

Our people

Our people power our business and we are committed to their wellbeing and development.

A photograph of a man with dark hair and glasses, smiling warmly. He is wearing a white t-shirt with the 'onefamily' logo printed on it. The background is a blurred indoor setting with vertical light fixtures.

onefamily



Our Culture Crew, Yi Hoo Ong, Francesca Ayala and Cherie Wong, on their global tour to share our values and connect with colleagues

Our people

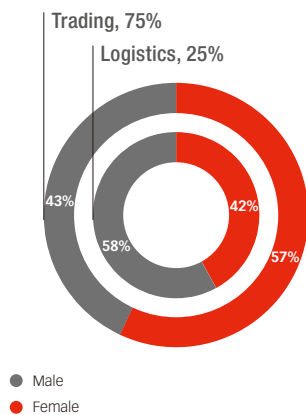
Our people are our greatest asset. We attract and retain entrepreneurial talent worldwide, with in-depth supply chain and logistics expertise, and provide our people with development opportunities at all levels.

25,320
EMPLOYEES WORLDWIDE

Our trading and logistics businesses are led by industry experts, who have deep product category and channel expertise across sourcing and logistics. From designers, merchandisers, quality assurance and control experts to our warehouse delivery and logistics professionals, our people are highly skilled and drive our growth and success.

Employees by Business Network and Gender

Our senior management and teams around the world bring a vibrant mix of nationality, ethnicity, culture as well as professional and life experience that enriches our company. This breadth of cross-cultural and international work experience supports the sustainability of our global trading and logistics businesses.

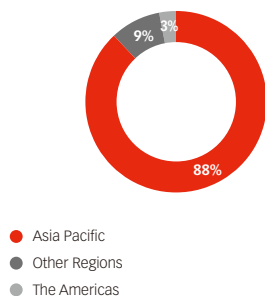


We see diversity as a source of strength and pride. Our people are inherently diverse – we have 25,320 employees representing over 50 nationalities operating in more than 40 economies. Our diverse culture and broad global network are key to our success and enable us to work and collaborate across borders. Our diversity inspires innovation, enriching every aspect of our business.

Our business is built on long-term relationships within our teams and with our customers, suppliers and communities. Together, we strive to build sustainable businesses and supply chains. Attracting and developing the best skill and talent is essential to the sustainability of our business. In all of our operations we attract a mix of local and international professionals.

Our strengthened digital presence also helps us to engage the best talent from all over the world. We started to leverage LinkedIn as part of our recruitment strategy in 2015. For our effort, we were awarded the Gold Award for being the 2015 LinkedIn Hong Kong Evolving Employer. As of 31 December 2015, we hit the 40,001 follower mark and received 21,000 job applications during the year.

Employees by Region



Management Team by Gender



Employees by Gender¹



¹ For our full-time employees on permanent contracts, 52% are female and 48% are male. 58% of our female employees and 42% of male employees work full-time on temporary or other contracts.

In addition to attracting external talent, we encourage internal transfer opportunities for our people who want to enhance their skills or develop new competencies. In 2015, 15% of our open positions were filled by existing employees.

Our Values

Our values form the basis of our culture, business strategies and brand. Three core values unite us and guide our actions:

We are entrepreneurs

We are humble

We are family

Our core values are more than just words. They are meaningful expressions of who we are. They define our behavior with each other as colleagues, with our customers and suppliers, and with all those we interact with in our daily lives.

In 2015 a special team, known as the 'Culture Crew', continued our global campaign on values, visiting 100 locations in 60 cities across 30 countries, reaching over 90% of our people around the world. A key aspect of the initiative was to host discussion forums to learn about what is important to our colleagues and to share their stories globally. A series of personal stories named 'The Living Book of Values' was created and posted on our One Family internal communication platform for all of our people to access anywhere, anytime. The team also documented their experiences and impressions of each of the offices they visited with over 100 blog posts, videos and photo albums. The Culture Crew played a key role in raising awareness and stimulating discussion on our values and fostered closer ties and greater collaboration among all of our people.

 Visit our website to understand more about our values.



Our Approach

Fostering diversity, living our values, caring for and engaging our people, developing talent, and providing a respectful, safe and healthy working environment are essential elements of our Sustainability Strategy. Our people initiatives focus on three areas:

- 1) C.A.R.E. – caring for and engaging our people
- 2) Wellbeing – enhancing the wellbeing of our people
- 3) Career – attracting and developing talent

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. Across our global operations, C.A.R.E. drives our efforts in providing an environment that is entrepreneurial, engaging and fosters a long-term commitment to the company.

Each year we hold multiple events to share our goals and encourage dialogue and innovative thinking across geographies. Through town halls, annual conferences, team meetings and other events, our people connect to learn from seasoned professionals and collaborate with peers to incubate business ideas.

In 2015, our Group CEO Spencer Fung launched a series of monthly, small group gatherings with colleagues working in various roles from different businesses. The gatherings enable our colleagues to understand more about the company’s direction and allow our CEO to learn about the challenges they face and to share his thoughts directly with them. These informal gatherings will continue in 2016.

Our One Family internal communication platform is key to connecting our people around the world. To further boost connection and encourage our people to share content, we revamped One Family in 2015 adding new features such as blogs, a social feed and communities of interest. Our people can now freely share their thoughts and ideas instantly, upload photos of activities hosted in local markets and form communities with colleagues who have the same interests and passions, or work in the same role. In 2015, One Family attracted 16,736 unique users.



We also arrange appreciation events, special days for families and awards that recognize the achievements of our people. In 2015, 3,470 employees reached anniversaries with Li & Fung for five years or more and were awarded Long Service Awards. Of our people receiving awards in 2015, 46% had worked with us for 10 years or more, including 47 colleagues with 30 years' service or more – a remarkable achievement.

Enhancing Wellbeing

The health, safety and wellbeing of our people are important to us. Our strategy and programs are tailored to support our peoples' wellbeing and to meet the specific occupational health and safety requirements of different working environments within our offices, manufacturing facilities and distribution centers. To support local needs and to meet local legal requirements, we ensure that our working hours and benefits, and other terms of employment, are tailored to each locality in our global network. In 2015 there were no fatalities in our workplaces globally.

To identify opportunities to enhance our working environment, we conducted a global self-assessment survey on our human resources practices in 2015. As a result, we are enhancing parental leave provided globally, and in some locations strengthening tracking of human resources metrics.

We are committed to maintaining a respectful workplace free from discrimination and harassment of any form and to providing 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 learn about the Code during their orientation. Policies and guidelines for addressing the Code are implemented in the acquisition of new businesses and through our ongoing recruitment, training, performance assessment, disciplinary and grievance processes.

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




Compliance with our Code is reviewed quarterly by the Risk Management and Sustainability Committee of the Board and audited by our corporate compliance team, under the supervision of the Group Chief Compliance and Risk Management Officer, who reports any material non-compliance to the Board directly or through the Risk Management and Sustainability Committee. In 2015, no instances of non-compliance were reported.

Our manufacturing and logistics facilities have all implemented formalized occupational health and safety management systems. Our Bangkok, Jakarta and Kuala Lumpur manufacturing facilities are certified to the OHSAS 18001 Occupational Health and Safety Management System standard, as are three of our logistics facilities in China and one in each of the Philippines, Singapore and Thailand. Our Trowbridge manufacturing facility meets RIDDOR³ standards and the Tonawanda facility exceeds the standards of the OSH Act⁴. All facilities hold safety talks and training on workplace hazards, safe working practices, chemical management, forklift operation, defensive driving, and spill, fire and emergency prevention, drills and response. Annual Environmental, Health and Safety Weeks and topical OHS events are also held, and counselling services, medical clinics and vaccinations are provided.

We are very pleased that our manufacturing facility in Thailand won the 2015 National Outstanding Award on Occupational Safety, Health and Environment for the third year in a row.

We have fitness centers in a number of our workplaces and host a variety of exercise and wellness activities, ranging from health checks, yoga and dancing sessions to marathon training. We also continue to share tips on health and wellbeing through regular 'Useful Tips' emails.

We are committed to ensuring that our people feel safe and respected and able to apply their best skills at work. We believe this improves performance at work and brings benefits to our people, both personally and professionally.

 Visit our website to read about our successful myRun campaign and other activities to promote wellbeing.

³ Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

⁴ Occupational Safety and Health (OSH) Act of 1970, 29 CFR 1910 Occupational Safety and Health.

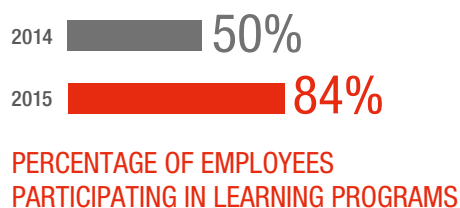
Developing Talent

We believe that building a strong culture of learning plays a vital role in maintaining sustainable growth. To ensure our people leverage their talents and develop their skills and competencies, we provide development programs focusing on leadership, broadening professional knowledge and enhancing productivity. We also provide flexible learning channels from online and classroom courses, on-the-job experience, networking and mentoring, to cross-border opportunities. In 2015, 21,284 colleagues attended learning opportunities – an increase of 66%. The number of in-house learning programs increased 10% to 1,257 programs. While average learning hours per employee dropped to four hours in 2015, this was partly due to our proactive response to our people’s feedback to condense the content of our online courses to encourage greater participation. It was notable that during the year, the overall percentage of our people assessing learning opportunities increased sharply to 84%.

Each year we attract exceptional talent globally to join The Program for Management Development (PMD). Launched in 2010, this one-year, intensive program aims to cultivate entrepreneurialism and develop our future business leaders. It includes corporate orientation and training, rotational assignments in the Fung Group’s core businesses and business education programs in Shanghai and New York. 12 Management Associates participated in the 2015 intake. A group of current and former PMDs are shown on the front cover of this Report.

In addition to our more formalized learning and development activities, our people use a robust learning platform, known as ‘MyCareer’, which lets them learn at their own pace. MyCareer covers career development, skill training, expertise sharing and personal and management development. MyCareer has over 130 learning videos and podcasts related to merchandising, retail and technology skills and in 2015, it was accessed by 21,284 colleagues.

We believe that building a strong culture of learning, experimentation and innovation plays a vital role in our growth.





DEVELOPING LEADERS

Developing leaders, at all levels, is a key priority. Focused programs, networking, experiential and on-the-job learning are just some of the ways we foster leadership. We have developed a tailored leadership roadmap for different leadership levels. Since 2010, we have partnered with MIT Sloan Executive Education and The University of Hong Kong's Faculty of Business and Economics to implement our Executive Leadership Program. In conjunction with the Stanford Center for Professional Development, we have implemented our Advanced Leadership Program since 2012. 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. In 2015, there were two intakes for 100 senior managers. During the program, attendees were tasked with projects related to the supply chain, retailing and macroeconomic and market trends, and charged with developing outcomes that can be applied to our business.




The leadership program was extended to mid-level managers for the first time, with eight intakes being organized for 185 attendees in 2015. To cultivate an environment of 'Leaders building Leaders', 23 of our senior managers became internal trainers for the program. In addition, we continue to implement the New Manager's Program to help newly promoted colleagues take on the role of people managers.



PROFESSIONAL AND TECHNICAL SKILLS

Enhancing skills and broadening the business knowledge of our people is an important focus of our people strategy. In 2015, we introduced a new costing program for merchandisers to equip them with critical knowledge to cost each step of the supply chain – from raw material sourcing and manufacturing to logistics and retail. Additionally, a series of workshops around omni-channel, retail and sourcing, and seminars on fashion and business trends, were hosted. We were also very proud to launch an in-depth dying and coloring program based on the requirements and guidelines of the Society of Dyers and Colourists (SDC). The program deepens the dying and coloring skills of our colorists and supports them to become Chartered Colourists. Of the 36 trained colorists, five attained the qualification of Associate of the SDC and will become Chartered Colourists by 2017. These five colorists became 'Learning Champions' and continue to transfer their knowledge to colleagues through sharing sessions and how-to videos.

 Visit our website for more information about our learning programs, including those to support our customers.

MyCareer Learning Platform

 **130+**
LEARNING VIDEOS AND
PODCASTS AVAILABLE

 **21,284**
COLLEAGUES ACCESSED
ONLINE LEARNING

INNOVATION PROGRAMS

We believe innovation is a key factor to staying competitive, especially against global market changes. We introduced a number of programs in 2015 to spur innovation. The Innovation Catalyst program in Shanghai, gathered middle managers across different businesses for an eight-week engagement that included training on design thinking and a team-based innovation challenge. This was complemented by coaching on innovation techniques, such as rapid prototyping and ways to connect what they had learned back to the business and to transfer their knowledge to other colleagues. Together with the Fung Academy, we plan to roll this out to other offices in 2016.

We believe that collaborative learning is key to developing an innovative culture. In 2015, we formed a Design Community with over 290 members in Hong Kong, Manchester and New York. The community is a platform for our designers to share their experience and collaborate with and learn from each other to further boost innovation within the company.

