

Sustainability @ LF

Sustainability is integral to Li & Fung's business and our planning process. When developing our three-year plans, we assess our progress against our sustainability goals, set aspirational targets against best practice benchmarks and take action to meet those benchmarks.

Our Journey

With operations spanning more than 300 locations in over 40 markets, addressing sustainability requires us to responsibly manage our environmental, social and governance performance, as well as work with our customers, suppliers and industry partners to further the sustainability of supply chains and communities across our network. Health, safety and wellbeing, climate change, resource scarcity and increasing demands for transparency and accountability are all important issues driving change in how we do business and engage with our stakeholders. These issues pose risks and challenges that we address through our Sustainability Strategy and day-to-day activities. They also bring opportunities for providing sustainable sourcing options, furthering improvements in working and environmental conditions and building sustainable communities.



Our Strategy

2014 marks the fifth year of implementing our holistic Sustainability Strategy, which was first formalized in 2009 within our Trading business. The initial strategy raised our people's awareness of sustainability issues and enabled the company to make significant progress against qualitative and quantitative targets for each of the strategy's 10 Commitments.

For the current Three-Year Plan, we have updated our Sustainability Strategy under the following four pillars:

- Supply Chain Sustainability**
 Managing risk and compliance, collaborating with our industry partners to build sustainable supply chains and sourcing responsibly brings benefits to workers and communities along our supply chain and to our business.
- Engaging Our People**
 Our people are front and center of all that we do and are critical to our success. We engage and support them and are committed to their wellbeing and career development.
- Engaging Our Communities**
 Supporting our people to meaningfully contribute to our communities is a core value. We invest in the potential of our people by building human capital in our communities. We take action to help meet community needs and we mobilize our resources to effect change in all of our markets around the world.
- Managing Our Footprint**
 We responsibly manage our resources and environmental footprint to reduce impact by taking action within our operations to build sustainable workplaces and raising the awareness of our people to effect change.

Our Commitment to Disclosure

Expectations for increased disclosure and transparency continue to evolve and we are committed to improving our sustainability performance and enhancing our overall disclosure of information. In support of the Fung Group being a signatory to the United Nations' Global Compact (UNGC) since 2002, we have been publicly disclosing our continual progress in implementing actions to support the UNGC's 10 Principles on human and labor rights, the environment and anti-corruption.

We continue to be a constituent of two leading global sustainability indices, the FTSE4Good Index Series and the Dow Jones Sustainability Asia Pacific Index in the Textiles, Clothing, Accessories and Footwear sector and, in Hong Kong, we are a constituent member of the Hang Seng Corporate Sustainability Index Series.

