

2017 greenhouse gas emissions and energy consumption by source and scope in tCO₂e

Our Reporting Scope and Baseline

2017 marks the first year of our current Three-Year Plan and of capturing environmental data more comprehensively across our businesses globally. Our reporting scope covers over 90 offices, five manufacturing facilities¹ and over 200 distribution centers (DCs).

In 2016, we rolled out a new tool to better capture our environmental data and we transitioned our offices, manufacturing facilities and DCs onto the new online platform across our global network. We previously reported on environmental data captured for the 2016 reporting year, the last year of our previous Three-Year Plan, in Annual Report 2016. As previously shared, it was our intention in 2017 to review our global operations and how we collect data, to make sure that we were capturing, tracking and monitoring our data comprehensively.

Over the course of 2017, we improved the functionality of our new data management system and worked to bring all locations across our operations that have the ability to capture environmental data, into the system. As a result, locations that did not capture data previously were added and additional consumption data was included for others that weren't fully capturing all their consumption items.

While we have reported absolute and intensity reductions in our environmental footprint over the years of implementing our Sustainability Strategy, in 2017, our absolute resource consumption and GHG emission data increased, as did our intensity metrics, over data reported in 2016. This is a result of capturing more consumption data in our system globally as outlined above, and the expansion of our logistics business in China, Taiwan and Thailand, and in new markets of Korea, Japan, India and Vietnam. Furthermore, our state-of-the-art, LEED-Gold certified distribution hub in Singapore, one of the largest bonded warehouses in Asia, which was opened in 2016, has achieved full utilization much earlier than anticipated.

With the implementation of our improved data collection tools, the addition of new locations into our data capture and the expansion of our Logistics business, we reset our consumption and intensity baseline in 2017. This higher baseline than previously set reflects a more accurate state of our operations and our reporting scope. However, with the strategic divestment of the three product verticals of furniture, beauty and sweaters, known as our Discontinued Operations, this baseline has since been adjusted to only include Continuing Operations going forward. Consumption and intensity data for the Continuing Operations of Li & Fung forms our revised baseline for assessing our environmental performance in our current Three-Year Plan. With this new baseline, we are not modifying our goal to reduce our overall footprint for our current Three-Year Plan and are working towards achieving the same intensity reduction targets that we previously set for 2019.

Details of our **overall environmental performance at a glance** and **our footprint reduction initiatives** are available on our website and you can also refer to pages 138 to 147 of our **2017 Annual Report**.

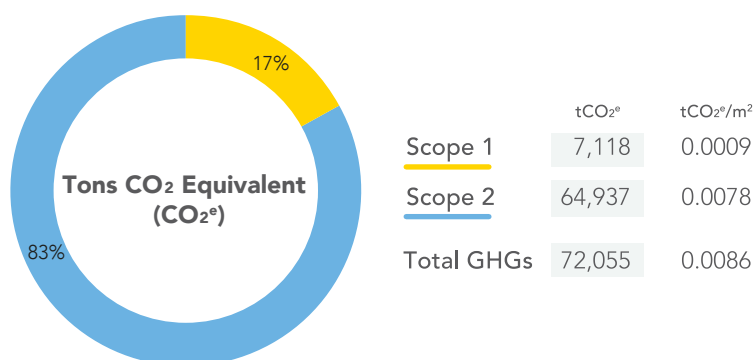
¹ Our five manufacturing facilities in Bangkok, Dongguan, Jakarta, Tonawanda and Trowbridge produce beauty and personal care products.

2017 greenhouse gas emissions and energy consumption by source and scope in tCO₂e

The graphs below present our 2017 Scope 1 and 2 greenhouse gas (GHG) emissions and the composition of our energy consumption and our Scope 1 and 2 emissions. We calculate our GHG emissions according to international standards, appropriate national and local guidelines² and emission factors. Scope 1 comprises emissions from the consumption of diesel and petrol by Company-owned vehicles and natural gas and liquefied petroleum gas (LPG) by boilers³, and of refrigerants by chillers. Scope 2 emissions arise from purchased electricity.

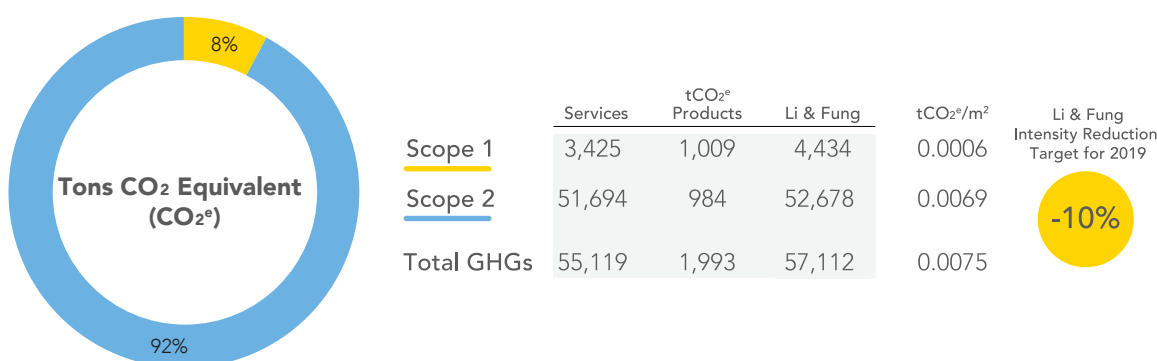
2017 scope 1 and 2 GHG emissions for Li & Fung's Continuing and Discontinued Operations

The graph and table below present our 2017 GHG emissions and intensity data for Li & Fung as a whole, including our Continuing Operations and Discontinued Operations.



2017 GHG emissions by scope and intensity attributable to Li & Fung's Continuing Operations

The graph and table below present our 2017 GHG emissions and intensity data for Li & Fung's Continuing Operations, and for our Services and Products business segments. This data sets our new baseline for 2017, the first year of our current Three-Year Plan.



² 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.

³ Four of our five manufacturing facilities, which are part of our Discontinued Operations, operate boilers with three of them consuming natural gas and the other liquid petroleum gas (LPG).

2017 greenhouse gas emissions and energy consumption by source and scope in tCO₂e

2017 energy consumption by type and GHG emissions by scope attributable to Li & Fung's Continuing Operations

| Energy Type | Scope 1 | |
|--------------|--------------------|---------------------------|
| | Consumption | Emissions |
| Diesel | 766,698 liters | 4,434 tCO ₂ e |
| Natural gas | 4,243,358 kWh | |
| Petrol | 100,648,797 liters | |
| Refrigerants | 118 kgs | |
| Energy Type | Scope 2 GHGs | |
| | Consumption | Emissions |
| Electricity | 93,662,075 kWh | 52,678 tCO ₂ e |

2017 energy consumption by type and GHG emissions by scope attributable to Li & Fung's Discontinued Operations

| Energy Type | Scope 1 | |
|----------------------|-------------------|---------------------------|
| | Consumption | Emissions |
| Diesel | 56,569 liters | 2,684 tCO ₂ e |
| Liquid petroleum gas | 25,143 kWh | |
| Natural gas | 9,739,639 kWh | |
| Petrol | 61,062,129 liters | |
| Refrigerants | 280 kgs | |
| Energy Type | Scope 2 GHGs | |
| | Consumption | Emissions |
| Electricity | 25,255,446 kWh | 12,259 tCO ₂ e |