





Our people

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Our people power our business and we are committed to their wellbeing and development. Our people strategy is an important part of our long-term success. We focus on fostering diversity, living our values, caring for and engaging our people, developing talent, and providing respectful, safe and healthy working environments.

We strive to attract, retain and develop a blend of entrepreneurial talent, supply chain and logistics expertise, business acumen, and a diversity of views to support the needs of our customers and suppliers. Our business is based on long-term relationships within our teams and with our customers, suppliers and communities. Together, we strive to build sustainable businesses and supply chains.

Our Trading and Logistics businesses are led by industry experts. From our designers, merchandisers, quality assurance and control (QA/QC) experts to our warehouse delivery and logistics professionals, our people are skilled professionals and drive our growth and success. Our people come from diverse educational and cultural backgrounds. They have deep product category and channel expertise across sourcing and logistics.

Living Diversity

Our people are inherently diverse. Our senior management and teams around the world bring a vibrant mix of nationality, ethnicity, culture, and professional and life experience to enrich our company. This diversity is a source of strength and pride that truly enables us to work across borders and collaborate, share and innovate to provide best-practice solutions for our customers and suppliers in our evolving and fast-paced industry.

We see our global network as key to our success and fundamentally believe it inspires innovation and enriches every aspect of our business. It helps us understand and connect the needs of our people and those of our globally-focused customers and broad vendor base.

**Our people power
our business.**



Our senior management team at Li & Fung comprises a group of leaders with a breadth of professional and cross-cultural experience from markets around the world as well as skill sets and core competencies to grow our global Trading and Logistics businesses.

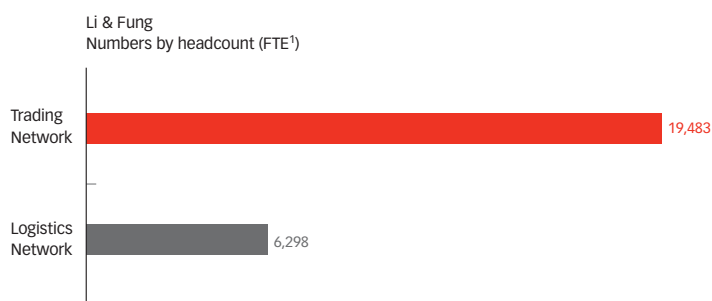
Our 25,781 people are geographically located across 40 countries. 53% of our people are female and 47% are male, and for our management team, 44% is female and 56% is male. Gender diversity is also reflected throughout our Trading and Logistics businesses. 98% of our female employees work in full-time positions with 76% on permanent contracts and 24% on other contracts. 97% of our male employees work full time with 79% on permanent contracts and 21% on other contracts. Total manpower costs, excluding Global Brands, for 2014 were US\$995 million, compared with US\$951 million in 2013.



**Our people are
our greatest asset.**

William Fung

Our People by Business Network



¹ Headcount provided as full-time equivalents (FTE).



Our company culture is driven by our core values.

Spencer Fung

Our Values

Our values form the basis for our culture, business strategies and brand. Across our business, three core values bring us together and guide what we do.

We are entrepreneurs: Our company was started by two entrepreneurs in Guangzhou in 1906. Fung Pak-liu and Li To-ming joined forces to create and develop a successful business by identifying where the opportunity for sourcing products met customer needs in faraway markets. That same entrepreneurial spirit of agility and simplicity is very much alive today and continues to drive the way we support our customers, suppliers, the industry and communities to grow.

We are humble: Having evolved from a 'start-up' to a global supply chain orchestrator, creating value for our customers has been driving our success. Our mission is to provide innovative supply chain and logistics solutions that meet the needs of our customers and add long-term value to their businesses.

We are family: Trust and integrity are the cornerstones of our long-lasting relationships and essential to foster loyalty and teamwork. We care about our people, our customers, vendors and communities and about creating a sustainable future together.

To mark the 108th anniversary of Li & Fung, in 2014 we launched a global drive to celebrate our history, our experiences and our values. A special team was created to visit each of our markets to promote our values globally. At each location, the team hosted discussion forums and events to learn about what is important to our colleagues and share their stories globally.

Caring for and Engaging Our People

Connecting, appreciating, responding to and encouraging our people – what we know as 'C.A.R.E.' – is a core engagement initiative at Li & Fung. From Guatemala and Amsterdam to India and Korea, C.A.R.E drives our efforts to provide a working environment that is entrepreneurial, engages employees and fosters a long-term commitment to the company.

Each year we hold multiple events globally to share our goals and encourage dialogue and innovative thinking across geographies. Through CEO luncheons, town halls, annual conferences, and management and team meetings, our people connect to learn from seasoned professionals and collaborate with peers to incubate business ideas. In 2014, we launched 'Leader Conversations', which adopt an informal 'talk show' format to enable our business leaders to share their vast experience and engage with our people across our business.

Of particular note, a core channel for connecting our people globally is our One Family internal communications platform. In 2014, it was significantly revamped to become not only a source for sharing information on corporate strategy and activities, events and achievements, but also a fully interactive channel for our people to share their own information, ideas and videos, and to comment and interact with their colleagues around the world. In 2014, we had 19,477 unique users interact with One Family and an average of 13,000 page views per week over the year.

We also arrange appreciation events that include happy hour get-togethers, interdepartmental competitions, special days for families and presentations and awards that recognize the achievements and long service of our people.

Human and Labor Rights

We are committed to maintaining a respectful workplace free from discrimination and harassment of any form and to provide equal opportunities for all our people in support of international declarations on human and labor rights². We affirm these commitments in our Code of Conduct and Business Ethics. All new employees are made aware of the requirements of the Code during their orientation and provided with a copy. Implementation is supported by policies and guidelines for addressing the Code elements in the acquisition of new businesses and in our ongoing recruitment, training, performance assessment, disciplinary and grievance processes. We continue to raise awareness of the Code and its importance in our markets through training sessions and a series of storyboards, known as 'The Ethical Zone'. Shared on One Family, the stories illustrate the different elements of the Code and its related policies and guidelines with practical examples and solutions on how to respond to potential ethical dilemmas.

Compliance with our Code is reviewed quarterly by the Risk Management and Sustainability Committee of the Board and audited by our Corporate Compliance division, which reports any material non-compliance directly to the Board. In 2014, no instances of non-compliance were reported.

Health, Safety and Wellbeing

The wellbeing of our people globally is important to us, and we tailor our approach to meet the specific occupational health and safety (OHS) requirements of the different working environments within our offices, manufacturing facilities, warehouses and distribution centers. To support the local needs of our people, we ensure that our working hours and benefits are tailored to each locality in our global network.



I am passionate about reaching out and engaging with my colleagues.

Zaid Hossain,
Head of HR – Bangladesh

² International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Global Compact's 10 Principles and the UN Declaration of Human Rights.

Throughout our operations we host 'lunch and learn' sessions and share information daily on issues relevant to OHS and wellbeing through Useful Tips – an email alert that covers topics from stress management and healthy eating to stretching and ergonomics. This is supported by fitness centers in each of our major offices as well as a variety of exercise and wellness activities globally, ranging from health checks, yoga and dancing sessions to marathon training.

Our manufacturing and logistics facilities have all implemented formalized OHS management systems and our manufacturing facilities in Indonesia, Malaysia and Thailand, and our logistics facility in Singapore are certified to the OHSAS 18001 Occupational Health and Safety Management System standard. To improve working conditions, all facilities hold regular safety talks and provide training on topics such as workplace hazards, safe working practices, first aid, forklift operation, defensive driving, incident investigation and chemical management. They also conduct regular emergency preparedness training and drills. Examples of other initiatives implemented at our logistics facilities include the installation of large and energy-efficient ceiling fans to enhance air ventilation in non-air-conditioned areas, and anti-fatigue mats to reduce strain from standing at packing stations.

For the seventh consecutive year our manufacturing facility in Thailand was awarded the *Outstanding Establishment on Labor Relations and Welfare Award* from the Thai Labor Protection and Welfare Department. In 2014 our manufacturing facility in Indonesia received the *Zero Accident Award* from the Indonesian Government's Ministry of Manpower and Transmigration.

Developing Talent

At Li & Fung we provide opportunities for our people to connect, share innovative thinking and resources, and to learn and develop through a variety of programs. Talent development focuses on broadening knowledge, skills and organizational capabilities, as well as enhancing productivity and leadership potential. We provide flexible learning channels including digital and classroom courses, on-the-job experience, networking, coaching and mentoring, and cross-border opportunities. In 2014, over 18,985 employees in 40 locations participated in 1,146 in-house learning programs.

Developing Li & Fung's future leaders remains a key priority and we foster leadership at all levels. In developing our leaders, we believe in networking, experiential learning and creating on-the-job learning opportunities. We have developed a tailored leadership roadmap for different leadership levels.

Through the Fung Group, we continue to partner with the MIT Sloan School of Management and the University of Hong Kong for our Executive Leadership Program as well as with Stanford University for our Advanced Leadership Program. Started in 2010, the goal of both courses is to expose our next generation of business leaders to the latest business thinking and to foster collaboration across teams. Each year, attendees carry out research on relevant, topical matters related to supply chains, retailing and macro-economic and market trends. Projects can last from three days to six months with outcomes that can be applied to our business. In 2014, 31 unique intakes were organized for 184 of our top business leaders from across the globe to come together to learn and share, furthering our collaborative culture that is conducive to business growth.

Each year we attract exceptional talent globally to join the Program for Management Development (PMD), now in its fourth successive year. This one-year, intensive program includes corporate orientation and training, rotational assignments in the Fung Group's core businesses and business education programs in Shanghai and New York. The idea of PMD is to cultivate entrepreneurialism and develop our future business leaders.

In 2014, a series of new development programs were introduced, including a structured 'Business Intelligence seminar series' where internal and external experts presented and led discussions on omni-channel and other topics related to retailing and sourcing as well as a tailored New Manager's Program to support our middle-level managers transition into new leadership roles. We continued to develop and nurture our 212 'Learning Champions' to be 'teachers', transferring their knowledge in different work contexts around the world.

In addition to our structured and formalized learning and development activities, our people have access to a robust learning platform of performance support resources, which includes job-aids, checklists, and access to subject matter experts, peer collaboration and an information search engine. This platform provides a global connection and our people benefit from real-time, self-paced learning. These online learning platforms cover career development, skills training and expertise sharing and personal and management development. This year, we also designed and delivered our first-ever board game, called 'Pick Pack Go', which provides a fun and practical learning experience through gamification that not only helps our people learn about our logistics business, but also creates a unique bonding and engagement experience.

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We support our people's learning and development throughout their careers.

Mamie Mak,
Head of Learning &
Organizational Development

