contributions to the community, and cooperating with various sectors to create social value. We set up volunteer leave to encourage employees to actively participate in voluntary activities and other public welfare activities with their relatives and friends, such as blood donation, charity visits and material donations, to spread the caring spirit of Chow Tai Fook.

In FY2023, we signed the “Business with Purpose” platform plan jointly organised by The Hong Kong Management Association and SVHK Capital Limited, pledging to promote the concept of sustainability to the business community in Hong Kong so as to integrate it into business strategies. In addition, the Group has donated RMB 120 million to Beijing Sport University Education Foundation and set up the Cheng Kar-Shun Champion Development Foundation, aiming to support cultivation of elite sports talents and construction of youth sports training system and career development of national elite sports in the Beijing Sport University.

During the financial year, we allocated resources to organise and participate in a series of programmes to support inclusiveness, community and youth.



FY2023 Community Investment Highlights

HK\$47.7 million
of total donations

11,615
employee
volunteer
participants

1,284
non-employee
volunteer
participants

18,433
hours of
volunteer
service

Support Inclusiveness



Dialogue with the Future – Lead the City

Chow Tai Fook has sponsored the “Dialogue with the Future – Lead the City” programme, hosted by the Junior Chamber International Peninsula. The programme is aimed at providing training in public speaking, speech delivery and career planning for athletes and other individuals with disabilities, with the goal of grooming them as the next generation of young leaders. The programme empowers participants to seize more job opportunities, enhance their personal development, and boosting their social competitiveness.

Support Community

Do Good ~ Caring Action

Chow Tai Fook's Do Good ~ Caring Action has been launched since 2013. Embracing the "Do Good Feel Good" spirit, our team of volunteers have been collaborating with over a hundred social welfare organisations, including Food Angel and the Society for Community Organization, to carry out charity activities. In FY2023, 33 activities were carried out under Do Good ~ Caring Action. Since 2018, we have included support work in the programme to provide support and care to the underprivileged seniors, the sick and impoverished families in Hong Kong, such as distributing festive gift packs and handmade crafts, assisting in home repair, maintenance and cleaning for those in need, and conducting telephone support. During the financial year, we held a total of 641 support and care activities.



Visiting underprivileged communities and providing assistance with home maintenance and appliance repair



Distributing Mid-Autumn gift packs to underprivileged seniors with our blessings



Making DIY crafts for underprivileged families and the elderly

Letter from Santa Claus

Chow Tai Fook collaborated with the Jockey Club Tai Kok Tsui Integrated Services Centre of Tung Wah Group of Hospitals to participate in the "Letter from Santa Claus" programme. Social workers collected wish lists to Santa Claus from underprivileged children, and our team of volunteers assumed the role of Santa Claus to reply on Christmas cards with small Christmas gifts. In addition, the volunteers also gave Christmas cards filled with words of blessings to children in Sham Shui Po with the help of Society for Community Organization. We have sent out over 1,000 Christmas cards, bringing joy to underprivileged children.



Support the Youth



Sponsoring Street Dance Show of YO Dancical

Chow Tai Fook provided title sponsorship to support the 2022 fundraising street dance show of YO Dancical titled "Save the Moment: Impossible". The event featured a physical street dance performance that was streamed online. This provided a platform for young performers to showcase their artistic talents and pursue their dreams.

Supporting Students in Learning English

We sponsored local students to participate in English public speaking workshops organised by VDO English to help them improve their English skills, build confidence and express themselves. A total of 10 schools have been funded by this project, which is expected to benefit at least 1,500 students.

Furthermore, Chow Tai Fook also sponsored the "21st Century Cup" National English Speaking Competition (Hong Kong Region) in 2023. The competition is one of the largest and highest-standard English speech contests in Mainland China. Winners in the Hong Kong competition will represent Hong Kong in the national final.



Halo Scholarship Programme

We have been implementing the “Aperture” scholarship programme for students in collaboration with various universities in Mainland China since 2011. This programme provides financial support to outstanding undergraduate students with financial difficulties and offers them opportunities for corporate internships, workplace exposure, job recommendations, and employment, all with the aim of setting them on the way to successful career. As of FY2023, Chow Tai Fook has cooperated with 18 universities across Mainland China to provide sponsorship for over 5,000 students, with a cumulative donation amount exceeding RMB 22 million.



Next Producers Inheritance Challenge

Chow Tai Fook has been commissioned to organise the second season of the Next Producers Inheritance Challenge. By inviting teams from over 200 colleges and universities in Mainland China to capture more than 140 stories, cultural values and artistry of traditional Chinese craftsmanship that are deserving of preservation but may be unfamiliar to the general public in writing and short videos, the contest aims to uncover talented young individuals while showcasing the exceptional traditional Chinese craftsmanship that are rich in historical and cultural significance. The competition had over 50 million viewers.



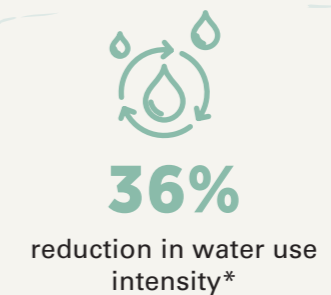
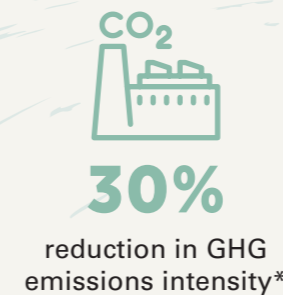
Resource Efficiency & Carbon Reduction

Chow Tai Fook actively manages the environmental performance of its businesses to address the risks brought by climate change, while seizing opportunities to work with its employees, customers, suppliers and other stakeholders towards carbon neutrality.

2029 Goal Reduce the ecological footprint of our operations

- Reduce GHG intensity and water consumption intensity of the Group and waste generation intensity of production hubs by at least **15%** compared with FY2019

FY2023 Highlights



Formulated carbon reduction roadmap with environmental targets of production hubs comprehensively evaluated and revised

LCMP

Platinum Label in the Low Carbon Manufacturing Programme awarded by WWF-Hong Kong

* Compared to FY2019.

SDGs



Material Issues

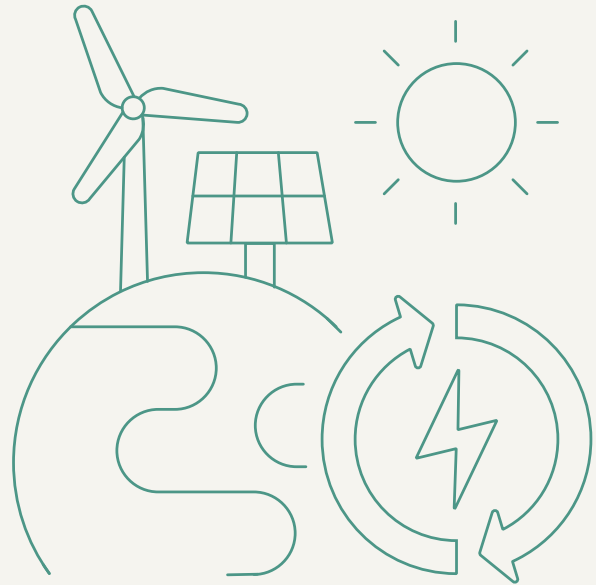
- Carbon emission & energy management
- Climate change impacts
- Circularity & waste management
- Biodiversity and ecosystem
- Water management

Management Approach

We pay close attention to our environmental performance, actively introducing innovative technologies and implementing energy-saving and emissions-reduction measures to reduce the Group's carbon footprint. In FY2023, we enhanced the **Environmental Protection Policy** covering all business units of the Group to ensure that our business standards meet or exceed the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations in the places where we operate. We are committed to regulating our energy consumption, water consumption and waste discharge as well as increasing employee awareness of energy conservation. All of our production hubs have obtained ISO14001

environmental management system certification. We comply with the certification requirements, formulate a comprehensive **Environmental Management Manual**, and strictly manage the daily operations of our production management centres. In addition, we set environmental management goals for air, wastewater and noise emission limits, and guide all staff to carry out daily operations and production in strict accordance with requirements of the manual.

We have comprehensively followed national carbon neutral strategies and goals. During the financial year, we engaged an independent third-party consultant to conduct a comprehensive assessment of the environmental performance of our production hubs – including greenhouse gas emissions, energy consumption, water use and waste discharge, analysis and identification of effective emissions reduction and resource optimisation measures to assist our production hubs in reviewing and revising their goals, along with the development of carbon reduction roadmaps. The assessment results will serve as an important basis for us to review our overall carbon reduction, water reduction and waste reduction goals. The GHG emissions, energy consumption, water usage, and waste generation intensity targets of our production hubs have been revised to achieve a minimum reduction of 50% compared to FY2019. At the same time, we are actively reviewing and, when appropriate, revising the Group's environmental goals to accelerate our progress towards carbon neutrality.



In FY2023, our production hub in Shenzhen was the first in the jewellery industry in Mainland China to obtain the low-carbon product supplier certificate issued by the China Electronics Energy Saving Technology Association. The certification was based on the Implementation Rules for Voluntary Evaluation of Product Carbon Labels Promoted by the Industry (Interim), PAS 2050 Specification for the Assessment of the Life Cycle Greenhouse Gas Emissions of Goods and Services and ISO/TS14067: 2018 Greenhouse Gases – Carbon Footprint of Products – Requirements and Guidelines for Quantification and Reporting. The GHG emissions of one of Chow Tai Fook’s gold necklaces were evaluated, covering the entire product life cycle from raw materials acquisition, transportation process, production, and transportation, to its use, disposal and recycling. We are currently studying the integration of carbon reduction measures into the product life cycle to further reduce our carbon footprint.

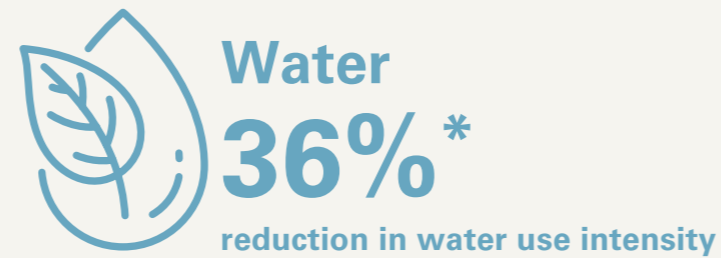
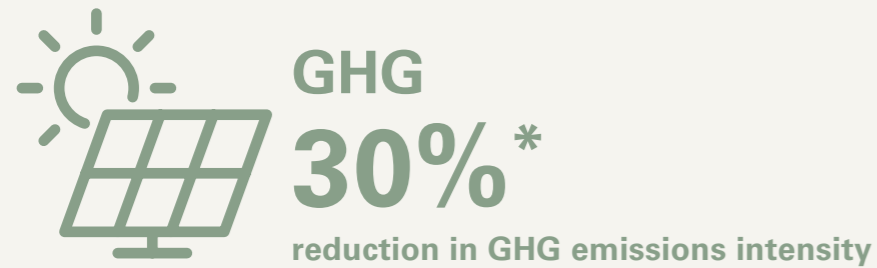
Awards, Honours and Certificates

<p>CDP Water Security 2022</p> <p>B</p>	 <p>UNSDG Achievement Awards of Hong Kong organised by Green Council – Merit</p>
<p>CDP Climate Change 2022*</p> <p>C</p>	
	<p>Platinum Label in the “Low Carbon Manufacturing Programme” of WWF Hong Kong</p> <ul style="list-style-type: none"> • Production hubs in Wuhan, Shunde and Shenzhen
	<p>China Electronics Energy Saving Technology Association – Low Carbon Product Supplier Certificate</p>
<p>Society of Entrepreneurs and Ecology Foundation – Outstanding Contribution in 2022</p>	

* Rating is based on the Group’s performance of promoting environmental management in 11 aspects, including value chain participation, environmental objectives, GHG emissions, risk and opportunity disclosure, governance, energy, emission reduction measures and business strategy and financial planning. We are taking initiatives in improving the Group’s management performance in these aspects.

Reducing Ecological Footprint in Operation

We implemented various energy-saving and emission reduction measures in the production, office and POS sectors to reduce our ecological footprint. Examples of major measures during the financial year are as follows:



Production

- Introducing automation control systems and variable frequency devices to enhance the energy efficiency of equipment
- Using solar energy systems in some production hubs to replace certain externally purchased energy

Office

- Introducing a smart energy efficiency platform in the office building in Shenzhen. By making use of big data, it evaluates the energy consumption of the air-conditioning system, thereby controlling the temperature and cooling water temperature, and saving electricity of approximately 407,000 kWh per year
- Using automatic lighting and air conditioning systems with motion sensors in mixed-use office spaces to effectively improve energy efficiency

POS

- Using LED lights whenever feasible
- Implementing scheduled control for outdoor billboards and outdoor lighting at branches

Production

- Introducing a water reuse system that filters and recycles water consumed during the production process for use in the workshop
- Using water-saving devices

Office

- Using water-saving devices in hybrid office space
- Posting water-saving reminders in the office

Production

- Introducing hazardous waste treatment systems to reduce the generation of hazardous waste
- Researching and developing harmless organic solvents to replace the use of thinner in the production process
- Optimising our production processes to minimise the generation of non-hazardous solid waste from the source

Office

- Deploying an intelligent data management tool in the staff canteen in the office building in Shenzhen, enabling our employees to customise their meals according to their food intake and preferences, as a result to effectively reduce food waste by approximately 30% and kitchen waste by approximately 85%
- Reducing the use of plastic water bottles or paper hand towels, and adopting paperless office, e-invoicing and contracts, doubled-sided printing

POS

- Using e-warranty cards instead of paper warranty cards for delivery. During the financial year, we saved approximately 49,700,000 sheets of paper
- Launching the “Blessing is the best packaging” campaign. Customers will be rewarded with membership points for every jewellery box saved when shopping, so as to reduce the pressure on the environment brought by waste disposal. In FY2023, we have saved approximately 375,000 jewellery boxes.

* FY2023 compared with FY2019.

Green Production

Our jewellery production and processing procedures involve mould casting, mould holding, inlaying, and electroplating etc. Different types of jewellery products involve different procedures. Each production hub has implemented a comprehensive management system to manage, monitor and optimise the performance of energy consumption, water use, wastewater discharge and waste discharge. We have implemented energy-saving, water-saving and waste reduction measures for different procedures, and introduced energy-saving and emission-reduction technologies, so as to significantly reduce electricity and water consumption, as well as the generation of hazardous and non-hazardous waste.



Energy Saving Measures

Saved approximately 148,000kWh electricity consumption in FY2023

<p>Building and Operation</p>	<ul style="list-style-type: none"> • Introducing automatically control electrical equipment such as air-conditioning systems and cooling towers, and using frequency conversion devices in systems such as air-conditioning water pumps to improve energy efficiency • Renovating wind cabinets, turning them off when idled, and setting timers or sensors on electrical equipment such as lighting and automatic vending machines with automatic switch • Using solar water heating system and solar outdoor lighting to replace part of purchased energy
<p>Processing Procedures</p>	<ul style="list-style-type: none"> • Implementing the terminal automatic frequency conversion control device to optimise the efficiency of electricity consumption at inlaying stage • Fully installing energy-saving servers in the press equipment to reduce power consumption at modeling stage
<p>Exhaust Gas Treatment</p>	<ul style="list-style-type: none"> • Introducing frequency conversion transformation to environmental protection equipment to reduce power consumption under low load conditions and improve power consumption efficiency



Water Saving Measures

Saved approximately 8,700 m³ of water in FY2023

<p>Wastewater Reuse</p>	<ul style="list-style-type: none"> • Introducing water reuse systems in Shenzhen, Shunde and Wuhan production hubs by filtering water consumed in the washing procedure and reusing it in the workshops for goods washing, wastewater treatment agent dilution, environmental protection equipment cleaning and refrigeration
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Waste Reduction Measures

Saved approximately 50 tonnes of waste in FY2023

Building and Operation	<ul style="list-style-type: none"> Introducing waste acid and alkali neutralisation treatment system to treat wastewater containing waste acid to reduce the generation of hazardous waste
Processing Procedures	<ul style="list-style-type: none"> Collecting and recycling the remaining naphtha after wax repair, and using small electric furnace instead of burning gold powder with naphtha to reduce the generation of hazardous waste Thinner is used during the waxing process. In order to reduce the damage and pollution caused by harmful substances to the human body and the environment, the production hub in Wuhan has this financial year developed relatively harmless organic solvents to replace thinner. At present, the production hub in Wuhan has fully adopted the harmless organic solvents; we also plan to replicate the project at other production hubs Renovating the wastewater treatment process and introducing a sludge drying treatment system to reduce sludge discharge
Waste Recycling	<ul style="list-style-type: none"> Recycling plastic bubble films from POS for delivery packaging

Application of Green Production Measures in Goldsmiths

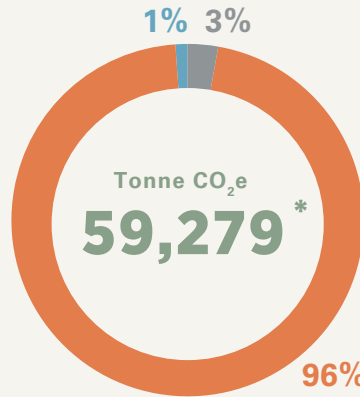
Throughout the process of goldsmithing, we strive to minimise the use of resources and environmental impact during the production process, and carry forward traditional craftsmanship with a sustainable approach. This allows crafts to not only embody the blessings of longevity and good fortune, but also highlight the significance of protecting precious natural resources and promoting recycling. In addition, various environmentally friendly practices are also used during the production process:

- Conducting harm-reducing treatment of acids, alkalis and other chemicals used in the production process, to reduce the amount of hazardous waste generated
- Minimising the waste of gypsum
- Recycling wax used in the mould casting process
- Using recycled water for mould casting
- Applying recycled gold technology



GHG Emissions

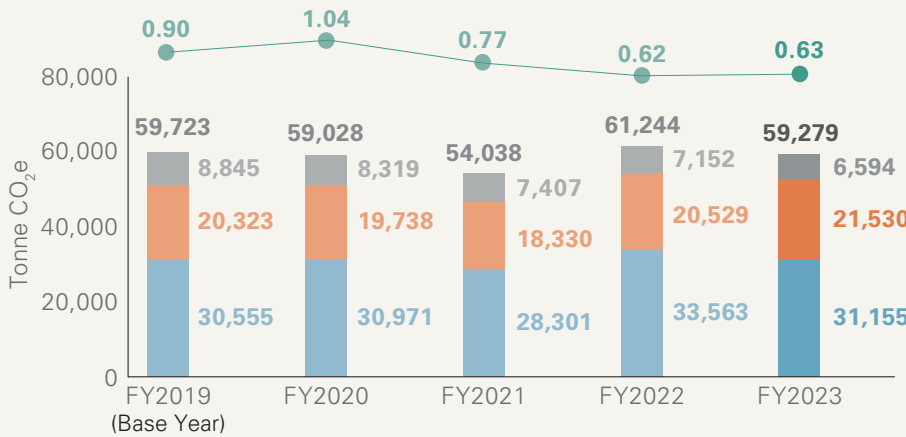
GHG Emissions by Scope



- Scope 1 direct emissions*
- Scope 2 indirect emissions
- Scope 3 other indirect emissions

* includes 24 TCO₂e GHG removal (Scope 1) from trees planted.

GHG Emissions and Intensity by Function

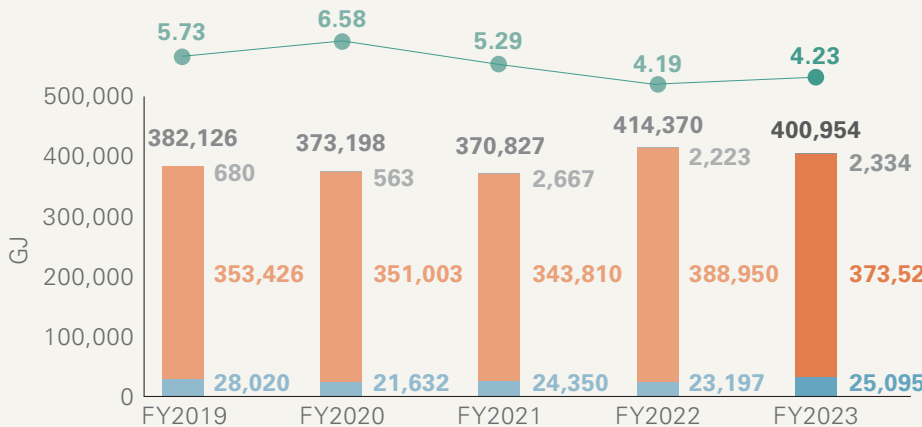


Compared with FY2019, reduction in GHG emissions intensity:



- GHG intensity (Tonne CO₂e/ HK\$1 million revenue)
- Office
- Production
- POS

Energy Consumption and Intensity by Category



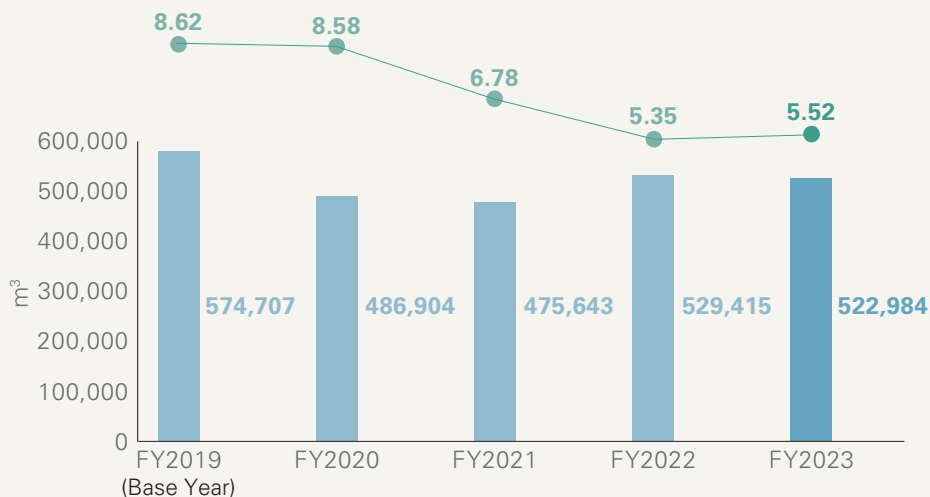
Compared with FY2019, reduction in energy intensity:



- Energy intensity (GJ/ HK\$1 million revenue)
- Direct energy consumption - Renewables
- Indirect energy consumption - Purchased electricity
- Direct energy consumption - Fuel

Water

Water Consumption and Intensity

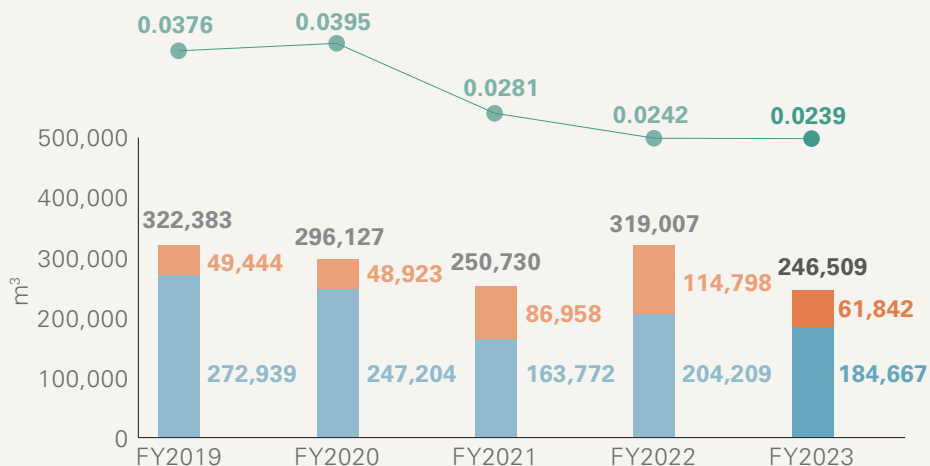


Compared with FY2019, reduction in water use intensity:

▼ 36%

- Water intensity — Group (m³/HK\$1 million revenue)
- Municipal water withdrawal

Wastewater Discharge and Intensity from Production



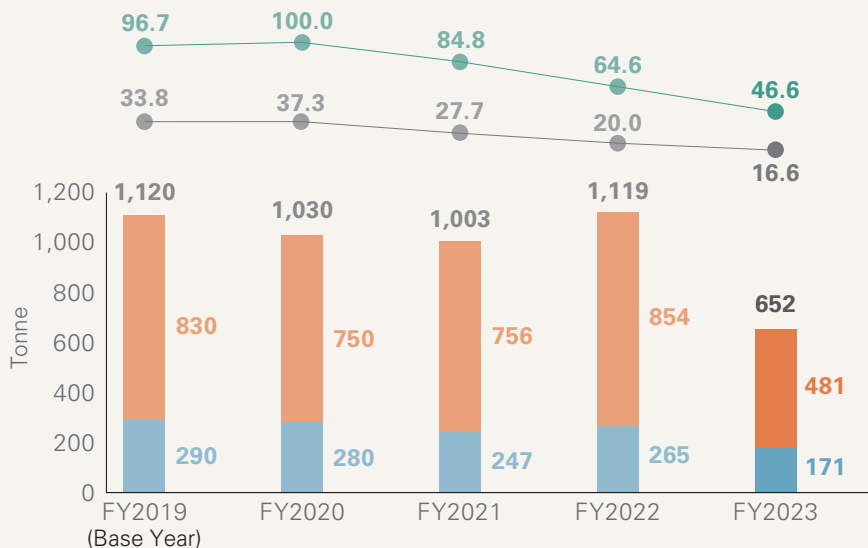
Compared with FY2019, reduction in wastewater intensity:

▼ 36%

- Wastewater intensity (m³/product manufactured)
- Industrial wastewater produced
- Domestic wastewater produced

Waste

Production Waste and Intensity



Compared with FY2019, reduction in waste intensity from production:

▼ 52%

- Non-hazardous waste intensity (g/ product manufactured)
- Hazardous waste intensity (g/ product manufactured)
- Non-hazardous waste
- Hazardous waste

Energy, Air Quality & GHG Emissions

The Group's production hubs will generate air emissions containing NO_x, SO_x, dust and fluoride. Our daily operations also consume energy such as natural gas, LPG, diesel, petrol and town gas as sources of direct emissions of GHG (Scope 1), and purchased electricity as the main source of indirect emissions of GHG (Scope 2).

In order to reduce our dependence on non-renewable energy, we have installed solar energy systems in certain production hubs to replace certain non-renewable energy. In order to optimise energy efficiency, reduce GHG emissions and gradually move towards carbon neutrality, we continue to closely monitor air emissions and regularly engage an accredited third party to test the air emissions indicators of the production hubs, such as the emission concentration of SO_x, NO_x, ammonia, dust, fluoride, volatile organic compounds, etc., to ensure that the emissions meet the standards. We also closely monitor energy consumption and implement energy-saving and emission reduction measures to optimise energy efficiency and reduce GHG emissions of the Group.

Green Workplace

Our new hybrid office space incorporates the concepts of sustainable offices and technological empowerment. Employees can use the mobile app to reserve a meeting room anytime, anywhere. The meeting room will automatically switch on and off the lighting and air-conditioning before and after the scheduled time. The reservation system will also collect data to help analyse energy efficiency and automatically adjust temperature and lightings. Moreover, the workplace also uses natural lightings as much as possible to effectively reduce electricity consumption and improve energy efficiency. In addition, air purification systems are installed to ensure good indoor air quality.



Water

Our daily operations and production consume domestic water and industrial water, which are mainly sourced from municipal supplies, and we have not encountered any problems in obtaining suitable water sources. Due to the business nature of the production hubs, we also discharge industrial and domestic wastewater. We have built a comprehensive wastewater treatment system, using Membrane Bioreactors, Anaerobic/ Anoxic/ Oxidic technology or sedimentation treatment technology to pre-treat wastewater to ensure that the discharge meets the standards. We understand the importance of cherishing water resources, and continue to implement water-saving measures in production, office and POS scenarios, including introducing water-saving appliances and regularly maintain water-using equipment. We also actively improve the production equipment to reduce its water consumption and give priority to the use of recycled water.

Waste

In the process of operation and production, some wastes are inevitably generated, such as domestic waste, solid production wastes and other non-hazardous wastes. The production hubs also generate sludge, mineral oil, emulsions, inorganic cyanides, acid and alkali solutions, lead, organic solvents, copper and other hazardous wastes. We properly manage and reduce waste generation by implementing strict waste collection, disposal and recycling procedures, and regularly carrying out waste reduction and recycling initiatives at the source.

For management measures on energy, air quality and GHG emissions, water and waste, please refer to the Group's **Environmental Protection Policy**.

Enhance Environmental Protection Awareness for Better Ecological Protection

In order to enhance employees' awareness of ecological protection, we have cooperated with various organisations, including WWF-Hong Kong ("WWF"), Society of Entrepreneurs and Ecology Foundation ("SEE Foundation") and Tencent during the financial year to organise a series of public welfare and educational activities, such as flag day, mangrove visit, Hoi Ha Wan Marine Life Centre visit, Island House Conservation Studies Centre visit, moss jade workshop and golf charity tournament competition, allowing employees to participate to understand the surrounding ecology, and jointly promoting environmental sustainability.



WWF Mangrove Visit



Island House Conservation Studies Centre Visit

Tree Planting Activity



Organise Environmental Education Activities

We organised activities such as plastic bottle recycling for gift vouchers, tree-planting activity and waste bottle up-cycling project to raise employees' awareness of protecting the ecological environment and reducing waste at the source

Assist in Restoration of Habitat for Yunnan Snub-nosed Monkeys

We participated in Tencent 99 Charity Day, "Build a Happy Planet with Monkeys", more than 26,000 participants walked over 600,000 km in eight days, and donated RMB100,000 to support a public welfare project, "SEE Noah's Ark"



Support WWF Conservation and Education Projects

We became a pure silver member of WWF during the year. We made donations and participated in various activities organised by WWF to understand the importance of natural ecology and environmental protection

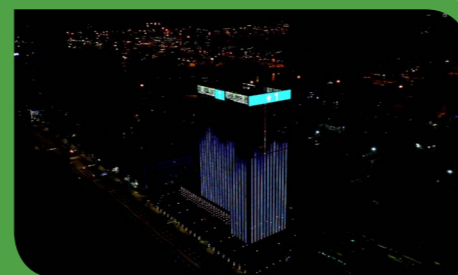
Support SEE Foundation's Desertification Prevention and Control

We jointly organised the 5th Golf Charity Tournament with Society of Entrepreneurs and Ecology Foundation ("SEE Foundation"), raising over RMB280,000 for the "100 million Haloxylon Project"



WWF Earth Hour

We fully supported the activity by participating in the light-off campaign and promoted the importance of green office



WWF Marine Education Programme

Reporting Framework

Glossary

This Report contains the following defined terms, which are summarised here for ease of reference.

Board	the board of directors of the Company
Company/ Chow Tai Fook	Chow Tai Fook Jewellery Group Limited (stock code: 1929)
Directors	directors of the Company
ESG	Environmental, Social and Governance
ESG Guide	Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules of the Stock Exchange of Hong Kong
FY	financial year, 1 April to 31 March
Group	the Company and its subsidiaries
GHG	Greenhouse Gas, gases that contribute to the greenhouse effect causing a changing climate
GRI Standard	Global Reporting Initiative Sustainability Reporting Standards
HKEX/ Stock Exchange	The Stock Exchange of Hong Kong Limited, unless otherwise specified
Hong Kong, China/ Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Macau, China/ Macau	the Macao Special Administrative Region of the People's Republic of China
Mainland China/ the Mainland	the mainland of the People's Republic of China
POS	points of sale
Report	this document, the Group's Sustainability Report 2023
SDGs	Sustainable Development Goals, the 17 SDGs, adopted by all United Nations Member States in 2015, are the blue print to achieve a better and more sustainable future for all. Find out more on https://sustainabledevelopment.un.org

ESG Data Summary

Chow Tai Fook is committed to transparent and meaningful reporting of data relevant to assisting our stakeholders to develop a comprehensive and balanced understanding of the Group's ESG performance. Unless otherwise indicated, the scope of KPIs includes the core business operations controlled by the Group in Mainland China and Hong Kong & Macau of China, including offices, four production hubs and 1,860 self-operated POS but does not include the offices and 50 POS located in other markets, including Taiwan (China), Cambodia, Canada, Japan, Korea, Malaysia, the Philippines, Singapore, Thailand, United States and Vietnam.

For a full list of corporate entities included in the Group's financial statements, please refer to our **Annual Report**. The variation in scope between our financial reporting and our sustainability reporting has been summarised in this table:

Reporting Scope	Core Business Operations (Mainland China, Hong Kong & Macau of China)	Operations in Other Markets	Franchised POS
Sustainability Report	Included	Not included	Not included
Annual Report	Included	Included	Included

Notes on calculation methodologies:

- Global warming potential values used for the calculation of GHG are from IPCC Fifth Assessment Report (AR5) (i.e. CH₄: 28; N₂O: 265).
- FY2023 Scope 1 emissions are direct GHG emissions from stationary and mobile sources that are owned or controlled by the Group. GHG emissions from the combustion of diesel, unleaded petrol, towngas, and LPG are calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong. Emissions from combustion of piped natural gas, piped coal gas and naphtha are calculated based on the UK Government's Greenhouse Gas Reporting: Conversion Factors 2021. Emissions from combustion of Acetylene is calculated based on the Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong.
- FY2023 Scope 2 emissions are indirect GHG emissions from purchased or acquired electricity and towngas consumed by the Group, and are calculated using default factors provided by electricity providers in Hong Kong & Macau of China, Power Assets (0.71 CO₂e kg/ kWh), CLP (0.37 CO₂e kg/ kWh), CEM (0.82CO₂e kg/ kWh) and The Hong Kong and China Gas Company Limited (0.592CO₂e kg/ unit). GHG emissions from electricity purchased in Mainland China in this Report are calculated using Mainland China grid emission factor in 2020 Baseline Emission Factors for Regional Power Grids in Mainland China (simplified Chinese only) (CM method: 50/ 50 average of OM & BM).
- FY2023 Scope 3 emissions are other indirect GHG emissions, not included in Scope 2 emissions. This calculation includes GHG emissions from electricity used for fresh water and wastewater processing and methane gas generation at landfill due to disposal of paper waste based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong.

- e) Energy conversion factors used for diesel, petrol, piped natural gas, piped coal gas, naphtha and LPG are from CDP Technical Note: Conversion of fuel data to MWh. Energy consumption of towngas has been calculated based on the formula provided by The Hong Kong and China Gas Company Limited. Energy conversion factors for acetylene have been sourced from Country Specific Net Calorific Values and CO₂ Emission Factors for use in the Annual Installation Emissions Report-2021.
- f) 1 GJ = 277.778 kWh
- g) 100% of water withdrawal is freshwater from municipal sources (i.e. third-party water.) Data on water withdrawal is collected from direct meter readings supplemented by billing records from municipal water service providers. According to our analysis referencing the WRI Aqueduct database, the Group's water withdrawal from areas with water stress is negligible. None of our production hubs or offices are located in areas experiencing high water stress.
- h) The workforce data is reported using relevant data as of end of the Reporting Period. For turnover rate and average training hours per employee, the data are calculated based on the average number of employees across the reporting period.
- i) Core operating profit, a non-IFRS measure, being the aggregate of gross profit and other income, less selling and distribution costs, general and administrative expenses and unrealised loss (gain) on gold loans, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its businesses.

The following tables provide a comprehensive summary of ESG KPIs collected and reported by the Group with cross-references to relevant disclosures from the HKEX ESG Guide and GRI Standards.

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Business						
	2-6	Revenue	HK\$ million	70,164	98,938	94,684
	2-6	Core operating profit	HK\$ million	8,630	10,002	9,439
	2-6	POS ¹	Number	4,704	6,038	7,605
	2-6	Jewellery manufactured	Piece	8,912,159	13,207,122	10,327,895
Suppliers²						
	2-6	Total number of product suppliers	Number	834	655	602
B5.1		Product suppliers – Mainland China	Number	547	305	290
B5.1		Product suppliers – Hong Kong, China	Number	191	245	227
B5.1		Product suppliers – Other regions	Number	96	105	85
		Total number of non-product goods and services suppliers	Number	4,011	4,337	4,383
B5.1		Non-product goods and services suppliers – Mainland China	Number	2,992	3,228	3,234
B5.1		Non-product goods and services suppliers – Hong Kong, China	Number	628	698	684
B5.1		Non-product goods and services suppliers – Other regions	Number	391	411	465
Quality and complaints						
B6.4		Inspection pass rate – in-house products	Piece	98.48%	99.60%	99.80%
B6.4		Inspection pass rate – outsourced products	Piece	96.38%	98.0%	99.0%
B6.1		Number of products sold or shipped subject to recalls for safety and health reasons	Piece	0	0	0
B6.2		Number of complaints received related to product health and safety	Case	12	14	1
B6.2		Number of customer privacy related complaints received	Case	0	0	0

¹ Number of POS includes POS in the Mainland, Hong Kong & Macau of China. Number of POS in FY2021 and FY2022 were restated to reflect the split of CTF • HUÁ exclusive zones as standalone stores in FY2023.

² The supplier data in FY2022 were restated to better reflect the suppliers with regular business relationships with the Group.

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Instances of non-compliance with relevant laws and regulations						
Number of instances of non-compliance with relevant laws and regulations			Number	0	0	0
A1 GD b.		Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Number	0	0	0
B1 GD b.		Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Number	0	0	0
B2 GD b.		Relating to providing a safe working environment and protecting employees from occupational hazards	Number	0	0	0
B4 GD b.		Relating to preventing child and forced labour	Number	0	0	0
B6 GD b.		Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Number	0	0	0
B7 GD b.		Relating to bribery, extortion, fraud and money laundering	Number	0	0	0
Legal cases regarding corrupt practices						
B7.1		Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	Case	0	0	0

Social Data

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Number of employee³						
B1.1	2.7	Total number of employees	Number	27,722	28,431	28,719
B1.1	2.7	Gender – Female	Number	21,866	22,181	22,705
B1.1	2.7	Gender – Male	Number	5,856	6,250	6,014
B1.1		Age – < 30	Number	6,935	6,748	6,351
B1.1		Age – 30–50	Number	19,894	20,716	21,376
B1.1		Age – > 50	Number	893	967	992
B1.1	2.7	Location – Hong Kong & Macau of China	Number	3,063	3,030	2,715
B1.1	2.7	Location – Mainland China	Number	24,659	25,401	26,004
B1.1		Function – Production	Number	4,741	5,140	4,782
B1.1		Function – POS	Number	16,979	16,642	16,685
B1.1		Function – Office	Number	6,002	6,649	7,252

³ The number of employees only covers the Group's core and material business units in Mainland China, Hong Kong & Macau of China

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
B1.1		Contract type – Full time	Number	27,706	28,419	28,708
B1.1		Contract type – Part time	Number	16	12	11
B1.1		Entry level	Number	/	/	24,377
B1.1		Middle level	Number	/	/	3,999
B1.1		Senior level	Number	/	/	343
Employee turnover⁴						
B1.2		Total employee turnover	Number	5,891	6,761	7,709
B1.2		Employee turnover rate	%	21%	24%	27%
B1.2		Gender – Female	%	20%	23%	27%
B1.2		Gender – Male	%	24%	28%	28%
B1.2		Age – < 30	%	36%	48%	53%
B1.2		Age – 30–50	%	14%	16%	19%
B1.2		Age – > 50	%	25%	24%	15%
B1.2		Location – Hong Kong & Macau of China	%	12%	15%	16%
B1.2		Location – Mainland China	%	39%	25%	28%
B1.2		Function – Production	%	22%	22%	20%
B1.2		Function – POS	%	19%	23%	30%
B1.2		Function – Office	%	24%	29%	24%
Occupational Health and Safety						
B2.1		Fatalities	Number	0	0	0
B2.2		Lost days due to work injuries	Number	3,204	1,680	1,286
		Work injury cases	Number	97	72	45
		Injury rate per 1,000 employees	Rate	3.5	2.5	1.6

⁴ Employee turnover reflects employees leaving employment with the Group's core and material business units in Mainland China, Hong Kong & Macau of China

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Training and development						
Total training hours			Hour	1,617,403	1,808,526	1,020,745
B3.1	Percentage of employees trained		%	/	94%	71%
Percentage of Employees Trained by Category						
B3.1		Gender – Female	%	/	80%	82%
B3.1		Gender – Male	%	/	20%	18%
B3.1		Function – Production	%	/	18%	10%
B3.1		Function – POS	%	/	63%	72%
B3.1		Function – Office	%	/	19%	18%
B3.2	404-3	Average training hours per employee	Hour	57	64	35
B3.2	404-3	Gender – Female	Hour	63	75	39
B3.2	404-3	Gender – Male	Hour	31	24	22
B3.2	404-3	Function – Production	Hour	12	16	15
B3.2	404-3	Function – POS	Hour	82	98	45
B3.2	404-3	Function – Office	Hour	18	14	27
Community Engagement						
		Employee volunteer participants	Number	2,378	8,804	11,615
		Non-employee volunteer participants	Number	143	611	1,284
B8.2		Total volunteer service hours	Hour	5,810	18,738	18,433
B8.2	201-1	Donations	HK\$ million	11.3	54.8	47.7
Craftsmanship, Innovation & Technology						
		Participants in mass engagement activities	Number	954,089	1,180,377	479,129
		Participants in in-depth experiential programmes	Number	14,167	6,326	8,004
		Hours of in-depth experiential programmes	Hour	45,215	13,520	22,728

Environmental Data

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
GHG emissions⁵						
Total GHG emissions			Tonne CO₂e	54,037	61,244	59,279
		GHG emissions – Production	Tonne CO ₂ e	18,330	20,529	21,530
		GHG emissions – Office	Tonne CO ₂ e	7,407	7,152	6,594
		GHG emissions – POS	Tonne CO ₂ e	28,301	33,563	31,155
A1.2	305-1	Scope 1 direct emissions	Tonne CO ₂ e	1,743	1,449	1,826
		GHG removal	Tonne CO ₂ e	/	28	24
A1.2	305-2	Scope 2 indirect emissions	Tonne CO ₂ e	51,577	59,007	56,751
	305-3	Scope 3 other indirect emissions	Tonne CO ₂ e	717	816	726
A1.2	305-4	GHG intensity – Group	Tonne CO ₂ e/ HK\$1 million revenue	0.77	0.62	0.63
A1.2		GHG Intensity – Production	Kg CO ₂ e/ product manufactured	2.06	1.55	2.08
Energy use⁶						
Total energy consumption			GJ	370,827	414,370	400,954
A2.1	302-1	Direct energy consumption (renewables)	GJ	2,667	2,223	2,334
A2.1	302-1	Direct energy consumption (fuels)	GJ	24,350	23,197	25,095
A2.1	302-2	Indirect energy consumption (purchased electricity) – Group	GJ	343,810	388,950	373,525
A2.1	302-2	Indirect energy consumption (purchased electricity) – Production	GJ	118,502	133,486	140,321
A2.1	302-3	Energy intensity – Group	GJ/ HK\$1 million revenue	5.29	4.19	4.23
A2.1	302-3	Purchased electricity intensity – Production	GJ/ product manufactured	0.01	0.01	0.01

⁵ Refer to notes on calculation methodologies

⁶ Refer to notes on calculation methodologies

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Water						
A2.2	303-3	Water withdrawal from municipal water supply⁷	m³	475,643	529,415	522,984
		Water withdrawal – Production	m ³	328,118	364,510	363,635
A2.2		Water intensity – Group	m ³ / HK\$1 million revenue	6.78	5.35	5.52
		Water intensity – Production	m ³ / product manufactured	0.037	0.028	0.035
Wastewater						
Wastewater discharge – Production			m³	250,730	319,007	246,509
		Domestic wastewater	m ³	163,772	204,209	184,667
		Industrial wastewater	m ³	86,958	114,798	61,842
		Wastewater intensity – Production	m ³ / product manufactured	0.0281	0.0242	0.0239
Hazardous waste⁸						
A1.3	306-3	Total hazardous waste – Production	Tonne	247	265	171
	306-3	HW06	Tonne	13.25	13.15	10.30
	306-3	HW08	Tonne	4.61	15.11	3.65
	306-3	HW09	Tonne	0.15	0.55	0.00
	306-3	HW17	Tonne	33.16	27.58	42.85
	306-3	HW22	Tonne	32.87	18.14	5.26
	306-3	HW31	Tonne	6.51	11.23	10.51
	306-3	HW33	Tonne	10.20	14.48	16.33
	306-3	HW34	Tonne	66.56	64.28	30.10
	306-3	HW35	Tonne	36.63	51.40	14.28
	306-3	HW49	Tonne	43.22	48.80	38.08
A1.3		Hazardous waste intensity – Production	g/ product manufactured	27.7	20.0	16.6

⁷ Refer to notes on calculation methodologies

⁸ Hazardous waste includes emulsions, mineral oil, inorganic cyanide, acid, alkali, surface treatment waste, lead and other compounds, wasted organic solvent, copper and other waste

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
General waste						
A1.4	306-3	General waste – Production	Tonne	756	854	481
	306-3	General waste/ Domestic waste (mixed/ living)	Tonne	559	601	282
	306-3	General waste/ Domestic waste (non-hazardous)	Tonne	197	253	199
A1.4		General waste intensity – Production	g/ product manufactured	84.8	64.6	46.6
Air emissions – Production⁹						
A1.1	305-7	NO _x	Tonne	0.12	0.42	0.16
A1.1	305-7	SO _x	Tonne	0.17	0.28	0.26
A1.1	305-7	Dust	Tonne	2.66	3.79	3.88
A1.1	305-7	Fluoride	Tonne	0.07	0.01	0.00
A1.1	305-7	Non-methane hydrocarbon	Tonne	5.04	4.12	5.31
A1.1	305-7	Lead and other compounds	Tonne	0.0004	0.0024	0.0010
A1.1	305-7	VOCs	Tonne	0.22	0.57	0.58
A1.1	305-7	Hydrogen cyanide	Tonne	0.00	0.00	0.00
A1.1	305-7	Hydrogen chloride	Tonne	1.53	3.09	1.86
A1.1	305-7	Ammonia	Tonne	0.09	0.14	0.15
Air emissions from vehicles						
A1.1	305-7	NO _x	Tonne	0.20	0.37	0.40
A1.1	305-7	SO _x	Tonne	0.006	0.004	0.006
A1.1	305-7	PM	Tonne	0.016	0.024	0.024

⁹ This data includes air emissions from our production hubs, calculated from regular air sample tests

HKEX	GRI	KPI	Unit	FY2021	FY2022	FY2023
Packaging material for finished products¹⁰						
A2.5	301-1	Packaging material	Tonne	443	704	509
	301-1	CTF paper bag	Tonne	410	635	470
	301-1	Gift bag	Tonne	34	69	39
A2.5		Packaging material intensity	kg/ HK\$1 million revenue	6.3	7.1	5.4
Materials used						
	301-2	Gold purchased from recycling/ repurchase	Tonne	/	17.66	17.25
	303-1	Total gold purchased	Tonne	/	145.07	175.88
	301-2	Silver purchased from recycling/ repurchase	Tonne	/	0.12	0.01
	303-1	Total silver purchased	Tonne	/	1.04	0.79
	301-2	Platinum purchased from recycling/ repurchase	Tonne	/	0.11	0.08
	303-1	Total platinum purchased	Tonne	/	3.10	1.76
	301-1	Wax	Tonne	7	8	5
	301-1	Plastic packaging	Tonne	25	44	29
	301-1	Paper wrap used at diamond production	Tonne	3	7	10
	301-1	Paper	Tonne	88	101	95
	301-1	Toner	Piece	9,602	12,719	18,069
Materials recycled						
		Paper recycled	Tonne	57	76	97
		Toner recycled	Piece	1,473	1,852	1,510

¹⁰ Data on packaging material includes paper bags and envelopes of select brands and include consumption by franchised POS

Sustainability Awards and Recognitions

Award/ Honour	Organiser
Sustainability Indices	
Hang Seng Corporate Sustainability Index Hang Seng (Mainland and Hong Kong) Corporate Sustainability Index Hang Seng Corporate Sustainability Benchmark Index	Hang Seng Indexes Company Limited
Governance	
Institutional Investor 2022 All-Asia Executive Team Rankings – Rest of Asia – Consumer/ Discretionary – Most Honoured Company – 1 st place – Best CEO – Combined – Kent Wong – 1 st place – Best CFO – Combined – Hamilton Cheng – 1 st place – Best IR Professional – Combined – Danita On – 1 st place – Best IR Program – Combined – 1 st place – Best ESG – Combined – 1 st place – Best IR Team – Combined – 2 nd place	Institutional Investor
Quam IR Awards 2021 – Main Board Category	China Tonghai IR
ARC Awards 2022 – Bronze Award (Traditional Annual Report: Jewelry)	MerComm, Inc.
LACP 2021 Vision Awards Annual Report Competition – Platinum Award – Top 100 Reports Worldwide – Top 50 Chinese Reports – Top 80 Reports (Asia-Pacific Region)	League of American Communications Professionals LLC
LACP 2021 Vision Awards Sustainability Report Competition – Platinum Award – Top 100 Reports Worldwide – Top 50 Chinese Reports – Top 80 Reports (Asia-Pacific Region)	League of American Communications Professionals LLC
ESG Achievement Awards 2021/ 2022 – ESG Benchmark Awards – Gold Award	The Institute of ESG & Benchmark
HKIRA 8 th IR Awards – Best IR by Chairman/ CEO – Kent Wong – Best IR by CFO – Hamilton Cheng – Best IRO – Danita On – Best Annual Report	Hong Kong Investor Relations Association

Governance

The International Annual Report Design Awards 2021 – Silver Award (Overall Presentation: Sustainability Report) – Merit (Integrated Presentation: Annual Report)	The International Annual Report Design Awards
2022 HKMA Best Annual Reports Awards – Excellence Report Award – Best ESG Reporting Award (Retail)	The Hong Kong Management Association
Best Corporate Governance and ESG Awards 2022 – Special Mention for Corporate Governance – Non-Hang Seng Index (Large Market Capitalization) Category	The Hong Kong Institute of Certified Public Accountants
Listed Company Awards of Excellence 2022 – Main Board (Large-Cap)	Hong Kong Economic Journal
Consumer Caring Scheme 2021 – Consumer Caring 5 Years+ Award	GS1 Hong Kong

Social

Good MPF Employer Award 2021-2022 – Good MPF Employer Award – e-Contribution Award – MDF Support Award	Mandatory Provident Fund Schemes Authority
2021 Learning Enterprise Award	The Professional Validation Council of Hong Kong Industries
CHO Appreciation Awards 2022 – Top 10 Happiest Company to Work For Award – CHO Do Good Award	Chief Happiness Officer Association
ACCA Enterprise Excellence Award for Training Innovation	The Association of Chartered Certified Accountants
Hong Kong Volunteer Award 2022 – Outstanding Partnership Project Award	Home and Youth Affairs Bureau and Agency for Volunteer Service
Social Capital Builder Award 2022 – Social Capital Builder Logo Award	Community Investment and Inclusion Fund

Environment

WWF Hong Kong: Low Carbon Manufacturing Programme – Platinum Label	WWF-Hong Kong
CDP Climate Change Questionnaire 2022 – Rating: C CDP Water Security Questionnaire 2022 – Rating: B	CDP
Hong Kong Green Awards 2022 – Environmental, Health and Safety Award (Large Corporation) – Silver	Green Council
Outstanding Contribution in 2022	Society of Entrepreneurs and Ecology Foundation

Content Index

This Report fulfils the reporting requirements of the HKEX ESG Guide. Chow Tai Fook Jewellery Group prepares the reports with reference to GRI Standards, and the reporting period is the financial year from 1 April 2022 to 31 March 2023 as summarised in this table.

HKEX ESG Guide	Location of Disclosure	GRI Standards	Location of Disclosure
		2-1 Organisational details	Corporate Profile
Mandatory Disclosure Requirements Governance Structure	Sustainability Governance	2-12. Role of the highest governance body	ESG Data Summary
	Risk Management of Sustainability	2-13. Delegating authority	Sustainability Governance
	Our Centennial Commitment	2-14. Role of the highest governance body in sustainability reporting	Leadership Messages
		2-22. Statement on sustainable development strategy	Group Policies
		2-23. Policy commitments	Equal Opportunity and Human Rights
		2-24. Embedding policy commitments	Cooperating with Suppliers to Improve Industry Standards
		2-26. Mechanisms for seeking advice and raising concerns	Business Ethics and Integrity
Mandatory Disclosure Requirements Reporting principles	Stakeholder Engagement	2-29. Approach to stakeholder engagement	Stakeholder Engagement
	ESG Data Summary	3-1. Process to determine material topics	
		3-2. List of material topics	
Mandatory Disclosure Requirements Reporting boundary	About this Report		
	ESG Data Summary		
“Comply or explain” Provisions A1: Emissions and waste GENERAL DISCLOSURE KPIs: A1.1, A1.2, A1.3, A1.4, A1.5, A1.6	Group Policies	3-3. Management of material topics	Our Centennial Commitment
	Resources efficiency and carbon reduction – Management Approach	GRI 305: Emissions 2016	Resources efficiency & carbon reduction – Management Approach
		305-1. Direct (Scope 1) GHG emissions	
	ESG Data Summary	305-2. Indirect (Scope 2) GHG emissions	ESG Data Summary
	Energy, Air Quality and GHG Emissions	305-3. Other indirect (Scope 3) GHG emissions	
	Water	305-4. GHG emissions intensity	
	Waste	305-5. Reduction of GHG emissions	
305-7. NO _x , SO _x and other significant air emissions			

HKEX ESG Guide	Location of Disclosure	GRI Standards	Location of Disclosure
<p>“Comply or explain” Provisions</p> <p>A2: Use of resources</p> <p>GENERAL DISCLOSURE</p> <p>KPIs: A2.1, A2.2, A2.3, A2.4, A2.5</p>	Group Policies	3-3. Management of material topics	Group Policies
	Resources efficiency & carbon reduction – Management Approach	GRI 302: Energy 2016	Resources efficiency & carbon reduction – Management Approach
	Energy, Air Quality and GHG Emissions	302-1. Energy consumption within the organization	Energy, Air Quality and GHG Emissions
	Water	302-2. Energy consumption outside the organization	Water
	Waste	302-3. Energy intensity	Waste
	ESG Data Summary	3-3. Management of material topics	ESG Data Summary
		GRI 303: Water and Effluents	Green Procurement
		303-1. Interactions with water as a shared resource	
		303-2. Management of water discharge-related impacts	
		303-3. Water withdrawal	
		3. Management of material topics	
		GRI 306: Waste 2020	
		306-1. Waste generation and significant waste-related impacts	
		306-2. Management of significant waste-related impacts	
		306-3. Waste generated	
<p>“Comply or explain” Provisions</p> <p>A3: Environment & natural resources</p> <p>GENERAL DISCLOSURE</p> <p>KPI: A3.1</p>	Group Policies	3-3. Management of material topics	Our Centennial Commitment
	Resources efficiency & carbon reduction – Management Approach	GRI 301: Materials 2016	Cooperating with Suppliers to Improve Industry Standards
	Energy, Air Quality and GHG Emissions	301-1. Materials used by weight or volume	Green Procurement
	Water	301-2. Recycled input materials used	Energy, Air Quality and GHG Emissions
	Waste		Water
	Cooperating with Suppliers to Improve Industry Standards		Waste
	Green Procurement		ESG Data Summary

HKEX ESG Guide	Location of Disclosure	GRI Standards	Location of Disclosure
<p>“Comply or explain” Provisions A4: Climate change GENERAL DISCLOSURE KPI: A4.1</p>	<p>Climate-related Financial Disclosures</p>		
<p>“Comply or explain” Provisions B1: Employment GENERAL DISCLOSURE KPIs: B1.1, B1.2</p>	<p>Group Policies</p> <p>People Focused – Management Approach</p> <p>ESG Data Summary</p>	<p>2-7: Employees</p> <p>3-3. Management of material topics</p> <p>GRI 401: Employment 2016</p> <p>401-1. New employee hires and employee turnover</p>	<p>Profile of our People</p> <p>Our Centennial Commitment</p> <p>Equal Opportunity and Human Rights</p> <p>People Focused – Management Approach</p> <p>ESG Data Summary</p>
<p>“Comply or explain” Provisions B2: Health & safety GENERAL DISCLOSURE KPI: B2.1, B2.2, B2.3</p>	<p>Group Policies</p> <p>People Focused – Management Approach</p> <p>Promoting Physical and Mental Health and Creating a Healthy Workplace Culture</p> <p>ESG Data Summary</p>		
<p>“Comply or explain” Provisions B3: Development & training GENERAL DISCLOSURE KPIs: B3.1, B3.2</p>	<p>Group Policies</p> <p>Craftsmanship, Innovation & Technology – Management Approach</p> <p>People Focused – Management Approach</p> <p>ESG Data Summary</p>	<p>3-3. Management of material topics</p> <p>GRI 404: Training and Education 2016</p> <p>404-1. Average training hours per year per employee</p>	<p>Our Centennial Commitment</p> <p>People Focused – Management Approach</p> <p>ESG Data Summary</p>
<p>“Comply or explain” Provisions B4: Labour standards GENERAL DISCLOSURE KPIs: B4.1, B4.2</p>	<p>Group Policies</p> <p>Equal Opportunity and Human Rights</p> <p>Responsible Sourcing – Management Approach</p> <p>Cooperating with Suppliers to Improve Industry Standards</p> <p>ESG Data Summary</p>		

HKEX ESG Guide	Location of Disclosure	GRI Standards	Location of Disclosure
<p>“Comply or explain” Provisions</p> <p>B5: Supply chain management</p> <p>GENERAL DISCLOSURE</p> <p>KPIs: B5.1, B5.2, B5.3, B5.4</p>	<p>Group Policies</p> <p>Responsible Sourcing – Management Approach</p> <p>Cooperating with Suppliers to Improve Industry Standards</p> <p>Green Procurement</p> <p>ESG Data Summary</p>		
<p>“Comply or explain” Provisions</p> <p>B6: Product responsibilities</p> <p>GENERAL DISCLOSURE</p> <p>KPIs: B6.1, B6.2, B6.3, B6.4, B6.5</p>	<p>Group Policies</p> <p>Product Quality</p> <p>Improvement of Customer Service</p> <p>Cybersecurity</p> <p>ESG Data Summary</p>	<p>3-3. Management of material topics</p> <p>GRI 418: Customer Privacy 2016</p> <p>481-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>	<p>Our Centennial Commitment</p> <p>Improvement of Customer Service</p> <p>Cybersecurity</p> <p>ESG Data Summary</p>
<p>“Comply or explain” Provisions</p> <p>B7: Anti-corruption</p> <p>GENERAL DISCLOSURE</p> <p>KPIs: B7.1, B7.2 and B7.3</p>	<p>Group Policies</p> <p>Business Ethics and Integrity</p> <p>ESG Data Summary</p>		
<p>“Comply or explain” Provisions</p> <p>B8: Community investment</p> <p>GENERAL DISCLOSURE</p> <p>KPIs: B8.1, B8.2</p>	<p>Craftsmanship, Innovation & Technology – Management Approach</p> <p>People Focused – Management Approach</p> <p>Inheriting Traditional Craftsmanship and Promoting Chinese Culture</p> <p>Promoting History and Culture to Facilitate Industry Development</p> <p>Introducing Innovative Technologies and Creative Designs</p> <p>Advocating Employees to Participate in Charitable Activities to Create Social Impact</p> <p>ESG Data Summary</p>		

Verification Statement



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Chow Tai Fook Jewellery Group Limited ("Chow Tai Fook") to undertake an independent verification for the Sustainability Report 2023 (hereinafter called the "Report"). The scope of this verification covers the sustainability performance data information of Chow Tai Fook's business operations in Mainland China, Hong Kong and Macau of China during the financial year 1 April 2022 to 31 March 2023 ("FY2023"), as defined in the Report.

The Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021, Rule 13.91 and Appendix 27 Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX Listing Rules").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set out in the GRI Standards 2021, HKEX Listing Rules (Rule 13.91 and Appendix 27 ESG Reporting Guide).

HKQAA's verification process included verifying the mechanisms for collecting, calculating and reporting the sustainability performance information, reviewing relevant documented information, interviewing responsible personnel with accountability for preparing the Report and verifying selected representative samples of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

Chow Tai Fook is responsible for the collection and preparation of the information presented. HKQAA did not involve in the collection and calculation of data or the compilation of the Report. Our verification activities were entirely independent and there was no relationship between HKQAA and Chow Tai Fook that would affect the impartiality of the verification.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards 2021 and the HKEX Listing Rules (Rule 13.91 and Appendix 27 ESG Reporting Guide);
- The Report illustrates the sustainability performance of Chow Tai Fook, covering all material aspects, in a balanced, comparable, clear, consistent and timely manner; and
- The data and information disclosed in the Report are accurate, reliable and complete.

In conclusion, the Report reflects truthfully of Chow Tai Fook sustainability performance that is commensurate with the sustainability context and materiality of the company.

Signed on behalf of Hong Kong Quality Assurance Agency

Meico Cheong
Assistant Director, Innovation Business
30 May 2023

www.ctfjewellerygroup.com