

ENVIRONMENTAL, SOCIAL AND Governance Report

PARTICULARS OF THE REPORT

Report Overview

This report is prepared to provide stakeholders with an update on the work of Li Ning Company Limited (hereinafter referred to as the "Group") and its subsidiaries (collectively, the "Group", "we", "us" or "Li Ning") in the environmental, social and governance ("ESG") field in 2025. This report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited. This report should be read in conjunction with the section "Corporate Governance Report" in the 2025 Annual Report of the Group and the column "CSR" on the Group's website.

Reporting Period

The reporting period of this report is from 1 January 2025 to 31 December 2025. To ensure the consistency of the report, some contents are out of this period.

Reporting Scope

The disclosure scope of this report is consistent with that covered by the annual report, which has not changed compared with the scope of ESG reports in previous years unless otherwise specified.

BOARD STATEMENT

ESG matters have always been a core focus of the Group's long-term development. The Board of Directors (the "Board") of the Group assumes ultimate oversight responsibility for ESG matters. The ESG Management Committee and Executive Team under the Board are responsible for the overall coordination and detailed implementation of ESG-related work. The Board regularly listens to reports from the ESG Management Committee, reviews the Group's overall ESG strategic planning, the assessment results of key ESG issues, and the identification and management of ESG-related risks, and regularly monitors the progress of ESG objectives.

The Group continues to advance and deepen the systematic development of ESG practices. In line with its business characteristics, the Group further integrates the vision and strategy of sustainable development into its daily operations and overall strategic planning, and the Board regularly reviews the related updates and optimisation results. During the reporting period, the Board reviewed and approved the phased review results of environmental objectives, the identification and assessment results of climate change-related risks and opportunities, as well as the corresponding response strategies and management measures.

The Board attaches great importance to and actively responds to the expectations and concerns of stakeholders, continuously participating in the identification, assessment and management of key ESG issues, strengthening ESG-related risk management, and reviewing and guiding the implementation of relevant risk management strategies.

In 2025, the Group continued to advance the implementation of established development goals in key areas such as employee development, environmental protection, community engagement, and innovation development. The implementation progress of these goals remained broadly consistent with the established plans, with phased progress achieved. The relevant objectives and progress were reviewed and approved by the Board together with this report.

This report systematically discloses the Group's management practices and work progress in 2025 in the above areas and other ESG-related aspects, and was reviewed and approved by the Board on 19 March 2026.

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Reporting Principles

Materiality: The Group has identified, assessed and prioritised key ESG issues, and disclosed ESG-related matters based on the results of the materiality assessment. Details of the identification and assessment process of key ESG issues and stakeholder participation are set out in the section “Stakeholder Communication and Identification of Material Issues”.

Quantification: This report adopts a quantitative approach to measure applicable key performance indicators and has established quantitative environmental objectives. The standards, methodologies, assumptions and/or calculation tools used for quantifying relevant emissions and energy consumption, as well as the sources of conversion factors applied, are disclosed where appropriate.

Consistency: The preparation approach, statistical methods, measurement standards, methodologies, assumptions and/or calculation tools for quantitative data in this report remain consistent with those used in previous years, and there have been no changes that would affect meaningful comparison with previous reports.

I. *ESG MANAGEMENT SYSTEM*

The Group firmly pursues and strives to realize the corporate vision and is committed to becoming “the renowned fashionable world-leading professional sports brand originated from China”, with the mission of “Let Sports Light Your Passion”. Based on corporate core values of “serving the public with sports spirit” “surpassing yourself to win the competition” “win-win for individuals and teams” “fairness and transparency are competition principles and enterprise principles” and “harmonious development of employees, enterprises, society and nature”, the Group continues to cultivate a cultural atmosphere and working environment that is equal, diverse, confident, inclusive and collaborative for shared success.

With the belief that “Anything is Possible”, the Group has continuously deepened the exploration and innovative practices in China’s professional sports sector and meticulously created a unique “Li Ning’s experience value” centered around product experience, sports experience and purchasing experience. In 2025, the Group further improved the ESG management system and advanced the comprehensive development of the sustainable value chain, continuously integrating responsible practices throughout the entire business process, promoting sports philanthropy and social value creation, and driving the enterprise’s high-quality and sustainable development through innovation and transformation.

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ESG Governance Structure

The Group has continuously improved our ESG management structure by focusing on enhancing ESG management capabilities. It clearly defines the responsibilities, functions and process mechanisms of ESG-related work, striving to improve the quality and efficiency of ESG work to ensure ESG initiatives are carried out in a scientific and orderly manner.

The Board is responsible for the comprehensive supervision of ESG matters, and reviewing and supervising the optimization of ESG strategy, the materiality assessment of ESG issues, the identification and response of ESG risks, the revision of ESG objectives and the regular review of ESG report. The Group has established an ESG Management Committee chaired by the Group's Executive Director and Joint Chief Executive Officer. The committee is responsible for evaluating the medium and long-term ESG strategies and objectives of the Group, systematically sorting out and analyzing key ESG issues, submitting ESG work suggestions to the Board for review and decision, and guiding and supervising the ESG Executive Team in effectively advancing related work.

The ESG Executive Team is led by the Environment and Sustainable Development Department of the Group and is composed of the heads of the ESG-related departments. The ESG Executive Team is responsible for organizing and coordinating related departments to promote the implementation of ESG strategies and policies and regularly reports the work progress to the ESG Management Committee. The Environment and Sustainable Development Department of the Group consists of 4 members, including 1 person in charge and 3 professionals in social responsibility, environment and carbon management. The department regularly reports to the Executive Member of the ESG Management Committee.



ESG Governance Structure and Flow

In addition, we continuously improve our corporate governance framework and have formulated the "Nomination Policy of Li Ning Company Limited". The nomination and evaluation of Board members are conducted strictly in accordance with the policy to ensure that Board members possess balanced skills, practical experience and strategic vision to support the Company's long-term sustainable development.

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To safeguard the independence of Board committees, we have also established clear governance requirements:

For the Audit Committee, all three members are Independent Non-executive Directors, and the Chairman of the Audit Committee possesses extensive experience in corporate finance and professional accounting. This complies with the financial expertise requirements of the Audit Committee under the Listing Rules of The Stock Exchange of Hong Kong Limited and ensures effective independent oversight of financial reporting and internal control. The Audit Committee is authorized to seek independent professional advice on any matter in order to perform its duties. Participants in Audit Committee meetings usually include committee members, external auditors and the Group's Chief Financial Officer. Other senior executives of the Group, including the Chairman and Chief Executive Officer of the Company, attend meetings only upon invitation. In addition, the Audit Committee holds private meetings with external auditors without the presence of management when necessary, further strengthening the independent oversight mechanism.

For the Nomination Committee, the majority of members (two-thirds) are Independent Non-executive Directors. The committee is chaired by the Chairman of the Board, while the remaining two members are Independent Non-executive Directors. This arrangement complies with the requirements of the Listing Rules of The Stock Exchange of Hong Kong Limited and the Corporate Governance Code and provides several benefits. As the founder and long-standing leader of the Company, the Chairman of the Board is highly familiar with the Group's strategic direction, business challenges and future leadership needs, enabling him to effectively lead the nomination process and ensure that newly appointed directors possess complementary skills and strong alignment with the Company's culture. Meanwhile, the presence of Independent Non-executive Directors provides a strong check and balance for other committee members to safeguard the objectivity and fairness of nomination decisions. The committee is authorized to seek independent professional advice on any matter in order to perform its duties. Only committee members are entitled to attend committee meetings, while other Board members and executives attend meetings only upon invitation, thereby maintaining the independence of the nomination process.

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ESG Strategy and Management Concept

The Group is guided by the corporate strategy. In combination with the characteristics of our business model and development needs, the Group continuously strengthens management practices in the ESG field, explores innovative paths and optimizes ESG strategies and management systems to ensure alignment with sustainable development goals. In line with the strategic layout of the national “30-60 Targets” of carbon peak and carbon neutrality, we adhere to our sustainability slogan “Look Further Run Further”. The Group continues to advance green and low-carbon operational initiatives, further strengthening the identification, assessment and management of climate-related risks and opportunities, advancing climate scenario analysis and continuously enhancing sustainable management capabilities across its operations and value chain.

The Group further implements sustainable development management mechanisms by incorporating sustainability elements into the assessment and evaluation system for senior management, strengthening the incentive and guiding role of performance-based pay towards sustainable development. Sustainability-related performance indicators are customized according to the functional responsibilities of senior management. For example, performance indicators for VPs and general managers across the Group include talent development and system building; indicators for general managers in the Group’s supply chain system include product quality and the development and production of environmentally friendly products; and indicators for managers in the Group’s information technology system include information security. Currently, sustainability-related indicators account for 5%–10% of the weighting in senior management performance assessments and incentive pay structure. The Group will continue to dynamically review and expand relevant indicators and evaluation dimensions to promote the continuous enhancement of sustainable development management effectiveness. At the same time, the Group safeguards the legitimate rights and interests of employees and supports their career development; strengthens product quality and safety management and improves product and service standards; promotes anti-corruption and integrity initiatives to maintain a compliant and transparent operating environment; and actively fulfills corporate social responsibility by carrying forward the Li Ning philosophy of philanthropy and conducting diversified public welfare initiatives.

In addition, the Group continues to pay close attention to and respond to stakeholders’ concerns regarding sustainable development and promotes the sharing and collaboration of sustainable development concepts, experiences and practices through continuously improving communication and engagement mechanisms, while actively exploring sustainability pathways suited to the characteristics of the industry.



Li Ning Group’s Sustainability Slogan and Logo

The Group strives for the sustainable development vision of “constantly surpassing ourselves to achieve the sustainability of products and operations, fostering harmonious growth among employees, businesses, society and nature and building a healthier and better world together”. Guided by the Group’s overall sustainable development strategy - “on the basis of ensuring production and operation compliance, we integrate the concept of responsibility into the whole value chain of product design, material procurement, production and processing, marketing and waste disposal, improve the social and environmental management system, and move towards our sustainable development vision by innovation and reform” - we have continuously optimized our management strategies, work mechanisms and action initiatives in ESG-related areas such as environmental protection, employee care, supply chain management, product responsibility, anti-corruption and community investment, steadfastly moving toward a brighter and better future.

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Environmental Protection:

- Strictly comply with national environmental protection laws and regulations, fulfil environmental protection responsibilities, pay attention to the risks and opportunities arising from climate change, and support the national deployment related to the “dual carbon” goals;
- By strengthening the management and control of emissions, implementing energy conservation and emission reduction requirements, improving resource and energy utilisation efficiency, and promoting the Group’s low-carbon and green operations.

Employee Care:

- Strictly comply with national laws and regulations, adhere to the “people-oriented” employment principle, and eliminate any form of illegal employment practices;
- Improve the remuneration structure, welfare policies and attendance management system, strengthen humanistic care, and create an equal, harmonious and healthy working environment;
- Establish and optimise the talent development system, support employees’ capability enhancement through diversified and customised training, and provide talent support for the Group’s development;
- Implement employee health care initiatives, safeguard employees’ occupational safety and physical and mental well-being, and support employees in achieving stable development in a safe and healthy environment.

Supply Chain Management:

- Conduct comprehensive supervision over supplier admission, daily management and exit procedures, standardise suppliers’ performance in social responsibility and environmental aspects, promote standardised supplier management, and facilitate the sustainable development of the supply chain;
- Pay attention to suppliers’ environmental performance and encourage them to conduct environmentally friendly product research and development and carbon footprint measurement, promoting the development of a green supply chain;
- Participate in industry exchanges and cooperation, pay attention to sustainable development trends and industry best practices, and promote coordinated transformation of the industry chain;
- Encourage suppliers to obtain relevant environmental certifications, improve their environmental management standards, reduce environmental risks in the supply chain, and strengthen the foundation for the stable operation of the supply chain.

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Product Responsibility:

- Establish and improve product quality review and management mechanisms, comprehensively control product quality, and provide consumers with safe and reliable products;
- Attach importance to customer feedback, improve the customer complaint management mechanism, optimise service processes, and enhance customer experience;
- Improve information security protection technologies and management systems, prevent data security and privacy leakage risks, and safeguard consumers' legitimate rights and interests;
- Practise responsible marketing principles, strengthen intellectual property management and brand protection, and safeguard the brand image.

Anti-corruption:

- Improve anti-corruption supervision mechanisms and implement anti-corruption related institutional requirements to maintain a clean and honest operating environment;
- Improve reporting channels and handling procedures to ensure that reported matters are handled in a timely and fair manner;
- Organise regular anti-corruption training and awareness programmes to strengthen employees' integrity and compliance awareness and foster a culture of integrity.

Community Investment:




- Fulfil corporate social responsibilities by participating in public welfare and charitable activities and supporting the development of social public initiatives;
- Leverage the Group's resource advantages to support the popularisation and development of sports;
- Utilise brand influence to promote sports culture and advocate nationwide fitness and healthy lifestyles.

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Sustainable Development Actions

China actively implements the development philosophy of innovation, coordination, green development, openness and sharing, and continues to promote the implementation of the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). China has also issued the China National Plan on Implementation of the 2030 Agenda for Sustainable Development (the “National Plan”), systematically summarising China’s achievements and practical experience in sustainable development and clarifying key directions and practical pathways for implementing the Sustainable Development Goals.

In 2025, the Group continued to improve and advance its action plan for responding to the Sustainable Development Goals in line with its development strategy and business operation strategy, continuously expanding and deepening its sustainable development practices and actively contributing to the sustainable development of society. The table below illustrates the sustainable development actions relevant to the Group, as well as our specific initiatives in supporting and promoting the achievement of the Sustainable Development Goals.

SDGs	China National Plan for the Implementation of the SDGs	The Group’s 2025 Sustainable Development Actions
SDG 1 – No Poverty 	<ul style="list-style-type: none"> Improve the social security system and implement universal participation in social insurance. 	<ul style="list-style-type: none"> Pay social insurance and housing provident fund contributions in full for employees and provide supplementary medical insurance and other benefits to further strengthen the employee social security system.
SDG 2 – Zero Hunger 	<ul style="list-style-type: none"> Ensure that all people have access to safe, nutritious and sufficient food throughout the year. 	<ul style="list-style-type: none"> Operate Chinese and Western-style staff restaurants and strictly implement catering hygiene management requirements to ensure food safety. Optimise dietary structure design based on employees’ health needs and provide scientific, balanced and nutritious meal options.
SDG 3 – Good Health and Well-being 	<ul style="list-style-type: none"> Promote the fairness and accessibility of basic medical and health services. 	<ul style="list-style-type: none"> Provide pre-employment and annual health examinations for all employees and design targeted examination programmes based on job characteristics to systematically prevent occupational health risks. Establish an employee health consultation support mechanism to provide employees with disease prevention support and strengthen the foundation of employee health protection. Provide statutory medical insurance, supplementary medical insurance, personal accident insurance and critical illness insurance to comprehensively safeguard employees’ health.

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SDGs	China National Plan for the Implementation of the SDGs	The Group's 2025 Sustainable Development Actions
<p>SDG 4 – Quality Education</p> 	<ul style="list-style-type: none"> • Improve the operating conditions of under-resourced schools and boarding schools. 	<ul style="list-style-type: none"> • Donate professional sports equipment worth over RMB60,000 to several schools for young people in the Shigatse region of Tibet. • Donate three-in-one outdoor jackets and sports supplies to schools in Yushu Prefecture, Qinghai Province, with a total value exceeding RMB230,000, and organise themed public welfare activities together with world champions. • Join the “Rural Children’s Playground Public Welfare Programme” to build multi-functional playgrounds for kindergartens in underdeveloped areas and provide nutritional support.
<p>SDG 5 – Gender Equality</p> 	<ul style="list-style-type: none"> • Uphold the fundamental national policy of gender equality and eliminate all forms of discrimination and bias against women. • Enhance women’s employment and entrepreneurship capabilities and develop public childcare services. 	<ul style="list-style-type: none"> • Adhere to equal employment principles and eliminate gender discrimination in recruitment, promotion, training and remuneration and benefits, fostering a fair and diverse working environment. • Incorporate gender equality requirements into supplier management standards and require suppliers to avoid gender bias or discriminatory behaviour in all business processes to safeguard women’s legitimate rights and interests.
<p>SDG 6 – Clean Water and Sanitation</p> 	<ul style="list-style-type: none"> • Significantly increase the proportion of wastewater treated in compliance with standards and strengthen supervision and monitoring of key water functional zones and discharge outlets. • Promote the development of a water-saving society and strengthen management of water demand and water use processes. 	<ul style="list-style-type: none"> • Adopt water-saving sanitary facilities and conduct regular inspections of facility operations to reduce water wastage caused by leakage. • Continue to promote water conservation awareness and employee education through measures such as posting water-saving signage. • Strengthen supplier wastewater management requirements by reviewing wastewater monitoring reports and pollutant discharge permits to ensure strict control of wastewater discharge. • In 2025, continue to advance ZDHC wastewater testing. Key fabric material suppliers covered 95% of order volume, leather suppliers covered over 93%, and mesh fabric suppliers covered over 50% of order volume.




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SDGs	China National Plan for the Implementation of the SDGs	The Group's 2025 Sustainable Development Actions
<p>SDG 7 – Affordable and Clean Energy</p> 	<ul style="list-style-type: none"> Optimise the energy structure, improve the efficiency of fossil energy utilisation and increase the proportion of clean energy consumption. Build a clean, low-carbon, safe and efficient modern energy system. 	<ul style="list-style-type: none"> Utilise technologies such as temperature-sensitive skylight systems to regulate indoor environments during hot weather and improve electricity use efficiency. Actively promote clean energy applications by constructing photovoltaic power facilities and installing solar panels to maximise the use of renewable energy. Install electric vehicle charging facilities to facilitate employee use and encourage low-carbon commuting. Continue to optimise and upgrade energy-consuming equipment and introduce efficient intelligent equipment to improve energy efficiency.
<p>SDG 8 – Decent Work and Economic Growth</p> 	<ul style="list-style-type: none"> Improve the employment and entrepreneurship service system and promote lifelong vocational skills training. 	<ul style="list-style-type: none"> Establish and continuously improve the employee development system by providing diverse learning opportunities to support employees' ongoing improvement in professional capabilities and overall competencies. Systematically design and implement training programmes covering new employee orientation, professional capabilities, core values and leadership development to support employees' career development.
<p>SDG 9 – Industry, Innovation and Infrastructure</p> 	<ul style="list-style-type: none"> Accelerate the upgrading and transformation of traditional industries and promote low-carbon industrial energy use. 	<ul style="list-style-type: none"> Participate in the 2025 China International Fair for Trade and the "Executives Talk About Trade in Services" interview series. Participate in the Fourth "Climate Innovation · Fashion Conference" and contribute to the development of textile industry standards. Organise World Earth Day special events to raise public awareness of environmental protection and promote a green lifestyle.

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SDGs	China National Plan for the Implementation of the SDGs	The Group's 2025 Sustainable Development Actions
<p>SDG 10 – Reduced Inequality</p> 	<ul style="list-style-type: none"> Promote equal opportunities and safeguard equal participation and development rights. Ensure that residents' income growth keeps pace with economic growth and that labour remuneration growth aligns with productivity growth. 	<ul style="list-style-type: none"> Implement fair and transparent employment management systems and integrate principles of equality, respect and democracy into recruitment, promotion and termination processes. Continuously optimise remuneration policies and structures to provide fair and competitive compensation and strengthen talent attraction, motivation and retention.
<p>SDG 11 – Sustainable Cities and Communities</p> 	<ul style="list-style-type: none"> Strengthen natural disaster monitoring and early warning systems, enhance engineering defence capabilities and improve social mobilisation mechanisms for disaster prevention and mitigation. 	<ul style="list-style-type: none"> Closely monitor natural disasters and emergency events, respond promptly to the needs of affected areas, and organise donations of supplies and funds to support disaster relief and post-disaster reconstruction. During the year, we donated cold-weather supplies to earthquake-affected areas in Shigatse, Tibet, and provided cash donations to fire-affected communities in Tai Po, Hong Kong.
<p>SDG12 – Responsible Consumption and Production</p> 	<ul style="list-style-type: none"> Reduce the adverse impacts of chemicals on human health and the environment Significantly improve the level of green chemical technology Vigorously develop the circular economy, with a significant improvement in the recycling rate of major waste streams Fully implement the Extended Producer Responsibility (EPR) system and encourage enterprises to fully integrate the concept of sustainable development into their production management 	<ul style="list-style-type: none"> Integrates environmental protection requirements into the entire supplier management process and strengthens supervision of the use of chemicals and raw materials to safeguard product safety and customer health at the source. Formulated and implemented the <i>Li Ning Product Safety Technical Requirements</i> and requires suppliers to sign declarations confirming compliance with the relevant standards, thereby strengthening the standardized management of chemical use. Continues to explore and expand the application of BOOM fiber uppers in footwear manufacturing, further enriching the portfolio of environmentally friendly products. Adopts environmentally friendly materials such as GCR (Lightweight Non-Slip Rubber Technology) and GCU (Ground Control System Outsole Technology) in outsole manufacturing, ensuring product performance while advancing sustainable development principles. Continues to promote the use of recycled environmentally friendly yarns in apparel products, promoting resource circularity.

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SDGs	China National Plan for the Implementation of the SDGs	The Group's 2025 Sustainable Development Actions
<p>SDG13 – Climate Action</p> 	<ul style="list-style-type: none"> Promote awareness of climate change and the concept of low-carbon development, and encourage the public to actively participate in climate change mitigation efforts 	<ul style="list-style-type: none"> Systematically integrates sustainable development principles into production and operational practices, continuously enhancing employees' environmental awareness and encouraging all employees to actively participate in climate action. Progressively advances product carbon footprint measurement and management and strengthens the control of greenhouse gas emissions to reduce the negative impact on the climate. Works closely with suppliers to enhance their awareness of energy conservation and emission reduction and promotes the implementation of carbon reduction initiatives to facilitate the green transformation of the supply chain.
<p>SDG15 – Life on Land</p> 	<ul style="list-style-type: none"> Launch large-scale national afforestation campaigns, strengthen the construction of key forestry projects, improve the system for the protection of natural forests, completely halt commercial logging in natural forests, and protect and nurture forest ecosystems 	<ul style="list-style-type: none"> Starting the tree-planting activities organized by the trade union to promote ecological protection and biodiversity conservation. Organised a "Earth Hour" campaign to advocate low-carbon lifestyles and support the protection of terrestrial ecosystems. Carried out mountain clean-up activities to collect plastic waste, putting into practice the concept of sustainable management of land ecosystems. Employees were organised to visit a recycled paper processing facility to learn about the full process of paper recycling and classification, enhancing awareness of resource circularity.
<p>SDG16 – Peace, Justice and Strong Institutions</p> 	<ul style="list-style-type: none"> Implement the <i>Law of the People's Republic of China on the Protection of Minors</i> and crack down, in accordance with the laws, on unlawful and criminal acts such as the employment of child and forced labor 	<ul style="list-style-type: none"> Implements strict identity verification procedures prior to the signing of labour contracts to verify the age of applicants and prevent the risk of child labour. Respects employees' willingness to work and arranges working and rest hours reasonably, firmly opposing and eliminating any form of forced labour.

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SDGs	China National Plan for the Implementation of the SDGs	The Group's 2025 Sustainable Development Actions
<p>SDG17 – Partnerships for the Goals</p> 	<ul style="list-style-type: none"> Actively participate in global development cooperation and supports the establishment of more balanced global development partnerships. Actively participate in relevant global technology facilitation mechanisms to promote collaborative innovation and sustainable development. 	<ul style="list-style-type: none"> As a member of the United Nations Global Compact (UNGC), the Group continues to respond to its initiatives and implement sustainable development management practices.

Stakeholder Communication and Identification of Material Issues

The Group's major stakeholders include government and regulatory authorities, shareholders and investors, consumers, distributors and suppliers, communities and the public, media and non-governmental organisations, senior management and employees. The Group continues to improve diversified communication mechanisms with stakeholders and actively promotes the practice and innovation of ESG concepts through cooperation and dialogue. Through systematic communication and feedback evaluation, the Group continuously strengthens its ESG governance framework and enhances its sustainable development capabilities. The Group also integrates stakeholder expectations into business operations and management practices to ensure that ESG considerations are embedded in decision-making and operational processes.

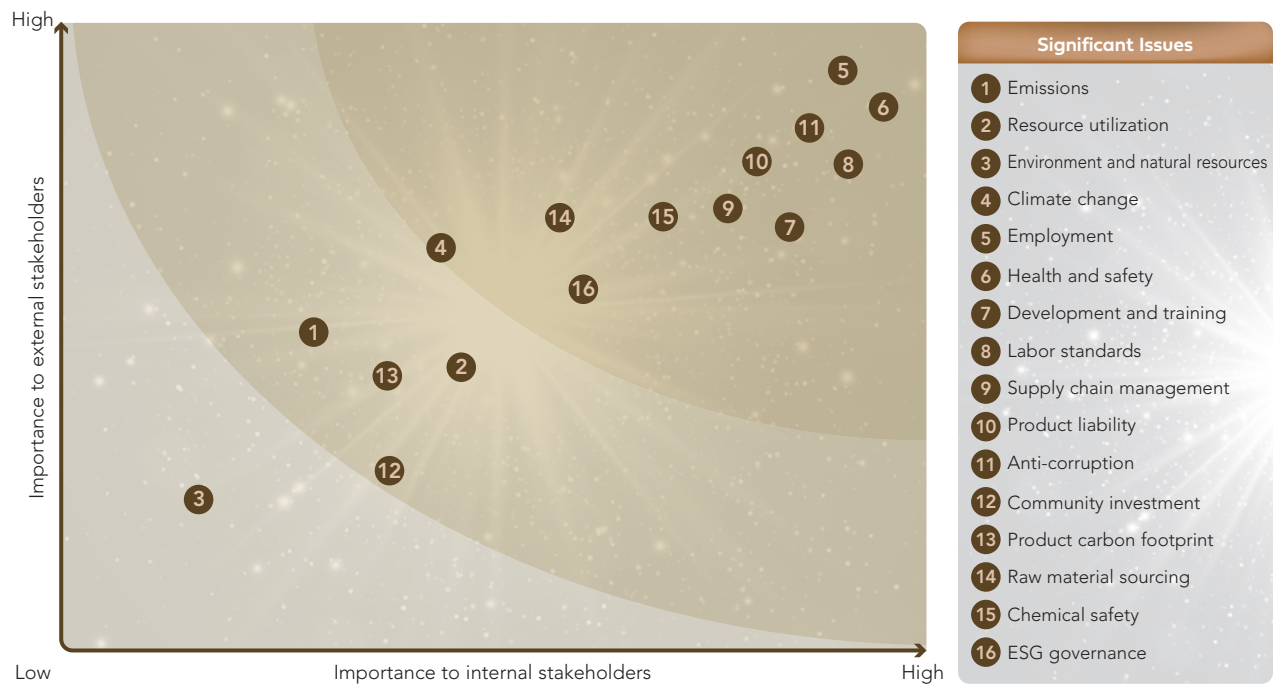
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Communication with Key Stakeholders and Response

Key Stakeholders	Communication Channel	Issues concerned	Response
Government and Regulatory Authorities	Policy guidance Regulatory documents Industry meetings On-site inspections Off-site supervision	Energy conservation and emission reduction Corporate governance status Compliant operations Policy implementation	Implementation of regulatory policies Compliance with tax laws Acceptance of regulatory supervision and assessment Implementation of green operations Improvement of the corporate governance system
Shareholders and Investors	Information disclosure General meetings Roadshows Performance announcements	Business strategy Profitability Transparency of information disclosure Environmental and social management	Strengthening ESG management Maintaining brand value Regular release of performance announcements Promoting risk and internal control management
Consumers	Customer service hotline Satisfaction surveys Marketing activities Official website	Product quality After-sales service Privacy protection	Establishing a comprehensive quality control system Improving service quality Protecting consumer rights and interests Safeguarding customer information security
Distributors and Suppliers	Regular communication meetings Routine exchanges and visits Cooperation agreements Strategic negotiations	Fair cooperation Integrity in contract performance Joint development	Establishing transparent and fair procurement systems Enhancing awareness of environmental and social risks and improving environmental and social management standards Establishing sound business cooperation relationships
Communities and the Public	Public welfare activities Volunteer initiatives Community activities	Public welfare activities Community development Community relations	Organising volunteer activities Increasing external donations Promoting professional sports knowledge
Media and Non-governmental Organisations	Press releases Media platforms On-site communication	Corporate influence Transparency of information disclosure Public relations capabilities	Organising media open days Releasing news updates in real time Timely and objective information disclosure
Senior Management	Management meetings Democratic communication meetings Intranet mailbox Corporate activities	Labour standards Health and safety Supply chain management Product quality management	Promoting the implementation of ESG systems Improving ESG workflow processes Facilitating internal communication Strengthening business supervision
Employees	Trade unions Employee representative congress Intranet mailbox Corporate activities	Employee remuneration and benefits Community welfare Development and training Safety protection	Enriching employees' lives Caring for employee health Establishing learning platforms Protecting employee rights and interests

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Through communication and surveys with various stakeholders, the Group identified 16 ESG material issues, including four environmental issues and eight social issues as required by the ESG Reporting Guide of the Hong Kong Stock Exchange. Based on the Group's business characteristics and key stakeholder concerns, additional issues such as product carbon footprint management, raw material traceability, chemical safety, and ESG governance were also systematically identified and incorporated into the ESG management framework. Taking into account feedback from both internal and external stakeholders and the analysis of issue materiality, the Group presents the level of importance of ESG material issues through the materiality matrix below.



ESG Materiality Matrix

II. ENVIRONMENTAL MANAGEMENT

Environmental Management Policies

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Administrative Measures for Urban Living Garbage*, the *Energy Conservation Law of the People's Republic of China* and the *Renewable Energy Law of the People's Republic of China*, among other environmental laws and regulations, thereby fulfilling the Group's corporate environmental responsibilities. We continue to strengthen and improve its green operations management system, enhance environmental management policies, and promote the implementation of diversified environmental protection measures to advance innovation and expansion in green management practices, respond to climate change challenges and seize opportunities arising from climate change. In 2025, no incidents of significant environmental pollution or major negative environmental impacts were identified in the Group's manufacturing operations.

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Environmental Management System and Measures

The Group has established internal management policies, such as the *Li Ning Energy Conservation Management Standard*, the *Li Ning Energy Conservation Work Guidelines* and the *Li Ning Energy Conservation Implementation Rules*, to strengthen the management of emissions control and enhance efficient resource utilization. We also steadily deploy and implement management measures related to energy saving and emission reduction to fully embrace the principles of sustainable development.

Adhering to the concept of green operations, the Group continuously strengthens the management of resource and energy use, expands the application of clean energy, and fully implements diversified environmental protection initiatives such as waste reduction, emission reduction, energy conservation and water conservation. These measures aim to reduce the negative environmental impacts of daily office and operational activities and promote low-carbon environmental protection and sustainable development. The Group also continues to rely on the ESG intelligent management platform to carry out data management activities, continuously improving the collection, monitoring and supervision mechanisms for ESG data based on business scenarios, thereby ensuring the standardisation and effectiveness of data management.

- Ensure appropriate waste disposal**
- **Hazardous Waste Disposal:** Beijing Li Ning Center implements a closed-loop management approach for printing consumables through leased printing equipment, ensuring compliant disposal of discarded toner cartridges and ink cartridges. Factories in Guangxi store hazardous waste such as chemicals separately in designated hazardous waste warehouses, with safety warning labels and category labels clearly displayed. Protective equipment is provided to employees, and qualified third-party organisations are entrusted with proper disposal. Retail stores have established standardised recycling procedures for discarded electronic equipment and consumables. Waste equipment is handed over to professional institutions or recycled through manufacturer programmes to recover recyclable materials such as metals, while ensuring proper treatment of hazardous substances. For discarded toner and ink cartridges, recoverable components are refurbished and reused, while the remaining components are dismantled using environmentally safe methods to recover materials such as plastics and metals, thereby achieving closed-loop management.
 - **Non-Hazardous Waste Disposal:** The Beijing Li Ning Center strictly implements waste sorting and disposal by separating food waste, office waste and recyclable materials. Professional recycling companies are engaged to handle disposal in compliance with regulations, while awareness campaigns on waste classification are actively carried out. Factories in Guangxi manage non-hazardous waste through sorting, recycling and commissioning professional third-party recycling services, while promoting waste processing and transformation to achieve resource recycling. For example, Guangxi Ning Tai Factory regularly transfers non-recyclable waste to third-party companies to produce fuel. Guangxi Li Ning Factory converts production scraps into raw materials for rubber running tracks, construction materials or fuel for power generation. Guangxi Ning Zhan processes production scraps into reusable raw materials.

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- **Air emission treatment:** The Guangxi Li Ning Factory adopts a “UV photolysis + activated carbon adsorption” system to treat volatile organic compounds, ensuring that exhaust gas is discharged only after meeting regulatory standards. Guangxi Ning Zhan Factory has installed exhaust gas treatment facilities and regularly replaces activated carbon to ensure compliant exhaust gas treatment. Fujian Badminton Factory adopts a “spray scrubbing + dry filtration + two-stage activated carbon adsorption” process to treat exhaust gases and ensure emissions meet regulatory standards.
- **Wastewater Treatment:** The Guangxi Li Ning Factory has established an integrated sewage treatment station. Domestic wastewater is purified and discharged into the municipal pipeline network, while production wastewater undergoes filtration and sedimentation processes before compliant discharge or reuse. Guangxi Ning Zhan Factory has established separate treatment processes for industrial wastewater and domestic sewage. Primary treatment removes large suspended solids and sand particles through screens, grit chambers and primary clarifiers, while secondary treatment removes organic matter and completes disinfection. Sludge generated during treatment is regularly transported by designated personnel, and all wastewater is ultimately discharged to the local municipal wastewater treatment plant. Wastewater generated by Guangxi Ning Tai Factory is treated through a regulation tank, integrated sedimentation tank and integrated wastewater treatment system before discharge into the municipal pipeline network. Sludge generated from the treatment system is dewatered and stored in hazardous waste storage rooms and periodically disposed of by qualified third-party organisations. Fujian Badminton Factory treats wastewater through purification processes and recycles treated water to improve water resource utilisation efficiency.

Implement low-carbon transportation and logistics

- Collaborate with third-party partners to install charging facilities for freight vehicles and promote the application of new energy vehicles, thereby reducing carbon emissions during transportation and logistics.
 - Continue to improve its logistics management system by optimising vehicle allocation algorithms, logistics nodes, transportation routes and vehicle selection, in order to avoid capacity waste and reduce fuel consumption.
 - Strictly control warehouse inbound and outbound scheduling and optimises vehicle dispatch plans to improve utilisation efficiency and reduce energy consumption.
 - Fully promote the application of electronic proof-of-delivery systems across shipment, receipt and transfer processes. It plans to completely eliminate paper documents by 2026. In 2025, more than 5.55 million sheets of paper were saved.
-

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Promote green commuting

- Encourage employees to prioritise public transportation for commuting and provides transportation subsidies. At the Beijing Li Ning Center, shuttle services are optimised in alignment with the metro network to encourage low-carbon commuting.
- Encourage employees to adopt low-carbon business travel practices and continues to implement the “Low-carbon Travel Incentive Programme”. High-speed rail options are prioritised where appropriate, and flight carbon emission data are displayed to support employees in selecting lower-carbon travel options. also recognises the “Top 10 Low-carbon Travel Champions” annually to encourage employee participation.
- The Beijing Li Ning Center installed an additional 39 electric vehicle charging stations, bringing the total number of charging facilities across all parking areas to 50, providing convenient charging services for employees using electric vehicles.
- The Guangxi Li Ning Factory implements a vehicle management system and optimises vehicle dispatch through measures such as cost comparisons and passenger limits to improve energy utilisation efficiency.
- The Guangxi Ning Tai Factory implements an online approval system for official vehicle use and optimises travel route selection to reduce fuel consumption.

Promote Intelligent Office and Operations

- The Beijing Li Ning Center installed a centralised lighting management control system to regulate lighting through scheduled switching. In 2025, two additional shading canopy systems were installed, bringing the total number of canopy systems in the campus to five, thereby reducing energy consumption.
- Automated systems are widely adopted in warehouses to enable “lights-out factory” operations. For example, the East China Intelligent Logistics Center has established a 22,000-square-metre automated warehousing area equipped with robotic arms, autonomous mobile robots and bin-handling robots, enabling “lights-out” operations and improving operational efficiency while reducing energy consumption.
- Continues to optimise its comprehensive budgeting system through cross-system collaboration and automated data integration to reduce manual workloads and improve operational efficiency.
- Continues to enhance its employee travel management platform by enabling full-process automated collection of travel receipts and itinerary analysis. This not only improves travel management efficiency but also strengthens the collection and visualisation of travel-related carbon emission data.

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Promote the Use of Clean Energy

- The Beijing Li Ning Center has constructed a 1.16 MW photovoltaic power generation station equipped with more than 5,000 solar panels, which are cleaned annually to maintain optimal efficiency. In 2025, the photovoltaic station of Beijing Li Ning Center generated an average of 129,000 kWh per month. Self-generated electricity accounted for approximately 24% of total electricity consumption.
- The Jingmen Li Ning Center has completed a 13 MW photovoltaic power project, which can effectively meet daily electricity demand during daylight hours. The annual self-generated electricity can cover more than 50% of the Centre's total electricity consumption.
- The East China Intelligent Logistics Center has constructed a 2.56 MW photovoltaic power generation project, with the annual self-generated electricity covering approximately 50% of the power needs.

Strengthen Water Management

- The Beijing Li Ning Center has fully installed quick-opening water taps and placed water conservation signage to enhance awareness of water saving. Regular inspections are conducted on water-use areas such as pantries and restrooms to ensure that faucets, valves and water supply facilities are properly maintained to prevent water wastage.
- The Shanghai Li Ning Center conducts water conservation awareness campaigns for employees to promote responsible and safe water use.
- The Jingmen Li Ning Center conducts regular inspections of water-use areas and installs water-saving signage to encourage water conservation among all employees.
- The Guangxi Ning Zhan Factory implements the Water Conservation Policy, promotes the practice of "turning off taps when leaving", and carries out daily inspections by responsible personnel. Water conservation performance is incorporated into shift handover records. Certain domestic water sources are also recycled to improve water utilisation efficiency.
- The Guangxi Li Ning Factory has installed sensor-activated water taps and assign personnel to conduct daily inspections to reduce water consumption.

Strengthen Energy Consumption Management

- The Beijing Li Ning Center has fully adopted LED energy-efficient lighting and continues to strengthen electricity management practices.
- The Shanghai Li Ning Center regularly promotes energy conservation and emission reduction awareness and dynamically adjusts indoor lighting and air-conditioning parameters according to weather conditions to reduce energy consumption in daily operations.
- The Jingmen Li Ning Center conducts routine inspections and installs electricity-saving signage to minimise unnecessary energy consumption. The park's lighting system is fully equipped with time-control switches, allowing precise energy management based on seasonal adjustments.
- Retail stores regularly analyse energy consumption to identify major energy-consuming processes and develop targeted energy-saving measures. Illumination and equipment operation parameters are dynamically adjusted according to business conditions. Energy conservation training is also provided to new employees to promote energy-saving practices in the operation of lighting systems, air-conditioning systems and refrigeration equipment.
- Certain logistics warehouses have undergone energy-efficient lighting upgrades, with electricity consumption expected to decrease by 31% compared with pre-upgrade levels.

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- Advocate for Paper Conservation**
- Fully implement paperless office practices, encourages double-sided printing and establish waste paper recycling mechanisms to improve paper utilisation efficiency.
 - Retail stores continue to promote electronic QR code payment systems and encourage customers to select electronic receipts to reduce paper consumption.
 - Through the corporate travel platform, the Group has implemented paperless management of business travel processes. In 2025, more than 250,000 paper receipts were reduced.

- Packaging Material Management**
- Establish an approval mechanism for packaging procurement volumes to standardise packaging purchasing and usage management.
 - Packaging design is optimised to reduce the number of outer carton layers for footwear products while ensuring product quality, thereby reducing packaging material consumption.
 - Promote the use of recyclable packaging and encourage consumers to purchase products without shoe boxes where possible. Unused shoe boxes are collected for recycling.
 - Waste packaging generated during operations is centrally collected and delivered to professional recycling companies, achieving 100% recycling and reuse.
 - Continue to use environmentally friendly packaging materials. In 2025, FSC-certified shoe boxes accounted for approximately 77%, saving 6,422 kg of ink, 1,085 tons of water and 211,832 kWh of electricity, and reducing carbon emissions by approximately 114 tons. Actively promotes environmentally friendly packaging bags made from 100% recycled polyethylene accounted for 97.7% of usage, reducing carbon emissions by approximately 2,063.85 tons compared with virgin plastic packaging.

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Case: Deepening Energy-Saving Upgrades at Beijing Li Ning Center to Promote Green and Low-Carbon Operations

Beijing Li Ning Center is committed to improving energy utilisation efficiency through equipment upgrades and intelligent management, thereby promoting green and low-carbon operations. In 2025, the Beijing Li Ning Center carried out comprehensive upgrades to the energy-consuming equipment across the campus. Key equipment such as direct-fired units and air-conditioning systems were replaced with variable-frequency models, reducing electricity consumption. A high-pressure micro-mist system was also installed to regulate indoor humidity during winter based on demand, improving employee comfort. In addition, an air-source heat pump system was introduced to provide flexible heating solutions for transitional seasons and weekend zoned heating. This reduces the simultaneous operation time of two direct-fired units while extending their service life. The cooling towers were upgraded and fully automatic water treatment equipment was installed to ensure efficient and stable operation of the water supply system. Furthermore, a Building Automation (BA) control system was introduced to enable real-time monitoring and intelligent management of energy consumption.



Beijing Li Ning Center

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Case: Nanning Li Ning Center Empowering Smart Operations and Building a Green Campus

Adhering to the concept of sustainable development, the Nanning Li Ning Center promotes green and low-carbon operations through technological innovation and refined management:

- **Strengthening Intelligent Operations Management:** The automated logistics warehouse project at the Nanning Li Ning Center was successfully launched in 2025. By deploying four-way shuttle vehicles and robotic arms, the facility has achieved “lights-out” warehouse operations. In addition, the Guangxi Li Ning Factory launched a smart logistics project covering finished-product handling and auxiliary material recycling. Automated packaging lines and integrated intelligent cutting machines were introduced to integrate multi-station operations and improve production efficiency. The Guangxi Badminton Factory is also planning smart warehousing and AGV-based intelligent production projects, which are scheduled to be officially put into operation in 2026.
- **Expanding the Application of Clean Energy:** In 2025, the first phase of the 3.29 MW photovoltaic power generation project was completed, effectively optimizing the energy structure of the campus.
- **Enhancing System Energy Efficiency:** The Nanning Li Ning Center implemented intelligent upgrades to the air-conditioning system, introducing a smart air-conditioning control system that dynamically regulates temperature according to operational demand. This reduces equipment running time and lowers the load on main units. The system can also automatically switch operating modes during seasonal transitions, avoiding unnecessary energy consumption and improving overall energy efficiency. Through the use of the smart air-conditioning control system, the energy-saving rate reached 19.7%. An energy consumption intelligent monitoring system was also introduced to monitor electricity and water usage in real time and provide early warnings of abnormal consumption, enabling timely identification of energy waste. Meanwhile, the Guangxi Ning Tai Factory optimised air-conditioning operating schedules and set temperature threshold controls to further reduce energy consumption.



Photovoltaic Power Generation at Nanning Li Ning Center

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Case: Shenzhen Li Ning Center Advancing Low-Carbon Operations and Building a Green Ecosystem

Shenzhen Li Ning Center continues to practice green operations, reflecting its commitment to environmental protection while actively fulfilling its corporate social responsibility:

- Green Operations Management: Energy consumption management is strengthened through measures such as electricity usage reporting based on demand and participation in virtual power plant initiatives. Energy-efficient variable-frequency air-conditioning units have also been installed to reduce electricity consumption. Electric meters were installed for underground parking lot lighting, enabling time-based management and control. In 2025, this measure resulted in electricity savings of 50,830 kWh. Water-saving sanitary facilities were upgraded to reduce daily water consumption. A hazardous waste management system was established, and dedicated recycling bins were provided for waste such as fluorescent tubes and used batteries, which are regularly collected and disposed of by specialised institutions to protect the office environment and employee health. At the same time, the Center actively promotes paperless office practices, including electronic approvals, double-sided printing and consumables recycling, to further enhance resource efficiency.
- Green Certification Initiatives: In 2025, the Shenzhen Li Ning Center obtained LEED v4.1 O+M:EB (Operations and Maintenance: Existing Buildings) Platinum Certification and ISO 14001 Certification, further strengthening its green management practices.



Shenzhen Li Ning Center



LEED Platinum Certification

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Case: Green Operations Practices at Li Ning Retail Stores

Li Ning continues to integrate environmental protection concepts into daily retail store operations, promoting energy conservation and resource efficiency. In 2025, the Group implemented energy-saving upgrades in 12 retail stores in Guangzhou and Beijing. For lighting systems, sensors were installed in store warehouses and fitting rooms to automatically turn off lights when areas are unoccupied; light-sensing devices allow stores to automatically adjust lighting levels based on ambient brightness; smart lighting systems dynamically adjust brightness and switching status according to operational needs. For air-conditioning energy efficiency, air-conditioning control systems are activated at scheduled times. Temperature settings are adjusted appropriately to optimise energy consumption. Through these optimisation measures, the upgrades are expected to achieve annual electricity savings of more than 144,000 kWh, effectively contributing to energy conservation and emissions reduction.



Illustrations of Lighting and Air Conditioning of Retail Stores

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Case: Hong Kong Li-Ning Building Focuses on Responsible Operations and Leads the Way in Sustainable Development

Hong Kong Li-Ning Building adheres to sustainable development principles and promotes green operations through multiple initiatives:

- Promoting Water Conservation and Waste Reduction: The building actively participates in the “GREEN@COMMUNITY” recycling programme organised by the Environmental Protection Department. Three-colour recycling bins are installed to collect recyclable materials generated during daily operations, including waste paper, metal and plastic, which are handled by local recycling partners. Professional recycling organisations are also engaged to collect and recycle seasonal waste items, such as mooncake boxes and Christmas trees.
- Environmental Certification Initiatives: The building actively participates in the Quality Water Recognition Scheme for Buildings, led by the Water Supplies Department, implementing systematic management of drinking water and flushing water systems. It has also obtained WELL Building Certification, ensuring water safety and supporting employee health and well-being.
- Strengthening Electricity Management: Energy-saving upgrades were implemented for the chiller plant system, introducing variable-frequency drives and intelligent control systems to improve operational efficiency and reduce energy consumption.



Hong Kong Li-Ning Building

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Environmental Goals

The Group has established comprehensive environmental targets covering greenhouse gas emission reduction, waste management and reduction, energy conservation and water resource management, in order to guide the development of green and low-carbon operations and promote the effective implementation of ESG management measures. During the year, we conducted a systematic assessment of the effectiveness and progress of the implementation of these environmental targets. Details are set out below:

Type of target	Content	Progress towards targets
Carbon Emission	Achieve carbon neutrality at the Beijing Li Ning Center by the end of 2040. Achieve carbon neutrality at the Shanghai Li Ning Center by the end of 2040.	Through internal emission reduction measures and the purchase and retirement of carbon dioxide equivalent certified emission reductions and renewable energy certificates, the Beijing Li Ning Center has achieved carbon neutrality for 2021, 2022, 2023 and 2024, and has obtained third-party carbon neutrality certification. The carbon neutrality certification process for 2025 is currently underway. Explore feasible energy-saving measures at the Shanghai Li Ning Center, and plan to achieve carbon neutrality at the appropriate time through measures such as purchasing green electricity or certificates.
Waste	Fully implement waste classification across the Group. Ensure that 100% of waste generated at Li Ning centres is handled by qualified professional enterprises.	Waste classification has been strictly implemented in daily operations. Office waste, food waste, production waste and other types of waste are sorted and disposed of separately and are fully entrusted to qualified third-party service providers for treatment.
Energy Use	Since 2022, the annual average purchased electricity consumption per square metre of building area at the Beijing Li Ning Center shall not exceed 66.5 kWh/m ² . From 2025, the annual electricity consumption per square metre of building area at the Shanghai Li Ning Center shall not exceed 90 kWh/m ² . Over the next three years, at least one energy-saving retrofit project will be implemented at Li Ning's self-operated facilities.	In 2025, the annual average purchased electricity consumption per square metre of building area at the Beijing Li Ning Center was 70.38 ¹ kWh/m ² . In 2025, the annual average electricity consumption per square metre of building area at the Shanghai Li Ning Center was 89.88 kWh/m ² . In 2025, Li Ning implemented multiple energy-saving retrofit projects across its centres, factories and retail stores to enhance energy management efficiency. For further details, please refer to the section titled "Environmental Management System and Measures" in this Report.
Water Resource Use	Since 2022, the annual average daily water consumption per square metre of building area at the Beijing Li Ning Center shall not exceed 0.62 tons/m ² . From 2025, the annual average daily water consumption per square metre of building area at the Shanghai Li Ning Center shall not exceed 0.30 tons/m ² .	In 2025, the annual average daily water consumption per square metre of building area at the Beijing Li Ning Center was 0.44 tons/m ² . In 2025, the annual average daily water consumption per square metre of building area at the Shanghai Li Ning Center was 0.17 tons/m ² .

2025 Environmental Performance

Unless otherwise stated, the statistical basis of environmental performance herein covers the Group's headquarters² and major operating premises of principal subsidiaries in the PRC.

¹ In 2025, the Beijing Li Ning Center introduced new employee benefits and expanded its facilities to support business growth, resulting in an increase in electricity consumption per square meter of floor area; in the future, we will consider setting new targets as appropriate.
² Include the Beijing Li Ning Center, the Shanghai Li Ning Center, the Shenzhen Li Ning Center and the Hong Kong Li-Ning Building.

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I. EMISSIONS³

Indicator	Performance
Total GHG emissions (Scope 1, Scope 2 and Scope 3) (ton) ⁴	1,162,595.41
GHG emissions per square meter of gross floor area (Scope 1, Scope 2) (ton/m ²)	0.03
Direct emission (Scope 1) (ton) ⁵	1,768.75
Company vehicle fuel consumption	54.82
Natural gas	1,280.33
Refrigerant	432.71
Diesel	0.90
Indirect emissions (Scope 2) (ton) ⁵	56,519.03
Purchased electricity	51,118.08
Purchased steam	5,400.95
Indirect emissions (Scope 3) (ton)	1,104,307.63
Purchased goods and services	1,001,527.71
Capital goods	19,399.89
Fuel- and energy-related activities	1,396.39
Upstream transportation and distribution	45,153.49
Waste generated in operations	3,643.07
Business travel	5,602.45
Employee commuting	488.31
Upstream leased assets	58.44
Downstream transportation and distribution	14,631.94
End-of-life treatment of sold products	3,531.19
Downstream leased assets	3,532.78
Investments	5,341.97
Total hazardous waste (ton) ⁶	0.76
Hazardous waste per square metre of building area (ton/m ²)	0.000003
Total non-hazardous waste (ton) ⁷	1,192.20
Non-hazardous waste per square metre of building area (ton/m ²)	0.0047

³ Given the nature of the Group's operation, there are relatively few company vehicles, resulting in low emissions of air emission like nitrogen oxides and sulfur oxides. The primary gas emissions involved are GHG emissions, which originate from the use of electricity and fuels derived from fossil fuels.

⁴ The greenhouse gas inventory includes carbon dioxide, methane, and nitrous oxide, primarily from purchased electricity, purchased steam, fuel, and refrigerants. Greenhouse gas accounting is presented in carbon dioxide equivalents. Direct emissions (Scope 1) are calculated in accordance with the National Standard of the People's Republic of China, *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*, and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories, Revised 2019 Edition* published by the Intergovernmental Panel on Climate Change (IPCC); Indirect emissions (Scope 2) from purchased electricity are calculated based on the average regional CO₂ emission factors for electricity specified in the *Announcement on the Release of 2023 Electricity CO₂ Emission Factors* issued by the Ministry of Ecology and Environment of the People's Republic of China, as well as the CO₂ emission intensity of electricity sales for The Hongkong Electric Company, Limited and CLP Power Hong Kong Limited in 2024; Purchased steam is calculated in accordance with the *Guidelines on Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China; indirect emissions (Scope 3) are comprehensively assessed and analyzed based on the fifteen categories outlined in the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. Ultimately, twelve specific categories applicable to the Group are identified for accounting purposes. For the accounting methods applied to each specific category, we prioritize the use of measured data; where measured data is unavailable, we prioritize estimates based on activity data..

⁵ This year, the Scope 1 and Scope 2 greenhouse gas emissions reporting scope has been expanded to include the Nanning Li Ning Center and Factory, the Fujian Badminton Factory, the Ning Zhan Factory, the East China Intelligent Logistics Center, offline logistics warehouses, and all company-owned stores. Scope 2 greenhouse gas emissions are calculated using a location-based approach.

⁶ The main types of hazardous waste involved in the Group's operations are waste fluorescent light tubes, waste lead-acid batteries and discarded ink cartridges, waste toner cartridges, and waste toner from office printing equipment. Waste fluorescent light tubes and waste lead-acid batteries were disposed of by qualified professional agencies, while the replacement and recycling of waste toner cartridges, waste ink cartridges and waste toner from office printing equipment were handled by the respective print service providers.

⁷ The main types of non-hazardous waste involved in the Group's operations are office and household waste, food waste, office equipment waste and electronic consumables waste. Office and household waste, as well as food waste, are centrally processed by the property management agency. Office equipment waste and electronic consumables waste are collected and processed by recyclers. In particular, the office and household waste of the Foshan office, the Shanghai Li Ning Center and the Hong Kong Li-Ning Building are centrally processed by the respective property management agencies at the premises where they are located, which cannot be measured separately. However, we have made an estimation according to the *Coefficient Manual of the First National Census on Pollution Sources for the Pollutant Generation and Discharge from Urban Living* issued by the State Council.

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2. ENERGY AND RESOURCE CONSUMPTION

Indicator	Performance
Total energy consumption (MWh) ⁸	128,920.67
Energy consumption per square meter of gross floor area (MWh/m ²)	0.07
Direct energy consumption (MWh)	12,333.43
Gasoline	223.94
Natural gas	6,547.77
Solar energy	5,558.30
Diesel	3.42
Indirect energy consumption (MWh)	116,587.24
Purchased electricity	102,948.46
Purchased steam	13,638.78
Daily water consumption (ton) ⁹	61,371.77
Daily water consumption per square meter of gross floor area (ton/m ²)	0.24
Total amount of paper used (ton) ¹⁰	13.60
Total amount of packaging material used for finished products (ton) ¹¹	28,816.86
Amount of packaging material for finished products consumed per million revenue (ton/million) ¹²	0.97

Climate-Friendly and Low-Carbon Emissions

The Group attaches great importance to the latest domestic and international policies and industry developments related to climate change. Focusing on corporate operations and business development, the Group regularly monitors and evaluates climate-related risks and opportunities within its operations and key segments of the value chain. Through continuous monitoring and management of significant climate-related risks, the Group seeks to capture potential climate-related opportunities and continuously improve its climate risk management processes and mechanisms, thereby actively responding to the capital market's and investors' increasing attention to climate-related issues.

Climate Governance

The Board of the Group has ultimate responsibility for the overall climate strategy and management objectives, reviewing and making decisions on key work directions. The Board listens to progress updates on climate-related work twice each year and regularly participates in climate-related training. The ESG Management Committee leads relevant departments in implementing specific actions based on the established strategies and objectives. It ensures that identified climate-related risks and opportunities are effectively tracked, assessed, monitored and managed, and regularly reports progress to the Board. The ESG Executive Team is responsible for coordinating relevant departments and advancing the implementation of climate-related initiatives, while reporting progress regularly to the ESG Management Committee.

During the reporting period, the Group incorporated ESG-related indicators into the remuneration and performance evaluation mechanisms for applicable management and implementation teams, in order to further promote the effective implementation of the Group's ESG and climate strategies.

⁸ Energy consumption data is calculated using the conversion factors provided in the National Standard of the People's Republic of China, *General Rules for the Calculation of Comprehensive Energy Consumption(GB/T 2589-2020)*, and includes purchased electricity, purchased steam, solar energy, natural gas, fuel consumption for company vehicles, and diesel. This year's statistics include energy consumption data for the newly added Nanning Li Ning Center, the Fujian Badminton Factory, the Ning Zhan Factory, the East China Intelligent Logistics Center, offline logistics warehouses, and all company-owned stores.

⁹ Daily water consumption of the Group includes tap water and reclaimed water, primarily sourced from municipal water supply, and there were no issues found in obtaining applicable water sources. In particular, the daily water consumption of the Xiamen Retail Subsidiary, Hefei Retail Subsidiary, Tianjin Retail Subsidiary, Guangzhou Retail Subsidiary, Chengdu Retail Subsidiary, Wuhan Retail Subsidiary, Shenyang Retail Subsidiary, Xi'an Retail Subsidiary, Changsha Retail Subsidiary and Jinan Retail Subsidiary are controlled by the premises where they are located and the water charges are included in property management fees. Since water consumption cannot be measured separately, we have estimated the water consumption with reference to the *Code for design of building water supply and design* (GB 50015-2019), the national standard issued by the Ministry of Housing and Urban Rural Development of the People's Republic of China.

¹⁰ Copy paper includes both A4 and A3 sizes.

¹¹ Packaging material mainly includes plastic packaging bags, paper boxes, cartons and paper bags.

¹² The amount of packaging material consumed per million RMB revenue represents the weight of packaging material consumed per million RMB income of the Group.

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Climate Resilience Analysis

Based on the established climate scenario analysis model¹³, the Group monitors identified material climate-related risks and opportunities and assesses their potential impacts across different time horizons. Through regular communication and feedback from various business departments and key value-chain partners, the Group has developed targeted response strategies for material climate-related risks and opportunities, continuously refining these measures to enhance its climate resilience and build relevant capabilities.

CLIMATE RISK AND OPPORTUNITY ASSESSMENT

Selected Climate Scenario	Risk/ Opportunity	Overview	Potential Impact/Opportunity	Basis for Assessment Analysis	Response Strategy	Short Term	Period ¹⁴ Medium Term	Long Term
IPCC SSP1-1.9 ¹⁵ scenario and key national policy and regulatory requirements ¹⁶	Transition Risk	Strengthened regulatory requirements for greenhouse gas reduction under the global low-carbon transition.	<p>In the short to medium term, companies will need to work together – both internally and with supply chain partners – to advance low-carbon and emissions reduction initiatives. By aligning with domestic and international industry consensus and best practices, they must implement corresponding plans to meet emissions reduction requirements or fulfill commitments, which may increase operating costs.</p> <p>In the long term, companies and their supply chain partners are gaining increasing experience in low-carbon and emissions reduction practices. While meeting emissions reduction commitments may incur certain operational costs, these are generally manageable.</p>	<p>In-House Operations: We must align our efforts with operational management practices to progressively enhance our internal capabilities for collecting and managing carbon emissions data year by year, ensuring the completeness and accuracy of disclosure metrics to meet all regulatory requirements.</p> <p>Value Chain: As the primary source of the Group's carbon emissions, we must establish a detailed management system for carbon emissions data from key suppliers and expand the coverage of Scope 3 data at the product level to better manage emissions.</p>	<p>We will closely monitor and draw upon the methodologies and requirements of relevant domestic and international organizations, and steadily advance our energy conservation and carbon reduction program while ensuring the accuracy and reliability of collected data, as well as the reasonableness and verifiability of energy-saving and carbon-reduction plans.</p> <p>In-House Operations:</p> <ol style="list-style-type: none"> 1. Comprehensively review and assess our carbon emissions data, conduct forecast analyses, and regularly discuss and develop specific implementation plans with phased timelines that align with our long-term operational conditions. 2. For key products, we have implemented emission reduction plans based on product life cycle analysis. 3. We actively seek cooperation or investment opportunities with developers of specialized carbon reduction projects (e.g., carbon capture and storage). <p>Value Chain:</p> <ol style="list-style-type: none"> 1. Optimize the online data platform for energy and environmental data from suppliers, company-owned factories, logistics centers, and company-owned stores to accurately track carbon emissions data, thereby facilitating the evaluation and planning of carbon reduction measures. 2. Improve the supplier performance management mechanism and enhance the energy and carbon management capabilities of key suppliers by providing specialized training and collaborative projects. 	Low	Low	Low

¹³ In 2024, the Group, referring to the first two ISSB standards issued by the International Sustainability Standards Board (ISSB), the *Corporate Sustainability Disclosure Standards—Basic Standards (Trial)* jointly issued by nine ministries including the Ministry of Finance, and the relevant requirements of the *Listing Rules Guidance* by the Hong Kong Stock Exchange, has begun building a professional climate scenario analysis model. During this reporting period, there have been no significant changes in the Group's own operations or key links in the value chain, nor have there been major external environmental changes that could directly affect business continuity. Therefore, we continue to assess climate resilience based on the established climate scenario analysis model.

¹⁴ The short-term is defined as 1-3 years, the medium-term as 2028-2040 and the long-term as 2040-2060.

¹⁵ The RCP-SSP combination scenarios put forth by the Intergovernmental Panel on Climate Change (IPCC) take into account a full range of factors related to climate change and socioeconomic development. The IPCC SSP1-1.9 represents the lowest scenario for radiation emissions, which is generally regarded as having a probable (over 66%) likelihood of a global temperature rise of 1.5°C by 2100.

¹⁶ E.g., the State Council's *Action Plan for Carbon Dioxide Peaking Before 2030* and the State Council's *WORKING GUIDANCE FOR CARBON DIOXIDE PEAKING AND CARBON NEUTRALITY IN FULL AND FAITHFUL IMPLEMENTATION OF THE NEW DEVELOPMENT PHILOSOPHY*.

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Selected Climate Scenario	Risk/ Opportunity	Overview	Potential Impact/Opportunity	Basis for Assessment Analysis	Response Strategy	Short Term	Period Medium Term	Long Term
IPCC SSP1-1.9 scenario and key national policy and regulatory requirements	Transition Risk	Mandatory disclosure requirements for carbon emissions.	In the short to long term, regulatory authorities are tightening their requirements for climate-related disclosures by listed companies. Listed companies will be required to disclose more comprehensive and complete carbon emissions data, and those participating in national or regional carbon markets may face stricter carbon emissions management and data reporting mechanisms.	<p>In-House Operations: We must promptly respond to mandatory disclosure requirements regarding climate and carbon emissions from government authorities and other regulatory bodies. We must ensure high-quality compliance with disclosure obligations.</p> <p>Value Chain: At this stage, some upstream suppliers are designated as key energy-consuming entities in their respective provinces and cities and are required to report carbon emissions data on a regular basis.</p> <p>In the medium to long term, as carbon disclosure regulations continue to evolve and the carbon trading market develops steadily, stricter disclosure and compliance requirements may be imposed on both the Group's own operations and its partners within the value chain.</p>	<p>Proactively track and stay abreast of trends and the latest requirements regarding climate-related disclosures both domestically and internationally, while continuously monitoring the development and relevant requirements of China's mandatory carbon market and voluntary carbon trading market¹⁷.</p> <p>In-House Operations:</p> <ol style="list-style-type: none"> Continuously optimize the Group's carbon emissions disclosure and management standards, and actively respond to stakeholder feedback. Proactively learn and master domestic and international climate information disclosure practices, particularly those related to mandatory requirements set by regulatory authorities. <p>Value Chain: Maintain regular communication with key suppliers in the value chain to promptly share the latest domestic and international regulatory developments and disclosure requirements.</p>	Low	Low	Medium

¹⁷ At this stage, the Group has not yet implemented a carbon pricing mechanism.

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Selected Climate Scenario	Risk/ Opportunity	Overview	Potential Impact/Opportunity	Basis for Assessment Analysis	Response Strategy	Short Term	Period Medium Term	Long Term
IPCC SSP1-1.9 scenario, specialized energy transition databases, and authoritative research	Transition Risk	Increase in production energy costs.	<p>In the short to medium term, the gradual replacement of production machinery and equipment that rely on traditional energy sources (such as coal and petroleum) with renewable energy projects will incur certain operational costs.</p> <p>In the long term, as renewable energy technologies mature and R&D costs decline, the development of carbon reduction programs and models in collaboration with value chain partners may also incur certain operational costs.</p>	<p>In-House Operations: At this stage, the Chinese government is steadily advancing the implementation of its "dual carbon" goals, and China's energy structure will continue to shift toward green and clean energy in the future.</p> <p>The Group should continue to promote the evaluation, implementation, and management of new energy projects at facilities within its own operations, such as factories and office buildings.</p> <p>Value Chain: Based on internal assessments and research, suppliers within the value chain have the potential and feasibility to adopt and promote new energy projects.</p>	<p>Based on our own operations and value chain management, we will comprehensively evaluate green energy procurement strategies and plans. By factoring in the costs of various emission reduction measures, we will determine the optimal low-carbon emission reduction strategy, including green electricity procurement and the deployment of new energy projects. We will also plan and assess the feasibility of long-term cooperation or investment in carbon capture and storage (CCS) projects, as well as potential initiatives.</p> <p>In-House Operations:</p> <ol style="list-style-type: none"> 1. Actively promote the implementation and operation of photovoltaic projects to increase the proportion of renewable energy supplied by our own facilities. 2. Evaluate the feasibility of using green electricity, including through Power Purchase Agreements (PPA¹⁸), to increase the share of renewable energy usage. 3. Actively seek collaborations with academic institutions and suppliers to promote the widespread adoption of low-carbon innovative raw materials, as well as production and energy technologies. <p>Value Chain:</p> <ol style="list-style-type: none"> 1. Strengthen specialized training to gradually encourage suppliers to adopt low-energy-consumption equipment and establish cost-effective new energy projects and facilities. 2. Collaborate with key suppliers possessing high carbon reduction potential to evaluate and develop new energy projects or procure green electricity through models such as Power Purchase Agreements (PPA¹⁹). 	Low	Low	Medium

¹⁸

Power Purchase Agreement, PPA

¹⁹

Power Purchase Agreement, PPA

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Selected Climate Scenario	Risk/ Opportunity	Overview	Potential Impact/Opportunity	Basis for Assessment Analysis	Response Strategy	Short Term	Period Medium Term	Long Term
IPCC SSP1-1.9 scenario, specialized energy transition databases, and authoritative research	Transition Risk	Increased labour costs due to climate change.	In the short to long term, rising temperatures will affect production activities; heat-related work allowances in some regions may increase, while labor efficiency and quality may decline.	Authoritative organizations such as the International Labour Organization (ILO ²⁰) have pointed out that climate change will cause global working hours to decline by 2.2% by 2030, and that for every 1-degree rise in average temperature, the labor force will shrink by 2%.	<p>In-House Operations:</p> <ol style="list-style-type: none"> Continuously implement measures to optimize ventilation and cooling in our own facilities to improve the working environment. For example, the Li Ning Center in Shenzhen, the Li Ning Center in Nanning, and various retail stores have all undertaken projects to upgrade and retrofit air conditioning systems, which effectively control temperature fluctuations. Focus on the application of automation technology, promoting and implementing mature and feasible automation solutions. Focus on the application and promotion of AI technology, evaluating the feasibility of integrating AI into core operational processes to enhance production efficiency through technological means. <p>Value Chain:</p> <ol style="list-style-type: none"> Collaborate with and encourage key suppliers in the supply chain to increase the proportion of renewable energy used in manufacturing processes. Partner with core supply chain partners to drive the application and implementation of automation and AI technologies across the value chain. 	Low	Low	Low

²⁰ International Labour Organization, ILO

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Selected Climate Scenario	Risk/ Opportunity	Overview	Potential Impact/Opportunity	Basis for Assessment Analysis	Response Strategy	Short Term	Period Medium Term	Long Term	
IPCC SSP5-8.5 scenario ²¹	Physical Risk	Typhoons	In the short to long term, extreme weather ²² events caused by climate change may become more frequent, increasing the likelihood that our facilities will be affected by such events.	According to the key findings of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report: Climate Change 2023, global warming will continue to intensify in the coming years, potentially leading to a further increase in climate change risks ²³ .	In-House Operations: 1. Continuously assess and ensure that our own facilities in areas vulnerable to physical risks meet local flood control and drainage design requirements. 2. Mitigate risks to a manageable level through measures such as implementing disaster prevention and response plans and purchasing insurance. Value Chain: Maintain close communication with key suppliers in the supply chain and share practical experience in assessing and addressing potential climate change risks.	Low	Low	Low	
	Physical Risk	Extreme rainfall							
	Physical Risk	Flooding							
IPCC SSP1-1.9 scenario and key national policy and regulatory requirements	Opportunity	Adopting more efficient production, distribution, and transportation models.	Green and low-carbon technologies related to textiles and footwear are being more widely promoted and adopted, such as automation, 3D printing, and low-temperature materials.	Monitor trends in green technology R&D within the domestic and international textile industries, steadily advance the Group's corresponding R&D and implementation efforts, and actively share experiences and concepts within the industry.	1. The Group's operations and development departments continue to promote and implement automation and lean manufacturing technologies, such as the automated production lines adopted at the Nanning Li Ning Center 2. We continue to increase the use of new eco-friendly materials and technologies, such as using new supercritical foam materials—which are lighter—for shoe soles and encouraging suppliers to engage in recycling.	-	-	-	
	Opportunity	Changes in consumer attitudes and demand in end-user markets.	As temperatures rise, market demand for high-comfort sports equipment is increasing.	Monitor trends in consumer demand, consumption habits, and behavior; integrate new materials and textile technologies into product design, manufacturing, packaging, and transportation processes to meet the end-consumer market's demand for green products.		We continue to provide sports products that meet athletic performance requirements and offer climate-adaptive features (e.g., high breathability, cooling/warming effects, and UV protection).	-	-	-
	Opportunity	Expansion of low-carbon innovative products and services	As temperatures rise, sports activities may shift to indoor and home settings, potentially leading to further growth in the market for sports equipment designed for indoor environments.	Monitor the development of indoor and at-home sports activities, and actively meet the end-consumer market's demand for such activities.		We continue to provide products for indoor sports that offer functionality, comfort, and eco-friendly materials.	-	-	-

²¹ The RCP-SSP scenarios put forward by the Intergovernmental Panel on Climate Change (IPCC) take into account various factors related to climate change and socioeconomic development. The IPCC SSP5-8.5 represents a high-emission scenario that projects a global temperature rise of 2.4~4.8°C by 2100.

²² E.g. Rainstorm: Red level, rainfall exceeding 100 millimeters within 3 hours, potentially leading to water accumulation over 1 meter that could damage goods and equipment; Typhoon: wind speeds exceeding 28.5 m/s, which may cause destruction to houses and damage to temporary buildings.

²³ Based on the interpretation and analysis of this report by the National Meteorological Science Data Center; for details, please refer to <https://data.cma.cn/site/article/id/41921.html>.

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CURRENT AND ANTICIPATED FINANCIAL IMPACTS

CURRENT FINANCIAL IMPACTS

The Group has conducted a comprehensive assessment of the current and potential financial impacts of material climate-related risks and opportunities. During the reporting period, the Group's assets did not suffer losses from climate-related physical risks such as typhoons or extreme rainfall, and no assets or business activities were identified as being particularly vulnerable to such risks. The Group's existing commercial insurance policies also cover compensation for losses arising from such risks. The Group has effectively addressed the potential financial impacts of climate-related physical risks. Regarding transition risks, the Group is steadily advancing carbon data management within our own operations and among the value chain partners, conducting comprehensive assessments of the full-lifecycle carbon emissions for key product categories, and closely monitoring external policy regulations and information requirements from both domestic and international governments and industries. We have no assets or business activities that are susceptible to climate-related transition risks. During the reporting period, the Group continued to upgrade energy-saving systems and facilities at our own factories, stores, and other locations, with related operating costs amounting to approximately RMB1 million. In addition, expenses related to obtaining certifications for certain company-owned office buildings that meet international green building standards were within RMB 1 million.

ANTICIPATED FINANCIAL IMPACTS

Based on climate scenario analysis, the Group has evaluated the likelihood, frequency and potential impacts of identified climate-related risks and opportunities. No material climate-related risks with significant financial impacts have been identified. For physical climate risks, the Group will continue deploying energy-efficient and low-carbon equipment while periodically reviewing actual impacts and adjusting response measures accordingly. For transition risks, the Group will closely monitor potential compliance costs arising from carbon reduction policy requirements affecting both its operations and key value-chain partners, and will proactively implement appropriate management plans.

In addition, we are under internal evaluation on the feasible quantitative financial impact assessment method relating with climate-related opportunities.

Climate Risk Management

The Group regularly identifies, assesses and prioritises ESG-related risks, including climate-related risks, based on factors such as compliance requirements and potential business impacts, to ensure that all ESG risks are effectively and appropriately managed. We have incorporated climate risk management into our overall risk management framework and proactively review identified material climate-related risks to ensure that response strategies for key climate risks and opportunities are effectively implemented.

During the reporting period, we did not identify any need to adjust our existing risk management processes due to a significant increase in the potential impact of climate-related risks or the emergence of any new material climate-related risks.

Metrics and Targets

The Group continues to enhance its greenhouse gas emissions accounting and data management capabilities and publicly discloses Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Details are presented in the section titled "2025 Environmental Performance". For operational emissions management (Scope 1 and Scope 2), the Group actively promotes the development and operation of photovoltaic projects and periodically evaluates the need to purchase appropriate green electricity certificates or carbon credits to support the achievement of climate targets and low carbon transition. For Scope 3 emissions, the Group has for three consecutive years conducted comprehensive reviews of the twelve²⁴ applicable Scope 3 categories and began publicly disclosing them in this reporting period. Detailed analysis has also been conducted on Category 1 emissions related to purchased goods and services; please refer to the section "Supply Chain Carbon Emissions Management".²⁵ The Group also assists suppliers in implementing energy conservation and carbon reduction programs to build a green supply chain. For cross-sectoral indicators related to climate-related risks and opportunities and capital allocation, please refer to the relevant sections under "Assessment of Climate-related Risks and Opportunities" and "Current and Anticipated Financial Effects" in the "Climate Resilience Analysis" subsection.

²⁴ With the exception of Scope 3 greenhouse gas emissions related to the processing of sold products, the use of sold products, and franchise rights—which are not applicable to the Group—the total Scope 3 greenhouse gas emissions disclosed by the Group include emissions from the other twelve categories of Scope 3 greenhouse gas emissions. Specifically, for emissions associated with Category 1 purchased goods and services, we use a calculation method based on raw material procurement.

²⁵ During the reporting period, we continued to monitor the development of relevant international and industry standards and, in conjunction with industry practices, disclosed detailed information regarding Category 1 emissions from purchased goods and services. As industry standards applicable to the Group become increasingly refined, we will progressively disclose applicable industry metrics.

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In addition, the Group closely monitors developments in carbon reduction methodologies, including those of the Science Based Targets initiative (SBTi), and will update and establish carbon reduction targets for its operations and suppliers in line with business development. For greenhouse gas reduction targets and progress during the reporting period, please refer to the section “Environmental Targets.”

III. EMPLOYMENT MANAGEMENT

The Group strictly complies with relevant laws and regulations, including the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Employment Promotion Law of the People’s Republic of China* and the *Social Insurance Law of the People’s Republic of China*, and respects the conventions of the International Labour Organization (ILO), such as the *Minimum Age Convention*, the *Discrimination (Employment and Occupation) Convention*, the *Forced Labour Convention*, and the *Abolition of Forced Labour Convention*. The Group has formulated internal policies such as the Employee Handbook to safeguard employees’ legitimate rights and interests in recruitment, promotion, termination, compensation and benefits, equality, diversity and anti-discrimination. The Group strives to foster a fair and inclusive working environment. In employment management, we strictly implement the principle of fairness and actively promote diversity; continuously optimise the compensation and benefits system to safeguard employees’ legitimate rights and interests; expand investment in talent development and cultivation to provide a solid talent foundation for the Group’s high-quality development; and organise diverse employee cultural and sports activities to foster a harmonious and united workplace environment, promoting mutual growth between the Group and its employees and achieving win-win development. As of the end of the reporting period, the Group had a total of 5,152 employees, among which 4,969 were from the Group headquarters and retail subsidiaries (including the Nanning Li Ning Center), and 183 were from other subsidiaries.

In 2025, the Group continued to improve the human resources management system and strengthen its employer brand, receiving a number of employer branding recognitions.

Honor	Awarding Body
2025 Customer Success Award	Liepin
2025 Employer Brand Excellence Award	Yonyou Dayee
2025 Sustainable Brand Benchmark – Human Resources Leadership Award	Huxiu
Best HR Management Practice in China – Digital Transformation Employer of Choice in China HRA China Human Resources Value Award	Human Resource Association for Chinese & Foreign Enterprises, Beijing
Top Graduate Employer Brands Employer of Choice 2025 2025 ESG Influence Benchmark Enterprise	51job.com

ENVIRONMENTAL, SOCIAL AND Governance Report

Lawful Employment to Safeguard Rights and Interests

The Group adheres to the principles of “openness, equality, competition and merit-based selection” in employment management and has established comprehensive management regulations to standardise decision-making processes related to recruitment, promotion and termination of employment relationships. These measures safeguard employees’ legitimate rights and interests, establish a sound employment management mechanism, and cultivate a diverse, inclusive and harmonious talent pool.

The Group’s recruitment channels include online platforms, internal referrals, headhunting/RPO recruitment and other diversified channels. We strictly follow the principles of openness, transparency, fairness and impartiality and have formulated the *Recruitment Operation Manual* to guide recruitment practices. The Group is committed to providing equal employment opportunities and strictly prohibits discrimination based on gender, ethnicity, race, age or nationality. For employees who seriously violate laws and regulations or company rules, or whose capabilities do not meet job requirements, the Group handles termination matters in accordance with the principles of fairness, impartiality and reasonableness. After conducting thorough investigations and communicating with the employee concerned, the Group carries out termination procedures in compliance with relevant laws and regulations.

The Group advocates anti-discrimination and equal opportunity in all human resources and employment decisions, striving to create a workplace characterised by fairness, respect and diversity. Employees are encouraged to report any incidents involving discrimination, and the Group will conduct comprehensive investigations and adopt necessary management measures when such incidents occur.

The Group strictly complies with national and local legal requirements regarding employment age and clearly stipulates in the *Employee Handbook* that employees must meet the statutory employment age. To ensure full compliance with relevant regulations, the Group provides specialised anti-forced labour training for all human resources personnel. Strict identity verification procedures are implemented during the recruitment process, and applicants are required to provide valid identification documents prior to employment to prevent the employment of child labour.

During recruitment, the Group clearly communicates job responsibilities to candidates and signs labour contracts with employees in accordance with the law, ensuring employees’ legitimate rights related to working hours and leave. The Group strictly prohibits forced labour. If cases of child labour or forced labour are discovered, the Group will immediately initiate an investigation and take appropriate actions, such as communicating with the guardians of child workers, confirming the willingness of employees suspected of being subject to forced labour, and implementing corrective measures including job adjustment or termination in accordance with investigation results. In 2025, the Group did not identify any cases of child labour or forced labour. The Group adheres to the principles of open communication, transparent channels and smooth processes, and continues to improve its employee feedback mechanisms. Employees are provided with formal and transparent communication channels, including trade unions, suggestion boxes and face-to-face communication. In addition, the Group conducts various employee surveys to collect feedback on company policies, procedures and the working environment through regular questionnaires. Employee meetings, team-building activities and training programmes are organised to establish open communication platforms that facilitate effective dialogue between employees and management. The Group has signed collective agreements with employees to safeguard their rights and interests. The collective agreement coverage rate was 22.6%. Each year, the Company conducts collective bargaining with trade union representatives on relevant matters, including collective agreement terms and the protection of female employees’ rights. Such consultations are held at least once per year, typically in November.



Every year, we conduct employee satisfaction surveys through appropriate channels. In 2025, we partnered with Great Place To Work® to conduct an employee survey across five dimensions: Respect (employees feel valued and are treated with dignity), Camaraderie (workplace relationships and team collaboration), Trust (confidence in management and the organization), Pride (sense of pride in one’s work and the organization), and Fairness (equitable and non-discriminatory treatment). The results showed that 88% of Li Ning employees consider the Group an ideal place to work. The level of employee satisfaction was relatively good. The Group obtained the Great Place to Work® Certification in January 2026. Going forward, we will continue to enhance the working environment based on the survey results and strive to build an even better workplace.

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The Group has established well-defined promotion rules and career development pathways. Employees who meet job requirements and demonstrate outstanding performance are given priority for selection and promotion. Through internal recruitment and open competition mechanisms, the Group ensures equal opportunities and fair treatment for all employees. To support the development of employees with different strengths, the Group has established dual career pathways comprising a management track and a professional track, allowing employees to select suitable development directions based on their career aspirations. Meanwhile, to promote the development of retail employees and encourage initiative at the store level, the Group has established multiple career positions such as sales consultants, team leaders, store managers and warehouse managers, providing diversified career development opportunities.

Employee Employment²⁶

Category	Indicator	As of 31 December 2025
By Gender	Male employees (person)	1,420
	Female employees (person)	1,603
By Employment Type	Full-time employees (person)	3,023
	Part-time employees (person)	0
By Age	Employees under 30 years old (person)	598
	Employees aged 30 (inclusive) to 50 (exclusive) (person)	2,335
	Employees aged 50 (inclusive) or above (person)	90
By Region	Employees in Chinese Mainland (person)	2,871
	Employees in Hong Kong, Macau and Taiwan (person)	133
	Overseas employees (person)	19

Employee Turnover Rate²⁷

Indicator	As of 31 December 2025	
Employee turnover rate (%)	13.71	
By Gender	Male employees turnover rate (%)	14.20
	Female employees turnover rate (%)	13.27
By Age	Turnover rate of employees under 30 years old (%)	33.21
	Turnover rate of employees aged 30 (inclusive) to 50 (exclusive) (%)	9.46
	Turnover rate of employees over 50 years old (inclusive) (%)	3.16
By Region	Employee turnover rate in Chinese Mainland (%)	10.60
	Employee turnover rate in Hong Kong, Macau and Taiwan (%)	76.09
	Overseas employee turnover rate (%)	21.62

²⁶ The statistical coverage includes the headquarters and retail subsidiaries, and excludes Nanning Li Ning center.

²⁷ The statistical coverage includes the headquarters and retail subsidiaries, and excludes Nanning Li Ning center.

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Creating Harmony through Humanistic Spirit

The Group continues to optimize its employee compensation and benefits system. The Company has established a dedicated compensation and benefits management department that closely monitors changes in relevant regulations and continuously refines the compensation management system. While complying with national minimum wage regulations, the Group formulates compensation strategies aligned with market competitiveness and regularly adjusts compensation structures and policies to attract, motivate, and retain top talent. The Group conducts regular performance evaluations to scientifically assess employee performance; We continuously refine incentive mechanisms to stimulate employee enthusiasm and initiative. Incentive methods include sales bonuses, sales commissions, annual bonuses, stock options, and equity awards, among others. In 2025, overall coverage reached 100%, encompassing management, non-management staff, retail employees, and factory workers. Appropriate performance bonus evaluation mechanisms have been established for each position.

The Group upholds a strong sense of corporate responsibility and, with a “people-oriented” approach as its core management philosophy, is committed to building a healthy, sustainable, and comprehensive benefits system, continuously innovating employee care mechanisms, and through tailored benefits strategies, meeting employees’ individual needs, effectively safeguarding employees’ rights and interests, and enhancing their well-being and satisfaction. We pay in full social insurance and housing provident fund for our employees according to the laws, and on the basis of the relevant regulations of the national and local governments, we provide additional benefits such as supplemental medical insurance, as well as catering allowance, transportation allowance, communication allowance, cloth purchase fees, expatriate allowance, the Spring Festival and holiday benefits, wedding and childbirth gratuities, and funeral allowance, with a coverage rate of 100% in 2025. For our senior employees, we provide them with seniority souvenirs and organize farewell ceremonies for our retired employees. In addition, in the event of organizational changes, business transformations, or restructuring, we prioritize offering affected employees other internal opportunities that align with their existing or transferable skills to ensure their job security. When making internal hiring decisions, we give priority to employees whose positions are at risk due to restructuring. For employees who cannot be placed internally, we will provide severance pay in accordance with national statutory standards. In 2025, there were no corporate reorganizations or similar events.

The Group actively assists employees in balancing their work and life by formulating the *Employee Attendance and Leave Management System*, adopting scientific and appropriate attendance management measures, making reasonable arrangements for the working hours of employees, and adequately safeguarding the rest and leave rights of employees. In case of any work demand exceeding the statutory working hours, we will compensate the employees by arranging for a transfer of time off or payment of overtime wages. Employees are entitled to various types of leave in accordance with the law, such as statutory holidays, annual leave, marriage leave, prenatal examination leave, maternity leave, breastfeeding leave, paternity leave, sick leave, bereavement leave, long-distance family visit leave, parental leave, nursing leave, and personal leave.

In terms of care for employees’ children, we established the Li Ning Oriental Cambridge Kindergarten at our campus, staffed with high-quality teachers to promote the all-round development of the “Li Ning Second Generation” in morality, intelligence, physical fitness, aesthetics, and labor skills, while also making it convenient for employees to drop off and pick up their children. Furthermore, we have established the “Little Tree Growth” After-School Care Program, which effectively alleviates the challenge of childcare during school breaks. Over the past five years, we have held a total of 38 sessions, providing care for more than 240 children, thereby relieving hundreds of families of their worries about childcare during school breaks. In 2025, the Group’s trade union organized the “Love Backpack, Growing with You” closing ceremony, distributing backpacks and other school supplies to the “Li Ning Second Generation” participating in the after-school program, thereby enhancing the well-being of employees’ families and showing care for the next generation’s growth.

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➤ Celebration Activity

The Group continues to host the “Ningju – Family Carnival (寧聚 • 家年華)” company anniversary celebration, promoting the company’s core values and positive culture, and strengthening employees’ sense of belonging and team cohesion. The event is open to all employees and their families, and features a variety of parent-child interactive activities, including a carnival, competitive games, fun games, DIY craft workshops, educational presentations, and an evening gala, aimed at fostering harmony within employees’ families and helping employees balance work and family responsibilities. The 2025 anniversary celebration attracted 2,880 employees and their family members to participate, and invited independent media to document the anniversary celebration. After the related videos were released, they accumulated over 370,000 views and 20,000 interactions, and received positive external feedback.



“Ningju – Family Carnival (寧聚 • 家年華)” Celebration Activity

ENVIRONMENTAL, SOCIAL AND Governance Report

➤ Employee Activities

The Group organizes a variety of employee activities to encourage active participation. By offering a rich and diverse range of activities, we enhance the participant experience and fully demonstrate the Group's commitment to employee well-being:

- | | |
|--------------------------|--|
| Environmental Activities | <ul style="list-style-type: none">• We organized a tree-planting event where over 100 employee families planted saplings and attached name tags to them, actively fulfilling the company's responsibility for ecological conservation.• The Nanning Li Ning Center, Shenzhen Li Ning Center, and Hong Kong Li-Ning Building actively participated in the "Earth Hour" campaign, advocating for the shutdown of non-essential lighting and electrical appliances to reduce energy consumption.• The Shenzhen Li Ning Center launched the "Ningfeng Green Trail, Putting ESG into Practice" public welfare campaign, encouraging employees to hike and pick up plastic waste to safeguard the environment and protect nature.• The Hong Kong Li-Ning Building organized a field trip for employees to a waste paper recycling plant to learn about the recycling process and raise environmental awareness. |
| Cultural Activities | <ul style="list-style-type: none">• The Shenzhen Li Ning Center organized a "Books for Vegetables" event, exchanging unused books for fresh vegetables to promote knowledge sharing and resource circulation, and put the concept of green living into practice.• The Hong Kong Li-Ning Building hosted a workshop on guide dogs and animal-assisted therapy to raise employees' awareness of animal welfare. |

ENVIRONMENTAL, SOCIAL AND Governance Report

Holiday Activities

- A makeup workshop was held to teach female employees makeup techniques, fostering communication among them and boosting their professional confidence and sense of self-worth.
- Organized the “Zongzi Spirit of Dragon Boat Festival, Ning Gathering of Joy” event, featuring DIY zongzi-making and fun quizzes to strengthen employees’ cultural identity.
- Held a dual celebration for National Day and Mid-Autumn Festival, featuring ice-skin mooncake making, afternoon tea, and fun activities to enhance team cohesion.
- Organized the “New Year, New Beginnings · Lantern Festival Celebration” event, featuring intangible cultural heritage sugar painting, lantern riddle guessing, and DIY crafts, to share a warm and joyful reunion with employees.
- Held the “Warmth at Year’s End · Christmas and New Year’s Carnival” event, featuring elegant tea breaks and surprise raffles to enhance employees’ sense of belonging and happiness.



National Day Celebration Activities



Lantern Festival Celebration Activities

➤ Help employees in need

The Group has continued to deepen efforts to help employees in need by setting up a trade union committee and establishing a mutual assistance fund to help employees who have difficulties in their living due to accidents or major illnesses, in an aim to alleviate their financial pressure. During the 2025 Spring Festival, we organized a sympathy activity to send warm consolation subsidies to employees in need in the New Year, demonstrating the strong humanistic care of the Group.

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Ensuring Safety and Protecting Health

The Group strictly complies with the *Labor Contract Law of the People's Republic of China*, the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Fire Protection Law of the People's Republic of China*, and continues to optimize employee health management system, strengthen the safety management in offices, and endeavor to create a safe and comfortable workplace, thus providing a comprehensive safeguard for the health and safety of employees.

Caring for Employee Health

We place a high priority on our employees' physical and mental well-being, through diverse management initiatives to create a comfortable and safe work environment, comprehensively safeguarding our employees' occupational health and safety.

➤ Health protection

The Group has implemented a range of health protection initiatives to comprehensively safeguard employee health and mitigate occupational health risks. We provide employees with appropriate pre-employment and annual health checkups tailored to the specific characteristics of their respective positions, in order to effectively identify and reduce occupational health risks. The Beijing Li Ning Center features a health consultation room, which is stocked with common preventive medications and emergency supplies on a daily basis, providing basic support for employees' day-to-day health management.

In addition, we provide employees with a comprehensive commercial insurance coverage system, including supplemental medical insurance, personal accident insurance, and critical illness insurance, offering multi-tiered protection for their health. These commercial insurance plans provide necessary financial support in the event of sudden accidents or critical illnesses, helping to offset medical expenses and alleviate personal financial burdens. Furthermore, the Group collaborates with professional insurance companies to offer supplemental medical insurance plans for employees' family members, thereby extending the scope of coverage and establishing a more comprehensive and secure protection system for both employees and their families.

➤ Health-oriented exercise

To support employees in building physical fitness and relieving mental and physical stress, the Group has established sports clubs for table tennis, badminton, basketball, tennis, soccer, swimming, running, frisbee, jump rope, fitness, and pickleball. We regularly organize a wide variety of competitions and activities to continuously enrich employees' after-work cultural lives. In 2025, the Jump Rope Club delivered a spectacular performance during the company anniversary celebration and supply chain team-building activities, vividly embodying the corporate culture of "Uniting Strengths" and "Efficient Collaboration"; The Fitness Club offers a variety of classes centered on the goals of "building physical strength, pursuing excellence, and creating a shared future," such as Tai Chi and yoga classes, to help employees relieve work-related fatigue and improve physical fitness; The Pickleball Club actively represents the Group in city and district-level competitions, demonstrating outstanding competitive prowess and corporate spirit through excellent results; the Running Club organizes employees to participate in the Beijing Half Marathon, showcasing the team's fighting spirit and high level of engagement.



Beijing Half Marathon Event



Pickleball Events

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Case: "Vibrant Li Ning, Moving Together" Sports Market Event

In 2025, to promote a healthy lifestyle and enrich employees' leisure activities, the Human Resources Department collaborated with sports clubs across various locations to jointly organise the "Vibrant Li Ning, Moving Together" Sports Market event. Through interactive challenge activities and dedicated club booths, the event provided employees with a platform to gain deeper understanding and hands-on experience of club culture. The event attracted active participation from employees across multiple locations, effectively supporting the expansion and development of employee clubs and providing strong support for fostering a positive and uplifting corporate culture atmosphere.



"Vibrant Li Ning, Moving Together" Sports Market Event

➤ **Healthy Diet**

The Group has established Chinese and Western staff cafeterias, strictly implementing food hygiene and food safety management requirements to provide employees with a safe and hygienic dining environment. At the same time, the Group places emphasis on dietary structure and nutritional balance, building a scientifically structured dietary system to provide employees with healthy and balanced meal options.

➤ **Health Promotion**

To enhance employees' awareness of personal health management and occupational health protection, the Group continuously conducts diverse health and safety awareness initiatives to systematically improve employees' understanding of occupational safety.

- The Group organises health knowledge awareness campaigns, sharing information related to health management and occupational disease prevention with employees through channels such as email, thereby enhancing employees' health awareness and serving as a preventive reminder.
- Factories in Guangxi provide employees with occupational health position training, systematically explaining occupational disease hazards and preventive measures to reinforce employees' awareness of health and safety.
- Factories in Guangxi also regularly organise hazardous chemical handling training to ensure standardised and safe operations.
- Jingmen Li Ning Center conducts health and safety training for all employees twice a year, covering equipment operation standards and chemical safety handling, thereby comprehensively safeguarding employees' occupational health and safety.
- The Li Ning Center Laboratory organises specialised training on standardised laboratory equipment operation, chemical safety protection and traffic safety, enhancing employees' overall safety competence and risk prevention capabilities.

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Safeguarding Workplace Safety

The Group continues to strengthen workplace safety management and practices. It has formulated management systems and emergency plans such as the *Emergency Evacuation Plan of Li Ning Center*, *Fire and Electricity Safety Management Regulations*, *Fire Patrol and Inspection System* and *Safety Evacuation Management Regulations*, thereby improving the workplace safety emergency response mechanism. At the same time, the Group conducts relevant safety training, awareness campaigns and emergency drills to continuously enhance workplace safety assurance capabilities.

- The Beijing Li Ning Center has established a mini fire station and regularly organises fire drills to improve employees' emergency response capabilities and ensure workplace safety. It also actively conducts fire safety training to strengthen employees' safety awareness.
- The Shenzhen Li Ning Center organised two fire safety drills, simulating rescue and evacuation procedures to ensure the practical feasibility of emergency fire response plans.
- The Jingmen Li Ning Center regularly conducts specialised safety training and emergency drills, covering topics such as first-aid knowledge, fire safety and emergency elevator rescue procedures, enhancing overall employee safety awareness.
- Factories organise annual fire safety drills, inspect and replace expired fire-fighting equipment, and actively identify potential fire hazards. Meanwhile, they organise fire safety training for employees to strengthen fire risk prevention awareness.



Guangxi Ning Zhan Factory Fire Safety Training



Beijing Li Ning Center Fire Drill

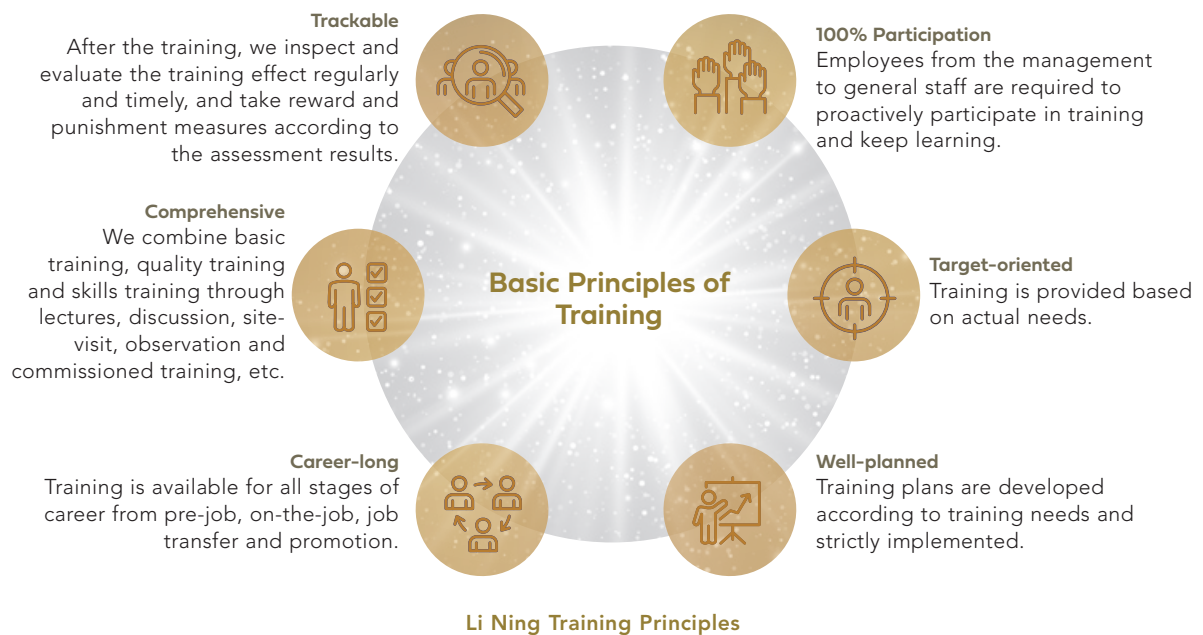
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Occupational Health and Safety²⁸

Indicator	Data
Number of work-related deaths	
– Number of work-related deaths in 2023 (person)	0
– Number of work-related deaths in 2024 (person)	0
– Number of work-related deaths in 2025 (person)	0
Proportion of work-related deaths	
– Proportion of work-related deaths in 2023 (%)	0
– Proportion of work-related deaths in 2024 (%)	0
– Proportion of work-related deaths in 2025 (%)	0
Loss of working time due to work-related injuries (day)	284

Talent Training and Value Creation

The Group adheres to a “people-oriented” talent philosophy and continues to advance its talent development strategy, increasing resource investment to provide strong support for employees’ long-term growth and career development. Centered on the goal of building a high-quality talent workforce, we systematically implement diversified learning and training programmes and continuously improve employee development mechanisms to comprehensively enhance employees’ professional capabilities and overall competencies. In planning and implementing employee training programmes, the Group follows the following core principles:



²⁸

The statistical coverage includes the headquarters and retail subsidiaries, and excludes Nanning Li Ning center.

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Combining these fundamental talent development principles, the Group adheres to the “721 Rule” for talent development (i.e., 70% learning from experience, 20% learning from others, and 10% formal training). The Group continues to increase investment in talent development to enhance overall team capability and respond to increasingly complex market environments and competitive challenges. Based on employees’ different functional roles and development needs, we continue to improve a multi-level, tiered talent development system, providing diversified training resources and learning support to help employees achieve greater potential development. Training participants include management, non-management employees, retail employees, factory employees and management trainees.

- **New employee training:** New employee orientation adopts a blended learning model combining online and offline training, building a systematic and multi-dimensional onboarding development pathway. Training content includes company systems, management requirements and behavioural guidelines from the Staff Handbook. At the same time, separate development plans are designed for store-based and non-store-based employees, closely integrating real work scenarios and business practice to help new employees quickly understand business logic and adapt to role requirements. In 2025, this programme achieved 100% coverage of new employees across the Company.
- **Business capability training:** In terms of business capability development, the Group adopts a dual approach. On one hand, through the “Benchmark Learning” programme, employees visit leading companies in the industry for in-depth benchmarking, learning advanced management models and best practices to broaden their professional perspectives. External design experts are also invited to share design philosophies and creative methodologies, injecting innovative thinking and cross-disciplinary insights into internal teams. On the other hand, focusing on current business challenges, the Group introduces action learning and facilitation techniques and organises specialised workshops to encourage cross-departmental collaboration and co-creation of solutions, promoting simultaneous improvement in professional depth and problem-solving capabilities. The Company has also established a national-level postdoctoral research workstation enterprise sub-station, providing a high-level research platform and development support for employees in relevant professional fields.
- **General core competence training:** Centered on the core competency requirements of Li Ning employees, the Group organises training programmes on topics such as structured proposal presentation, effective reporting and communication. Through flipped classroom learning models combining online and offline formats, structured thinking, presentation skills and project management tools are embedded into real business scenarios to strengthen cross-department communication efficiency, improve proposal capabilities and logical thinking, and promote simultaneous enhancement of professional competence and organisational communication efficiency.
- **Training for management trainees:** The Group iteratively upgraded the 18-month development pathway for management trainees, building a full-cycle development ecosystem that includes cultural integration, training programmes, rotational assignments and mentorship guidance. This system helps management trainees transition their professional mindset, develop a holistic understanding of business operations and deepen their identification with the Company’s culture, providing strong support for their rapid growth.
- **Leadership training:** The Group has established a multi-level and multi-format management development system covering newly promoted managers, incumbent managers and senior executives. Training for newly promoted managers focuses on “management transformation”, with development plans designed around real management scenarios. Training for incumbent managers emphasises practical experience in solving specific management challenges. Senior leadership programmes focus on innovation, strategy and business development, combining external expertise with internal co-creation to continuously enhance leadership capabilities. At the same time, the Company focuses on the personalised development needs of core business teams by organising targeted team-building activities to strengthen collaboration and team cohesion.

In addition, the Group provides compliance-related knowledge and training to all employees through the WeCom platform. Based on professional requirements, the Company also supports relevant employees in obtaining external professional certifications such as ISO internal auditor certificates and accessing compliance-related learning resources through paid professional learning platforms (such as China Legal Executive Council – Ligou (理購)).

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Case: 2025 Retail Management Trainee Conference

The Group regards the cultivation of young talent as a core driver of sustainable corporate development and has established a systematic retail management trainee development system. In September 2025, the Retail Management Trainee Conference was held at the Shanghai Li Ning Center. The event focused on brand culture integration, professional skills strengthening and foundational leadership development, providing comprehensive workplace training for management trainees. Centered around three themes – “Interpreting Value through Professionalism,” “Building Connection through Scenarios,” and “Expressing Passion through Dedication” – the programme strengthened trainees’ foundation in product culture knowledge and sales techniques. Meanwhile, internal senior instructors delivered sharing sessions on cutting-edge topics such as “Decoding Sports Science and Research” and “Exploring Operational Thinking”, effectively broadening management trainees’ understanding of Li Ning’s product portfolio and technological capabilities.



2025 Retail Management Trainee Conference

Case: Climate Change Training to Enhance Awareness of Green and Low-Carbon Development

The Group attaches importance to strengthening climate-related capability building across the organisation and enhancing awareness of green environmental protection and low-carbon development. In 2025, training was conducted for the Board of Directors covering topics such as climate-related regulatory requirements, climate scenario analysis, carbon emissions data management and ESG information disclosure. These sessions aimed to deepen the Board’s understanding of climate change and sustainable development. For all employees, the Group conducted two internal knowledge dissemination campaigns focusing on climate change and the “dual carbon” strategy. The content covered topics such as global climate governance, China’s “dual carbon” goals and corporate green transformation pathways. These initiatives aim to enhance employees’ awareness of sustainable development issues and encourage them to practice low-carbon principles in their daily work.

Employee Training

Indicator		Percentage of training (%)	Average training time (hour) ²⁹
By gender	Male employees	100	14.5
	Female employees	100	18.2
By type	Management employees	100	21.8
	Non-management employees	100	15.1

²⁹

The statistical coverage includes the headquarters and retail subsidiaries, and excludes Nanning Li Ning center.

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IV. WIN-WIN MANAGEMENT

The Group has been committed to optimizing supply chain management and strengthening the construction of a socially responsible supply chain management system by formulating the *Supplier Management Policy*, the *Group's internal restricted substances (RSL) standard – Q/LNB 71001-2021 Li Ning Product Safety Technical Requirements*, *Management Commitment on Anti-forced Labor*, *Supplier Corporate Social Responsibility Management Manual of Li Ning Company Limited*, *Internal Risk Management Procedure for Anti-forced Labor in Supply Chain of Li Ning Company Limited*, *Productive Supplier Management System of Li Ning Company Limited*, *Environmental Management Manual of Li Ning Company Limited*, *Chemical Management Framework of Li Ning Company Limited* and other internal systems and procedures.

In 2025, while remaining committed to the concept of sustainable development, the Group made endeavors to continuously optimize the supplier management system, promote the digitalization of supplier management processes, and exert closed-loop management in key aspects of the introduction, evaluation, optimization and elimination of suppliers. In addition, the Group further improved the management mechanism of suppliers' social responsibility, and strengthened the stewardship of environmental and social risks of suppliers. We actively built a green supply chain and product system, and cemented exchanges and collaboration with industry partners, in an aim to promote the high-quality development of a sustainable supply chain together. As of the end of the reporting period, the Group has a total of 226 suppliers.

Number and Distribution of Suppliers

Indicator	As of 31 December 2025
Number of suppliers in Chinese Mainland	226
Number of suppliers in overseas, Hong Kong, Macao and Taiwan Region	0
Number of primary suppliers ³⁰	173
Number of secondary suppliers ³¹	53

Introduction of Suppliers

During the year, amendments were made to the management system related to standards for supplier introduction by the Group, which added constraints on establishment years of suppliers, strengthened the process of reviewing the introduction. All proposed introduced suppliers need to submit necessary explanatory material. Subject to the approval by the CEO, the process for newly added supplier would be initiated in the system.

During the supplier introduction review stage, the department of demand submits the supplier cooperation application through the supply chain management system, and all relevant departments cooperate to finish the document audit and on-the-spot audit, and upload the audit results to the supplier management system. After that the Supplier Management Department will judge whether the target supplier meets the introduction standards according to the opinions. For those qualified target suppliers, the introduction evaluation results must be approved by the senior management leaders, and ultimately by the CEO to complete the introduction process.

³⁰ Primary suppliers include finished goods factories, semi-finished goods factories and processing factories. The finished goods factory is the finished goods production factory, the semi-finished goods factory is the production factory of the more independent components that make up the finished goods that can be sold, and the process factory is the processing and handling factory of the materials.

³¹ Secondary suppliers are material factories. The material factory is the factory that processes the materials needed to form finished or semifinished products.

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To ensure the comprehensiveness and impartiality of the evaluation, we adopt various assessment methods, including document evaluation, on-site visits, staff interviews and management interviews, etc. On the basis of our own standards, we fully refer to national laws and regulations as well as international standards such as GB/T 36000-2015³², ISO 26000, OECD standards³³, ILO³⁴ guidelines, SA8000³⁵, ETI³⁶ standards, Disney ILS³⁷, Intertek WCA³⁸, Sedex³⁹, SMETA⁴⁰, BSCI⁴¹, SLCP⁴², RBA⁴³, IETP⁴⁴, WRAP⁴⁵, and ICS⁴⁶. The assessment covers not only the supplier's production qualifications, scale, quality management system, and technical capabilities, but also focuses on their institutional development and actual performance regarding social responsibility in areas such as labor, occupational health, fire protection and safety, chemical management and environmental protection. If zero tolerance items such as commercial bribery, child labor, forced labor, and illegal discharge of sewage are found, the introduction will be terminated. In case of other major environmental and social risks, the introduction procedure will be suspended, and restarted after the supplier completes systematic rectification. In 2025, a total of 17 suppliers entered the social compliance audit in the introduction stage. Among them, 14 were audited by Li Ning and 3 by third parties. After first review and second review, and submit of compliance documents where necessary in relation to the employment, fire protection, and environment, all suppliers passed the introduction evaluation with a 100% pass rate.

Supplier Management

The Group continues to optimize its supplier audit and evaluation management system. Through quarterly reviews, annual assessments, special inspections and spot checks, the Group systematically identifies potential environmental and social risks within the supply chain and promotes supplier improvement.

The Supplier Management Department, together with departments including Production, R&D, Development, Supply Chain, Quality and Sustainable Development, conducts quarterly comprehensive performance evaluations. The evaluation scope includes business aspects such as quality, delivery time, and cost, and also covers multiple dimensions such as business ethics, labor employment, working hours, remuneration and benefits, occupational health, energy and environmental performance, chemical management, as well as fire safety and emergency evacuation. The specific evaluation process includes:

- Quarterly self-assessment and submission: In the first month of each quarter, a self-inspection notice is issued to suppliers requiring them to complete the self-inspection by the end of the quarter and submit relevant documentary information with transparency, clarity, relevance, timeliness and traceability.
- Document review and feedback: Conduct rigorous review on information submitted by suppliers, communicate the optimization and improvement requirements for the next quarter to suppliers, so as to promote them to continuously improve their management standard.
- Evaluation consolidation and reporting: The Supplier Management Department summarizes the quarterly assessment results of all relevant functional departments and organizes quarterly assessment meetings. Each department summarizes and reports to the CEO on the quarterly performance of suppliers, problems need to be rectified, improvement targets and specific measures.

In addition, the Group organizes and implements an annual audit every year based on the cooperation situation and the assessment result of the previous year, which covers business ethics, labour and employment practices, working hours, remuneration and benefits, occupational health, environmental management, chemical management, as well as energy and carbon emissions management. We formulate rectification plan for the problems identified during the audit, with dedicated staff tracking to ensure that rectification measures are fully implemented and yield tangible results; For detailed indicators of the quarterly and annual assessments, please refer to the Group's Investor Relations website (<https://ir.lining.com/en/csr/csr.php>) for the *Supplier Corporate Social Responsibility Management Manual*, *Environmental Management Manual*, and *Chemical Management Framework*.

³² GB/T 36000-2015: *The Social Responsibility Guidelines*, promulgated by the State Standardization Administration Committee and the General Administration of Quality Supervision, Inspection and Quarantine.

³³ OECD Guidelines: OECD Guidelines for the Testing of Chemicals.

³⁴ ILO: International Labor organization.

³⁵ SA8000: Social Accountability 8000.

³⁶ ETI: Ethical Trading Initiative.

³⁷ Disney ILS: Disney International Labor Standards.

³⁸ WCA: Workplace Conditions Assessment.

³⁹ Sedex: Supplier Ethical Data Exchange.

⁴⁰ SMETA: Sedex Members Ethical Trade Audit.

⁴¹ BSCI: Business Social Compliance Initiative.

⁴² SLCP: Social & Labor Convergence Program.

⁴³ RBA: Responsible Business Alliance.

⁴⁴ IETP: ICTI Ethical Toy Program.

⁴⁵ WRAP: Worldwide Responsible Accredited Production.

⁴⁶ ICS: Initiative for Compliance and Sustainability.

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➤ Social compliance audit

In 2025, the Group conducted social responsibility audits for a total of 173 factories, covering all finished goods, semi-finished goods and processing factories through third-party audits, achieving 100% coverage. Audit standards referenced BSCI, SMETA, SLCP, WCA, WRAP, ICS and SA8000 and applied the Li Ning Group internal scoring system. Results are classified as Green Card, Blue Card, Yellow Card and Red Card ratings, with Red Card indicating a failing grade⁴⁷. Suppliers with different ratings receive targeted management measures. Unannounced audits may be conducted for Green or Blue suppliers. Red-rated suppliers must complete rectification within a specified time limit, and repeated Red ratings will trigger the supplier exit procedure. Suppliers with serious non-compliance issues must complete rectification within three months. By mid-2025, based on the assessment results, three suppliers were assigned Yellow Card ratings. Issues included missing PPE use, missing evacuation signage and insufficient machine needle guards. No zero-tolerance violations were identified. Following rectification, a total of 173 suppliers were rated Green or Blue, with no suppliers rated Yellow or Red. In addition, three unannounced on-site audits were conducted during the year.

During the audit process, we have clearly defined zero tolerance items including false records and documents, commercial bribery, employment of child labor, forced labor and inhumane treatment, remuneration below the legal minimum wage standard, and occupational health and safety. For suppliers that engage in any one of the zero-tolerance behavior, we reserve the right to terminate the relationship.

➤ Environmental audit

In 2025, a third-party auditing body entrusted by the Group conducted quarterly desktop audit and evaluation of environmental compliance for 66 semi-finished products factories, process factories and material factories whose orders accounted for more than 1%, and conducted on-site environmental audits for 25 of them. The environmental audit focused on core dimensions such as environmental permits, environmental management, water resource usage and management, pollutant discharge and control, chemical management, environmental emergency management and energy management for assessment. In light of the results of the 2025 on-site environmental audits, the two key areas of solid waste management and chemical management were more challenging across all assessment dimensions, as were wastewater management and energy management. Through the combined efforts of on-site environmental audits and quarterly assessments, we continue to provide training and technical capability output to suppliers, so as to help them improve their problem-solving capabilities. Ultimately, all suppliers participating in quarterly environmental assessments receive a Green or Blue card rating.

⁴⁷ Site audit rating requirements: Green: score ≥ 85 , Blue: $85 > \text{score} \geq 70$, Yellow: $70 > \text{score} \geq 60$, Red: score < 60

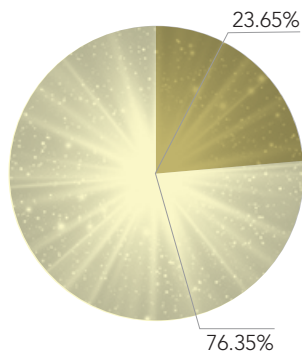
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Supply chain carbon emission management

Since 2020, the Group has implemented a carbon inventory initiative for core suppliers with third-party institutions, reviewing energy consumption and carbon emissions data over the past three years for about 60 factories. This work established a foundation for Scope 3 carbon emissions disclosure, supplier carbon reduction programs and product carbon footprint reduction initiatives. Starting in 2024, we conducted energy assessment projects targeting footwear and apparel suppliers with higher carbon emissions, based on our supplier carbon inventory projects from the previous three years. By 2025, a total of 20 suppliers had participated. In 2025, we collected carbon emissions data from factories producing finished and semi-finished footwear and apparel products, as well as process facilities, which accounted for over 97% of our orders. The carbon emissions from the 20 participating factories represented approximately 51% of total emissions. The project was designed to assist suppliers in identifying energy categories, gathering and verifying energy usage data, evaluating the effectiveness of their energy management systems and energy use efficiency, guiding suppliers to accurately collect energy usage data, conducting energy statistics and analysis, and thereby improving their energy management capabilities. Meanwhile, a carbon management tool has been developed to assist suppliers in establishing their own emission reduction targets and defining pathways in accordance with international standards and requirements. Currently, each supplier has established specific emission reduction goals and pathways, with detailed measures including increasing solar photovoltaics, replacing older motor equipment, and improving boiler efficiency. Taking 2022 as the baseline year, suppliers set at least 20% carbon reduction targets by 2030. Additionally, for the 10 factories participating in the project in 2024, 19 additional energy-saving measures were implemented in 2025, saving 2,438,226 kWh electricity and 7,800 tons steam, reducing emissions by 3,700 tons. Furthermore, the total amount of self-consumed solar power was 15,868,625 kWh, accounting for 19.41% of total electricity consumption.

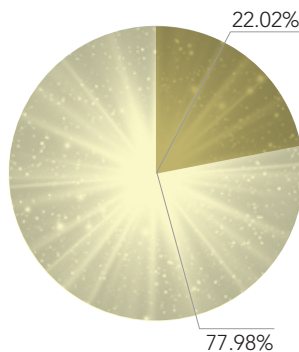
In 2025, we further expanded the scope of suppliers carbon emission data collection through the ESG information system, covering finished products, semi-finished products and process factories that account for more than 97% of orders, including both apparel and footwear levels. According to the results thereof, the carbon emissions from finished products, semi-finished products and processing factories in 2025 amounted to approximately 341,542 tons, of which 23.65% of the carbon emissions originated from Scope 1 and 76.35% derived from Scope 2. For detailed distribution of carbon emissions, please refer to the chart below. Compared to 2024, the proportion of Scope 2 emissions increased significantly, primarily due to efforts to electrify suppliers and phase out boilers, while the overall change in emissions was driven by an expansion of the scope of the inventory and an increase in production.

2025 Total Carbon Emissions from Li Ning Footwear and Apparel Suppliers



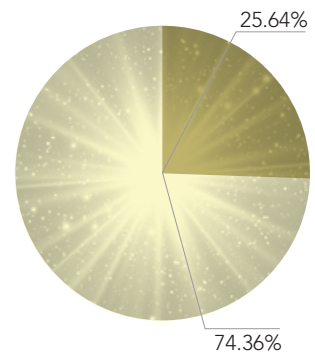
● Scope 1 Direct emissions
● Scope 2 Indirect emissions

2025 Total Carbon Emissions from Li Ning Apparel Suppliers



● Scope 1 Direct emissions
● Scope 2 Indirect emissions

2025 Total Carbon Emissions from Li Ning Footwear Suppliers



● Scope 1 Direct emissions
● Scope 2 Indirect emissions

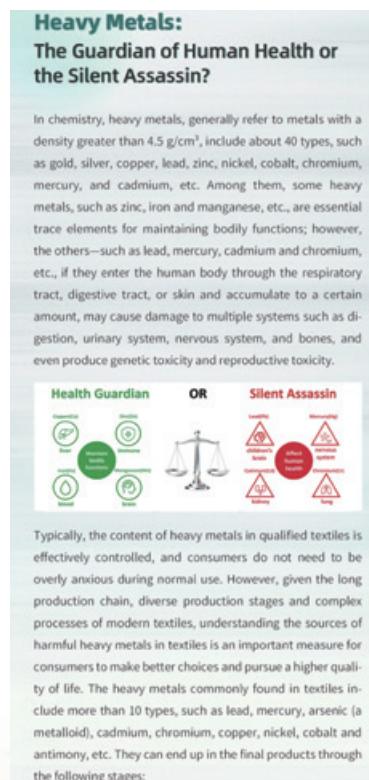
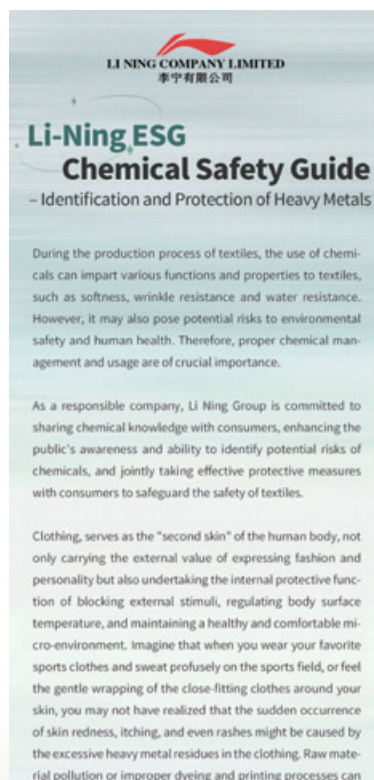
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➤ Supplier chemical management

The Group continues to improve the chemical use management in the supply chain by developing the brand's own restricted substances list and engaging in international cooperation. Based on the domestic and international attention to high-risk chemicals and relevant laws and regulations, we prepared the *Technical Requirements for Health and Safety of Clothing, Shoes and Accessories* in 2012, which specifies the requirements for restricted chemical substances. After ongoing updating and improvement, *Q/LNB 71001-2021 Li Ning Product Safety Technical Requirements*, a brand restricted substances (RSL) standard, was developed in 2021, including 25 categories of restricted substances and their testing specifications. All suppliers are required to sign declarations of compliance with this standard. In the production process, suppliers are required to monitor the compliance of the use of chemicals in the whole process. Meanwhile, we also conduct random testing on a regular basis to ensure the compliance of restricted substances. The Group actively promotes chemical safety awareness and has established a 24/7 professional support channel. As outlined in the *Environmental Management Manual*, consumers can make inquiries regarding product safety, chemical content, and other related matters through multiple channels, including a dedicated hotline (400-610-0011), online customer service, and retail stores, where professional responses are provided. In 2025, we mainly provided consumers with effective answers to inquiries regarding the chemical components of products and their impact on health and comfort.

Case: Popularizing chemical safety knowledge

As a responsible enterprise, the Group has always strictly managed the handling and use of chemicals, placing great emphasis on chemical safety management and effectively safeguarding consumer health. We are also actively committed to raising public awareness of chemical safety: in 2025, Li Ning Group continued its public education efforts by publishing the *Li Ning ESG Chemical Safety Guide – Identification and Protection of Heavy Metals* on the Group's investor website, focusing on the risks of heavy metal residues in the textile manufacturing process. The article points out that harmful heavy metals may enter products through stages such as raw materials, synthesis processes, and dyeing and finishing, and that long-term exposure can harm human health and impact the ecological environment. To this end, the Group actively fulfills its corporate responsibility by establishing strict safety standards, publishing and implementing the Chemical Management Framework, achieving supply chain control, and promoting eco-friendly materials and safety consumption guidelines to support the industry's green transition. The article was simultaneously published in *Research in Textile Science*, Issue 6, 2025.



Li Ning ESG Chemical Safety Guide – Identification and Protection of Heavy Metals

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As one of the founding brands of the “Zero Discharge of Hazardous Chemicals (ZDHC) Foundation”, the Group continues to monitor industry developments and actively promotes the elimination of hazardous chemical discharges.

In 2025, the Group continued to collaborate with professional third-party testing institutions to implement on-site chemical assessment programmes. Based on the Chemical Management Framework of Li Ning Company Limited, eight key suppliers were selected for systematic evaluation of their chemical management across the entire “input–process–output” cycle, focusing on key challenges identified in assessments conducted over the past three years. Targeted guidance and capacity-building activities were also carried out.

Through site visits, specialised training and experience-sharing activities, the suppliers participating in the assessment significantly improved their chemical management capabilities. Specifically, two suppliers improved from “Good” to “Leader”, one supplier improved from “Qualified” to “Good” and one supplier improved from “Unqualified” to “Qualified”.

In addition to enhancing supplier chemical management capabilities through the evaluation programme, the Group also focuses on improving the environmental sustainability of chemicals used throughout the production process. Efforts include promoting chemical phase-out and green alternatives to reduce environmental impact and safety risks at the source, thereby strengthening the foundation of a green supply chain. In 2025, 100% of adhesives used in footwear production obtained bluesign®, OEKO-TEX STANDARD 100 or ZDHC certification. More than 80% of materials used in apparel products obtained OEKO-TEX STANDARD 100 certification. Through recognised third-party certification systems, the Group strictly manages chemical substance emissions across the entire apparel and footwear value chain, reinforcing safety and environmental protection in manufacturing while fulfilling its commitment to sustainable development.

In the field of leather materials, in 2025, the major leather suppliers participated in the “ZDHC Supplier to Zero Programme” and obtained Fundamental Level certification, with synthetic leather products accounting for more than 90% of supply. The Group’s commitment to responsible leather sourcing and related indicators have been disclosed in public documents. According to the *Environmental Management Manual*, we require that all leather suppliers obtain LWG certification. In 2025, 100% of our genuine leather suppliers obtained LWG Gold certification, with raw leather originating from the United States, South America and Australia.

In 2025, the Group also promoted supplier participation in ZDHC wastewater discharge testing. ZDHC wastewater discharge testing covers major apparel material suppliers accounting for more than 95% of orders. MRSL compliance reached 75%. Meanwhile, for leather suppliers representing over 93% of order volume, and shoe mesh suppliers representing over 50% of order volume, we also carried out wastewater testing, with 100% compliance in testing results.

In 2025, the Group also integrated sustainable development evaluation into overall supplier assessments. More than 50 factories carried out additional green development initiatives in 2025. For example, 3 factories obtained ISO 50001 certification, 20 factories achieved a 10% reduction in carbon emissions compared with the 2020 baseline and 20 factories achieved a 10% reduction in water consumption. In addition, in the *Supplier Corporate Social Responsibility Management Manual of Li Ning Company Limited*, we encourage suppliers to obtain certifications related to organic cotton, such as GOTS (Global Organic Textile Standard)/OCS (Organic Content Standard) certification. In 2025, 8 suppliers obtained organic cotton GOTS/OCS certification.

In terms of animal welfare protection, all down suppliers cooperated with by the Group have obtained Responsible Down Standard (RDS) certification, ensuring that down and feathers are sourced from animals that have not been subjected to unnecessary harm. In 2025, the relevant subsidiaries of the Group also passed the RDS certification, formally obtaining the RDS certificate and establishing a systematic responsible down management system covering both its supply chain and internal operations.

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➤ Supplier capacity building

In 2025, the Group continued to strengthen supplier capability building through various training and exchange activities to enhance suppliers' comprehensive capacity in sustainable development management.

- In November 2025, the Group invited TÜV Rheinland to organise two online training sessions with the themes "Fair Employment and Compliance Management" and "Factory Carbon Emissions Management." This initiative represents another important step by Li Ning to continuously empower supply chain partners and build a responsible supply chain ecosystem. The sessions attracted nearly 300 supply chain partners, with over 500 times of participants in total. The training lasted 4 hours and aimed to further explain the meaning of labor-related international conventions and potential risks, strengthen supplier awareness and management capabilities in fair employment, preventing forced labor and compliant operations, while also responding to China's "3060" carbon neutrality strategy, accelerating green transformation and jointly addressing global climate challenges.
- In June 2025, TÜV Rheinland organised two additional online supplier social responsibility training sessions focusing on "Factory Employment Compliance" and "Best Practices in Labour Compliance Management." The sessions attracted over 600 times of participation from more than 300 supplier companies. The training lasted 4 hours and mainly included explaining the specific indicators of the International Labour Organization (ILO) conventions related to forced labor, as well as sharing practical cases on prohibiting child labor, protecting underage workers, anti-forced labor, preventing discrimination and harassment, protecting women's rights, and managing working hours, wages, and benefits, aiming to help suppliers better understand the latest corporate social responsibility practices, industry standards and compliance requirements, while strengthening supply chain collaboration to build a fair, transparent and responsible business ecosystem.
- In March 2025, the Group held the Supplier Conference titled "Renew Quality, Build Glory Together". During the conference, the Group and suppliers reviewed the findings in social responsibility audits, environmental audits, chemical management, and carbon emission management, and put forward related requirements and expectations to the suppliers. This initiative covers finished and semi-finished products such as shoes, clothing, accessories, and equipment, as well as factories specializing in manufacturing processes and materials, such as mesh fabric, leather, and sole materials.

Supplier Disqualification

The Group evaluates all accepted suppliers on a quarterly basis. Suppliers who fall below the minimum standard and touch the red line in two of the four consecutive quarters of comprehensive evaluation, have major quality incidents, environmental incidents, social responsibility incidents, breach of integrity and anti-corruption related clauses, are disqualified in accordance with established procedures. During the year, the Group has refined the conditions on supplier disqualification, and specified the disqualification events and red line for incident to ensure a more fair and transparent implementation of the supplier removal policy.

Building a Green Supply Chain

The Group strictly regulates the environmental management requirements of suppliers in the introduction and auditing process.

- In the introduction process, we audit relevant documents of construction projects of suppliers, such as environmental impact assessment (EIA) files, EIA approval, environmental completion and acceptance report, wastewater/air emission monitoring report, and pollutant discharge permit, etc., and make illegal discharge of sewage and hazardous wastes as zero tolerance items in the audit;
- In the quarterly audit, we require suppliers to provide their main energy consumption data and greenhouse gas emission data, energy consumption assessment system or energy-saving action plan and measures;
- In the annual audit, besides review of environmental qualifications and compliance, we further focus on evaluating suppliers' waste management, energy-saving measures, application of new energy-saving technologies and the implementation of carbon emission reduction.

In 2025, we made active efforts to expand the application scope of environmentally friendly materials, promote the development of diversified environmentally friendly products, and continuously promoted the carbon footprint measurement of raw materials and products, to provide support in advancing the consistent and steady development of the green supply chain.

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➤ Product carbon footprint measurement

The Group remains committed to reducing the carbon footprint of its products and developing green, low-carbon products throughout their entire lifecycle. In 2025, we further expanded the application of green, low-carbon materials in our products and conducted carbon emission inventories in raw material manufacturing and processing, including the raw material manufacturing and production stages of GCR (lightweight Non-Slip Rubber Technology), GCU (Ground Control System Outsole Technology), and the Boom and Super Boom technologies. According to the results of these inventories, compared to traditional rubber outsoles and EVA (ethylene-vinyl acetate copolymer) foam midsoles, the use of GCR in 2025 resulted in carbon reductions of approximately 1,658.52 tons, while the use of GCU resulted in reductions of approximately 379.15 tons. Furthermore, the introduction of electric heating boilers, the use of green electricity, and the expansion of carbon dioxide recovery of the Boom and Super Boom technology achieved a total carbon reduction of approximately 30,236.17 tons.

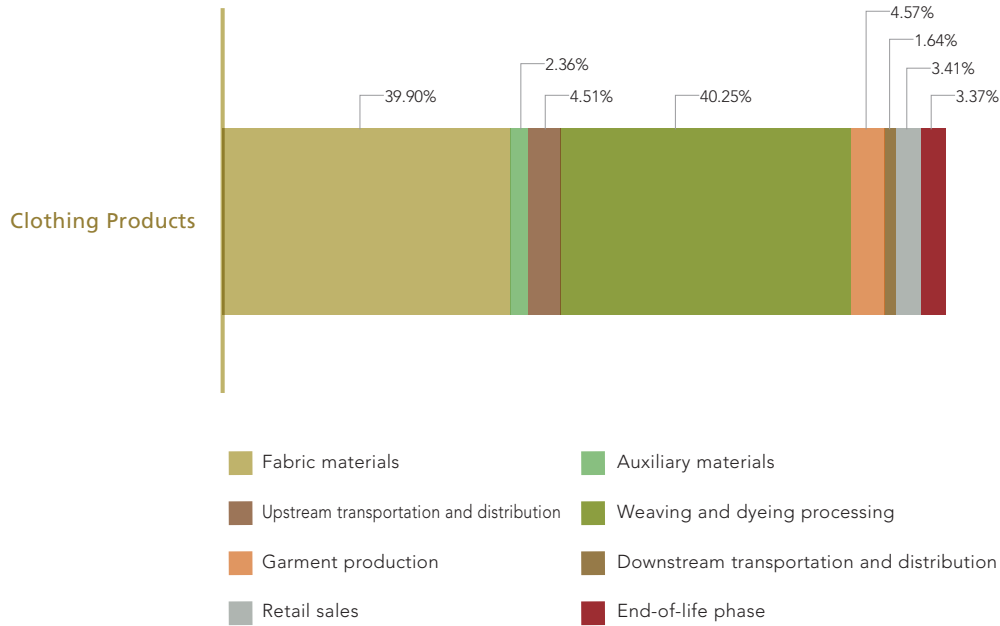
Since 2023, Li Ning Company has annually selected iconic products for carbon footprint certification. We collaborate with professional third-party certification bodies, adopting the ISO 14067 standard and credible databases, based on the European Product Environmental Footprint Categories (PEFCR), and conducting extensive on-site testing. This process covers Scope 1, 2, and 3 carbon emissions across the product's entire life cycle (raw materials, production of primary materials and finished goods, transportation, packaging, use, and end-of-life disposal). Over the past three years, we have completed carbon footprint certifications for a total of 15 products. These results provide invaluable guidance for our product design and development, as well as our overall energy conservation and carbon reduction management efforts. In 2025, we completed carbon footprint certifications for 10 products.

Product	Total Weight incl. Packaging (g)	Carbon Footprint (kg CO ₂ -e)	Unit
CBA Competition Uniform Set	513.55	6.715	Set
Pullover Hoodie	523.2	9.501	Piece
Protective Shell Jacket	451.47	6.498	Piece
Knitted Sports Pants	767.67	9.69	Piece
Badminton Competition Top	217	4.227	Piece
Feidian 6 CHALLENGER (飛電6 CHALLENGER) Running Shoes	793.23	10.017	Pair
Red Hare 9 PRO (赤兔9 PRO) Running Shoes	875.36	7.352	Pair
Yueying 5 PRO (越影5 PRO) Running Shoes	916.52	9.581	Pair
Super Light 22 (超輕22) Running Shoes	761.2	6.498	Pair
Red Hare 8 PRO (赤兔8 PRO) Running Shoes (Fully Degradable Version)	765.5	4.8	Pair

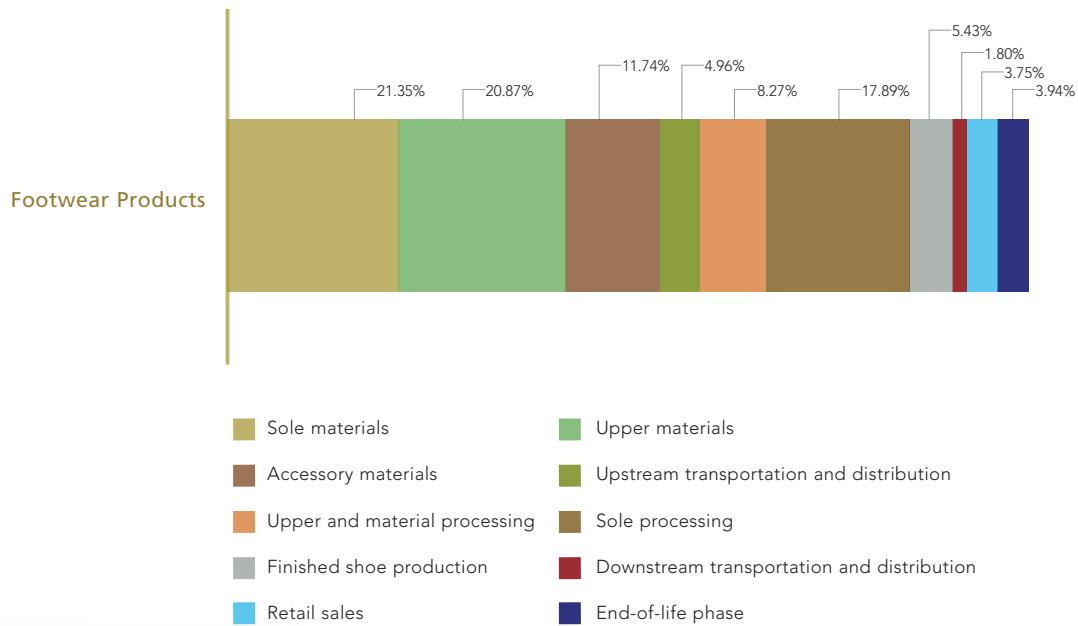
In addition to obtaining carbon footprint certification for our signature products, we are actively promoting carbon inventory and accounting for the entire lifecycle of our core products. We utilize internationally recognized material carbon emissions databases and combine them with on-site audits of suppliers to calculate and account for lifecycle carbon emissions across all stages, including "raw material manufacturing, production and processing, upstream and downstream transportation and distribution, and end-of-life disposal." In 2025, the specific life-cycle carbon emissions for our two main product categories—apparel and footwear—were as follows:

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2025 Percentage of Carbon Emissions in the Lifecycle of Clothing Products



2025 Percentage of Carbon Emissions in the Lifecycle of Footwear Products



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➤ Diversified environmental-friendly products

The Group is dedicated to the research and development and production of environmentally-friendly products, and proactively exploring and applying advanced environmental-friendly technologies and materials. The Group makes active response to the “carbon peak and carbon neutrality” goals with practical actions, to firmly advance the implementation of the green and low-carbon development strategy. In 2025, the Group’s order volume of environmental-friendly products accounted for 24.65%, of which 20.96% was footwear and 26.85% was apparel and accessories.

➤ Footwear products

The Group continues to promote and apply environmentally friendly materials in footwear products, expands the application of Boom Fiber (震絲), Boom and Super Boom, GCR and GCU, to enrich the product range and realize low-carbon and green development. In 2025, the use of Boom Fiber, Boom and Super Boom technology, and GCR/GCU in running and basketball shoes accounted for 51.19%, 75.33%, and 52.57%, respectively.

Boom Fiber

- Boom Fiber is a new type of thermoplastic elastomer, and through advanced spinning technology, it can be made into lightweight “Boom Fiber”, which has better flexibility, elasticity and durability than ordinary fibers, and is very comfortable to the touch. By combining “Boom Fiber” with advanced knitting technology, we can obtain a lightweight, breathable and comfortable shoes upper, which is not easy to deform and has a longer service life.
- We continue to utilize “Extreme Boom Fiber” (極限震絲). Its strength has been improved by 700% and durability is increased by 240% by adding special fibers to Boom Fiber, and further integrating the characteristics of “cut resistance, high strength and ultra-durability” on the basis of “lightness, breathability and toughness”, which can provide athletes with more exceptional performance in complex sports scenarios.

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Boom and Super Boom Technology	<ul style="list-style-type: none">• The self-developed midsole material adopts a supercritical foaming process, using carbon dioxide and nitrogen as foaming agents to ensure that all raw materials are recyclable thermoplastic elastomers.• Compared with traditional materials, it significantly improves the resilience and durability of the shoe material while reducing its weight.• It avoids the use of chemical foaming agents, effectively reduces VOC emissions, and realizes zero discharge of industrial wastewater.• The application of carbon core and poly core shortens the processing of midsole assembly and reduces the consumption of glue and treatment agent.• Super Boom: Li Ning's Super Boom technology has been further upgraded in terms of lightweight and appearance. With innovative techniques on production and preparation, the weight of the midsole is further significantly reduced, while the froth cell is more delicate and uniform, and the appearance texture is smoother and more refined.• Super Boom Capsules: Featuring superior properties such as high resilience, rapid rebound, and exceptional durability, these capsules enhance the stability and comfort of the midsole while providing an upgraded level of softness and responsiveness.
GCR	<ul style="list-style-type: none">• It is a transparent outsole rubber material for injection molding with low density and high abrasion resistance. It features stable process, high production efficiency, and excellent appearance quality.• Its low density makes the sole lighter than traditional materials, providing consumers with a better comfort experience while realizing green environment.
GCU	<ul style="list-style-type: none">• The cast polyurethane outsole material for soles of sports shoes and athletic shoes is equipped with excellent abrasion resistance, anti-slip performance, low temperature resistance and aging resistance. It also features extensive applicability and can enhance the wearer's sports experience.• It does not contain harmful elements, and has no organic VOC emission.

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Case: "Red Hare 9 PRO" (赤兔9 PRO) - Innovative technology, low-carbon running

In terms of materials, the upper of "Red Hare 9 PRO" adopts bio-based Boom Fiber, while the midsole incorporates LI-NING BOOM supercritical foaming materials, accounting for 60.55% of the total weight of the sole, further enhancing breathability and wrapping. In terms of performance, the sole features the GCR ground control system with its high strength, good abrasion resistance and flexural resistance to create outstanding ground control performance. In terms of process, more than 80% water-based glue and NO-SEW seamless process are applied, which guarantees users' health and safety while reducing environmental impacts. Leveraging its eco-friendly materials, superior performance and advanced process, the "Red Hare 9 PRO" effectively achieves an organic integration of product performance enhancement and environmental sustainability.



LI-NING "Red Hare 9 PRO" running shoes

Case: "Feidian 6 CHALLENGER" (飛電6 CHALLENGER) Running Shoes – Cross-border integration, leading the new trend in environmental protection

The product design of the "Feidian 6 CHALLENGER" running shoes integrates multiple innovative materials and processes, comprehensively optimizing product performance while enhancing its environmental attributes. The upper adopts Li Ning's original Boom Fiber Technology, of which Boom Fiber bio-based material accounts for 10%, thereby improving the breathability and wrapping performance of the upper. The sole system incorporates the GCR ground control system, new cast polyurethane material, and Li Ning's BOOM supercritical foaming material. Among these, the Boom supercritical foaming midsole material accounts for 55.84% of the total weight of the sole, and its lightweight and energy recovery performance are superior to that of traditional EVA materials. In terms of manufacturing process, the "Feidian 6 CHALLENGER" uses more than 80% water-based glue, ensuring environmental-friendly production and users' health and safety. This innovative product not only reduces pollution to the environment, but also further elevates its eco-value through non-toxic, easy-to-clean product characteristics.



LI-NING "Feidian 6 CHALLENGER" running shoes

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Apparel

In terms of eco-friendly apparel, we use a large amount of sustainable cellulose fibers and recycled polyester yarns. In 2025, a total of approximately 4,715 tons of recycled polyester yarns were used, accounting for 29.7% of the total polyester yarns used, with a carbon reduction of 5,318.2 tons as compared to using virgin polyester. Meanwhile, 813 tons of cellulose fibers were used, with a carbon reduction of 3,461.83 tons as compared to using traditional material. The recycled polyester yarns have been certified by the Global Recycling Standard (GRS).

Case: Environmental protection professional uniform production

Li Ning continued its partnership with the China Men's Basketball Association (CBA) in the 2025-2026 season, steadfastly integrating environmental protection concepts into professional sports. By using recycled plastic bottles to produce uniforms with recycled yarn, more than 9,300 uniforms will be produced for the entire season, with about 26 plastic bottles recycled for each set of uniforms. A total of 243,464 plastic bottles will be recycled.

In addition, we continued to use recycled yarns in other professional apparel, including professional apparel for domestic and international teams and players such as the China Table Tennis Team, the China Junior Badminton Team, the Indonesian National Badminton Team and the Singapore National Badminton Team. In 2025, with the use of recycled yarn, 372,146 plastic bottles were recycled for table tennis professional apparel, and 600,394 plastic bottles were recycled for badminton professional apparel.



China Men's Basketball Association (CBA) 2025-2026 season uniforms



China Table Tennis Team Uniforms



Badminton Youth Team Competition Uniform

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Case: Medalists' Outfit designed for the Chinese Sports Delegation at the Olympic Winter Games Milano Cortina 2026

In October 2025, the Group, in collaboration with the Chinese Olympic Committee, unveiled the medalists' outfits for the Chinese sports delegation at the Olympic Winter Games Milano Cortina 2026, integrating sustainability concepts into product design and production. Each outdoor award ceremony outfit incorporates approximately 45% recycled nylon and recycled polyester. The recycled nylon is derived from the recycling and reuse of industrial waste silk, while the recycled polyester yarn is made from recycled waste plastic bottles. The production of outdoor award ceremony outfits recycled over 800 kg of industrial textile waste yarn and more than 4,200 waste plastic bottles.



Outdoor Award Ceremony Outfit for the Chinese Sports Delegation at the Olympic Winter Games Milano Cortina 2026

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Case: Recycling leftover materials to produce recycled yarn

The Group makes use of leftover materials of apparel product, establishes a circulation process from recycling leftover materials of apparel products to producing recycled yarns, thereby developing a commercial operation model from leftover materials to recycled yarns. In 2025, we continued the project for polyester leftover materials, whereby the leftover materials are sorted, baled, stored, transported, and recycled yarns are produced in accordance with the requirements through partner factories, and 12 tons of recycled yarn were produced.

Case: Application of Water-Free Dyeing Technology

The Group applies water-free dyeing technology on certain apparel, utilizing recyclable non-aqueous composite medium to replace water in the dyeing process with reactive dyes. Compared to traditional dyeing process, this technology achieves a 95% reduction in water consumption, a 100% reduction in salt consumption, and nearly zero wastewater discharge through a water circulation system. On average, each garment produced saves approximately 40 liters of water, substantially lowering the product's environmental footprint.



Water-free dyeing technology apparel

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Enhance External Exchanges and Cooperation and Promote Green Consumption

The Group actively participates in industry sustainability exchange activities to gain an in-depth understanding of sustainability trends and hotspot issues and continuously optimize our sustainable development management capabilities and practices. The Group fulfills corporate social responsibilities to promote green and low-carbon development through practical actions and contributes to building a sustainable future. During the year, we have received multiple honors and recognitions related to sustainability management, including: “Outstanding ESG Communication Award” by the Economic Observer, “Annual Environmentally Friendly Pioneer Enterprise” by the Southern Metropolis Daily, “Best ESG Company Award” by Zhitong Financial, “Vitality ESG Environmentally Friendly Case” by the 21st Century Economic Research Institute, “2025 Huaxia ESG Practice Quality Selection Case” by the China Times, inclusion in Harvard Business Review’s “China New Growth · ESG Trailblazing 2025”, recognition of the “Best ESG” title in the Extel Asia’s Best Management Team selection, and the Influential Sports Social Responsibility Award in the 2025 Forbes China Sports Influence Selection, etc.



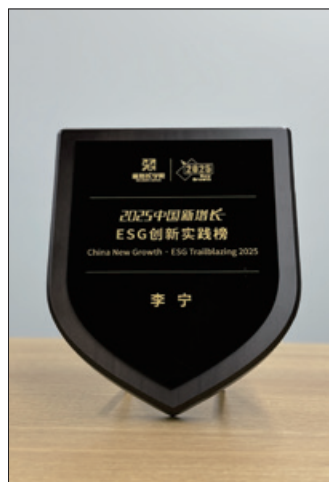
Outstanding ESG Communication Award



Annual Environmentally Friendly Pioneer Enterprise



Best ESG Company Award



China New Growth · ESG Trailblazing 2025



Influential Sports Social Responsibility Award

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Case: Exchanges and Interviews on Sustainable Development Management Practices

In June 2025, the Group participated in interview series of “Executive Talks on Trade in Services” at the China International Fair for Trade in Services (CIFTIS). A total of 15 media conducted 20 interviews with the Company, during which Mr. Song Chun Tao, vice president of the Group, and the relevant departments provided in-depth introductions to the media on the Group’s overall development, as well as our sustainability philosophy, vision, and practical achievements. In addition, Mr. Song Chun Tao was exclusively interviewed by Xinhua Net, clearly stating that ESG is regarded as the core of the Group’s long-term strategic approach. He elaborated on the three dimensions of practicing sustainable development—guidance by superior governance, empowerment through product technology, and full implementation across the operational chain—and affirmed that the Group will continue to accumulate experience on the path of sustainable development, thereby achieving the integration of commercial value and social value.



Case: Participation in the “Climate Innovation · Fashion Conference” and Industry Standard Development

In June 2025, the Group participated in the fourth “Climate Innovation and Fashion Summit” hosted by the China National Textile and Apparel Council and was awarded the “Navigator 2024” on the Climate Leadership Ladder. With the theme “Li Ning Company Advancing Climate Transition Along the Supply Chain”, we comprehensively presented the Group’s sustainable practices from product design to supply chain.

We also actively participated in the drafting of the “White Paper on Digital Product Passport (DPP) for the Chinese Textile Industry” and relevant practical support. The Li Ning knitted crew-neck short-sleeve T-shirt became the first real-world data case for a textile product digital passport in China.

Case: “Look Further Run Further, Create a Better World” Earth Day Special Campaign

In response to the World Earth Day, the Group organized a series of “Look Further Run Further, Create a Better World” themed activities to raise public awareness of environmental protection and advocate green lifestyle.

We featured the “LI-NING Natural Space” pop-up event, forming four major sections—“Derived from Nature”, “Naturally Dyed”, “Naturally Renewed”, and “Returning to Nature”—to systematically showcase the Group’s innovative practices in bio-based materials, water-free dyeing technology, waste recycling and reuse, and fully degradable technology to the public. In addition, Earth Day themed installations as well as workshop and interactive experience zones were set up to encourage consumers to jointly practice the sustainable concept of “Look Further Run Further”.

During the event, Mr. Song Chun Tao, vice president of our Group, also told the media that sustainable development was precisely a reflection of a company’s competitive advantage. The concept of environmental protection not only related to the social responsibility of the brand but was also an important component in shaping the long-term value of the brand.

At the same time, the Group launched the “Naturally Renewing Old Items” shoes and apparel recycling program, providing convenient channels for recycling through online platforms and offline stores. Incentives such as points vouchers were offered to encourage active participation from consumers, while partnering with professional platforms to ensure standardized and transparent recycling and disposal processes. As of the end of 2025, a cumulative total of over 2,700 kg of clothing had been recycled, achieving approximately 33 tons of carbon emission reductions.

By combining public education with recycling practices, the Group effectively extends the concept of sustainable development from the product end to the consumption stage. This initiative not only enhances public awareness of environmental technologies but also engages consumers in resource circularity, serving as further evidence of the Group’s efforts to guide green consumption and fulfill its social responsibility.



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Case: Participation in the ZDHC Solutions Conference

In 2025, the Group participated in the ZDHC East Asia Conference, which themed with “Responsibility and Value – The Path to Sustainable Impact”, brought together brands, manufacturers, technical service providers, and policymakers from across the industrial chain. The conference facilitated in-depth discussions on cutting-edge advancements in the pathway to zero chemical discharge and practical implementations of the “Zero Discharge from Suppliers” project. The event once again underscored that: “a transparent, traceable, and compliant supply chain serves as a critical pillar for the industry’s journey toward sustainable development”. Li Ning actively monitors and engages in leading industry practices, continuously promoting the deep integration and innovative exploration of sustainability within the fashion sector. While steadily enhancing its own sustainable development management system, the Group is committed to collaborating with industry partners to jointly build a sustainable future for the fashion industry.

V. PRODUCT LIABILITY MANAGEMENT

The Group strictly abides by relevant laws and regulations such as the *Product Quality Law of the People’s Republic of China* and the *Law of the People’s Republic of China on Protection of Consumer Rights and Interests*. To ensure the legitimate rights and interests of consumers are fully protected, we constantly enhance product quality control and customer service capability; optimize customer communication mechanism; protect the security of customers’ information; regulate the management of advertising and trademark; strengthen the protection of intellectual property rights and brand protection; and actively initiate responsible publicity.

Product Quality Control

According to the national GB/T 19001-2016 Quality Management System, ISO 9001 Quality Management system requirements and technical specifications for shoes, clothing and accessories, and referring to relevant industry standards, the Group systematically sorted out the control process requirements for each node, and revised the *Li Ning Shoes Product Physical Properties Standard Manual*, the *General Technical Specifications for Footwear Functionality*, the *Common Woven Fabrics*, the *Common Knitted Fabrics*, the *Sportswear and Fashion Apparel*, the *Technical Requirements for Functional Textiles*, the *Badminton Rackets* and other internal standards, thereby further improving the product quality control system and strengthening quality management for various types of products of the Company.

The Group strictly implements quality supervision throughout the entire process of production, continuously conducting quality management and control at the stages of product research and development, production, and launch to ensure reliable product quality.

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Stage	Management Content
Product Research and Development	<ul style="list-style-type: none"> • Set up a risk assessment team: A risk assessment team composed of personnel from the product development project team, the Quality Control Department and QA Department is set up to evaluate and analyze potential quality risks in product development every quarter. • Focus on consumer needs: According to the <i>Quality Control Manual Based on Consumer Experience</i>, we optimize the product quality that meets quality standards but falls short of consumer expectations, and focus on consumer expectations and needs from the front-end of research and development to improve product quality.
Product Production	<ul style="list-style-type: none"> • Improve inspection and assessment: A joint inspection team composed of personnel from the Quality Control Department and the QA Department is set up to conduct joint quality inspection every quarter in aspects of production processes, material quality and craftsmanship levels. • Restricted substance requirements: All suppliers are required to sign Q/LNB 71001-2021 <i>Safety Technical Requirements for Li Ning Products</i>. Suppliers are required to monitor the compliance of chemicals use throughout the whole production process, and we will conduct regular random sampling to test the compliance of restricted substances.
Product Launch	<ul style="list-style-type: none"> • Carry out launch inspection: According to the national standards for launch inspection, including security code, external inspection, quality inspection seal and other procedures, any unqualified product inspected will be returned to the warehouse for repair, or returned as obsolete if cannot be repaired to ensure that marketed products meet quality requirements.
Product After-sales	<ul style="list-style-type: none"> • Quality technical support: A online quality appraisal system and a professional after-sales team have been established to provide customers with quality technical support. • Develop management documents: Improve documents including the <i>Quality After-Sales Manual and the Procedures for Handling Complaints on Batch Quality Issues</i> are in place, and targeted measures will be taken to ensure that after-sales product quality meets relevant standards.
Raw Material Quality	<ul style="list-style-type: none"> • Quality inspection of supply materials: We audit the quality management systems of finished shoe suppliers, major sole material suppliers and clothing material suppliers every year. We take measures such as rectification within a prescribed time limit, inquiry, and notice of criticism or starting disqualification procedure for unqualified suppliers. • Restricted Substances (RSL) testing: In accordance Q/LNB 71001-2021 <i>Safety Technical Requirements for Li Ning Products</i>, samples of raw materials are subject to restricted substances (RSL) chemical testing on a quarterly basis. Any unqualified materials found will cause materials isolated for scrapping to ensure the quality, safety and reliability of raw materials.

The Group strives to strengthen the product testing management mechanism, and actively participates in the construction of industry standards, to promote the standardized and high-quality development of the industry. In terms of product testing, the Li Ning Center Laboratory is equipped with 292 sets of advanced devices and equipment, including automatic pH testing system, breathability and thermal testing machine of ready-made shoes, computer system for anti-slip testing machine of ready-made shoes, high-temperature DIN abrasion testing machine, servo-controlled tensile testing machine, etc., comprehensively cover various key indicators such as physical properties, safety, function, comfort and applicability, and exert strict quality control on various materials. In terms of operational management, the Li Ning Center Laboratory continued to promote informatization and automation-oriented management, and the Laboratory Information Management System (LIMS) has been put into trial operation. In terms of the construction of industry standards, in 2025, the Group participated in solicitation of opinions for a total of 21 national standards and 4 industry standards to continuously promote the standardization and improvement of industry standards.

Product Identification and Recall

The Group adheres to the quality-first principle, strictly controls product quality and establishes a comprehensive recall management process for defective products, with an aim to effectively protect the legitimate rights and interests of consumers. In 2025, the Group did not have any incidents of product recalls for safety and health reasons.

We recall products with quality problems, health and safety hazards and infringement based on regulations such as the *Management of Defective Product Recall of Li Ning Company Limited*, the *Procedures and Standards for the Collection of Defective Products of Li Ning Company Limited*, the *Service Commitment of Three Guarantees of Product Quality*, and the *Product After-sales Service Manual of Li Ning Company Limited*. The applicable scenarios include:

- Products that are not qualified for sampling inspection by the State or local market supervision department;
- Products that are found not meeting national or enterprise standards with quality hazards in batches;
- Products that have caused personal or property damage to consumers due to defects in design or manufacturing and may occur again after evaluation;
- Products that do not cause actual damage, but may still cause personal or property damage under certain conditions after testing, experiment and demonstration;
- Products involved in infringement, plagiarism or violation of relevant laws and regulations, and have a negative impact on the Group;
- The defective rate of a single type of product reaches a certain percentage, which leads or may lead to a failure in sales or the rapid decline in customer satisfaction.

In response to the above recall scenarios, the Group has formulated comprehensive treatment measures, which specifically include:

- QA Department has the right to request the immediate suspension of sales of products concerned, so as to prevent the potential risks from expanding, and carry out investigations in collaboration with other relevant departments to track the causes;
- QA Department informs the suppliers of product quality information in time, to help the suppliers take actions to reduce losses, establish effective communication channels with suppliers and other stakeholder, and jointly resolve the issues;
- QA Department decides to implement the recall plan according to the quality inspection report, infringement appraisal report or market feedback, and formulates the treatment plan for recalled products to minimize the impact on consumers.

For online sales products, the Group stipulates that all goods sold in the online stores enjoy the seven days of no reason return or exchange policy and strictly adheres to the national three-guarantee policy. If a consumer submits an application for return or exchange, the application will be examined by the customer service specialist; upon receipt of the returned or exchanged goods, we will carry out a quality inspection and provide timely feedback to the consumer, at the same time, the results will be sent to the relevant business department for processing. In the subsequent product development stage, the product research and development department will refer to effective market feedback to consistently optimize the product quality.

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Customer Complaints and Protection

The Group always adheres to the principle of “customer first and professional service”. In strict compliance with the requirements of relevant laws and regulations, we have formulated systems such as the *Management Requirements for Customer Service Telephone and Online Support*, *Guidelines for the Management of Knowledge in Customer Service* and *Daily Management Standards of Customer Service Hotline*, which clearly stipulate the processing flow and relevant requirements for customer complaints. In daily operations, we constantly summarize experience and identify potential risk points, revise and improve relevant systems in accordance with updates to laws and regulations, and fully implement management requirements. By actively listening to consumer opinions, the Group continuously improve the quality of customer service.

Diversified communication channels

- We comprehensively established diversified customer connection and service channels, setting up self-media service ports such as Weibo (@Li-Ning Official Weibo), LI-NING CLUB official account, WeChat mini-program, etc., and established response channels including the “400 Customer Care Hotline” (400-610-0011), public feedback email (ccc.support@lining.com), voice messages, etc., realizing 24/7 hours uninterrupted service support;
- Targetedly improve full business support assurance for mainstream e-commerce platforms’ instant retail channels, maximizing smooth customer communication chains and ensuring efficient response to demands.

Efficient response to customer complaint

- In response to consumer complaints, we implemented tiered handling to ensure efficiency and compliance. The customer service team follows up on complaints throughout the whole complaint process, verifies information, coordinates with relevant stores or departments, and promptly conducts follow-up visits to assist in resolving issues. Upon closure of the case, conduct post-resolution reviews and summaries to promote management optimization. Routine complaints are handled by dedicated complaint specialists, who negotiate returns, exchanges or compensation and follow up on progress; public opinion, complaints transferred from competent authorities, and those from we-media channels are immediately communicated and appeased by senior customer service officers, with liaison to relevant departments for coordinated resolution and completion of follow-up visits.

Intelligent service technology

- We have built an all-round integrated information system for business flows of after-sales and front-end store to achieve real-time sharing of order information, customer feedback, after-sales progress and other data. When handling complaints, customer service staff can quickly retrieve information on the entire process, accurately locate the root cause of the problem, and effectively improve processing efficiency of coping with customer complaints;
- We comprehensively optimized and upgrade the intelligent customer service operation system, deployed intelligent robots, auxiliary robots and intelligent work order systems, and integrated AI large model technology to apply to core processes such as front-end reception, after-sales handling and complaint response, in order to precisely and promptly respond to customer demands, effectively supporting quality improvement and efficiency enhancement in complaint handling. The average communication duration between customer service officers and customers were shortened by 21.34% year-on-year, significantly improving the consumer service experience.

Consumer satisfaction survey

- We establish consumer feedback mechanisms covering all consumption scenarios, and push online survey questionnaires exclusively to members, systematically collect opinions on shopping experience, product quality, logistics and delivery, etc. Offline stores invite customers to scan codes to leave comments, ensuring coverage of feedback across different consumption scenarios. All feedback opinions are promptly transmitted to relevant departments to promote management optimization.

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We continuously strengthen the construction of customer service training system to enhance the professional capabilities of customer service personnel and safeguard consumer rights and interests. For all customer service personnel, we conduct quarterly specialized training sessions covering service standards, platform rules, communication etiquette, and consumer privacy protection to strengthen employees' compliance awareness. For the after-sales and complaint handling teams, we organize two physical product appraisal training sessions annually to improve the accuracy of employees' judgment on product issues. In addition, we actively carry out specialized training initiatives. For example, to ensure service quality in major sales progress, we issue specialized work reminders to terminal stores and conduct compliance training to proactively prevent violations of laws and regulations that may harm consumer rights and interests. We also conduct the Consumer Complaint Handling Guidelines Themed Workshop to strengthen the professional capabilities of the customer service team in handling consumer complaints; furthermore, we implement the AI Trainer Role Transition Development Program and simultaneously launch the "AI Trainer Elite Program – Intelligent Entity Practical Camp" to improve the efficiency of handling consumer feedback.

In 2025, the total number of valid consumer complaints received by the Group's headquarters and complaints received by the Market Supervision Administrations was 2,603. Our e-commerce platform received 216 consumer complaints through the Market Supervision Administrations. Upon receipt of complaints, the Group analyzed the product problems together with the consumer complaints and the feedback from the Market Supervision Administrations. Based on the analysis results, we appropriately deal with consumers' requirements and actively follow up with the relevant feedback. During the current year, customer complaint settlement rate reached 100%.

Customer Information Protection

The Group strictly complies with the requirements of relevant laws and regulations such as *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Administrative Measures for the Graded Protection of Information Security*, the *Measures for the Security Assessment of Outbound Data Transfer*, the *Civil Code of the People's Republic of China*, etc. We continue to improve the data compliance management system and work processes, enhance data security management, construct the full life cycle management system covering data collection, processing, storage and destruction, optimize data classification standards and protection measures. We also organize information security training and publicity activities to enhance employees' sense of information protection. In 2025, the Group had no incidents of customer information and data leakage.

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During the year, the Group adopted multiple measures to continuously improve the management level of data and information security:

- **System optimization and improvement:** We updated the daily information security requirements and norm of conduct for staff, improved the information security management system in the process of information technology system operation and maintenance, which included the *Li Ning Company Information Security System*, the *Li Ning Company Master Data Management Measures*, the *Li Ning Company Online Meeting Usage Specifications*, the *IT System Go-Live Security Acceptance Standards*, etc.
- **Establishment of management structure:** In 2025, the Group established the Data Compliance Management Committee led by the CEO, clearly defining the reporting, assessment, and approval processes for important company data and personal information. In business operations involving data processing, the Committee, in combination with legal compliance requirements and data security technical assessments, conducts filing registration and review for relevant business activities.
- **Improvement of agreement terms:** We improved data protection and privacy security terms in contract templates, clearly stipulating that the data recipient shall not publicly disclose or further transfer the data without authorization from the data sender; clarified the legal cycles for data usage and retention as well as requirements for handling overdue data, and stipulated that the data recipient must cooperate with the data sender in fulfilling corresponding information security responsibilities and obligations. In addition, the privacy policies of APP and mini-programs involving consumers' personal information were updated.
- **Response to cross-border risks:** To address potential cross-border risks of personal information involved in information interactions between the Singapore system and the Chinese Mainland system, we formulated and implemented supporting privacy policies and user agreements for the Singapore membership system in accordance with the requirements of the laws and regulations in Singapore. We provided localized membership management systems and marketing activities for registered members in Singapore and achieved localized storage of relevant registration and operational data by separately storing such data in the membership system and retail POS system deployed overseas.
- **External audit and supervision:** The Company annually engages external professional audit firms to conduct regular business audits on approval processes, operation records, and information security protection measures during the IT system operation and management process, and to issue audit reports.

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In addition, we continuously enhance information security capabilities and prevent and reduce the risks of data security incidents through approaches such as “deploying new technological measures + conducting ongoing security testing and verification”. For example, through a centralized identity and access management platform, we implement unified management of login identities and access permissions for internal enterprise application systems and set tiered access permissions for backend accounts in different departments to achieve effective identity recognition and adhere to the principle of least permissions. By leveraging Web security and host security tools, we regularly conduct vulnerability scanning and penetration testing to timely identify and remediate business risks. We deploy endpoint security software to strengthen the capabilities of office terminals in virus defense, phishing identification, as well as audit and control of outbound sensitive data. We optimize the underlying data storage structure of the retail system and membership system, strictly implement encrypted storage and desensitized display for consumers’ sensitive personal information, thereby comprehensively protecting consumers’ personal information security. Logs are retained for all key operations to ensure full traceability.

The Group attaches high importance to data security capacity building and has launched online and offline training for employees to strengthen their awareness of data protection and effectively safeguard information security.

- **Knowledge lectures:** We organize compliance lectures on relevant laws and regulations regarding data security and personal information protection for employees above manager level.
- **Regular security promotions:** We promote security awareness through WeCom and the Group’s email, including personal account and password protection measures, spam identification and prevention methods, anti-phishing and anti-fraud case sharing on a quarterly basis.
- **Daily awareness promotions:** During weekly and monthly meetings of customer service staff, we conduct training focused on consumer information and privacy protection, strengthening the routine publicity and alert of information security education.
- **Specialized training:** For new employees, we conduct specialized information security training to clearly define data classification and grading requirements, standard software lists, and standard usage methods. For e-commerce employees, we conduct specialized training on a quarterly basis, with emphasis on measures for protecting consumers’ personal information and risks of personal information infringement in e-commerce, thereby continuously strengthening information security management in online business operations.

The Group has established a comprehensive emergency response mechanism for network information security incidents. When an information security incident occurs that affects business operations of the Company, such as virus infection, illegal invasion, sensitive data leakage, etc., the emergency response plan will be activated according to the level of the incident.

- **Emergency response process:** Firstly, the information security working team will promptly adjust the security policy of network security equipment, identify the source and isolate the incident area, and coordinate the Group’s resources to carry out emergency response. Secondly, we set up a real-time reporting and communication channel with the higher-level supervisory departments and external security service providers to ensure normal operation while controlling the incident. In addition, we activate the incident preparedness program for system and data recovery when necessary. When the incident is resolved, we summarize the experience and analyze the problems to continue to optimize the response strategies and processes.
- **Emergency response exercise:** In order to improve the overall security risk awareness and emergency response capability of the information technology team, the Group actively participates in network security attack and defense drills to timely identify security risks and loopholes exposed by the Internet and carry out corrective actions targeting at the weak points.

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With respect to third-party data and information security, the Group issued the *Regulations on the Management of Third Party Personnel*, which clearly stipulates that the on-site staff, remote support staff of the partner enterprises and external service providers are responsible for information security and data protection, so as to ensure that they comply with the Company's information security and data protection requirements. In addition, we have added a "letter of undertaking of personal information and data protection" to all service contracts, distribution contracts and technology development contracts, requiring suppliers and service providers to assume the responsibility of protecting customers' privacy. In daily work, we strictly prohibit the provision of any customer information to third parties without the authorization of the customer, and all customer information and materials are strictly protected and properly stored to ensure that authorized personnel read and use relevant materials within the scope of authorization.

Intellectual Property Rights and Brand Protection

In strict compliance with the requirements of laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Implementation Regulations of the Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Implementation Regulations of the Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Implementation Regulations of the Copyright Law of the People's Republic of China*, the *Copyright Collective Management Regulations*, the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *Implementation Regulations of the Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *Interim Provisions on Anti-Unfair Competition on the Internet*, the *Measures for the Administration of Internet Advertisements*, the *Guidelines on the Enforcement of Absolute Language in Advertisements*, the *Computer Software Protection Ordinance and the Enforcement Guidelines 1 on the Application of the PRC Advertising Law*, the Group constantly strengthens the protection of intellectual property rights and standardize the process of brand management, advertising and trademark management.

In terms of intellectual property rights protection, the Group has systematically revised its existing internal systems such as *Intellectual Property Rights Management System* with the support of *Trademark Management Measures* and *Patent Management Measures*. By refining product promotion management and increasing penalties for violations, it has clearly defined control procedures for emerging businesses and external partners, thereby improving the intellectual property rights management system. In 2025, the Group submitted a total of 223 trademark applications, 105 patent applications and 32 copyright registrations.

- **Risk review:** We strengthen intellectual property rights risk control by conducting strict reviews before product launches and the release of marketing materials, timely identifying and addressing potential risks. In external cooperation agreements, we also clearly stipulate the intellectual property rights ownership and terms on liability for breach of agreements;
- **Protection of intellectual property rights:** We timely apply for intellectual property rights protection for innovative achievements, and actively respond to illegal acts such as global trademark squatting and intellectual property infringements through diversified measures including platform complaints, administrative and civil litigations, complaints to industrial and commercial authorities, and criminal reporting;
- **Specialized training:** We conduct specialized training on intellectual property rights protection for employees, covering systematic training content related to product design, use of marketing materials, and risks associated with implicit marketing, strengthening employees' compliance awareness and risk prevention capabilities in intellectual property rights matters;
- **System upgrade:** We comprehensively upgrade the intellectual property rights management system by introducing intelligent tools such as AI technology and big data interaction, achieving full lifecycle management of intellectual property rights, enhancing risk prevention and control, and continuously exploring the value of intellectual property rights.

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In terms of advertising compliance, the Group has stipulated that external publicity shall strictly comply with the internal rules and regulations; fulfill the corresponding brand material review and approval procedures; the contents and data reflected in the publicity and promotion should be in line with the facts; and no false advertisements should be published. In 2025, the Group systematically enhanced the compliance management level of marketing activities, establishing a full-process risk control system covering pre-event prevention, in-event review, and post-event traceability. We built an intelligent marketing content management platform, utilizing AI technology to conduct intelligent reviews of published marketing materials, promoting the digital upgrade of the advertising review model from traditional manual processes to human-machine collaboration. This established an integrated control process of “reviewing → archiving → sharing”, thereby improving review efficiency and marketing compliance.

During the year, we continued to cultivate the marketing compliance awareness of our staff, initiating the special campaign of “Glorious New Journey, Safeguarding Every Step” Olympic Compliance Promotion Month, conducting systematic training centered on sponsorship rules, implicit marketing risks, etc. At the same time, we effectively enhanced employees’ compliance awareness and standardized marketing activities through regular updates on interpretations of regulations such as the Implementation of the *Law on the Protection of Consumer Rights and Interests*, and issue of multiple internal management guidelines including the *Compliance Guidelines for Prize-giving Sales Activities*.

In terms of brand protection, the Group strictly complies with the *Li Ning Company Logo Usage Specifications*. In 2025, we further refined logo management standards for the main brand, certain sub-lines, and sub-brands, continuously strengthening brand logo management and enhancing brand recognition. To further enhance brand protection, the Group implemented multiple comprehensive management measures covering brand logo management, trademark monitoring, and defending rights:

- We monitor the trademark and key technology squatting on a regular basis, and strictly implement the management on defending rights and combating counterfeits;
- We strengthen the crackdown on counterfeits of e-commerce brands and cooperate with e-commerce platforms. For counterfeits detected or received, we make a complaint to the platform and remove them from the shelves;
- We proactively collect evidence on clues of counterfeit sales and safeguard the legitimate rights and interests of the brand through civil lawsuits, industrial and commercial complaints, criminal proceedings and other means.

VI. ANTI-CORRUPTION MANAGEMENT

The Group complies with requirements of laws and regulations including the *Criminal Law of the People’s Republic of China*, the *Criminal Procedure Law of the People’s Republic of China*, the *Company Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China*, the *Anti-Money Laundering Law of the People’s Republic of China*, the *Interim Provisions of the State Administration for Industry and Commerce on Prohibiting Commercial Bribery*, the *Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Laws in Handling Criminal Cases of Corruption and Bribery* and the *Opinions of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Laws in Handling Criminal Cases of Commercial Bribery*, etc., to carry out anti-corruption and integrity promotion work in an orderly manner in accordance with the law, thus ensuring integrity and efficient operations.

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The Group constantly improves anti-corruption internal management standards, and has formulated systems and measures, such as the *Anti-Corruption and Anti-Bribery System of Li Ning Group*, the *Complaint Reporting Procedure*, the *Retail Store Operation Management Manual*, the *Financial Management and Punishment Standards*, the *Cash Expenditure System*, the *Employee Handbook*, the *Non-productive Procurement Management System* and the *Tendering and Bidding Management Measures*, which clearly stipulate the anti-corruption management processes and punishment standards, and cement the guarantee of anti-corruption management system. The Group annually reviews anti-corruption-related policies and makes revision in accordance with changes in laws and regulations and actual operational needs, ensuring the management systems comply with the latest legal and regulatory requirements. In 2025, the Group had no concluded corruption litigation cases.

The Group is determined to crack down on corruption, favoritism and malpractice and standardize management and supervision mechanisms, and actively conducts business audits, internal control, and audit supervision across all retail stores and subsidiaries of the Group. At the Group level, our audit efforts involve matters related to professional ethics. By combining key audits with effective internal control inspections, we ensure that all departments of the Group are subject to the audit of professional ethics every three years, which covers but not limited to the revision, update and implementation of relevant policies and systems, the effectiveness of daily work procedures and system support, etc., so as to continuously strengthen the supervision and management of employees' behaviors and professional ethics. For retail stores and subsidiaries, we continue to carry out monthly audits to ensure annual coverage of all stores and subsidiaries. The audit includes aspects such as inventory management, operational compliance, etc., ensuring standardized store operations and enhancing effective compliance management.

The Group continues to improve the corruption reporting mechanism, and strictly carries out anti-corruption management work in accordance with the Complaint Reporting Procedures.

- **Reporting channels:** we set up reporting mailboxes, senior management complaint mailboxes, HR system complaints and employees' independent reporting to ensure that reporting channels are unobstructed. In special circumstances, employees may report directly to the CEO.
- **Report handling process:** considering the information received from complaints and reports, we strictly verify the information authenticity, and investigate and handle based on relevant evidence, in an aim to resolutely crack down on violations of regulations and disciplines. For complaints involving terrorist activities or bribery, independent investigations will be conducted and promptly feed back handling results; other general complaints will be handled by the responsible personnel of the relevant departments.
- **Whistleblower protection:** we strictly protect the whistleblower's information and provide anonymous reporting methods to protect the whistleblower's rights and interests, while prohibiting any retaliation or discrimination against whistleblowers arising from the reporting of violations of laws and regulations.

In terms of suppliers and partners management, the Group strictly implements the anti-corruption mechanism by requiring all suppliers to sign the Commitment Letter of Anti-corruption and Anti-bribery, which specifies the "zero tolerance" towards corruption. We conduct investigations into suppliers by anti-corruption and anti-bribery periodic surveys every six months. Suppliers are encouraged to report verifiable corruption and clues, enhancing their awarenesses and engagements in anti-corruption.

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The Group has actively launched anti-corruption training and strengthened anti-corruption capacity building to enhance the awareness of anti-corruption among employees and partners. The Group carried out anti-corruption training for all employees, with a total of 11,792 times of participation in 2025. The details of the training are as follows:

- The Board and senior management of the Group were arranged to watch and learn from the featured program series entitled "Anti-Corruption for the People", focusing on core topics such as strengthening joint investigation and resolution of corruption, promoting case-driven reforms, to enhance the management's awareness of integrity in performing duties and build a strong ideological defense line against corruption.
- Through orientation training, specialized training, monthly bulletins, and learning platforms, we guide all employees to study anti-corruption and anti-bribery policies, stay informed about violation penalty information in a timely manner, and enhance integrity awareness. In addition, we require all new employees to sign documents such as the Anti-Corruption and Anti-Bribery Commitment Letter and Personal Declaration upon joining the Group, to ensure behavioral compliance.

The Group takes active participation in the industry's anti-fraud and anti-corruption alliance. As a member of the Anti-Fraud Alliance and a member of the Trust and Integrity Enterprise Alliance, the Group is resolute to maintain an internal style of integrity and honesty and jointly promote the construction of a fair and clean business environment with industry partners.

VII. COMMUNITY INVESTMENT MANAGEMENT

The Group leverages its professional advantages in sports to continuously advance diversified public welfare practices, actively participating in emergency disaster relief and social assistance, supporting the development of youth sports, promoting the integration of sports philanthropy with community needs, and fulfilling corporate social responsibility through environmental and low-carbon public welfare initiatives.

Emergency Disaster Relief, Standing Together in Solidarity

The Group actively engages in social public welfare undertakings, responding promptly to sudden disasters by launching rescue and donation campaigns, and shouldering the responsibility of corporate citizenship.

PUBLIC WELFARE AND DISASTER RELIEF - SWIFT ASSISTANCE TO THE QUAKE-AFFECTED AREA IN XIGAZE, TIBET

Following the earthquake in Xigaze, Tibet, the Group responded swiftly by donating cold-weather and thermal protection materials with a tagged value of approximately RMB10 million through the China Women's Development Foundation. A total of 12,498 pieces of warm clothing were provided, making the Group one of the first enterprises in the industry to offer resources support to the disaster area, effectively meeting the basic living needs of the affected population.



Donation of Emergency Relief Supplies to Xigaze Region, Tibet

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EMERGENCY RELIEF - SUPPORTING POST-DISASTER RESCUE EFFORTS IN TAI PO, HONG KONG

Following the fire in Tai Po, Hong Kong, the Group responded immediately to the rescue needs by donating HK\$20 million in cash through the Support Fund for Wang Fuk Court in Tai Po to support the procurement of supplies, livelihood assistance, and infrastructure restoration, thereby aiding post-disaster recovery and community rebuilding.



Swift Assistance to Post-Disaster Rescue in Tai Po, Hong Kong

Cultivate people with sports, Accompanying Youth Growth

The Group consistently adheres to the philosophy of “serving the public with the spirit of sports” (以體育精神服務大眾), deeply engaging in youth sports initiatives to support the healthy growth and all-round development of teenagers, and promoting equitable access to sports education resources across different regions.

TALENT CULTIVATION - BEIJING YOUTH “FOOTBALL, BASKETBALL AND VOLLEYBALL” PROGRAM

The Group actively supports youth brand competitions and youth training system development. In December 2025, we signed the *Donation Agreement for the Beijing Youth Three Major Ball Games Talent Cultivation Program* with the Beijing Municipal Sports Bureau and the Beijing Sports Foundation, providing in-depth support to the “Keep Running, Teenagers” (奔跑吧少年) youth brand event in Beijing. This initiative strengthens the foundation of youth training systems for basketball, football, and volleyball, inspiring greater enthusiasm among young people to participate in sports.

SUPPORTING DEVELOPMENT - BUILDING PROFESSIONAL GROWTH AND SHOWCASE PLATFORMS FOR YOUTH BASKETBALL

In 2025, the Group remained committed to its mission of supporting the development of Chinese youth basketball. Building on the ten-year strategic cooperation with the Chinese Student Sports Federation, we continued to deepen our engagement in the campus basketball sector. We integrated professional resources covering youth basketball, including the Chinese Secondary School Basketball Team, the Chinese Junior Secondary School Basketball League, the Chinese Primary School Basketball League, and Li Ning campus signed cooperation teams, to participate in the “Li Ning Star Alliance Campus Tour” activities, and brought together signed coaches/players such as Butler, Yang Hansen, Fan Bin, Qu Shaobin, along with CBA league resources, to build professional growth and showcase platforms for teenagers.

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SUPPORT FOR CONSTRUCTION - PROVIDING SPORTS EQUIPMENT FOR THE YOUTH FOOTBALL

The Group continuously assists the development of campus football in the central and western regions. In August 2025, the Youth Football Invitational Tournament in the Central and Western Regions was successfully held in Xingyi City, Qianxinan Prefecture, Guizhou Province, attracting secondary school teams from 11 provinces (autonomous regions and municipalities) in the central and western area. Since 2024, we have served as the sports equipment provider for the event, deeply promoting the popularization of youth campus football in the central and western regions. By providing professional equipment to support the tournament, we gather more strength for the vigorous development of rural revitalization in the central and western regions.



Supporting the Youth Football Invitational Tournament in the Central and Western Regions

SPORTS EMPOWERMENT - SUPPORTING YOUTH SPORTS DEVELOPMENT IN WESTERN REGIONS

Focusing on regional sports talent cultivation and competitive capability development, the Group supports schools to improve training conditions and event participation. In February 2025, we made a charity donation of sports equipment amounting to approximately RMB100,000 through the China Women's Development Foundation to the College of Physical Education of Qinghai Minzu University and Qinghai Women's Football Team, providing professional training support for students participating in grassroots competitions in the western regions and promoting the co-construction and sharing of high-quality youth sports education resources in the central and western regions. In July 2025, in partnership with the Beijing StarPower Charity Foundation, we supported the "StarPower Champion Education Assistance Project" by donating professional sports equipment valued at approximately RMB60,000 to teenagers in multiple schools in Xigaze, Tibet, assisting balanced development of sports education for young people in remote areas. In addition, in October 2025, we donated three-in-one jackets, sports supplies, and other materials to Bayi Zhi Xing School in Yushu Prefecture, Qinghai Province, with a total value exceeding RMB230,000. At the same time, in collaboration with Ms. Bi Wenjing, a world champion, we launched the themed charity activity "Together with Sports, We Grow Towards a Youthful Future" at schools, planning and organizing diversified interactive activities such as fun sports sessions, providing comprehensive support ranging from equipment provision to spiritual encouragement for the students.



Resources Donation to Bayi Zhi Xing School in Yushu Prefecture, Qinghai Province

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PUBLIC WELFARE EMPOWERMENT - "RURAL CHILDREN PLAYGROUND CHARITY PROGRAM"

In October 2025, the Group partnered with Meituan to officially join the "Rural Children Playground Charity Program", becoming the first Chinese sportswear brand to deeply participate in this initiative. This collaboration adopts an innovative "Meituan Order Donation" model, whereby for every order placed by users at designated stores, a donation is automatically made to support the construction of multi-functional playgrounds in rural kindergartens and provide health and nutrition support, realizing public welfare driven by consumption.

Promoting Sports Equality, Empowering Disabled Athletes

The Group pays close attention to the development of sports for disabled people, supporting improvements in training and competition conditions for disabled athletes and promoting the practice of the concept of "sports equality".

PUBLIC WELFARE SUPPORT - ZHEJIANG PROVINCE DISABLED SPORTS DEVELOPMENT CHARITY INITIATIVE

In April 2025, with the theme of "Strengthening Unity and Dreams Further", the Group supported the Zhejiang Province Disabled Sports Development Charity Initiative. Over the next three years, we will donate professional sports equipment amounting RMB1.2 million to support the daily training and competition preparation of disabled athletes, enhancing training safety and professionalism, creating better sports conditions for athletes, and providing long-term assurance for the cultivation of disabled sports talent.



Donation Ceremony for Zhejiang Province Disabled Sports Development Charity Initiative

Environmental Public Welfare, Reduce Carbon Emission Together

The Group actively participates in environmental and climate-related public welfare initiatives, contributing to regional green development by supporting low-carbon research and policy advocacy.

GREEN SUPPORT - DONATION TO THE HONG KONG CARBON NEUTRALITY POLICY RESEARCH PROJECT

In June 2025, the Group donated HK\$500,000 in cash to Our Hong Kong Foundation to support the Hong Kong Carbon Neutrality Policy Research Project. The project focuses on low-carbon development and climate governance issues, supporting research on carbon neutrality pathways, policy design, and implementation mechanisms in Hong Kong. Through this research, we effectively promote the synergy between corporate ESG strategies and regional green transformation goals, contributing corporate strength to the construction of a low-carbon development system in Hong Kong.

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ESG INDICATORS INDEX

Aspect	Content	Section
Part B: Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Particulars of the Report
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.</p>	Particulars of the Report
Reporting Scope	<p>A narrative explaining the reporting scope of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	Particulars of the Report

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Aspect	Content	Section
Part C: "Comply or explain" provisions		
A. Environment		
Aspect A1: Emissions	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Exhaust air emissions include NOx, Sox, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	Environmental Management
A1.1	The types of emissions and respective emissions data.	2025 Environmental Performance
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2025 Environmental Performance
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2025 Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Goals Environmental Management System and Measures
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Goals Environmental Management System and Measures

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Aspect	Content	Section
Aspect A2: Use of Resources	General disclosure	Environmental Management
	Policies on the efficient use of resources, including energy, water and other raw materials.	
	<i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2025 Environmental Performance
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2025 Environmental Performance
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Goals Environmental Management System and Measures
Aspect A3: Environment and Natural Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Goals Environmental Management System and Measures 2025 Environmental Performance
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	2025 Environmental Performance
	General disclosure	Environmental Management
	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management Policies Environmental Management System and Measures

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Aspect	Content	Section
B. Social		
Employment and Labor Practices		
Aspect B1: Employment	<p>General disclosure:</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>B1.1 Total workforce by gender, employment type (for example, full or part- time), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>Employment Management</p> <p>Lawful Employment to Safeguard Rights and Interests</p> <p>Lawful Employment to Safeguard Rights and Interests</p>
Aspect B2: Health and Safety	<p>General disclosure:</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>B2.2 Lost days due to work injury.</p> <p>B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>Safety Security and Health</p> <p>Safety Security and Health</p> <p>Safety Security and Health</p>

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Aspect	Content	Section
Aspect B3: Development and Training	General disclosure	Talent Training and Value Creation
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	
	<i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Training and Value Creation
B3.2 The average training hours completed per employee by gender and employee category.	Talent Training and Value Creation	
Aspect B4: Labor Standards	General disclosure	Employment Management
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	
B4.1 Description of measures to review employment practices to avoid child and forced labor.	Lawful Employment to Safeguard Rights and Interests	
B4.2 Description of steps taken to eliminate such practices when discovered.	Lawful Employment to Safeguard Rights and Interests	

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Aspect	Content	Section
Operating Practices		
Aspect B5: Supply Chain Management	General disclosure	Win-Win Management
	Policies on managing environmental and social risks of the supply chain.	
	B5.1 Number of suppliers by geographical region.	Win-Win Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Introduction of Suppliers
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Introduction of Suppliers Supplier Management Supplier Disqualification
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Green Supply Chain	
Aspect B6: Product Liability	General disclosure	Product Liability Management
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Identification and Recall
	B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Complaints and Protection
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights and Brand Protection
	B6.4 Description of quality assurance process and recall procedures.	Product Quality Control Product Identification and Recall
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Information Protection

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Aspect	Content	Section
Aspect B7: Anti-corruption	General disclosure	Anti-corruption Management
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption Management
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption Management
	B7.3 Description of anti-corruption training provided to directors and staff.	Anti-corruption Management
Community		
Aspect B8: Community Investment	General disclosure	Community Investment Management
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Investment Management

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Aspect	Content	Section
Part D: Climate-related disclosures		
Governance	<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities;</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Climate Friendliness, Low-carbon and Emission Reduction – Climate Governance</p> <p>Talent Training and Value Creation</p>

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Aspect	Content	Section
Strategy	<p>Climate-related risks and opportunities</p> <p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis
	<p>Business model and value chain</p> <p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis

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Aspect	Content	Section
	Strategy and decision-making	
22.	<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, significant climate risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation;</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>Environmental Targets</p> <p>Performance of Environmental Targets in 2025</p> <p>Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis</p>
23.	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	Environmental Targets
	Financial position, financial performance and cash flows—Current financial effect	
24.	<p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	<p>Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis</p>

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Aspect	Content	Section
	Financial position, financial performance and cash flows—Anticipated financial effect	
25.	<p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial performance to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p> <p>(i) its investment and disposal plans;</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis
	Climate resilience	
26.	<p>An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience;</p> <p>(iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p>	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis

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Aspect	Content	Section
	<ul style="list-style-type: none"> (b) how and when the climate-related scenario analysis was carried out. <ul style="list-style-type: none"> (i) information about the inputs used, including <ul style="list-style-type: none"> (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	

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Aspect	Content	Section
Risk Management	<p>27. An issuer shall disclose information about:</p> <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks and opportunities, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. 	Climate Friendliness, Low-carbon and Emission Reduction – Climate Risk Management

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Aspect	Content	Section
Metrics and Targets	Greenhouse gas emissions	
	<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	<p>Climate Friendliness, Low-carbon and Emission Reduction – Metrics and Targets</p> <p>Environmental Performance in 2025</p>
	<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions, <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	<p>Climate Friendliness, Low-carbon and Emission Reduction – Metrics and Targets</p> <p>Environmental Performance in 2025</p>

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	Climate-related transition risks	
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Assessment of Climate-related Risks and Opportunities Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Current and Anticipated Financial Effects
	Climate-related physical risks	
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Assessment of Climate-related Risks and Opportunities Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Current and Anticipated Financial Effects

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Aspect	Content	Section
	Climate-related opportunities	
	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Assessment of Climate-related Risks and Opportunities Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Current and Anticipated Financial Effects
	Capital deployment	
	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Assessment of Climate-related Risks and Opportunities Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Current and Anticipated Financial Effects
	Internal carbon prices	
	34. An issuer shall disclose:	Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis – Assessment of Climate-related Risks and Opportunities
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

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	Remuneration	
	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate Friendliness, Low-carbon and Emission Reduction – Climate Governance
	Industry-based metrics	
	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate Friendliness, Low-carbon and Emission Reduction – Metrics and Targets
	Climate-related targets	
	37. An issuer shall disclose (a) qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; 	Environmental Targets

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	<ul style="list-style-type: none"> (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target and provided the information. 	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; (d) any revisions to the target and an explanation for those revisions. 	Board Statement Environmental Targets
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environmental Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and 	Environmental Targets

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	<p>(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <p>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</p> <p>(ii) which third-party scheme(s) will verify or certify the carbon credits;</p> <p>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</p> <p>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</p>	
	<p>Applicability of cross-industry metrics and industry-based metrics</p>	
41.	<p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics and (ii) industry-based metrics.</p>	<p>Climate Friendliness, Low-carbon and Emission Reduction – Climate Resilience Analysis</p> <p>Climate Friendliness, Low-carbon and Emission Reduction – Metrics and Targets</p>