

Li Ning Company Limited

# LI NING COMPANY LIMITED CHEMICAL MANAGEMENT FRAMEWORK

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## Background

Chemicals are often used in the manufacturing of textile, apparel and footwear products, of which, when the concentration of hazardous components contained in the chemicals reaches a critical level, it will result in the chemicals being hazardous accordingly. This is not only harmful to human health, but also pollutes the environment. Therefore, many countries around the world have introduced laws and regulations related to the control of chemicals and restricted the types and contents of toxic and hazardous substances in products. The control and management of restricted substances in products is a challenge for brands and manufacturers and needs to be realized through collaborative management of the entire supply chain.

Li Ning Company Limited (hereinafter referred to as “Li Ning”) has formulated the *Li Ning Company Limited Chemical Management Framework*, with the objective of guiding its suppliers to establish a reliable chemical management system, and through the effective implementation and continuous improvement of the chemical management system, to help the factories to realize effective control and management of chemicals in the production process, so as to reduce the impacts of the use of chemicals on the environment and human health. *The Li Ning Company Limited Chemical Management Framework* includes the requirements of Chinese laws and regulations and international standards on chemicals, and seeks to minimize the impact of chemicals used in the production process on the environment and human beings.

The scope of application of the *Li Ning Company Limited Chemical Management Framework* includes productive suppliers with which Li Ning has established a cooperative relationship and their products, while other business units not included for the time being, such as administrative purchasing and store stocking, may be implemented with reference.

It is the responsibility of suppliers to familiarize themselves with the contents of *Li Ning Company Limited Chemical Management Framework* and to strive to meet the requirements specified in the project. *The Li Ning Company Limited Chemical Management Framework* covers the requirements for chemical management elements in the production practice of textile, apparel, and footwear industry chain, with the purpose of controlling the risk of chemicals use in production activities, promoting the reduction of hazardous substances. At the same time, evaluating the chemical management capacity of the supply chain through quantitative method, reflecting the impact of chemical management on the entire value chain of the textile, apparel, and footwear industry. When the content of the framework document is inconsistent with the local laws and regulations, it shall not conflict with the mandatory provisions of the law.

The Chinese version of this document is the original version, and the translated versions of all other languages are for reference only. If there is any confusion between the different language versions, the Chinese version shall prevail. And relevant content will be revised and updated in due course by the Li Ning Company.

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# 1. Policies and Objectives

## 1.1 Policies

A chemical management policy is the foundation of chemical management in the factory, and a policy is essential to ensure that every stakeholder understands the factory's overall objectives. The factory should formulate a chemical management policy that outlines commitment to chemical management, details the current practices and procedures followed, particularly those related to transparency and traceability in the procurement. The policy should be clearly communicated between the factory and stakeholders.

At a minimum, the policy is required to include the following:

- Compliance with applicable national and local laws and regulations, as well as the requirements for restricted substances included in the *Safety Technical Requirements for Li Ning Product* (Q/LNB 71001-2021 or the latest version, hereinafter referred as "Li Ning RSL") .
- Sustainable chemical management practices, including, but not limited to, a commitment to be conformance to the *ZDHC Manufacturing Restricted Substances List* (hereinafter referred as "ZDHC MRSL") issued by the Zero Discharge of Hazardous Chemicals Foundation ("ZDHC").
- Use chemicals safely to safeguard the health and safety of employees and minimize environmental impact.
- Traceability.
- Transparency.

## 1.2 Objectives

Factories should set chemical management objectives that include:

- Targets for reducing the use of chemicals and minimizing or eliminating the use of hazardous chemical substances.
- Timeframes required to achieve the objectives.
- Resource requirements and methods for implementation, monitoring, and continuous improvement.

The factory should conduct continuous monitoring to ensure the implementation plan is in line with the objectives or whether adjustments are needed to meet the established objectives.

## 2. Chemical Responsible Person(s) or Team

Based on the scale of operations, the factory should assign one or more staff, or establish a core team, who are responsible for chemical management. Members of the chemical management team are not solely dedicated to the management of chemicals, but integrate this role as part of their overall duties.

The factory should establish an organization chart for chemical management, with the Chemical Manager or chemical management team overseeing all implementation actions, and the positions and responsibilities of the supporting departments (which can be referred in the table below) should be well-defined and consistent.

Department / Member	Responsibilities
<b>Chemical management responsible staff/team</b>	<ul style="list-style-type: none"> <li>Responsible for identifying national and international regulatory requirements applicable to the factory, as well as requirements of various stakeholders, and carrying out the management of chemical use in accordance with these requirements.</li> <li>Responsible for collection and filling of Safety Data Sheet (SDS) for all chemicals and communication with supply chain partners.</li> <li>Establish chemical inventories, conduct chemical risk assessments, and develop measures and programs for storage, use, and disposal of hazardous chemicals.</li> <li>Develop and update chemical management policy and oversee the implementation of continuous improvement actions.</li> <li>Responsible for activities related to the assessment of safer chemical alternatives and communicate these information with supply chain partners.</li> </ul>
<b>Production Sector</b>	<ul style="list-style-type: none"> <li>Organize training on chemical safety.</li> <li>Conduct internal audits and/or assist in external audits regularly, conduct root-cause analysis of non-conformities identified during audits, and develop improvement measures.</li> <li>Responsible for compliant storage, safety transportation within factory site and use of chemicals in temporary storage areas in workplaces.</li> <li>Provide appropriate personal protective equipment and emergency response equipment to employees who work in workplaces where hazardous chemicals are used/stored.</li> </ul>
<b>Purchasing Department</b>	<ul style="list-style-type: none"> <li>Responsible for completing the application process for purchase and use of controlled chemicals in accordance with national and local regulatory requirements, such as register with the applicable Public Security Authorities for purchases of poisonous, precursory, explosive and other controlled chemicals.</li> <li>Communicate with chemical suppliers/formulators regarding the requirements of being conformance with the <i>Li Ning RSL</i> and the <i>ZDHC MRSL</i> and purchase chemicals that can meet the requirements of these two documents.</li> <li>Maintain contact information of relevant responsible persons of chemical suppliers can contact them in case of questions regarding chemical traceability and emergency response.</li> <li>Ensure that the chemical SDSs provided by suppliers are up-to-date and valid, with revision dates within three years.</li> </ul>
<b>Chemical Warehouse</b>	<ul style="list-style-type: none"> <li>Responsible for environmental protection and safety management during transportation, loading and unloading, and storage of chemicals.</li> <li>Responsible for inspection and acceptance of shelf life of incoming chemicals and chemical labels on outer packaging.</li> <li>Ensure that labels are properly displayed on all chemical containers.</li> <li>Provide trainings to employees regarding the Globally Harmonized System of Classification and Labelling of</li> </ul>

	<ul style="list-style-type: none"> <li>Chemicals (GHS) pictograms or relevant content.</li> <li>Maintain documentation of SDSs for stored chemicals and make it easily accessible.</li> <li>Provide employees with applicable personal protective equipment and emergency response equipment.</li> <li>Responsible for establishment and regular updating of chemical inventory list.</li> </ul>
<b>Quality Control Department</b>	<ul style="list-style-type: none"> <li>Perform quality testing of purchased chemicals in accordance with purchasing policies.</li> <li>Carry out internal or external testing of products in accordance with the <i>Li Ning RSL</i> and the <i>ZDHC MRSL</i> and communicate non-conformities to the chemical management leader or team.</li> </ul>
<b>Personnel department</b>	<ul style="list-style-type: none"> <li>Based on the chemical management policy, develop annual internal and external chemical management training plans for employees of different positions, and organize training.</li> <li>Organize emergency response and first aid drills related to chemical management.</li> <li>Post contact details of employees with fire safety and/or first aid qualifications in relevant areas.</li> </ul>
<b>Environmental Safety Department</b>	<ul style="list-style-type: none"> <li>Identify applicable national and local legal and regulatory requirements and stakeholder requirements for wastewater discharge, air pollutant discharge and solid waste generated from the factory.</li> <li>Based on the applicable requirements, develop procedures for management of discharge of wastewater, air pollutant and solid waste, and monitor implementation.</li> <li>Keep regular updates of changes of laws and regulations and stakeholder requirements, and update management procedures accordingly.</li> <li>Organize regular employee trainings.</li> </ul>

## 3. Input Management

### 3.1 Chemical Procurement

Factories should establish chemical procurement procedures to purchase chemicals from legal sources, so as to maximize the reliability and conformity of the quality of the chemicals purchased and to reduce potential risks and liabilities.

The chemical procurement procedures should be applicable to all chemicals used in the production processes, processing equipment and machinery, as well as chemicals used in operation and maintenance.

Prior to procuring chemicals or subcontracting services, the factory should communicate with chemical formulators and subcontractors regarding the requirements of relevant laws, regulations and standards, as well as the requirements of the *Li Ning RSL* and the *ZDHC MRSL*, and conduct evaluations on chemical formulators and subcontractors to check their conformance status. Chemical formulators and subcontractors should sign commitments of conformance to the requirements of relevant laws, regulations, the *Li Ning RSL* and the *ZDHC MRSL*.

### 3.2 Compliance with Safety Technical Requirements for Li-Ning Product and ZDHC Manufacturing Restricted Substances List

Factories should establish a procedure for checking the chemical conformance to the *Li Ning RSL* and the *ZDHC MRSL*. Chemicals not conformant to the *Li Ning RSL* and/or the *ZDHC MRSL* should not be purchased or used.

Factories should obtain and keep up-to-date requirements of the *Li Ning RSL* and the *ZDHC MRSL* and communicate these requirements with collaborating departments. In addition, these requirements are also need to be informed with chemical formulators and subcontractors through businesses contracts, product specifications and supplier statements.

This is an ongoing process that requires periodic review to ensure compliance.

### 3.3 Chemical Inventory List

Chemical inventory list is a core component of effective chemical management implementation. Chemical inventory list can assist factories in making procurement decisions, advancing responsible chemical use, preventing contamination, improving traceability, simplifying chemical handling decisions and controlling disposal costs. Factories should have a robust process for establishing and updating chemical inventory list and assign a dedicated person to maintain it, ensuring that they are updated whenever the chemicals are purchased, stored or used, and the revision dates are clearly documented. Chemical inventory list, consistent with chemical types used and stored in workplace, should be maintained at each applicable workplace area.

Chemical inventory list should contain all chemicals used and stored in the factory, including but not limited to cleaners, adhesives, paints, inks, detergents, dyes, colorants, auxiliaries, coatings and finishing, base chemicals, and chemicals used for environmental protection, sanitation, laboratory and utility purposes.

As a minimum, the content of chemical inventory list should include:

- Basic chemical information (name, manufacturer/supplier, product lot number and chemical classification).
- Usage information (monthly usage and unit of measurement).
- Location of use.
- Storage location.
- *ZDHC MRSL* conformance level / or certificate of equivalence.
- Issuance date of SDS.
- Hazardous substance information (CAS number and content).
- Compatibility.
- Compliance.

As best management practices, following contents are recommended to be added in chemical inventory list:

- Hazards classification (physical, health and environmental hazards).
- Precautionary measures (storage environment, precautions for use, disposal information).
- Environmental factors (e.g. chemical oxygen demand, adsorbable organic halogen content, aquatic life toxicity and biodegradability etc.).
- Risk assessment (hazard classification, exposure level and risk assessment).
- Phase-out prioritization.

The chemical inventory list is recommended to combine process formulations (usage logs) information for traceability of chemicals used in the production process, and facilitating root cause analysis of non-conformities and development of corrective action plans.

Chemical inventory lists should be maintained and updated jointly with the purchasing department and the person in charge of the chemical warehouse, focusing on information such as chemical consumption, usage and batch.

### 3.4 SDS Management

SDS serves as a fundamental source of information for chemicals and provides essential guidance for identifying and managing the environment, health and safety impacts associated with chemicals during their storage, use, and disposal.

SDS must be provided by chemical formulator and fulfill at least the following requirements:

- Available in official and local languages.
- Include all relevant hazard information.
- Store in both chemical management center and at the point of chemical usage for easy accessibility.
- Regularly reviewed and updated.

The chemical safety data provided in the SDS details the safety, environmental, and health risks associated with the chemical. Risk controls for chemicals at all stages of purchase, use, storage, and disposal should be implemented based on the information in the SDS. Additionally, trainings for employees who use chemicals in the workplace and exposed to chemical hazards should be provided with reference to the exposure risks identified in the SDS.

## 4. Process management

### 4.1 Chemical Traceability

Factories must establish procedures to track the use of all chemicals in product processing, maintain accurate chemical inventories, and document the names and batches of chemicals used through the process.

Chemical traceability enables continuous management improvement of non-conformities or non-compliances of chemical substances in final products, as well as in wastewater, exhaust gas, and solid waste emitted from production processes.

### 4.2 Transportation, Storage, Use and Disposal of Chemicals

Transportation, storage, use, and disposal of chemicals are important aspects of chemical management. Factories should establish procedures for transportation, storage, use, and disposal of chemicals to maximize control over the environmental pollution and impacts on health of employees, and to reduce losses caused by accidents.

#### 4.2.1 Transportation of Chemicals

Factories should formulate instructions for chemical transportation within factory areas based on relevant requirements listed SDSs, train applicable employees and take appropriate measures to minimize the occurrence of accidents.

In the case that transportation of hazardous chemicals is involved, factories should check the supplier's transportation license and the relevant personnel's qualification certificate for handling of hazardous chemicals.



## 4.2.2 Chemical Storage

### 4.2.2.1 Labeling

Chemical name should be clearly labelled on container and packaging. Labels and signs should use words and images that comply with regulatory requirements, effectively communicate chemical safety information to employees and document hazard characteristics and safe handling instructions. All chemical containers must be in good condition and display a legible label.

Chemical labelling should include at least the following information:

- Product identifier (chemical name).
- Signal words ("Danger" and "Warning," if applicable).
- Hazard statement ("Hazard" or "H-Declaration," GHS pictograms, if applicable).
- Precautionary statement (P-note, if applicable).
- Supplier identification information (name and contact details of the chemical manufacturer).

In the case that the package size is too small or in oddly shaped, and cannot display all relevant information, it should include chemical labeling information and indicate where additional data can be found. Information on chemical labels should support product traceability.

Factories should conduct regular label maintenance activities and take necessary measures to ensure that chemical labeling meets compliance requirements.

### 4.2.2.2 Storage Requirements

Factories should provide storage conditions that comply with applicable laws and regulations based on the types and hazardous characteristics of chemicals. In addition, factories should perform monitoring and take relevant measures in the chemical storage area, including but not limited to the following:

- Post safety warning signs and GHS pictograms, provide chemical inventory lists and SDS.
- Classify and store chemicals in separate piles according to their hazardous characteristics, paying special attention to meeting the storage requirements for compatible chemicals.
- Liquid chemicals are stored in leak-proof facilities such as secondary containers, cofferdams or pallets.
- Control of temperature and humidity in chemical storage areas (if applicable).
- Provide emergency equipment (fire extinguishing equipment/facilities, emergency spray and eyewash devices, etc.).
- Provide personal protective equipment.
- Warehouses for flammable and explosive chemicals need to be equipped with relevant facilities in accordance with regulatory requirements, such as explosion-proof electrical appliances and electrostatic grounding protection.
- The storage requirements for chemicals also apply to the storage of waste chemicals and their containers.

## 4.2.3 Chemical Use

Factories should develop standard operating procedures for the use of each chemical based on the safest practices outlined in SDSs. The safest practices should be effectively communicated to staff. All employees who may be exposed to chemicals in their workplace must be trained to know requirements for handling chemical in a safe manner and to

understand SDSs, thus, to ensure safe use of chemicals.

#### 4.2.4 Chemical Disposal

Chemical disposal includes chemical disposal in emergency cases and disposal of waste chemicals.

In case of chemical leakage or chemical safety accident, factories should activate the emergency response procedures and take appropriate measures based on the guidance provided in the chemical SDS.

Factories should collect waste chemicals and dispose of them in accordance with the disposal requirements specified in the chemical SDS. In the case that the waste chemicals are classified as hazardous waste, it should be transferred to hazardous waste warehouse for storage and disposed of in accordance with hazardous waste regulations. Those classified as non-hazardous waste chemicals should be disposed in accordance with general solid waste management requirements.

In the case where chemical drums are collected and returned to chemical manufacturer for recycling, this practice must be specified in the purchase agreement. When empty chemical drums are recycled as containers for other chemicals, the original chemical labels must be removed.

### 4.3 Personal Protective Equipment

In addition to implementing appropriate management control systems and operating procedures, factories should provide personal protective equipment (PPE) to safeguard the health and safety of employees. The type of PPE required for different positions can be determined based on the SDS, relevant regulations and standards, specific tasks, necessary performance criteria, and any additional requirements.

As a minimum requirement, factories needs to:

- Develop standard procedures to identify PPE needs for different positions and determine PPE replacement frequency, assign designated department for implementation.
- Ensure that applicable PPE is provided to employees who are exposed to chemicals in workplace, and organize training on the proper use of PPE.
- Identify the type of PPE needed based on SDS.
- Maintain records of PPE replacement and disposal.

### 4.4 Emergency Response Procedures

Factories should have procedures for recognizing and responding to potential chemical accidents and organize trainings and drills. Emergency response procedures are helpful to protect property, employees and the community in the event of a chemical emergency and to minimize environmental impacts caused by chemical spills.

As a minimum, factories need to:

- Identify and respond to potential accidents related to chemical spills, fires, employee injuries, damage to buildings and facility equipment, and those caused by force majeure factors.
- Ensure the availability of necessary emergency response facilities and equipment, such as fire extinguishers, first aid kits, and eyewash stations, and conduct regular inspections to ensure proper functioning of the facilities and equipment.

- Develop a comprehensive evacuation plan that includes emergency exits, escape routes, emergency assembly points, and contact information of individuals responsible for overseeing evacuations.
- Implement communication and training, and conduct regular emergency response drills to maintain employee readiness and ensure effective monitoring of the response system. As a minimum, drills should be conducted twice a year and procedures should be updated after the drills when needed.

#### 4.5 Accident and Non-Compliance Management

Factories should establish an incident and noncompliance management program for managing actual and potential non-conformities or non-compliances in the factory and taking corrective and preventive actions. The corrective actions should at least include details on root cause analysis, corrective action, time required to complete the corrective action, the person implementing the corrective action, and the person in charge of confirming completion of the corrective action.

#### 4.6 Preservation and Perfection

Factories should establish maintenance and improvement standard operating procedures and conduct regular maintenance and improvement activities to ensure the successful implementation of chemical management.

As a minimum, factories need to:

- Maintain machines and equipment on a regular basis and keep records.
- Ensure that there are no chemical containers stored in poor condition or without labels attached.
- Regular inspection and maintenance of containment facilities(e.g. secondary containers, cofferdams, etc.)
- Regularly review of emergency response measures such as fire extinguishers, eye washes, sprinklers, emergency exits, escape routes and first aid kits.

## 5. Output Management

Chemicals used in factories will leave the site in four output streams: final products, wastewater, exhaust gas and solid waste (including sludge). The output of final products is subject to applicable legal and regulatory requirements for release of pollutants, the *Li Ning RSL*, and existing guidelines for the restriction use of chemical substances. The *Li Ning Company Limited Chemical Management Framework* will focus on monitoring and controlling compliance and conformity of wastewater, air and solid waste discharges. Factories are required to establish appropriate procedures for the management, treatment and discharge of outputs to ensure compliance and conformity of output discharges in order to minimize pollution to the surrounding environment and community.

Output management can help factories understand the implementing situations, and by inspecting and monitoring outputs, it is possible to track the achievement of a factory's chemical management goals.

#### 5.1 Wastewater Management

Factories should identify the sources of wastewater generation, including generation process, pollutant type and treat-

ment process, track the treatment and discharge of each sources, and regularly carry out the monitoring required by laws and regulations, ensure that wastewater discharged complies with the requirements of national and local laws and regulations. For non-compliant wastewater discharges, the emergency plan should be activated, with the following immediate analysis and confirmation of the reasons for excessive discharge, and corrective measures should be taken to complete the rectification as soon as possible.

In addition to conducting annual legally required wastewater monitoring, factories should also conduct ZDHC wastewater testing at least once a year in accordance with the *ZDHC Wastewater Guidelines*. If there are any non-conformities identified in the testing, root cause analysis should be conducted, corrective measures should be formulated and followed up.

## 5.2 Exhaust Gas Management

Factories should identify the sources of exhaust air emissions, including process in which they are generated, types of pollutants, treatment facilities, and point of discharge. Conduct regular monitoring of emissions as required by laws and regulations to track compliance status with air emissions during production and equipment operation. For non-compliant air pollutant discharges, an emergency response plan should be activated, analysis and confirmation of the cause of should be carried out immediately, and corrective measures should be taken to complete the rectification as soon as possible.

## 5.3 Solid Waste Management

Factories should establish a waste ledger to identify all types of solid waste and allocate compliant storage areas according to waste types. Hazardous waste ledger should include information such as the name of waste, generation process, date of generation, temporary storage location, storage volume, date and volume of transfer and transfer manifest. Management of other types of solid waste can refer to the same approach.

Factories should sign service contract with licensed subcontractor for disposal of hazardous waste, and maintain the validity of contract. Factories should keep a copy of subcontractor's license and ensure that the license is within validity period.

For factories that generate sludge, testing should be conducted at least once a year in accordance with the *ZDHC Wastewater Guidelines* and the *ZDHC Sludge Reference Documents*. If there are non-conformities identified during the test, root cause analysis need to be carried out and corrective measures need to be formulated and followed up.

Factories are encouraged to develop action plans to reduce waste generation and conduct regular tracking and review of implementation plans.

## 6. Continual Improvement

### 6.1 Regulatory Compliance Requirement Track

Factories should regularly track the upgrade/changes progress of laws and regulations, as well as the updates to documents such as the *Li Ning RSL* and the *ZDHC MRSL*. Track changes in the requirements for discharge of wastewater, air emission, and solid waste, and update management documents in accordance with the changes.

### 6.2 Internal Audit

An internal audit process should be established to document audit evidence, audit results and corrective actions taken in accordance with chemical management requirements. Audit reports and measures taken need to be communicated with internal stakeholders. Specific dates and responsible persons are required for the implementation of corrective actions. Internal audits should be conducted at least once a year.

### 6.3 Management Review

Factories should regularly conduct and update a consistency audit of chemical management. Opportunities for improvement are identified in the evaluation process, and check whether the objectives are being met. Consistency audits require a review of each aspect of chemical management and help factories to continuously optimize strategies and priorities.

To meet the minimum requirements for consistency review, factories needs to at least:

- Evaluate conformance status with assessment standards.
- Check objective achievement progress.
- Determine the effectiveness of processes that have been implemented and followed.
- Audit results.
- Change management or correction of status quo.
- Opinions of stakeholders.
- Suggestions for improvement.

### 6.4 Training

Trainings can minimize impacts to environment and staff health by preventing accidents from occurring. Factories should provide trainings to all relevant employees to equip them with basic knowledge of chemical management and to meet the needs of their positions.

As a minimum, relevant employees should receive trainings on topics that include:

- Basic requirements of national laws and regulations.
- Conformity Requirements of the *Li Ning RSL* and the *ZDHC (MRSL)*.
- PPE use.
- Conduct all emergency drills in accordance with standard operating procedures, e.g., firefighting, chemical spills, etc.
- SDS.
- GHS pictograms.
- Safe storage and management of chemicals.
- First aid response.

Training records should contain time and place of training, name of trainers and trainees, content and evaluation of training effectiveness, and with records archived. For first aid, firefighting and emergency response measures, drills should be conducted and records archived.

## 7. Assessment System

The Chemical Management Assessment System is an assessment tool developed by Li-Ning and a third-party company to evaluate the current status of chemical management in factories. The third-party company collects information through document inspection and on-site inspection, and applies a modular scoring system to assess and score the current status of chemical management. The Chemical Management Assessment System consists of four modules: chemical management system, source control and optimization, process improvement, and resource and waste management, and considers seven aspects: chemical inventory list, competence and skills, hazard identification and communication, resource efficiency, hazard risk management, wastewater, air emission and solid waste. The rating system categorizes a factory's chemical management performance into four levels: green, blue, yellow and red.

The specific definitions are as follows:

Level	Definition
<b>Green Card</b>	<p>Score range: 81 points to 100 points</p> <p>Result: Passed - Leader</p> <p>Performance: Achieved the ideal level of chemical management. The requirements of the <i>Li Ning Company Limited Chemical Management Framework</i> have been met, and there are strategic measures to reduce the use of hazardous chemicals.</p>
<b>Blue Card</b>	<p>Score range: 61 points-80 points</p> <p>Result: Passed - Good</p> <p>Performance: A progressive level of chemical management has been achieved. General non-conformities exist and corrective actions can be taken immediately. Most of the basic requirements of the <i>Li Ning Company Limited Chemical Management Framework</i> have been met.</p>
<b>Yellow Card</b>	<p>Score range: 41 points-60 points</p> <p>Result: Passed - qualified</p> <p>Performance: In general, it meets some basic requirements of the <i>Li Ning Company Limited Chemical Management Framework</i>. However, there are many general non-conformities. The factory needs to provide an action plan and take corrective measures within the specified time so that a third-party company designated by Li Ning Company Limited can conduct on-site and / or off-site inspections.</p>
<b>Red Card</b>	<p>Score range: 0 to 40</p> <p>Result: Failed - Unqualified</p> <p>Performance: Failure to meet the basic level of chemical management. Serious or numerous non-conformities were found and must be corrected immediately. The factory needs to provide an action plan and take corrective measures within the specified time for on-site inspection by a third-party company designated by Li Ning Company.</p> <p>For existing factories, Li Ning Company will engage a designated third-party company to conduct verification of corrective measures within the specified time to check the remediation status of non-conformities.</p> <p>For new suppliers, manufacturing order should not be placed until the audit findings are corrected and Yellow Card level or above are met.</p>

## 8. Related Documents

1. Safety Technical Requirements for Li Ning Product
2. Li Ning Company Limited Supplier Corporate Social Responsibility Management Manual
3. OEKO-TEX® STeP Standard
4. OEKO-TEX® ECO PASSPORT
5. ZDHC Manufacturing Restricted Substances List
6. ZDHC Wastewater Guidelines
7. ZDHC Air Emissions Guidelines
8. ZDHC Sludge Reference Document
9. ZDHC Chemical Management System Framework
10. ZDHC Chemical Management System Technical Industry Guide