

2018 and 2017 greenhouse gas (GHG) emissions and energy consumption by source and scope

Our Reporting Scope and Baseline

2018 marks the second year of our current Three-Year Plan and of capturing environmental data more comprehensively across our global business. Our reporting scope¹ covers over 230 offices and 280 DCs².

We reset our environmental baseline in 2017 as a result of capturing more consumption data in our system globally and the expansion of our logistics business. However, we did not modify our goal to reduce our overall footprint for our current Three-Year Plan and kept the same intensity reduction targets that we previously set for 2019.

Our reporting scope for 2018 includes the Company's Services and Products business segments and our environmental performance metrics are presented below. In 2018, our electricity consumption and our GHG emissions decreased in absolute quantities and in intensity. Increases in consumption as result of the expansion of our logistics business were offset by the consolidation of our business activities and the closure of some offices. Ongoing investments in efficient equipment, technologies, systems and vehicular fleets, as well as behavioral change, contribute to our energy conservation efforts.

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 124-131 of our [2018 Annual Report](#).

¹ With the strategic divestment of Li & Fung's three product vertical businesses, Furniture, Beauty and Sweaters as announced in December 2017 and completed in April 2018, the reporting scope now comprises our Continuing Operations only.

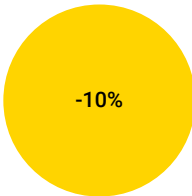
² Environmental data captured includes operations where data is available; energy and water consumption that is not monitored separately by property management is not included.

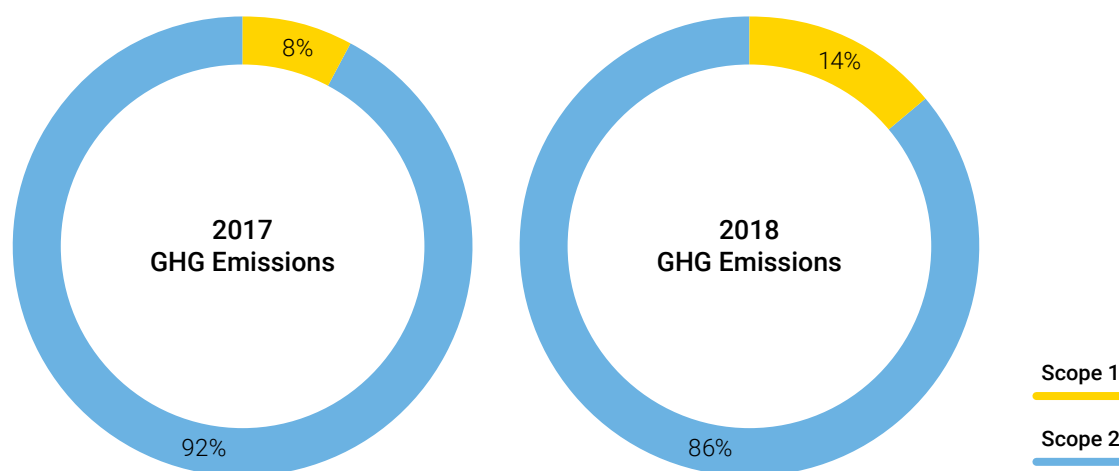
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2018 and 2017 scope 1 and 2 GHG emissions³ for Li & Fung

The tables and graphs below present our 2018 and 2017 GHG emissions⁴ and intensity data for Li & Fung as a whole, comprising our Services and Products business segments.

	2017		2018	
	Total Emissions	Intensities ⁵	Total Emissions	Intensities
Greenhouse Gas Emissions (GHGs)	Tons CO ₂ Equivalent (tCO ₂ e)	tCO ₂ e / m ²	Tons CO ₂ Equivalent (tCO ₂ e)	tCO ₂ e / m ²
Scope 1	4,434	0.0006	7,337	0.0028
Scope 2	52,678	0.0069	44,058	0.0167
Total GHGs	57,112	0.0075	51,395	0.0195

	Emission Change 2018 over 2017 (+/-)	Intensity Change 2018 over 2017	Intensity Reduction Targets for 2019
Greenhouse Gas Emissions (GHGs)	Tons CO ₂ Equivalent (tCO ₂ e)	tCO ₂ e / m ²	
Scope 1	+2,903	+45%	 -10%
Scope 2	-8,620	-27%	
Total GHGs	-5,717	-21%	



³ With the strategic divestment of the Furniture, Beauty and Sweaters product verticals, Scope 1 emissions arising from the consumption of natural gas and liquefied petroleum gas (LPG) by boilers, and Scope 2 emissions from the indirect electricity consumption by these businesses, are no longer attributed to Li & Fung's emissions.

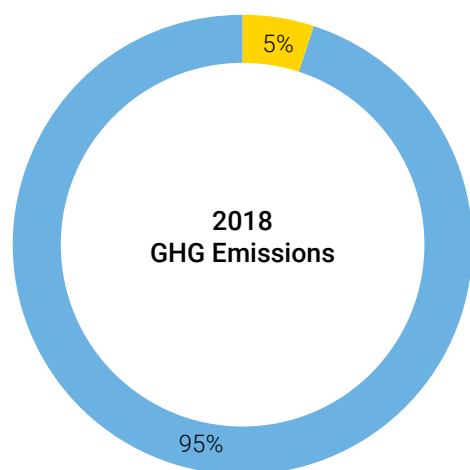
⁴ Standards and guidelines adopted include the International Energy Agency's CO₂ Emission from Fuel Combustion, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the Defra Voluntary Reporting Guidelines and the Hong Kong Government's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings.

⁵ Full-time equivalent (FTE) is used to normalize our global water and paper consumption data.

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2018 GHG emissions by scope and intensity attributable to Li & Fung's Business Segments

The graph and table below present our 2018 GHG emissions and intensity data for Li & Fung's Services and Products business segments. In 2018 we updated our data collection system to report environmental data for each business segment, which was not possible in 2017.



	Services	Products
	Total Emissions / Consumption	Total Emissions / Consumption
<i>Greenhouse Gas Emissions (GHGs)</i>	Tons CO ₂ Equivalent (tCO ₂ e)	Tons CO ₂ Equivalent (tCO ₂ e)
Scope 1	6,064	1,273
Scope 2	42,632	1,427
Total GHGs	48,696	2,700

2018 and 2017 energy consumption by type and GHG emissions by scope attributable to Li & Fung

Energy consumption by source and our GHG emissions by scope is presented below for Li & Fung.

Scope 1

Energy Type	2017		2018		Change 2018 over 2017 (+/-)	
	Consumption	Emissions	Consumption	Emissions	Consumption	Emissions
Diesel	766,698 liters		615,137 liters		-151,562 liters	
Natural gas	4,243,358 kWh	4,434 tCO ₂ e	3,295,411 kWh	7,337 tCO ₂ e	-947,947 kWh	+2,903 tCO ₂ e
Petrol	698,151 ⁶ liters		654,088 liters		-44,063 liters	
Refrigerants	118 kgs		43 kgs		-75 kgs	

Scope 2

Energy Type	2017		2018		Change 2018 over 2017 (+/-)	
	Consumption	Emissions	Consumption	Emissions	Consumption	Emissions
Electricity	93,662,075 kWh	52,678 tCO ₂ e	88,640,426 kWh	44,058 tCO ₂ e	-5,021,649 kWh	-8,620 tCO ₂ e

⁶ In 2017, petrol consumption was reported as 100,648,797 liters. With enhancements to our data collection process, it was determined that consumption in 2017 was 698,151 as reported above.