

Li & Fung Limited

Code of Conduct and Business Ethics

Li & Fung Limited

Code of Conduct and Business Ethics

1. INTRODUCTION

The foundation of the culture of Li & Fung Limited and all relevant group companies (the “**Group**”) lies in our history and our values. We believe that we should always conduct ourselves and our business openly, honestly and in compliance with all applicable laws.

Our reputation is built upon the actions of our people and this is why what you do every day is so important. We believe that our success should be based on a common vision of shared values and a consistent standard of conduct. In other words, all of us have a responsibility to uphold our reputation and our values.

This Code of Conduct and Business Ethics (the “**Code**”) provides the general principles on the way we should conduct ourselves and our business, how we should serve our customers and how we should work with our suppliers. They are not meant to be exhaustive and cover every possible issue that may arise but instead, you should treat them as guiding principles to help you make the right decision in any situation you may face at work. You should read and understand what these principles mean and apply them every day.

If you have a question on anything related to this Code, you should speak to your Grade 2 or above Line Manager. He or she will escalate the matter to the Branch Manager, the Hub Manager or our Corporate Governance Division as necessary and appropriate. Alternatively, you can send your query to CorpGov@lifung.com.

2. BUSINESS INTEGRITY AND ETHICS

We must at all times perform our duties with honesty, faithfulness and fairness and ensure that we avoid conflicts of interest or situations of undue influence.

We must also abide by all applicable laws, rules and regulations and internal policies that apply to our business in all the countries or regions which we operate in.

We are committed to principles of good corporate governance which emphasize transparency, accountability and independence together with enhancement and prudent management of the value of our business.

3. CONFLICTS OF INTEREST

A “conflict of interest” is where your personal interests conflict with the interests of the Group, a situation that may compromise your ability to act objectively.

This is why we have a Declaration of Interest process to help you assess whether you have a situation of conflict. If one does exist, we will work with you to determine what, if anything, needs to be done to manage the conflict.

As it relates to our customers, suppliers and service providers, a “conflict of interest” can arise in the following situations if you, your immediate family member(s) (spouse, parents, or children, etc.), close relative(s) and/or personal friend(s):

- Has/Have a direct or indirect ownership interest in a customer, supplier, or service provider of the Group;
- Hold(s) the position of a director, officer, legal representative or employee of, or consultant to, a customer, a supplier or service provider of the Group; and/or
- Has/Have a direct or indirect financial interest in a customer, supplier, or service provider of the Group (including as a lender, guarantor, borrower, business partner or otherwise).

We must make full disclosure and get prior approval from senior management before:

- Being employed by any organization outside the Group on a regular or consulting basis; or
- Engaging any outside organization in which you have a personal interest to undertake any work for the Group.

4. ANTI-BRIBERY AND ANTI-CORRUPTION

We take a zero-tolerance approach to bribery and corruption and are committed to complying with all applicable anti-bribery and corruption laws.

Bribery is when a person offers, promises or gives another person a benefit directly or indirectly (e.g. through a third party) intending that benefit to influence that person to perform their job improperly, or as a reward for doing so. Asking for, agreeing to receive or accepting such a benefit is also bribery. It does not matter if the bribe is offered or accepted by a third party. It is still a bribe.

We must not offer or accept any bribes in any form on any portion of any contract payment, or use other routes or methods to provide improper benefits to customers, agents, vendors, contractors or colleagues of any party, regardless of whether such party is involved in a transaction with the Group or not. We must not make any facilitation payments to any government, public official, or other persons in positions of authority able to exert improper influence on business transactions or individuals responsible for making decisions in the course of business.

We must not arrange for or accept any bribes or kickbacks from customers, agents, vendors, contractors or colleagues of any party, regardless of whether such party is involved in a transaction with the Group or not, or to any government or public official, or other persons in positions of authority able to exert improper influence on business transactions. The same applies to any person responsible for making decisions in the course of business for the purpose of benefiting the colleague or the colleague’s family, friends, acquaintances, associates or other connected persons.

We care about the well-being of the communities in which we operate and support giving back to those communities in the form of charitable contributions and sponsorships.

However, we must all be careful to ensure that any charitable contribution or sponsorship (whether in cash, the donation of services, products or otherwise) is free from any potential perception of being a bribe.

For more information about our policies and guidelines relating to anti-bribery and corruption, please refer to our **Anti-Bribery Policy** and **Guidelines on Gifts, Entertainment and Hospitality** (posted on our intranet).

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

We must not offer, promise or give any gift, entertainment or hospitality where the intention is to influence a decision that the recipient is due to make regarding the business of the Group (or to reward the recipient for a decision already made). We must always consider very carefully the appropriateness of gifts, entertainment or hospitality around the time business or an approval is sought from the recipient.

If any gift, entertainment or hospitality is offered to us where the person offering intends to influence a decision that we are due to make regarding the business of the Group (or to reward us for a decision already made), we must not accept it.

Any gift, entertainment or hospitality which we know, or believe, to be in excess of what the recipient is allowed to receive (whether by law or by his or her own internal rules, guidelines or policies) must not be offered or given. We must take particular care if the recipient is a public official and follow the separate approval process. We must not provide entertainment which breaches any other of our policies or guidelines or the principles in this Code.

Details of all gifts received or given (other than gifts of a nominal value) should be recorded in a Corporate Gift Register which will be audited from time to time.

For more information about our policies and guidelines relating to the giving and receipt of gifts, entertainment and hospitality, please refer to our **Guidelines on Gifts, Entertainment and Hospitality** (posted on our intranet).

6. ACCURATE RECORDS AND FINANCIAL INFORMATION

We must ensure the Group's records are kept as up-to-date and accurate as possible so that we comply with our legal obligations and own policies on document retention. This includes financial information, employment records and records of all transactions entered into by the Group.

All financial transactions, including expenses, must be properly authorized, included in the books and records of the Group and available for audit. All accounting records must be reliable so they can be used to prepare financial information for use within the business, for reporting as and when required and maintaining accountability for assets and liabilities, and for compliance with all applicable accounting standards.

We must not attempt to create false or misleading records, or conceal information from the Group's auditors, law enforcement or regulatory bodies, authorities or agencies.

7. RELATIONSHIPS WITH AND KNOWING OUR STAKEHOLDERS

We must seek to establish and maintain mutually beneficial long-term relationships with customers, suppliers, contractors, joint venture partners, and other third parties based on fair, respectful and trustworthy practices.

We must understand who we are doing business with and have visibility of our supply chains. This means identifying and verifying the identity of stakeholders, assessing risks associated with those stakeholder relationships at the beginning of those relationships and on an ongoing basis, keeping proper records of those relationships and reporting any concerns we may have about those relationships where necessary and in compliance with our policies and guidelines. This includes ensuring that we follow our guidelines, policies and systems for all procurement activities or when negotiating contracts with any third party.

8. INSIDER TRADING ON COMPANY SECURITIES

We must not deal in securities of any Group company whilst in possession of unpublished price-sensitive information. Unpublished price-sensitive information is information which, if it were made public, would likely materially affect investment decisions and hence the price of the company's listed securities (in particular, its listed debt securities).

More detailed information on special rules and provisions governing the dealing in the company's securities is available from the Group Company Secretary.

9. SUPPLIER CODE OF CONDUCT

We must work with suppliers to cultivate safe working conditions, to foster dignity and respect for workers, and to promote responsible environmental practices.

Our **Supplier Code of Conduct** and accompanying standards detail the principles and practices that we expect our suppliers to uphold and cover:

- Human and labor rights in the workplace, including the elimination and prevention of forced, compulsory or child labor;
- The elimination and prevention of discrimination, bullying or harassment in the workplace;
- Respect for freedom of association and collective bargaining;
- Ethical conduct;
- Responsible management of occupational health and safety and environmental issues; and
- Demonstrating responsibility, transparency and accountability in compliance with the **Supplier Code of Conduct** (posted on our intranet).

10. TRADE COMPLIANCE

As a global company, we should always conduct our businesses in compliance with laws in all applicable jurisdictions, and must not engage in transactions that may violate applicable sanctions, import/export controls and other international trade laws in any circumstances.

Sanctions are put in place by numerous governments and global organizations such as the United Nations, and can take various forms, including jurisdiction-wide embargoes, prohibitions on doing business with certain individuals, companies or business sectors, asset freezes or restrictions on export or import of specific goods or technology. Many of the jurisdictions in which the Group does business, including Hong Kong, Mainland China, the United States, the United Kingdom and the European Union, have imposed sanctions on a number of individuals, companies and countries/regions with whom transacting business is prohibited or restricted.

Our **Trade Compliance Policy** sets out the minimum requirements that must be implemented across the Group, regardless of the country/region in which you or the recipient of goods/services is located. Compliance with the policy is mandatory for all directors, officers and employees of the Group, as well as all third parties who perform services for or on behalf of the Group anywhere in the world. You should also be mindful of any further guidelines as implemented by respective business units.

For more information, please refer to our **Trade Compliance Policy** (which is posted on our intranet).

11. ANTITRUST AND COMPETITION LAW COMPLIANCE

We take particular care to ensure full compliance with the antitrust laws that apply to our businesses around the world. Violation of these laws could subject the Group and any involved employee to severe consequences, in addition to irreparable reputational damage to the Group.

We believe that the Group will prosper in a marketplace free of collusion and anti-competitive practices, and do not engage in anti-competitive agreements and dealings with our customers, suppliers or business partners under any circumstances. If you have an antitrust concern or are otherwise in doubt, you should always escalate the matter to appropriate senior management.

12. PROTECTION AND USE OF COMPANY INFORMATION AND ASSETS

We must protect company information and assets. You must get authorization from senior management before you disclose to any person outside the Group or use for your own purpose any confidential or proprietary information about the Group, its staff or agents or third parties with which the Group has entered into a confidentiality arrangement. When we post on social media platforms or use artificial intelligence chatbots or similar software, we must ensure that we do not disclose confidential or proprietary information of the Group without authorization.

Confidential or proprietary information may include staff personnel records, computer system data, aspects of unpublished company operations, sales and marketing strategies, product information, financial information, supplier or customer information, intellectual property, patents, copyright materials etc.

We must comply with the privacy and data protection laws in the countries or regions which we operate in. We must handle personal data in a discreet manner, whether the data relate to staff personnel of the Group, our customers, suppliers, or any third parties we work with.

13. USE OF TECHNOLOGY, EXTERNAL COMMUNICATIONS AND THE MEDIA

Our use of the Internet, technology and social media and our communications at work or in relation to the activities of the Group must always comply with our policies and guidelines as well as the principles in this Code.

What we say in public or to any other person, whether on social media, in communications of any kind or to the media may reflect on the reputation of the Group. We are all responsible for ensuring that any content we may post on any social media platform or artificial intelligence chatbots or similar software, or include in any external communication of any kind in any forum or to any other person that refers to the Group, its products or services, any individual's role in the Group or that could in any other way be associated with the Group does not harm or does not risk harming the reputation of the Group.

Only certain members of senior management are authorized to act as spokespersons and respond to related external enquires from the media.

Employees at all levels must adhere to the appropriate guidelines and protocols as outlined in the **Communications Guidelines and Protocol for Media Engagement** when interacting with the media, investors, analysts and, by extension, members of the public.

14. PRODUCT QUALITY AND SAFETY

We must always use our best efforts to fulfill customer needs promptly, with good quality goods and services that meet high standards of safety and reliability and at prices which represent excellent value for money.

15. HUMAN AND LABOR RIGHTS, AND FAIR AND EQUAL TREATMENT

As a responsible business, we play our part in supporting the UN Declaration of Human Rights as a necessary foundation for social development and economic progress.

We are committed to upholding the ten principles of the UN Global Compact covering human rights, labor, environment and anti-corruption throughout our operations.

We are also committed to supporting the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, including its core labor conventions to eliminate forced, compulsory or child labor; to eliminate discrimination in employment and occupation; and, respect for freedom of association and collective bargaining.

We are committed to fair and equal treatment on human resource matters, including recruiting, training and development, promotion, transfer, compensation and benefits, discipline, redundancy and dismissal, etc.

We do not discriminate or condone any discrimination on the basis of gender, age, religion, marital status, family background, race, sexual orientation, disability, disease, pregnancy, trade union and/or political affiliation.

We reward everyone based on individual performance as measured against the Group's objective of maximizing the long-term value of our business.

16. A RESPECTFUL WORKPLACE

We must uphold our values of mutual respect.

We will maintain a workplace that is free of all forms of harassment, intimidation, exploitation and bullying, whether verbal, in writing, physical, visual or sexual. We are dedicated to a workplace that is free from unlawful harassment, sexual harassment and discrimination. Harassment and discrimination based on any characteristics is prohibited.

We support and promote diversity and inclusion in the workplace, with our stakeholders and in our communities.

17. CORPORATE POLITICAL ACTIVITY

We are politically unbiased and neither associate with any political parties nor support any activities that are organized by or relate to any political party.

Neither we nor our agents should use any company entity, facility, resource or finance to support, directly or indirectly, any political party, individual politicians or associates representing a political opinion, whether as a way of obtaining advantages in business transactions or for any other reason.

Companies, employees and agents within the Group shall not make any political contributions for the purpose of seeking improper advantages.

We and our agents should always take account of and comply with our social media and other applicable policies, the principles in this Code, as well as local laws and regulations, before or when engaging in any personal political activity including any communications of a political nature.

18. ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

We strive to be environmentally responsible by adopting sustainable environmental practices for offices, equipment and consumption of resources and by supporting practical measures and policies to protect and preserve the environment of the countries or regions in which we operate.

19. WORKPLACE SAFETY AND VIOLENCE

We must all maintain a working environment that is clean, healthy, safe and free of physical violence.

No alcohol or illegal drugs and/or substances are permitted at the workplace.

20. CONTRIBUTION TO THE COMMUNITY

We care about the well-being of the societies in which we conduct our business. We endorse senior executives' participation in community service and acceptance of public office as long as the engagement does not negatively affect work performance with the Group.

We encourage everyone to participate in sponsorships and charitable support through direct donation on behalf of the Group. However, senior management must approve in advance any support in the form of sponsorships or charitable support by direct donation on behalf of the Group.

21. REPORTING OF CONCERNS AND MISCONDUCT

Everyone within the Group is obliged to report **without delay** to appropriate senior management where they become aware or form suspicion of any instance or behavior which is or may potentially be illegal, unethical and/or in violation of applicable Group policies and guidelines (including but not limited to this Code, the Supplier Code of Conduct, the Anti-bribery Policy, the Trade Compliance Policy, the Communications Policy, and the Guidelines on Whistleblowing / Reporting of Concerns, as updated from time to time).

A report will be investigated internally in accordance with established protocols. You must not knowingly act in any way which obstructs or otherwise undermines the conduct of an investigation, including (but not limited to) failure to report (and without delay), provision of false or misleading information to the investigation committee, tampering with evidence, and retaliation against the whistleblower, complainant and/or other interested parties.

We will report to senior management the investigation results of any reported violation as appropriate. Violations (including any facilitation thereof) once established may result in disciplinary action, including termination of employment. If we suspect a criminal offence (including without limitation fraud, bribery or corruption) may have been committed as a result of the findings of our investigation, we reserve the right to report such violations to the appropriate authorities or may come under an obligation to do so.

If, for whatever reason, you:

- Feel that you cannot speak with your direct line senior management about your concern or complaint;
- Consider that your concern or complaint has not been handled by the direct line senior management properly; or
- Prefer to report anonymously,

You may raise your concern or complaint to our Corporate Governance Division by e-mail (CorpGov@lifung.com) or by post (to 11/F, LiFung Tower, 868 Cheung Sha Wan Road, Kowloon, Hong Kong). Please include all relevant information and supporting documents. Please see our **Guidelines on Whistleblowing / Reporting of Concerns** (as posted on our intranet) for details.