

# Our Communities

---

We engage our people to meaningfully  
contribute to our communities.



# Our Communities

---

We are committed to making positive and scalable change in the communities where we live and work. Our Li & Fung Foundation is activating communities, convening the supply chain and focusing on exponential impact. Our vision is simple but bold – we aspire to make life better for a billion people along the supply chain.

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 creating 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 engagement activities.

Putting purpose at the core of what we do, we provide resources and support for volunteering projects that are close to our hearts. Together we share our knowledge and skills, and we raise funds to support initiatives, campaigns and disaster relief. Each activity is tracked and metrics are shared with our people and community partners. This is also used 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 and colleagues, and align with our values.

## 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, guiding and supporting our initiatives to make life better for a billion people. Our unique position on the supply chain enables us to harness our strengths, including our global networks, local knowledge, relationships and some 21,000 people in more than 40 markets, to make positive impacts that are scalable and sustainable.

Our foundation's strategic priorities include the following three areas: activating communities, convening our partners along the supply chain and focusing on exponential impact.

## Activating Communities

We channel the expertise, interests, time and talent of our people around the world to raise awareness and solve social and environmental needs. We do this by encouraging and supporting our people who 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. Volunteer hours are logged by colleagues via our self-serve app, One Touch, and we continued to encourage colleagues to utilize the eight-hour volunteer leave policy to volunteer for activities they support in their communities. In 2017, we implemented our 'Make Life Better Program' to recognize those who make a difference in activating communities.

## Convening our Partners along the Supply Chain

Our unique position on the global supply chain enables us to leverage our networks, people and partnerships for impact, to implement specific projects that build sustainable, shared value for all stakeholders.

As convening catalysts, 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 further harness technology, information, networks and passion to implement scalable initiatives that can be expanded to positively impact substantial numbers of beneficiaries. We aim to create great change in the world by 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, communities, 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 an impact for a billion people along our supply chain.



Business leaders and colleagues supporting our strategic community partner, the Cambodian Children's Fund (CCF), to help transform impoverished children into tomorrow's leaders.

### 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: Karen Seymour, Executive Director of the Li & Fung Foundation, and members, Richard Darling, Terence Fung, Alice Lai, Vera Lam, Emily Mak and Robert Sinclair. You can view their biographies on the Li & Fung Foundation website.

In 2018, the Li & Fung Foundation will continue to focus on its strategy of making scalable, sustainable change in the supply chain by finding solutions that can generate exponential impact from our initiatives and into our communities.

### 2017 Community Impact Results

In 2017, time spent by our colleagues on volunteering increased by 53% when compared to the previous year with over 16,500 hours spent on hands-on activities, such as tree planting and working with children, over 13,000 hours participating in awareness-raising activities on issues ranging from women’s and men’s health to environmental sustainability, and almost 400 hours for other events, including in-kind donation activities and fundraisers.

Our colleagues generously donated almost US\$105,000 to support community initiatives in 2017, including educational sponsorships for children, disaster relief, global health campaigns and a wide variety of programs to care for local communities. In addition, our Company donated over US\$742,000 to further support charitable organizations and activities around the world.


The Li & Fung Foundation provides funding for hands-on community service and matches 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 family. In 2017, total support from Fung family members and the Li & Fung Foundation was over US\$516,000<sup>1</sup>.

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 96,500 times, and giving 181,000 hours to support 2,030 social and environmental initiatives around the world.


<sup>1</sup> Foundation support comprised almost US\$231,000 from the Fung family and US\$285,000 from the Li & Fung Foundation.



**448**  
Activities




Our people volunteered  
**17,000+** times




**84** locations in **25** countries  
participated in community  
initiatives



**30,000+**  
Volunteer hours



**21,400+**  
Volunteer hours  
during working hours



**8,700+**  
Volunteer hours during  
non-working hours

Since 2011, our employees have also donated over US\$1.78 million to support communities. The Fung (1906) Foundation, the Fung family, and the Li & Fung Foundation have provided over US\$3.5 million to further support some of these projects, and our corporate donations have totaled US\$7 million.

Supporting our people to meaningfully contribute to our communities is an important part of our Sustainability Strategy and aligns with the strategic focus of the Li & Fung Foundation. Details of our activities in 2017 are shared below under our three focus areas of activating communities, which includes investing in the potential of people and helping communities in need, convening our partners along the supply chain, and focusing on exponential impact.

## Activating Communities

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 2017, we continued to publish our biweekly community engagement newsletter to highlight how our work relates to global issues, builds awareness and communicates purpose, and to share stories of how our colleagues create impact around the globe. We also increased our communication channels and frequency of engagement with our volunteers through monthly volunteer leadership newsletters, website updates and social media channels.

With over 86 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, Cambodian Children's Fund, Captivating International, Christina Noble Children's Foundation, Crossroads, Habitat for Humanity, Junior Achievement, Movember Foundation, Red Cross/Red Crescent, Room to Read, The Women's Foundation (TWF) and World Vision.



Raising money, achieving personal fitness goals and team building with colleagues as part of a 10-kilometer run through the City of Manchester in support of Mind in Salford, a charity providing quality, user-focused services to make a positive difference to the wellbeing and mental health of the people of Salford.

### 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 2017 included:

- Sponsoring girls' education and daily living essentials in a safe and nurturing environment and empowering girls with vocational training in China
- Over 10,300 youths benefiting from engagement activities such as tutoring, donations of goods, soap redistribution, tree planting, computer lab installation, career talks and youth home visits in Bangladesh, Brazil, Cambodia, China, India, Turkey, the United States and Vietnam

- Partnering with AUW, Junior Achievement, TWF and other youth-focused organizations to empower, engage and uplift underprivileged yet 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

### Helping Communities in Need

We believe our communities grow in ways unique to their geography and cultural identity. 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 women's and men's health, blood donations and caring for the environment. We also support a number of local initiatives that address social needs and enhance livelihoods.



Colleagues cleaned and beautified natural areas along canal floodgates and gardens in Bangkok to honor the memory and legacy of His Majesty, the late King Bhumibol Adulyadej, who initiated many royal projects to improve the wellbeing of his people and the environment.

Our activities in 2017 included:

- Collecting almost 500 kg of waste from coastlines and cityscapes, planting over 3,250 trees, holding workshops and raising awareness about environmental impacts in many places where we work and live, including Guatemala, the Philippines, Portugal, South Korea and Thailand, among others. This was part of our sixth 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 toilets for a rural village in Indonesia, organized sporting events for refugees, supported running events, and promoted health campaigns. Our women’s health awareness campaign, ‘Go Pink Go Check’, saw over 3,000 employees from around the world – from Mexico and Nicaragua to France to Indonesia – dress in pink. Our men’s health awareness campaign, ‘Movember’, reached colleagues all over the world, and for the fourth year running, Li & Fung was one of the top three fundraisers in Hong Kong
- Donating 900 pints of blood and raising awareness for humanitarian needs in 40 of our offices around the globe, from Sri Lanka to Singapore, potentially saving up to 2,700 lives<sup>2</sup>. In Hong Kong, we supported the Red Cross with our 19th year of blood donations
- Fundraising and donating in Asia, North America and South America to give support for those impacted by damaging floods in Bangladesh and Thailand and hurricane relief in the southern United States and Puerto Rico. We also provided donations – food, tutoring, books and school supplies in Cambodia and Vietnam – through an ongoing partnership with the Cambodian Children’s Fund and the Christina Noble Children’s Foundation
- Helping to improve schools through hands-on refurbishment and betterment projects in Bangladesh, Cambodia, China, Pakistan, Turkey and Vietnam, including uniform and computer lab donations, construction and basic school maintenance activities, and donations of bicycle blinkers to keep children safe on the road
- Clothing, school supplies, trees and yarn along with volunteer time and financial support were given to refugees, students, elderly, children in need, underprivileged women, orphans and the homeless in Bangladesh, Cambodia, Hong Kong, India, Pakistan, the Philippines, Singapore, Turkey, the United States and Vietnam

<sup>2</sup> Determined based on calculations from [www.bnl.gov](http://www.bnl.gov) where each pint of blood donated could potentially save as many as three lives.



## Convening our Partners along the Supply Chain

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.

Our activities in 2017 included:

- Sharing industry expertise, knowledge and best practice with Industree Foundation in India to build the organization's capacity, and collaborating with the Mastercard Center for Inclusive Growth to help jewelry artisans in India improve their business knowledge and practices
- 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 financial literacy, and on improving workplace interaction, harmony and efficiency. As of 2017, over 175,000 workers and 84 factories have been involved since the program started in 2014, and positive results measured include reduced absenteeism, sick leave and resignations by females, as well as improved workplace communication

- Working with our logistics operations to collect and deliver used clothes to help support community partners in Hong Kong
- Supporting disabled people find meaningful work as part of social inclusion programs that involve packing goods at our logistics facility in Taiwan and producing items at our beauty manufacturing operations in China. These workers now have both long-term income opportunities and work experience. Our beauty business also worked with a factory in a disadvantaged area of China to increase opportunities for workers and improve social inclusion

## Focusing on Exponential Impact

We celebrate big ideas, change makers and innovative solutions to make meaningful, scalable impact to exponentially improve lives. Working with our colleagues, customers, vendors, suppliers and community partners, we aspire to extend our impact deeper into our communities.

Through harnessing the power of technology, we share best practices internally and externally through online platforms and provide micro funding to entrepreneurs in need around the globe. We also invite community members into our awareness-building sessions and are piloting an engagement and education app for workers in our factories. Some of the ways we have extended our impact include:

- Partnering with Kiva to fund micro loans to almost 200 entrepreneurs (over 170 are female) in over 25 countries, many of whom are along the supply chain where we live and work, including in Cambodia, Guatemala and Pakistan

- Inviting 300 workers from two factories to attend and participate in health seminars during Pink month in Cambodia to increase the scope of our women's health awareness campaign to our communities and inviting customers to participate in our men's health awareness campaign in Taiwan
- Engaging over 1,200 family members and friends, who gave almost 4,000 volunteer hours to local communities in over 30 locations around the world, to extend our 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
- Leveraging our global communication channel, One Family, and social media platforms to tell impactful community engagement stories and encourage best practice sharing. Our One Family community engagement blog has nearly 15,000 views and our social media audience has been continually growing
- Launching the LF Workers' App beta version on a pilot basis across 10 suppliers in Vietnam, reaching over 15,000 workers. The aim is to use mobile technology to enable suppliers to engage and educate their workers on issues both related to their work but also related to workers' personal development and wellbeing, with plans to launch the app in other countries in the coming years

🔗 Visit the Li & Fung Foundation website to learn more. You can also read more detail about how we are furthering supply chain sustainability in the 'Our supply chain' section.



Colleagues in Portugal take the star jump challenge for Movember, our men's health awareness month.