

2016 greenhouse gas emissions by scope and source in tCO₂e

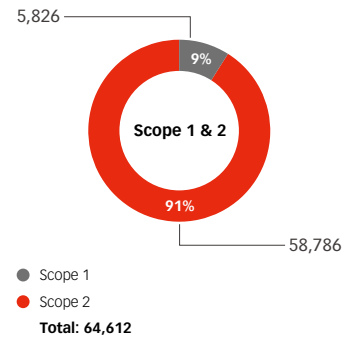
The graphs below outline our 2016 greenhouse gas (GHG) emissions¹ and the composition of our Scope 1 and 2 emissions. Globally, our consumption of energy and the composition of our GHG and air emissions are characterized by our trading business having over 150 offices and five manufacturing facilities, and our logistics business having vehicle fleets and over 230 distribution centers. For all of our facilities, systems are in place to monitor consumption and emissions. All facilities met relevant regulatory requirements in 2016.

We calculate our GHG emissions according to international standards as well as appropriate national and local guidelines³ and emission factors. Scope 1 comprises emissions from the consumption of fuel by company-owned vehicles and boilers and of refrigerants by chillers. Scope 2 emissions arise from purchased electricity.

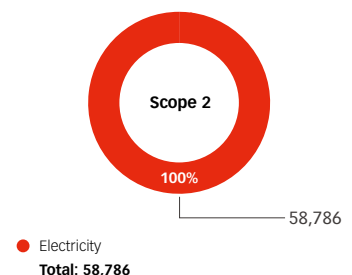
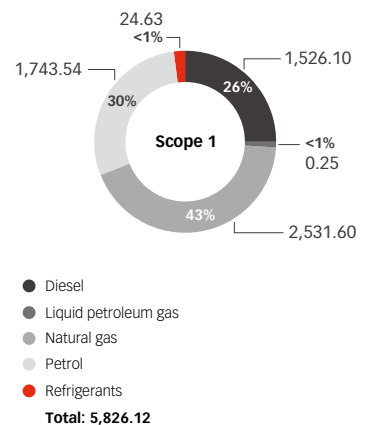
As previously reported and in 2015, we reduced our GHG emissions and our electricity consumption against our 2014 baseline in both absolute quantities and intensities. In 2016 and based on our revised baseline, our overall GHG emission intensity reduced by 5% and our electricity consumption intensity reduced by 9%. However, the increase in our absolute Scope 1 and 2 emissions reflected both the expansion of our business activities, including between a 20 to 30% expansion of our logistics business in key markets, and the improved capture of consumption data by our new environmental data management system, which we transitioned to in 2016 to enhance our ability to track, manage and control the environmental impact of our own facilities. Going forward over our next Three-Year Plan (2017-2019), we will review our global operations to better track consumption with operational planning and activities to identify areas to reduce our environmental footprint.

Overall, our performance over time is attributable to our ongoing investment in efficient equipment, technologies, systems and vehicular fleets, and to the commitment of our people to make behavioral changes. We also continue to evaluate and implement new opportunities to conserve resources and adopt cleaner energy sources. We are committed to reduce both our GHG emissions and contribution to global climate change. Details on [our footprint reduction initiatives](#) are available on our website and you can also refer to pages 116 to 125 of our [2016 Annual Report](#).

Scope 1 and 2 in tCO₂e² - 2016



Breakdown by Scope (tCO₂e)



¹ The figures for 2016 exclude data from entities of Li & Fung's Asia consumer and healthcare distribution business (refer to http://www.lifung.com/wp-content/themes/lifung_new/ir/view.php?id=158913) that were divested in June 2016. Consumption attributable to Li & Fung in 2016, including entities of the Asia consumer and healthcare distribution business from January to June 2016, is disclosed on our website <https://www.lifung.com/sustainability/managing-footprint/>.

² Tons CO₂ equivalent

³ Standards and guidelines adopted include the International Energy Agency's CO₂ Emission from Fuel Combustion, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the Defra Voluntary Reporting Guidelines and the Hong Kong Government's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings.