

A photograph of two young women in the foreground, looking upwards and to the right with expressions of interest and joy. The woman on the left is wearing a light-colored jacket and a patterned scarf, with a circular white badge on her sleeve that features a green and yellow logo and the Chinese characters '義工' (volunteer). The woman on the right is wearing a green jacket over a white top and is holding a dark, patterned shawl. In the background, other people are partially visible, including a man in a white shirt and another person in a colorful traditional garment. A red lantern is hanging in the background, suggesting a festive or cultural setting.

Our communities

We engage our people to meaningfully contribute to our communities.

Volunteers from our Hong Kong office take some elderly residents of Sham Shui Po for a tour around the city, including a visit to the Wishing Tree in Tai Po.



Our communities

We are committed to making a positive impact in the communities where we live and work. Our newly formed Li & Fung Foundation is activating communities, convening the supply chain and focusing on exponential impact. We are in it together, striving to make life better for a billion people.

Caring for, and investing in, our communities is a key part of Li & Fung's Sustainability Strategy and is integral to building sustainable communities and economies that will thrive for generations to come.

We believe that creating positive impact goes hand-in-hand with having a successful business. Community engagement helps us attract and retain employees and helps them better understand our local communities and their needs. Our communities and our people grow, develop and transform through community engagement activities.

We provide resources and support for volunteering, we share our knowledge and skills, and we raise funds to support initiatives, campaigns and disaster relief. Each activity is tracked to measure the inputs, outputs and outcomes, and we conduct qualitative surveys to track our longer-term impacts. We share our metrics with our people and community partners and we use these metrics to review the focus and effectiveness of our programs. Our community partners have a close connection with the beneficiaries of our activities and also help us to report and share stories and statistics on how we are creating impact. Guided by the interests and impact of our volunteers, we aim to support long-lasting, sustainable activities that matter to our beneficiaries, volunteers, colleagues, supply chain, and align with our values.

Introducing the Li & Fung Foundation

In 2006, the Fung (1906) Foundation was established to support colleagues within the Fung Group around the world, including Li & Fung colleagues, to engage in and contribute to the communities in which they live and work. In 2016, the Fung (1906) Foundation was renamed the Li & Fung Foundation and it is now the corporate foundation of our company, to guide and support our initiatives to make a difference along the supply chain and in our communities. We aim to harness our strengths, including our global networks, local knowledge, relationships and some 22,000 people that we have in more than 40 markets, to make positive impacts that are scalable and sustainable.

Our foundation's strategic focus is in the following three areas: activating communities, convening the supply chain and focusing on exponential impact.

Activating Communities

We harness the expertise, interests, time and talent of our people around the world to raise awareness and take action to help meet social and environmental needs. Colleagues around the world continue to volunteer their time and share their skills to help transform lives and contribute to the wellbeing of our communities through locally-organized activities and global campaigns. In 2016 we implemented an improved system for colleagues to log volunteer hours via our self-serve app, One Touch. Moving forward we will develop a recognition platform for those who make a difference in activating communities.

Convening the Supply Chain

We leverage our networks, people and partnerships for impact to build sustainable shared value. We recognize the power of collaboration to bring about change in the industry, so we partner with customers, suppliers and other industry stakeholders around the world to address the development challenges our industry faces.

Focusing on Exponential Impact

We plan to harness technology, information, networks and passion to create great change in the world, partnering with companies and organizations inside and outside of our ecosystem. We believe in the power of exponential thinking and actions to create a better world for our people and the communities in which we live and work, and for workers in our supply chains.

We have a bold and ambitious vision that started with the question: Imagine if we could make life better for people in the supply chain? We believe we're in a unique position to help make a positive impact for a billion people along our supply chain, from workers to consumers.

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We are excited to establish our own corporate foundation and expand our efforts to make a difference along the supply chain and in the communities where we operate.

Karen Seymour,
Executive Director,
Li & Fung Foundation



The Li & Fung Foundation Board

Our Board brings together a diverse group of business leaders who exemplify the courage and heart it takes to put purpose at the center of our business. It is chaired by our Group CEO, Spencer Fung. Other executive committee members include: Lâle Kesebi, Director, Karen Seymour, Executive Director, and members, Richard Darling, Terence Fung, Alice Lai, Vera Lam, Emily Mak and Robert Sinclair.

During 2017, the Li & Fung Foundation will focus on its strategy to make scalable, sustainable change in the supply chain by finding solutions that can provide exponential impact to our initiatives in our communities.

 Learn more about the Li & Fung Foundation on its website.



2016 Community Impact Results

Our people volunteered almost 9,500 hours for hands-on activities such as tree planting and working with children, over 9,400 hours to participate in awareness-raising activities on issues ranging from women's and men's health to environmental sustainability, and over 800 hours for other events, including in-kind donation activities and fundraisers.

Our colleagues generously donated over US\$152,000 to support community initiatives in 2016, including children's education sponsorships, disaster relief, global campaigns for both women's and men's health and a wide variety of programs to care for local communities. In addition, our company donated over US\$615,000, providing further support for charitable organizations and activities around the world.

Our activities are sponsored by the Li & Fung Foundation and in 2016 many also had the support of the Fung (1906) Foundation. These organizations provide funding for hands-on community service and match funds from a number of fundraising activities, to help spur on our people's volunteerism and generous donations. Disaster relief donations made by our colleagues were also matched by the Fung (1906) Foundation and the Fung Hon Chu Foundation. In 2016, support from the foundations was almost US\$1.48 million¹.

The effectiveness of our activities has increased year-on-year since we began reporting more systematically in 2011. Our aggregated metrics since 2011 include our employees volunteering over 79,000 times and giving 151,000 hours to support almost 1,600 social and environmental initiatives around the world.

Since 2011, our employees have also donated over US\$1.67 million to support communities, the Fung (1906) Foundation and the Li & Fung Foundation have provided over US\$3 million to further support some of these projects, and our corporate donations have totaled US\$6.26 million.



¹ This comprised almost US\$1.27 million from the Fung (1906) Foundation before it was transferred to Li & Fung, over US\$207,000 from the Li & Fung Foundation and US\$7,000 by the Fung Hon Chu Foundation for matching some disaster relief contributions from colleagues.



Community Impact in Action

Our local actions and global campaigns harness our core business strengths to support the development of our people, communities and local economies. We engage the time and talent of our people and establish networks of community partners.

Our community engagement ambassadors inspire our people, share information, connect with community partners, organize activities, and track outcomes and results. In 2016, we continued to publish our community engagement newsletter and increased its frequency to twice a month to inform, encourage, recognize and inspire our colleagues.

With over 85 community partners worldwide, we work directly with communities to maximize impact. Due to the wide-ranging needs and interests of our communities, we have partnered with a variety of organizations including: the Asian University for Women (AUW), Business for Social Responsibility (BSR), cancer funds in various markets, Captivating International, Crossroads, Habitat for Humanity, Junior Achievement, Movember Foundation, Red Cross/Red Crescent, Room to Read, The Women's Foundation (TWF), World Vision and World Wide Fund for Nature.

Supporting our people to meaningfully contribute to our communities is an important part of our Sustainability Strategy. In 2016, our key focus areas remained: investing in the potential of people, helping communities in need and mobilizing for change.

Investing in the Potential of People

Giving people the opportunity to learn and grow helps transform lives and contributes to the wellbeing of our communities. Throughout our network, we partner with local organizations to help children, youth and adults who may be disadvantaged or disenfranchised to access education, learn new skills, and grow personally and/or professionally. We provide generous donations, sponsorships and volunteer our time to make a difference.

Our activities in 2016 included:

- Sponsoring girls' education and daily living essentials in a safe and nurturing environment and empowering girls with vocational training in China
- Over 3,000 students benefiting from engagement activities such as tutoring, donations of goods, workshops, tree planting, sustainability seminars, career talks, academic counseling, and life coaching in Bangladesh, China, Hong Kong, India, Pakistan, Sri Lanka and Turkey
- Partnering with AUW, Junior Achievement and TWF to empower, engage and uplift underprivileged but high potential young adults. We shared our skills, experience, and expertise through career workshops, speaking engagements, mentorships, coaching, work placements, financial support, and internships in Bangladesh and Hong Kong

 Visit our website to read more about how we invest in the potential of people.

Helping Communities in Need

The communities where we live and work are as unique geographically as their specific needs. To make a meaningful difference, we seek to raise awareness of social and environmental issues to maximize impact. We do this by mobilizing our people through both global campaigns supporting universal causes and locally-organized activities that target specific needs. Our global campaigns include common causes such as men's and women's health, blood donations and caring for the environment. We support a number of local initiatives that address social needs and enhance livelihoods.

Our activities in 2016 included:

- Collecting over 775 kg of waste from coastlines and cityscapes, planting over 5,000 trees, holding workshops and raising awareness about environmental impacts in many places where we work and live, including the Dominican Republic, France, Korea and Thailand among others. This was part of our third annual "Clean up our World" campaign
- Investing in the health of our people and communities through awareness-building activities, workshops, fundraisers and seminars. We also installed pipes and water tanks to provide clean water for a rural village in Indonesia, organized sporting events for children with disabilities, sponsored running events, and promoted health campaigns. Our month-long women's health awareness campaign saw over 2,500 employees dress pink around the world, from Chile and Nicaragua to Portugal. Our men's health awareness campaign, Movember, reached colleagues all over the world, including Germany, Hong Kong, Taiwan and the United Kingdom, and for the third year running, Li & Fung was the top fundraiser in Hong Kong
- Donating 850 pints of blood and raising awareness for humanitarian needs in 46 of our offices around the globe, from Indonesia to Italy, potentially saving up to 2,550 lives². In Hong Kong, we supported the Red Cross with our 18th year of blood donations



Li & Fung brings financial and emotional support to vulnerable young women. By sharing their personal journeys and offering practical advice, these compassionate Li & Fung employees inspire teens to succeed.

Lynn Schnurnberger,
Founder and Executive Director,
Foster Pride, New York, USA

² Determined based on calculations from www.bnl.gov where each pint of blood donated could potentially save as many as three lives.

- Fundraising and donating in Asia, North America and South America to give support for those impacted by a damaging earthquake in Ecuador and flooding in Malaysia and the US. We also provided donations such as food, tutoring, books and school supplies in Cambodia through an ongoing partnership with Cambodian Children's Fund
- Helping to improve schools through hands-on refurbishment and betterment projects in Bangladesh, Cambodia, China, India, Pakistan and Turkey, including mural painting activities, computer lab donations and construction, and basic school maintenance activities, such as painting and fence repairs
- Providing clothing, jackets, school supplies, trees, and yarn along with volunteer time and financial support to refugees, students, the elderly, children in need, underprivileged women, orphans, and homeless in Bangladesh, Brazil, Cambodia, Guatemala, Hong Kong, India, Malaysia, Mexico, Pakistan, Philippines, Singapore, the US and Vietnam
- Engaging over 1,700 family members and friends, who gave over 4,300 volunteer hours to local communities in more than 20 locations around the world to extend our positive impact in our communities. These volunteer efforts included hands-on community support projects, environmental projects, education projects, blood donations, health and wellness campaigns, fundraisers and donation drives

 Visit our website to learn more about how we help communities in need.

Mobilizing for Change

Li & Fung's supply chain is the foundation of our business and a connector of communities around the world. Working with our customers, suppliers and community partners we share our skills and expertise, leverage our networks and people for action and impact, and create new business opportunities to effect change. We focus on raising awareness and building capacity for both workers and communities.

We strive to improve livelihoods, support people who were previously excluded from employment to find meaningful work, and develop new business opportunities that support sustainable local economic development.

Some of our activities in 2016 included:

- Continuing our partnership with BSR to empower factory workers, most of whom are female, in Bangladesh, Cambodia, India and Vietnam through the HERproject. These workers benefit from education on nutrition, health and finance, and on improving workplace interaction, harmony and efficiency. In 2016, over 178,000 workers and 87 factories were involved, and positive results measured included reduced absenteeism and sick leave and improved workplace communication
- Inviting outsourced cleaners and office assistants in Bangladesh to participate in twice-weekly sessions to improve English and life skills, plus triannual environmental education courses to learn more about conserving water, electricity and paper in an ongoing effort to raise environmental awareness within the communities. High potential participants were given the opportunity to continue training and apply for work within Li & Fung
- Working with our logistics operations to collect and deliver used clothes to help support Hong Kong's sustainable fashion industry
- Inviting over 300 workers from two factories to attend and participate in health seminars during women's health awareness month in Cambodia to increase the scope of our campaigns to our communities
- Social inclusion was a focus for our logistics facility in Taiwan and our beauty manufacturing operations in China where our colleagues helped disabled people find meaningful work packing and producing goods, respectively. These workers were integrated with other workers and they now have both long-term income opportunities and work experience. Our beauty business also worked with a factory in an underdeveloped area of China to increase opportunities for workers and improve social inclusion

 Visit our website to read more about how we mobilize for change within the supply chain.