



Li Ning Company Limited

Supplier Corporate Social Responsibility Management Manual

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Foreword

1. Introduction

Li Ning Company Limited (hereinafter referred to as "Li Ning Group," "Li Ning Company," "the Company," or "we") upholds the value of "harmonious development among employees, the enterprise, society, and nature." We are committed to promoting sustainable management across all aspects of the supply chain and growing together with our partners. Based on current supplier social responsibility management practices, the Company has revised and released the new edition of the "Li Ning Company Limited Supplier Corporate Social Responsibility Management Manual (Third Edition)", incorporating updates to regulations, iterations of industry standards, and our sustainability vision.

This manual focuses on the three core aspects of the Company's supplier social responsibility management: supplier onboarding, periodic supplier evaluation and audits, and supplier optimization, improvement, and exit. It systematically outlines Li Ning's standards, requirements, and workflows for supplier CSR management, and introduces supporting tools and templates. The manual aims to help suppliers and partners gain a more systematic and accurate understanding of Li Ning's CSR management standards and related requirements, thereby better guiding their application in self-assessments prior to production collaboration, onboarding audits, periodic audits, and continuous improvement. This initiative seeks to foster the creation of safer, more inclusive, and mutually respectful workplaces, and to achieve sustainable development in supply chain CSR management.

The Chinese version of this manual is the primary language version, the English version is provided for reference only. In case of any discrepancies, the Chinese version shall prevail. Li Ning Company reserves the right to revise and update the relevant content from time to time. For more information, please visit <https://ir.lining.com/sc/global/index.php>. Li Ning Company Limited holds the copyright to this manual and reserves the right of final interpretation.



Li Ning Company Limited

June 2026

2. Scope of Application

The scope of application of the "Li Ning Company Limited Supplier Corporate Social Responsibility Management Manual" includes: manufacturing suppliers, traders and licensees that have established cooperative relationships with Li Ning Company Limited, as well as the manufacturing entities they use. Non-production entities are not required to undergo Li-Ning's social responsibility audit, unless otherwise specified for specific projects.

- Production Suppliers and ba: Suppliers and traders engaged in manufacturing products of Li Ning brand products, including but not limited to those producing raw and auxiliary materials, semi-finished products, finished products, accessories, equipment, packaging materials, as well as the traders' manufacturing entities.
- Licensees: Partners who have obtained the right to use the Li Ning brand and conduct business operations in accordance with contractual provisions, as well as the manufacturing entities they use.

3. Organizational Structure and Responsibilities

Li Ning Company's supplier corporate social responsibility management is overseen by the Environment and Sustainable Department and jointly advanced by relevant departments. Key responsibilities include:

- Formulating supplier CSR management guidelines, standards, requirements, and management processes;
- Conducting social responsibility audits and evaluations of new and existing suppliers with the support of the Supplier Management Department and the Supply Chain Department;
- Monitoring suppliers' continuous improvement efforts to ensure their management and practices comply with Li Ning's relevant regulations and requirements;
- Building supplier capacity in social responsibility management: organizing training to enhance their awareness and capabilities in social responsibility management, thereby helping them better fulfill their social responsibilities.

I . Supplier Social Responsibility Management Policy

1. Sustainability Vision

Li Ning is dedicated to the sustainable development vision of "constantly surpassing ourselves to achieve the sustainability of products and operations, and let employees, enterprises, society and nature develop harmoniously and build a healthier and better world together". The Company has also formulated and adhered to a comprehensive corporate-level 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." Guided by this strategy, Li Ning continuously optimizes management strategies, working mechanisms, and action plans in ESG-related areas, resolutely moving toward a brighter future. Regarding supplier social responsibility management, Li Ning will continue to optimize its full-lifecycle management system covering onboarding, evaluation and auditing, continuous improvement, and termination. This ensures that social responsibility standards and requirements are integrated into every stage of supply chain procurement and collaboration, driving the overall supply chain toward greater responsibility, resilience, and sustainability.

2. Supplier Code of Conduct

This Code of Conduct aims to clarify Li Ning's management principles and basic requirements regarding social responsibility for its partner suppliers, conveying our vision of jointly practicing sustainable development and achieving mutual benefit with our supply chain partners. To ensure the effective implementation of this Code, Li Ning will actively promote dialogue, communication, and cooperation with all stakeholders based on mutual respect and understanding. At the same time, Li Ning requires all partner suppliers to ensure that this Code is fully accepted and implemented by their subcontractors as well. As a fundamental principle, partner suppliers must comply with the following requirements set forth in this Code:

- **Forced Labour.** No form of forced or involuntary labour shall be used, including but not limited to bonded labour, indentured labour, or other forms of forced labour. Furthermore, suppliers must not restrict employees' necessary freedom of movement, engage in deception, isolation, violence, coercion, intimidation and threats, retention of identification documents, withholding of wages, or involuntary overtime. Suppliers using labour agencies must ensure that no fraudulent recruitment practices and that no recruitment fees are charged to employees.
- **Child Labour and Young Workers.** The employment of child labour in any form is strictly prohibited. The employment of young workers shall be subject to applicable provisions relating to young workers, such as types of work, working hours, work intensity and special labour protection measures.
- **Discrimination.** Suppliers shall be committed to creating an inclusive work environment, ensuring that every employee is treated equally, and upholding the principles of equality and non-discrimination in all processes of employment (including but not limited to recruitment, compensation, promotion, training, and termination). We prohibit any form of discrimination against employees based on ethnicity, race, gender, religious beliefs, age, disability, place of residence, marital status, or parental status.
- **Harassment and Abuse.** The physical and mental health of employees must be respected and protected, with particular attention given to vulnerable groups. Corporal punishment or any form of sexual, psychological, or verbal harassment, abuse, or verbal abuse is strictly prohibited, as is the use of wage deductions as a form of punishment.
- **Freedom of Association.** The rights of employees to freely associate and engage in collective bargaining in accordance with the law shall be respected and protected. This includes respecting the rights of employees to voluntarily form or join trade unions in accordance with the law, and ensuring that employee representatives are not restricted or interfered with while performing their trade union duties.

- Working Hours. Provisions in applicable laws and regulations concerning working hours, rest, and vacations shall be followed. The total weekly working hours per employee, plus overtime hours, shall not exceed 60 hours. An employee is entitled to a rest of 24 consecutive hours after working for 6 consecutive days. Overtime work must be based on consensus between the employer and employees, and overtime pay or compensation shall be paid to employees pursuant to applicable rates.
- Compensation and Benefits. Employees' compensation and benefits should comply with applicable local laws and regulations, including but not limited to: paying wages no less than the local minimum wage standard in a timely and full manner in the legal tender; paying overtime compensation in accordance with the law; making timely and full payment of social insurance contributions; and providing benefits such as paid leave in accordance with the law.
- Employment Relationships. Suppliers shall sign genuine and valid written employment contracts with employees in accordance with the law and shall not harm the employees' lawful rights and interests through false employment, evasion of contracts, or abuse of labour agency or labour dispatch.
- Occupational Health and Safety. The health and safety of all personnel in the workplace, especially employees, shall be fully ensured. Effective measures shall be taken to maintain and continuously improve occupational health and safety management, with particular safeguards provided in areas such as personal occupational safety protection, fire safety, electrical safety, machinery safety, building structural safety, chemical management, special equipment management, special operations, medical care and first aid, food safety and hygiene, as well as employee dormitories.
- Environmental Protection. The relevant environmental laws, regulations, and regulatory requirements shall be complied with. Effective measures shall be taken to reduce and control the emission of pollutants such as exhaust gases, wastewater, hazardous waste and boundary noise generated by production and operating activities, to save energy, to promote a circular economy, and to reduce greenhouse gas emissions.
- Business Ethics. Relevant laws, regulations, and regulatory requirements shall be complied with, and business activities shall be conducted in accordance with the law. The basic commercial principle of honesty and integrity shall be followed to ensure that business conduct is lawful, authentic, and proper. No fraud, falsification, or other acts that undermine the normal market order shall be committed. In addition, the anti-corruption and anti-bribery obligations agreed upon in the agreements signed with Li-Ning Company shall be fulfilled.

This Code of Conduct must be made available at the workplaces of suppliers and partners, in such a way that all their employees shall have full access to the information in the Code of Conduct. Moreover, the ILO (International Labour Organization) 11 indicators of Forced Labour must also be made available at the workplaces of suppliers and partners.

3. Anti-Forced Labour Policy and Commitment of Management

Anti-Forced Labour Policy and Commitment of Management

Li Ning Company Limited

Protecting the fundamental rights and freedom of workers and fulfilling social responsibilities are significant tasks of Li Ning Company Limited, and its subsidiaries (hereinafter referred to as "Li Ning Group"). Li Ning Group abides by the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on Employment Contracts* and other relevant laws and regulations, and Li Ning Group is in compliance with applicable Anti-Forced Labour laws and regulations of the subject countries in which they operate. In addition, Li Ning Group respects the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (MNE Declaration) adopted in 1977 by the International Labour Organization (ILO) as well as the *ILO Declaration on Fundamental Principles and Rights at Work* adopted in 1998. Furthermore, Li Ning Group formulates and implements the *Staff Handbook* and the *Supplier Corporate Social Responsibility Management Manual of Li Ning Co., Ltd.* and works with suppliers to combat forced labour resolutely. **The entire management of Li Ning Group hereby solemnly commits:**

- that they do not employ workers under the age of 16;
- to refuse to employ or make anyone work against their will, including through: abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime;
- to guarantee the applicable national statutory minimum wage;
- to comply with the maximum number of working hours laid down in the applicable laws; and
- the right of the employees to be represented by trade unions and other legally recognized employee organizations is recognized and respected within the framework of the applicable laws and regulations.

The management of Li Ning Group commits:

Li Ning Group will implement the *Staff Handbook* and the *Supplier Corporate Social Responsibility*

Management Manual of Li Ning Co., Ltd. and other management procedures. Through training and assessment, the requirements of the Anti-Forced Labour Procedures shall be communicated to each manager; through publicity and training, each employee shall be informed of their rights and obligations; through the establishment of the complaint mechanism, any suspected forced labour case shall be properly resolved; through the establishment of a reward and punishment mechanism, workers who violate the Anti-Forced Labour Procedures shall be severely dealt with; through the internal audit and annual external audit, the implementation of these procedures shall be evaluated.

The management of Li Ning Group commits:

Li Ning Group will require suppliers, which include but are not limited to traders and licensors who have signed contracts with Li Ning Group, raw material suppliers who have a supply relationship with Li Ning Group products, etc; the actual place for producing, manufacturing, assembling, printing, embroidery, carving, etching or subcontracting Li Ning brand parts, sub parts and finished products; the actual place for processing, labeling or packaging Li Ning brand agricultural products; the actual place used to produce, process, print or assemble Li Ning brand paper products (such as advertising materials, catalogues, brochures, leaflets, emails, marketing materials, packaging materials and posters) shall comply with the code of corporate social responsibility of Li Ning Group and the Anti-Forced Labour Procedures.

Li Ning Group will prohibit forced labour in the operation of suppliers and take affirmative measures to eliminate the risk of forced labour in its supply chains.

Li Ning Group will enhance due diligence regarding forced labour behaviours on supply chains and evaluate suppliers' performance of their social responsibilities, including combating forced labour via annual questionnaires, internal and external audits. Li Ning Group will adopt a zero-tolerance attitude towards any suppliers who were found forced labour behaviours, and have the right to terminate the cooperative relationship with the supplier at any time or stop the supplier introduction process until the relevant corrective measures are completed and confirmed by Li Ning Group.

Li Ning Group sincerely welcomes and accepts the supervision of corporate social responsibility and

anti-forced labour by the public and employees. Please bring your complaint to us via the following methods if you find any suspected forced labour behaviour.

Email: CSR@lining.com

Mailing Address: Department of Environment and Sustainable Development, Li Ning Company, Building 1-8, No. 8 Xingguang 5th Street, Beijing Economic-Technological Development Area (Tongzhou), Beijing, PRC (Please mark "Complaint")



Executive Director and the Joint Chief Executive Officer

Li Ning Company Limited

June 26, 2026

4. Anti-Corruption and Anti-Bribery Policy

Li Ning Company and its partners sincerely cooperate and share sustainable and healthy development based on honesty and trustworthiness, integrity and law-abiding, openness and fairness. We hope to prevent and eliminate the occurrence of misconduct such as corruption and commercial bribery with our partners. We officially declare and promise with our partners as follows:

- Both sides must strictly abide by laws, regulations and bilateral contractual agreements. All forms of illegal or unjustifiable business cooperation are prohibited. During the business dealings between both sides, it is prohibited to give benefits in any way, directly or indirectly, by bribery, kickback, commission, or any way of giving benefits or benefits in disguised form to any personnel of Li Ning Company or his relatives, friends or other persons with special interests.
- The Partner shall not employ any employee of Li Ning Group and his/her relatives to act as legal representatives/heads, directors, supervisors, senior management or employees of the Partner or its Affiliates, nor shall the employee be a shareholder or de facto controller of the Partner or its Affiliates (“shareholder” includes both registered and nominal shareholder; “de facto controller” refers to a person who, although not an employee of the company, is able to effectively control the company's actions through investment relationships, agreements, or other arrangements; “Affiliates” means any company established, directly or indirectly invested in, or actually controlled by the Partner).
- Li Ning Group employees and their relatives shall not directly or indirectly hold non-listed tradable shares (whether as registered or nominal shareholders) in any enterprise established, invested in, or actually controlled by the Partner, the Partner's affiliated companies, or the legal representatives/heads, shareholders, de facto controllers, directors, supervisors, senior management, or employees of the a forementioned companies.
- No employee of Li Ning Group and his/her relatives may jointly with the Partner, its Affiliates or the legal representatives/heads, shareholders, de facto controllers, directors, supervisors, senior management, or employees of the aforementioned companies, establish a company, hold an equity interest or exercise de facto control over any enterprise jointly with any of the above parties; nor shall any such employee or relative conduct any business or economic transactions, directly or indirectly, with any enterprise jointly established or de facto controlled by the foregoing parties.
- The Partner shall not engage in business cooperation with enterprises where Li Ning Group employees or their relatives serve as legal representatives/heads, shareholders, de facto controllers, directors, supervisors, senior management, or employees (“Employee-Affiliated Enterprises”), nor shall they provide direct or indirect benefits to Employee-Affiliated Enterprises through any means.
- If any of the circumstances described in items two through five above occur, the Partner shall report to Li Ning Group in advance and provide a detailed explanation of the situation, resolutely preventing any transactions that do not comply with market rules or the transfer of benefits to Employee-Affiliated Enterprises through any means. The Partner agrees that Li Ning Group may assess the extent of the impact on interests based on actual circumstances and has the right to immediately terminate cooperation with the Partner at its sole discretion, without this constituting a breach of contract.
- Li Ning Group will conduct regular follow-up visits with partners to assess compliance with these provisions and the integrity of Li Ning Group employees or agents. Partners shall fully cooperate and provide truthful information and explanations. If a Partner is found to have accepted bribes or offered bribes to Li Ning Group employees or agents, Li Ning Group will take appropriate legal action against the Partner and any company employees or agents who accepted or offered bribes, and will immediately terminate its cooperation with the Partner. At the same time, Li Ning Group reserves the right to seek recovery of all losses incurred as a result, without being required to provide any compensation or indemnification.

- If any Li Ning Group employee or agent solicits bribes from a Partner, accepts bribes from a Partner, or engages in any other conduct that violates this Policy, the Partner shall cooperate with Li Ning Group's investigation and provide evidence and detailed explanations. If the Partner refuses to cooperate or fails to cooperate in a timely and diligent manner, Li Ning Group reserves the right to immediately terminate its cooperation with the Partner, and such termination shall not constitute a breach of contract. Furthermore, Li Ning Group reserves the right to seek recovery of all losses incurred as a result, without being required to provide any compensation or indemnification to the Partner.
- For any circumstances outlined in this policy, partners shall promptly report them to Li Ning Group using the contact information below, providing verifiable information and leads:
Audit Committee: whistleblower@lining.com
Mailing Address: Li Ning Center, Building 18, No. 8 Xingguang 5th Street, Beijing Economic-Technological Development Area (Tongzhou), Beijing (Attn: Audit Committee)
- Both sides shall confirm that their management and personnel involved in business dealings with Li Ning Group have been made aware of and understand the contents of this Anti-Corruption and Anti-Bribery Policy, and shall commit to strictly adhering to and implementing it. Prior to negotiating and finalizing cooperation with Li Ning Group personnel, the Partners shall fully understand and acknowledge all provisions of this Policy and agree to bear all consequences resulting from any breach of the aforementioned commitments.

5. Sustainable Procurement Policy

5.1 Purpose

This policy aims to integrate environmental, social, and ethical standards into procurement decisions, reduce supply chain risks through responsible procurement of goods and services, fulfill corporate social responsibility, and promote the sustainability of the supply chain.

5.2 Basic Principles

We are committed to:

Compliance: Strictly adhering to the laws, regulations, and government-approved international conventions of the jurisdictions where we operate.

Social Responsibility: Requiring suppliers to respect human rights, prohibit the use of child labour and forced labour, and ensure the health and safety of employees.

Environmental Protection: Prioritizing the procurement of energy-efficient, low-carbon, and recyclable products; reducing packaging waste; and encouraging suppliers to reduce their carbon footprint and environmental impact.

Business Ethics: Upholding fair, transparent, and ethical business relationships, and opposing any form of bribery or corruption.

5.3 Supplier Procurement Management

We will conduct sustainability assessments and screenings of core suppliers, evaluating their ESG performance through questionnaires, audits, and other methods. We will regularly communicate the assessment results to departments such as Supply Chain Procurement, requesting that relevant departments strictly enforce this policy during procurement and communicate it to all suppliers to ensure that sustainability principles are integrated throughout the entire procurement process.

We encourage both existing suppliers and potential partners to pursue sustainability-related certifications, such as RDS (Responsible Down Standard), GOTS (Global Organic Textile Standard) and OCS (Organic Content Standard) for organic cotton, OEKO-TEX® Standard 100 certification, and others, with the aim of building transparent, traceable, and mutually growing partnerships. At the same time, we require that all leather suppliers obtain LWG (Leather Working Group) certification.

5.4 Capacity Building

We are committed to sharing our expertise with suppliers to help them enhance their sustainability capabilities and jointly build a responsible and resilient supply chain.

II. Supplier Social Responsibility Management Standards

1. Labour Rights

1.1 Forced Labour

Standard

- Suppliers must ensure that neither their own operations nor their supply chains involve any form of forced labour. They must conduct supply chain due diligence and properly maintain compliance documentation for all stages of employment for verification purposes.

Basic Requirements

- Suppliers must not use prison labour in any part of their operations.
- Suppliers must not engage in any form of debt bondage; all employment relationships must be independent of personal debt, and work and compensation must be based on the principles of voluntariness and free negotiation; labour must not be used to settle any debt.
- Suppliers, their subcontractors, sub-suppliers, recruitment agencies, and labour agencies (such as labour dispatch companies and labour outsourcing companies) shall not buy, sell, recruit, transport, harbor, transfer, or receive persons through violence, threats, coercion, or abduction, nor shall they directly or indirectly charge employees unreasonable fees such as recruitment fees or deposits.
- During the recruitment, hiring, employment, and termination processes, suppliers shall not harm or control employees through violence, intimidation, threats, deception, or other means.
- All overtime work must be voluntary, and suppliers must ensure that all employees have the right to refuse overtime. Under no circumstances may suppliers impose any punitive measures on employees who refuse to work overtime.
- Suppliers shall pay wages in full and on time in accordance with the law and shall not intentionally delay or withhold payment.
- In any premises under the supplier's control, including production areas, restrooms, break rooms, employee dormitories, Canteens, and other living areas, employees' freedom of movement must not be unreasonably restricted.
- Employees have the freedom to resign. Employees shall have the freedom to terminate or end their employment at any time by providing reasonable notice (in accordance with applicable laws and the terms of the contract/agreement) without restriction.
- Suppliers shall not retain, destroy, conceal, confiscate, or require employees to surrender to any party (including third-party agents) the originals of government-issued identification cards, passports, immigration documents, work permits, or other such documents (except where permitted by law).

Documentation

Anti-forced labour policies, employment contracts, disciplinary records, payroll records, resignation letters, resignation approval forms, resignation settlement records, leave records, dormitory management policies, access control records or surveillance, service agreements with labour agencies, worker grievances and grievance handling records, etc.

References

ILO Convention No. 29, the Forced Labour Convention

ILO Convention No. 105, the Abolition of Forced Labour Convention

The Criminal Law of the People's Republic of China

The Labour Law of the People's Republic of China

The Labour Contract Law of the People's Republic of China

1.2 Child Labour

Standard

Suppliers shall not employ child labour in any form.

Basic Requirements

Minimum Age Requirement

- In China, child labour refers to minors under the age of 16; in other countries or regions, local regulations shall apply.
- Suppliers shall establish and enforce a policy prohibiting the use of child labour, explicitly stating that the recruitment or use of child labour is strictly prohibited. This policy applies to all forms of employment, including direct hiring, labour dispatch, labour outsourcing, internship arrangements, and apprenticeship programs.
- Suppliers shall not conduct business with any organization or individual that employs child labour.
- Suppliers shall train all employees on the policy prohibiting the use of child labour and related regulations.

Age Verification

- During the recruitment process, suppliers shall take multiple effective measures to verify age authenticity, including inspecting valid age supporting documents such as ID cards, residence permits, passports, and other legal documents, or verifying the electronic IDs through facial recognition on the National Government Service Platform.
- Suppliers shall properly retain copies of age supporting documents and establish complete employee personnel files. These files shall be retained for at least two years after the end of employment for future reference.

Remediation of Child Labour

- Suppliers shall establish child labour remediation plan in compliance with local laws and regulations.
- If child labour is identified, the supplier must immediately contact the child's parents or other legal guardians, return the child to their place of residence as soon as possible, and cover all necessary transportation, accommodation, and living expenses. If the child falls ill or is injured, the supplier is responsible for transporting them to a medical facility for treatment and covering all medical and living expenses during the treatment period.

Documentation

Policy prohibiting the use of child labour (including a child labour remediation plan), recruitment procedure (including strict age verification processes), employee rosters, personal files, training records, etc.

References

ILO Convention No. 138, Minimum Age Convention

ILO Convention No. 182, Worst Forms of Child Labour Convention

The Labour Law of the People's Republic of China

Regulations on the Prohibition of Child Labour

1.3 Young Worker

Standards

- Suppliers shall not assign young workers to perform jobs that is excessively heavy, toxic, or harmful to their physical and mental health, or to engage in hazardous work.

Basic Requirements

- In China, a young worker refers to an employee who is at least 16 years of age but under 18 years of age; in other countries or regions, local regulations shall apply.
- Suppliers shall conduct regular health checks for young workers in accordance with the following requirements and bear the corresponding costs; for other countries or regions, local regulations shall apply
 - (1) Prior to assignment to a work position;
 - (2) After one year of employment;
 - (3) Upon reaching the age of 18, if more than six months have passed since the previous medical examination.
- If local regulations impose special requirements regarding overtime or night shifts for young workers, suppliers should strictly comply.
- Suppliers shall identify positions and operations unsuitable for young workers and explicitly prohibit them from engaging in underground mining, work involving toxic or hazardous substances, physically demanding labour, or any other work prohibited by laws and regulations.
- If employing young workers, the supplier must complete the registration process for young workers, and such workers must hold a “Young Worker Registration Certificate” issued by the labour administration department before commencing work.

Documentation

Young worker protection procedure, employee roster, personal files, young worker health check records, young worker registration forms, young worker registration certificates, etc.

References

The Labour Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Minors

Special Protection Regulations for Young Workers

1.4 Interns and Apprentices

Standards

- Suppliers implementing internship programs for vocational school students or undergraduate students, or implementing apprenticeship programs, must comply with local legal requirements.

Basic Requirements

- In China, internships for vocational school students refer to practical educational activities conducted by students at full-time vocational schools, higher vocational colleges, and higher vocational universities in accordance with educational objectives, requirements, and programs. These activities are either arranged by the vocational school or, with the school's approval, undertaken independently at enterprises or public institutions. Internships at general undergraduate universities refer to teaching practice activities carried out by students at such institutions at employers' premises, organized or approved by the university in accordance with the curriculum or talent development needs. Apprenticeship training targets newly hired or transferred personnel in skilled positions who have signed labour contracts of one year or longer with enterprises.

- Prior to vocational school and undergraduate university students participating in on-the-job internships, the school, the supplier (internship host), and the student shall sign an internship agreement and strictly fulfill its terms in accordance with the law.
- Suppliers shall arrange internship or apprenticeship positions for students in accordance with local laws and regulations and the requirements of the Ministry of Education, set limits on the duration of internships or apprenticeships, and control the proportion of students participating in such programs.
- For students capable of working relatively independently, their remuneration must comply with relevant regulations and guidelines (e.g., vocational school students' remuneration must not be less than 80% of the salary for the same position at the host organization or the minimum wage; undergraduate students' remuneration must not be less than 80% of the probationary wage standard for the same position), and must be paid in full, directly, and monthly in cash to the students.
- Suppliers shall not arrange for students to work on rest days or statutory holidays, nor shall they arrange for students to work overtime or night shifts.
- Suppliers and schools shall, in accordance with laws and administrative regulations, purchase internship liability insurance for student interns.

Documentation

Tripartite internship agreement, internship liability insurance policy, etc.

References

Regulations on the Management of Student Internships at Vocational Schools

Opinions of the Ministry of Education on Strengthening and Standardizing the Management of Internships at General Undergraduate Universities

Opinions of the Ministry of Human Resources and Social Security and the Ministry of Finance on Fully Implementing the New Enterprise Apprenticeship System

Guiding Opinions on Comprehensively Implementing the New Apprenticeship System with Chinese Characteristics and Strengthening the Cultivation of Skilled Talents

The Labour Law of the People's Republic of China

The Labour Contract Law of the People's Republic of China

1.5 Discrimination

Standards

Suppliers shall be committed to creating an inclusive work environment, ensuring that every employee is treated with equality and respect, and shall not discriminate against employees in any form based on differences in ethnicity, race, skin color, gender, age, nationality, household registration, religious beliefs, sexual orientation, disability, marital status, pregnancy, or childbirth status.

Basic Requirements

- Suppliers shall ensure fairness in all aspects of recruitment, compensation, promotion, training, benefits, and termination, and shall prohibit discrimination based on gender, age, ethnicity, region, health status, or other factors unrelated to the position. All decisions shall be based solely on work ability and performance.
- Suppliers must fully protect the lawful rights and interests of female employees, ensure equal pay for equal work, and provide women with equal career development opportunities.
- Suppliers shall actively create an inclusive and equitable work environment for employees with disabilities. This includes providing necessary assistive devices, implementing accessibility modifications, arranging flexible work arrangements, and offering mental health support. Any form of discrimination is strictly prohibited, and their rights to equal career development and dignity must be effectively safeguarded.
- In employment-related processes such as recruitment, promotion, and termination, suppliers must not arrange or require employees to undergo medical examinations that are not directly related to the position, such as pregnancy tests, HIV antibody tests, or hepatitis B virus tests. Furthermore, the results of such medical examinations must not be used as a condition for hiring, promotion, modification, or termination of employment contracts.

Documentation

Anti-discrimination policy, recruitment policy and advertisements, application and hiring records, pre-employment and periodic medical examination reports, employee rosters, employment contracts, compensation policy, payroll records, promotion and training policy and records, records of anti-discrimination training, and records of employee grievance handling, etc.

References

International Convention on the Elimination of All Forms of Racial Discrimination
ILO Convention No. 111, Discrimination (Employment and Occupation) Convention
ILO Convention No. 100, Equal Remuneration Convention
The Labour Law of the People's Republic of China
The Employment Promotion Law of the People's Republic of China
Law of the People's Republic of China on the Protection of Women's Rights and Interests

1.6 Harassment and Abuse

Standards

Suppliers shall be committed to establishing and maintaining a work environment free from harassment and abuse, prohibiting any form of physical, psychological, verbal, or sexual harassment, and establishing effective prevention mechanisms, confidential complaint channels, and fair investigation and handling procedures to ensure that employees are protected from harassment and abuse and that employees who report complaints are protected from retaliation.

Basic Requirements

- Suppliers shall establish written anti-harassment and abuse policies and implementation procedures. These policies and procedures shall clearly define all types of harassment (including physical, psychological, verbal, and sexual harassment) and include clear internal complaint channels, investigation processes, disciplinary provisions, and a statement regarding the protection of whistleblowers (such as confidentiality and anti-retaliation mechanisms). A designated individual shall be responsible for policy enforcement and oversight.
- Suppliers shall establish and implement fair disciplinary procedures that reflect the principle of progressive discipline. Any form of corporal punishment, psychological coercion, or verbal abuse is strictly prohibited. Deductions from wages or restrictions on access to basic facilities (such as drinking water and restrooms) must not be used as punitive measures. Clear disciplinary measures must be in place for management or employees who engage in harassment or abuse.
- All security measures shall be humane and gender-sensitive. Searches of personal belongings for security purposes must be applied equally to all and avoid targeting specific groups. If a body search is necessary, it must be conducted by a security officer of the same gender in a respectful manner, ensuring the process is transparent and documented. Unreasonable restrictions must not be imposed on workers' normal activities within the workplace.
- Suppliers shall provide all employees, supervisors, and managers with onboarding and regular anti-harassment and anti-abuse training to ensure they understand the policy, their rights, and reporting procedures. In particular, employees responsible for receiving and handling complaints, as well as security personnel, should receive specialized training. Policy information must be communicated to all employees through effective channels.
- Suppliers shall maintain complete records of all incidents related to harassment and abuse, including complaint reports, investigation processes, resolution outcomes, and disciplinary actions taken. Additionally, complete training records must be retained. These records should be readily accessible to support regular reviews and improvements to preventive measures.

Documentation

Anti-harassment and abuse policy, reward and punishment procedure, grievance and complaint procedure, security work procedure, anti-harassment and abuse training records, grievance and grievance handling records, etc.

References

Convention on the Elimination of All Forms of Discrimination against Women

Civil Code of the People's Republic of China

Law of the People's Republic of China on the Protection of Women's Rights and Interests

Special Protection Regulations on Female Employees

1.7 Freedom of Association**Standard**

Suppliers shall respect and safeguard employees' rights to freedom of association and collective bargaining in accordance with the law, including respecting employees' right to voluntarily establish and join trade unions in accordance with the law, and ensuring that employee representatives are not restricted or interfered with while performing their trade union duties.

Basic Requirements

- Suppliers shall explicitly recognize and respect employees' rights to freely form, join, and choose trade union organizations in accordance with the law. They shall not interfere with, restrict, or obstruct employees' exercise of these rights in any way.
- Suppliers shall provide employee representatives with the necessary conditions to perform their duties, including allowing them to engage in necessary contact and communication with members in the workplace and to conduct activities without interference. Suppliers shall not monitor, harass, or retaliate against employee representatives or union activists.
- Suppliers shall engage in collective bargaining with employee representatives or trade unions as per relevant law requirements; regarding major matters affecting employees' vital interests—such as wages, working hours, and working conditions—they shall provide information truthfully, engage in constructive dialogue, to reach collective agreements.
- In regions where the right to freedom of association is explicitly restricted by law, suppliers shall establish effective alternative communication mechanisms, such as electing employee representative committees or establishing similar labour-management dialogue platforms, to ensure that employees can freely express their concerns and participate in negotiations concerning their interests.
- Suppliers shall establish written employee grievance management procedures, provide employees with channels for anonymous complaints, document the results of the handling in writing, and communicate the results to employees.

Documentation

Policy on freedom of association and collective bargaining, grievance and complaint procedure, records of union elections, records of union activities, records of collective bargaining, collective agreements, documentation of employee feedback collection and response mechanisms, grievance and grievance handling records.

References

The Labour Law of the People's Republic of China

The Labour Contract Law of the People's Republic of China

The Trade Union Law of the People's Republic of China

1.8 Working Hours**Standards**

Suppliers shall maintain accurate and complete attendance records to ensure that employees' working hours and rest and leave comply with local laws and regulations as well as the requirements of Li Ning. Overtime shall be voluntary.

Basic Requirements

- Suppliers shall establish and maintain accurate and complete employee attendance records that accurately reflect working hours (including regular working hours and overtime) and rest and leave periods. Attendance records shall be retained for at least two years for inspection.
- Suppliers shall ensure that employees' weekly working hours do not exceed 60 hours.
- Suppliers shall ensure that employees are granted the rest days prescribed by law, and that employees are granted at least a continuous 24-hour rest period after every 6 consecutive days of work.
- Overtime must be arranged on a voluntary basis. Employees have the right to refuse overtime without penalty.
- Suppliers shall legally guarantee the right to rest for female employees during pregnancy, childbirth, and lactation. Female employees who are more than seven months pregnant shall not be scheduled for extended working hours or night shifts; female employees who are breastfeeding shall not be scheduled for overtime or high-intensity work prohibited by laws and regulations. If local laws contain other provisions regarding working hours for female employees during pregnancy or lactation, suppliers shall comply with local requirements.

Documentation

Working hours procedure, attendance records, overtime application records, approval documents for comprehensive/flexible working hour systems, leave application records, etc.

References

ILO Convention No. 14, Weekly Rest (Industry) Convention

The Labour Law of the People's Republic of China

State Council Regulations on Employees' Working Hours

Special Protection Regulations on Female Employees

1.9 Compensation and Benefits**Standards**

Suppliers shall ensure that employee compensation and benefits comply with applicable local laws and regulations, including but not limited to: timely and full payment of wages in the legal tender at a rate no less than the local minimum wage; payment of overtime compensation in accordance with the law; timely and full payment of social insurance contributions; and provision of corresponding benefits such as paid leave in accordance with the law.

Basic Requirements

- Suppliers shall establish and maintain accurate and complete payroll records and retain them for at least two years for inspection. A pay slip should be provided to each employee at the time of wage payment.
- Suppliers shall ensure that all employees are paid wages no less than the local statutory minimum wage. Wages must be paid in full and on time in the statutory currency, in strict accordance with the terms of the employment contract and national regulations; no deductions or delays in payment are permitted.
- For overtime work exceeding the statutory working hours, the supplier shall pay overtime wages in accordance with the law.
- Suppliers shall contribute to social insurance for all employees in accordance with the law, ensuring that the contribution base and rates comply with local regulations.
- Suppliers shall provide all benefits required by law, including statutory holidays, paid annual leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, sick leave, housing and meal allowances, etc., and shall pay the corresponding wages in accordance with the law.

Documentation

Compensation and benefits policy, payroll records, employment contracts, social insurance contribution records, leave records, and records of rewards and disciplinary actions.

References

The Labour Law of the People's Republic of China
The Labour Contract Law of the People's Republic of China
Regulations on Minimum Wages
The Social Insurance Law of the People's Republic of China
Regulations on the Administration of Housing Provident Funds
Regulations on Paid Annual Leave for Employees
Special Protection Regulations on Female Employees

1.10 Employment Relationship

Standards

Suppliers shall enter into, perform, amend, rescind, and terminate employment contracts in accordance with the law. The establishment of employment conditions, probationary periods, and benefits during the probationary period shall comply with statutory requirements. When suppliers use labour agencies for recruitment, employment, or labour dispatch activities, suppliers shall bear full managerial responsibility for the legality and compliance of the employment process and shall not use such agencies to evade legal employment obligations or infringe upon the legitimate rights and interests of workers.

Basic Requirements

- **Employee Roster.** The supplier shall establish and maintain an employee roster, which shall include, at a minimum, the employee's name, gender, ID number, registered and current addresses, contact information, employment type, start date of employment, and the term of the employment contract.
- **Written Employment Contracts.** Suppliers must enter into written employment contracts with employees within the timeframe prescribed by law. Employment contracts must be drafted in a language that employees can clearly understand. The content of employment contracts must be truthful, lawful, and complete, and must include at least the statutory terms such as job description, work location, working hours, and remuneration. Suppliers must not infringe upon employees' lawful rights and interests through means such as blank contracts, fraudulent signatures, or forced waiver of rights. Suppliers must provide employees with an original copy of the signed employment contract.
- **Termination or Expiration of Employment Contracts.** Suppliers must ensure that the termination or expiration of employment contracts is carried out in accordance with the procedures and compensation requirements stipulated by laws and regulations. Suppliers must not reduce the wages of female employees, dismiss them, or terminate their employment or hiring contracts due to pregnancy, childbirth, or breastfeeding.
- **Provisions Regarding the Probationary Period.** Suppliers shall establish a probationary period in accordance with legal requirements and ensure that the probationary period wage is no less than 80% of the supplier's minimum wage for the same position or 80% of the wage specified in the employment contract, and shall not be lower than the minimum wage standard in the supplier's location. If the supplier terminates an employment contract during the probationary period, it must comply with the conditions and procedures prescribed by law.
- **Use of Labour Agencies.** Suppliers may only use dispatched employees in temporary, auxiliary, or substitute positions and must strictly control the number of dispatched workers; the number of dispatched workers used shall not exceed 10% of the total workforce. The supplier shall select labour agencies or labour dispatch entities with the appropriate business qualifications and enter into lawful and valid written agreements with them. The supplier and the agency are strictly prohibited from unlawfully collecting deposits, placement fees, security deposits, or other fees prohibited by laws and regulations from employees. The supplier shall establish effective monitoring measures to ensure that workers introduced through labour agencies comply with national and local regulatory requirements regarding contract signing, work arrangements, working hours, remuneration, and labour protection.
- **Management of Foreign Workers.** Suppliers shall ensure that all foreign workers employed have obtained the required work permits and work-related residence permits in accordance with regulations.

Documentation

Employment contracts, employee rosters, resignation records, business licenses and relevant qualification certificates of labour agencies, service agreements or dispatch agreements signed with labour agencies, work permits, etc.

References

The Labour Law of the People's Republic of China

The Labour Contract Law of the People's Republic of China

Regulations on the Implementation of the Labour Contract Law of the People's Republic of China

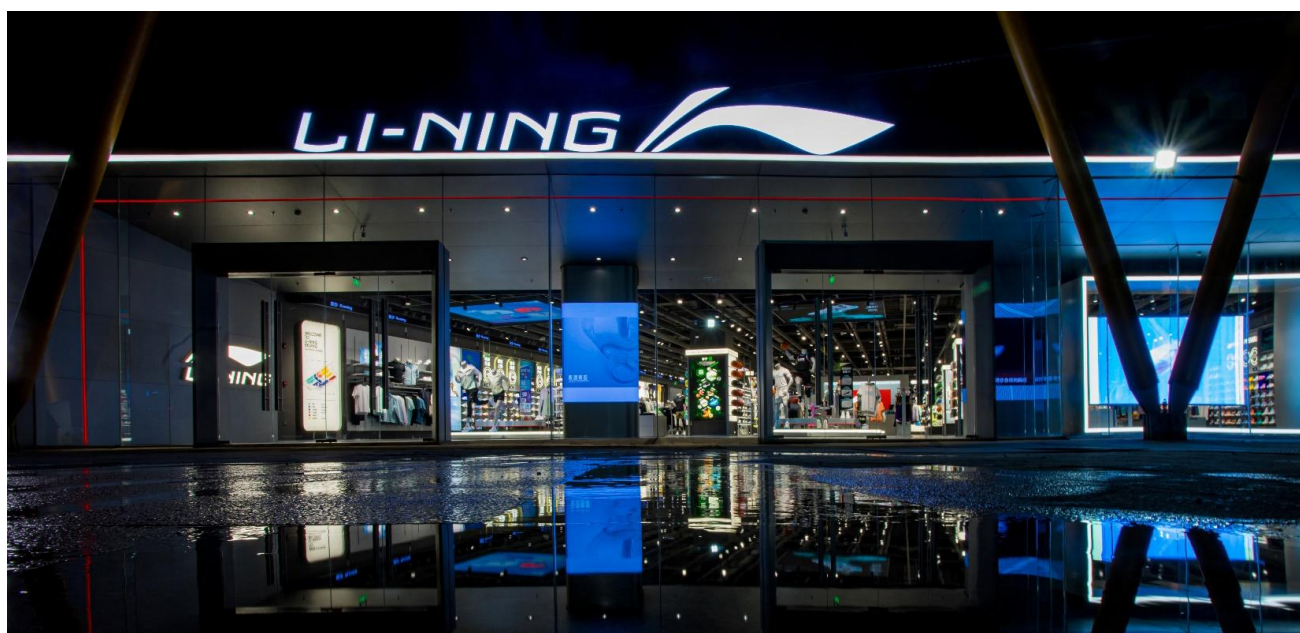
Law of the People's Republic of China on the Protection of Women's Rights and Interests

Special Protection Regulations on Female Employees

Interim Provisions on Labour Dispatch

Exit and Entry Administration Law of the People's Republic of China

Regulations on the Employment of Foreigners in China



2. Health and Safety

2.1 Occupational Health

Standards

Suppliers shall comply with local regulatory requirements, provide a healthy and safe workplace, conduct regular testing and evaluation of occupational hazard factors in the workplace, organize occupational health surveillance for employees in hazardous positions, implement effective engineering controls, and provide adequate occupational health training to employees to continuously safeguard their health and welfare.

Basic Requirements

- Suppliers shall ensure proper ventilation and adequate lighting in the workplace, and keep the levels or concentrations of air pollutants, temperature, noise, illumination and other environmental factors within the limits permitted by applicable laws and regulations.
- Suppliers shall, in accordance with relevant regulations and based on the severity of occupational health hazards, regularly commission professional institutions to conduct testing of occupational health hazard factors and assessments of the current status of occupational health hazards in the workplace. The test results shall be disclosed to employees. Engineering and technical measures shall be prioritized to rectify any areas exceeding the standards, and the effectiveness of such measures shall be verified through retesting.
- Suppliers shall organize occupational health examinations for employees engaged in work involving occupational health hazards prior to employment, during employment, and upon termination, and shall provide the examination results to employees in writing. The costs of occupational health examinations shall be borne by the employer.
- Suppliers shall truthfully and comprehensively inform employees of the potential occupational health hazards and their consequences during work through employment contracts, bulletin boards, and on-site warning signs.
- Suppliers shall arrange pre-employment occupational health training for employees and provide regular occupational health training at least once a year during their employment, ensuring that employees are aware of occupational health hazards in the workplace and understand the relevant regulations and rules for the prevention and control of occupational diseases, operating procedures, emergency response measures, the correct use and maintenance of occupational health protection facilities and personal protective equipment, as well as the meanings of related warning signs.
- Suppliers shall assess the potential impact of different job positions on pregnant and breastfeeding female employees, as well as their fetuses and infants, and shall avoid assigning pregnant and breastfeeding employees to tasks involving toxic or hazardous substances, heavy physical labour, or other activities that may endanger the health of mothers and infants.

Documentation

Occupational health management procedure, periodic monitoring reports on occupational hazard factors, current status assessments of occupational hazards, reports on periodic occupational health examinations for employees, employment contracts, occupational health training records, etc.

References

ILO Convention No. 155, Occupational Safety and Health Convention
Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Measures for the Supervision and Administration of Employers' Occupational Health Surveillance
Regulations on Occupational Health Management in the Workplace
Technical Specifications for Dust and Toxic Substance Prevention in Footwear Manufacturing Enterprises
Guidelines for the Prevention and Control of Occupational Hazards in the Textile and Dyeing Industry
Guidelines for the Prevention and Control of Occupational Hazards in Small and Medium-Sized Footwear Enterprises
Occupational Exposure Limits for Hazardous Factors in the Workplace"
Technical Specifications for Occupational Health Surveillance

Law of the People's Republic of China on the Protection of Women's Rights and Interests
Special Protection Regulations on Female Employees

2.2 Personal Protective Equipment

Standards

Suppliers shall, in accordance with relevant domestic and international laws, regulations, and standards, and based on workplace hazard identification and risk assessment, provide employees with personal protective equipment (PPE) that complies with national standards free of charge and ensure its proper use when engineering controls cannot fully eliminate risks. Suppliers shall also provide adequate training and supervision to safeguard employees' occupational health and safety.

Basic Requirements

- Suppliers shall provide employees with appropriate and sufficient personal protective equipment (PPE) and shall not charge employees any fees for such equipment.
- Suppliers shall educate, supervise, and ensure that employees use personal protective equipment correctly during work, and shall perform regular maintenance and replacement of such equipment. Suppliers shall post warning signs in workplaces and areas where the use of personal protective equipment is required.
- Suppliers shall provide employees with pre-employment and periodic training on the use of personal protective equipment, covering hazard identification, equipment selection, proper donning, usage restrictions, and maintenance methods.
- Suppliers shall incorporate the provision and use of PPE into routine safety inspections; supervisors shall correct non-compliant behavior at any time and immediately stop work for those who fail to wear PPE as required.

Documentation

Records of PPE distribution, training records on PPE, routine safety inspections, etc.

References

The Work Safety Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Specifications for the Provision of Personal Protective Equipment—Part 1: General Principles

Specifications for the Use of Personal Protective Equipment Against Occupational Diseases in Workplaces Involving Organic Solvents

2.3 Fire Safety

Standards

Suppliers shall comply with local mandatory fire safety regulations and relevant technical specifications, provide adequate fire safety facilities, and implement effective fire prevention and control measures.

Basic Requirements

- Suppliers shall establish and implement a fire safety responsibility management system and designate a fire safety officer. The fire control room shall operate on a 24-hour duty system with no fewer than two personnel per shift; on-duty personnel shall hold the appropriate fire safety professional certification.
- Suppliers shall ensure adequate fire separation distances between buildings, and the distribution, number, and width of fire truck access roads, evacuation corridors within buildings, emergency exits, and evacuation staircases shall comply with relevant regulatory requirements.
- When stacking goods inside warehouses, clearance distances from ceilings, lighting fixtures, columns, walls, and stacks must be considered, and necessary fire lanes must be reserved.

- Staff accommodations must not be located in the same building as production facilities, warehouses, or chemical storage areas.
- Suppliers shall install and maintain various fire protection facilities in accordance with regulatory requirements, including but not limited to fire alarm systems, fire suppression systems, indoor and outdoor fire hydrants, fire extinguishers, emergency lighting, and evacuation signage, and shall conduct regular inspections to ensure that fire emergency facilities remain in good working order at all times.
- Suppliers shall designate emergency assembly areas in safe locations outside the building and post evacuation plans in prominent locations on each floor. Evacuation routes and emergency exits shall remain unobstructed. Evacuation exit doors shall be swing doors or doors that function as swing doors in the event of a fire, and shall open in the direction of evacuation. Develop firefighting and emergency evacuation plans to ensure employees are familiar with escape routes and their responsibilities. Establish a volunteer fire brigade as required and arrange for regular fire safety training. The supplier shall organize fire drills at least twice a year, covering all personnel, work processes, shifts, and areas (including production and living quarters).
- Smoking and open flames are strictly prohibited in production and storage areas; suppliers must post “No Smoking” signs in conspicuous locations. Hot work must be performed by qualified personnel and subject to strict approval procedures and on-site supervision.
- Fibrous lint and dust generated during production must be cleaned up promptly. Areas where explosive chemicals are used or handled must be adequately ventilated and maintained at appropriate temperatures. For processes and locations with explosion risks, equipment and facilities must meet the explosion-proof requirements of relevant regulations.
- Suppliers must obtain a fire safety completion acceptance report (or registration) for the building in accordance with the law, or commission a qualified third-party organization to conduct a fire safety assessment to demonstrate compliance with fire safety requirements.
- Suppliers shall conduct pre-employment and periodic fire safety training for all employees (including new employees) to ensure they master skills in alarm activation, fire extinguishing, and evacuation.
- Suppliers shall implement a tiered fire safety responsibility system, and fire patrols and inspections shall be strictly enforced.

Documentation

Fire safety completion acceptance report (filing), firefighting equipment inspection records, emergency preparedness plan, fire drill records, fire safety training records, etc.

References

The Fire Prevention Law of the People's Republic of China

General Code for Fire Prevention in Buildings

General Code for Firefighting equipment

Fire Prevention Code for Textile Engineering Design

Safety Code for Dust Explosion Prevention in the Textile Industry

2.4 Electrical Safety

Standards

Suppliers shall comply with laws, regulations, and standards related to electrical safety to ensure that electrical equipment and wiring are in a safe condition, thereby reducing the risk of electric shock and electrical fires.

Basic Requirements

- Suppliers shall ensure that the installation of electrical wiring and equipment complies with regulatory requirements, implement reliable protection against direct contact (e.g., insulation, shielding) and indirect contact (e.g., protective grounding, residual current protection), and strictly prohibit unauthorized wiring or connections. Sufficient safety passageways and working space shall be maintained around electrical products and wiring, and flammable, explosive, or corrosive materials shall not be stored in these areas.

- Suppliers shall conduct daily inspections, periodic testing, and preventive maintenance of electrical systems and equipment, and maintain complete records.
- Specialized personnel engaged in electrical work, such as electricians, must have passed professional training and assessment, hold valid operating certificates in accordance with the law, and work within their approved scope of operations.

Documentation

Electrical safety risk assessments, electrical safety inspection records, electricians' Special Operations Certificates, etc.

References

Technical Specifications for Electrical Equipment Safety

2.5 Mechanical Safety

Standards

The supplier shall ensure that machinery and equipment that may cause injury to employees are equipped with effective safety guards and are properly maintained.

Basic Requirements

- Suppliers shall equip machinery and equipment with exposed hazardous components and dangerous areas—such as drive belts, rotating shafts, drive chains, couplings, pulleys, gears, flywheels, sprockets, and electric saws—with reliable protective devices (e.g., guards, guardrails, two-hand control devices, or interlocking devices). The design, material, strength, and secure installation of these devices shall ensure effective isolation of hazardous areas. Hazardous components shall be clearly marked with safety warning signs; emergency stop buttons shall be red, easily accessible, and have a response time that complies with specifications.
- Suppliers shall strictly enforce equipment inspection and maintenance procedures and maintain complete records to ensure that protective devices and safety control systems remain effective at all times. For machinery and equipment that may unexpectedly start or release energy, Lockout/Tagout (LOTO) procedures shall be followed during maintenance and repair.
- Suppliers shall provide pre-employment and periodic safety training to all machine operators, covering equipment operating procedures, the use of protective devices, emergency stop operations, and emergency response; the training shall emphasize that bypassing safety devices is prohibited.

Documentation

Machinery and equipment maintenance records, operator training records, etc.

References

General Principles for the Safety and Hygiene Design of Production Equipment

Mechanical Safety - Guidelines for the Implementation of Safety Guards

Safety of Machinery - Safety of Machinery Handling - Part 1: Structural Design Guidelines

Machinery Safety - Control of Hazardous Energy - General Principles

2.6 Building Safety

Standards

Suppliers shall ensure that the design, construction, acceptance, and modification or expansion of all buildings comply with local laws and regulations, and shall ensure that the structural integrity of the buildings is maintained.

Basic Requirements

- Suppliers shall ensure that all buildings have passed the final acceptance inspection for construction projects prior to being put into use, and shall retain a building quality completion acceptance report that corresponds to the actual floor area, height, and intended use. If a building quality completion acceptance report cannot be provided, the supplier shall commission a third-party organization with appropriate qualifications to conduct a structural safety assessment to verify that the building meets its intended use and quality requirements.
- Suppliers shall establish and implement a system for regular inspections and maintenance of building integrity to ensure there are no instances of abnormal deformation, damage to structural components, or corrosion of reinforcing bars.

Documentation

Building completion acceptance reports, building structural safety reports, etc.

References

The Construction Law of the People's Republic of China

2.7 Chemical Management**Standards**

Suppliers shall ensure that the procurement, handling, storage, and use of chemicals comply with local laws and regulations, and shall prevent and minimize the risks to employee health and safety posed by hazardous chemicals.

Basic Requirements

- When purchasing highly toxic, precursor, or explosive chemicals, suppliers shall obtain the appropriate permits in accordance with the law and implement a dual-person, dual-lock management system.
- Suppliers shall establish an inventory covering all hazardous chemicals stored and/or used.
- Suppliers shall ensure that chemical containers are properly labeled with complete and accurate information.
- Suppliers shall ensure that employees have access to complete Safety Data Sheets (SDS) at locations where chemicals are stored or used.
- Suppliers shall designate chemical storage areas based on the type and hazardous properties of the chemicals. Appropriate safety facilities and equipment, such as ventilation, sun protection, leak prevention, and explosion protection, shall be installed. Chemicals with different hazardous properties (e.g., flammable, corrosive, oxidizing) shall be classified, zoned, and stored separately, with clear labeling.
- Suppliers shall install eye wash stations and/or emergency showers within 15 meters of locations where toxic, hazardous, or corrosive chemicals are used or stored. Emergency showers and eye wash stations shall be inspected for proper operation at least once a week, and corresponding records shall be maintained.
- Suppliers shall provide safety training to employees who engage with chemicals, ensuring they understand hazard information, protective measures, and emergency response procedures.

Documentation

Hazardous chemical inventory, Material Safety Data Sheets (MSDS), chemical safety training records, etc.

References

ILO Convention No. 170, Chemicals Convention

Law of the People's Republic of China on the Safety of Hazardous Chemicals

Catalog of Hazardous Chemicals

Regulations on the Safety Management of Hazardous Chemicals

General Rules for the Hazardous Chemicals Warehouse Storage

2.8 Special Equipment Management

Standards

Suppliers shall ensure that the registration, inspection, and use of special equipment comply with regulatory requirements to ensure the safe operation of such equipment.

Special equipment commonly found in the footwear and apparel industry supply chain includes:

- Boilers (providing steam or hot water for production processes such as shaping, ironing, dyeing, and heating);
- Pressure vessels (such as air storage tanks, steam distributors, vulcanization tanks, and reactors);
- Elevators (cargo and passenger elevators used in multi-story factories);
- Lifting machinery (such as overhead cranes, electric hoists, etc.);
- In-plant motor vehicles (such as forklifts);
- Specific production equipment (such as pneumatic system pressure vessels for large cutting tables, setting machines, etc.).

Basic Requirements

- Suppliers shall ensure that special equipment is put into formal service only after it has passed inspection and obtained the "Special Equipment Use Registration Certificate."
- Suppliers shall arrange for periodic inspections of special equipment, its safety accessories, and safety protection devices in accordance with regulatory requirements.
- Operators of special equipment (such as boiler operators, forklift drivers, and crane signalers and operators) and safety management personnel must undergo training and pass assessments conducted by professional institutions, obtain the corresponding "Special Equipment Operator Certificate," and undergo periodic refresher training to ensure the certificate remains valid.

Documentation

Inventory ledger of special equipment, Special Equipment Use Registration Certificate, periodic inspection reports for special equipment and safety accessories, Special Equipment Operator Certificates, etc.

References

Law of the People's Republic of China on the Safety of Special Equipment
Regulations on the Safety Supervision of Special Equipment

2.9 Special Operations

Standards

Suppliers shall establish procedures for special operations (such as work at heights, confined space operations, hot work, etc.) in accordance with relevant laws and regulations, ensure that personnel hold valid certifications, implement a strict approval system, and take necessary protective and emergency measures.

Basic Requirements

- Risk Identification. Suppliers shall identify potential risks of falls from heights in production, maintenance, and construction activities; confined spaces requiring control; and locations where hot work is strictly prohibited. They shall specify the types of operations, personnel involved, and work areas, and formulate and implement corresponding risk control measures based on the assessment results.
- Special Operations Approval System. Suppliers must strictly enforce the relevant operational approval procedures, clearly defining the scope of work, personnel involved, supervisors, and safety measures. If there are changes to the personnel, scope of work, work location, work area, work schedule, work method, or operational risks, the approval procedures must be re-processed.

- Personal Protective Equipment (PPE). Suppliers shall ensure that personnel strictly adhere to safety operating procedures and correctly wear and use personal protective equipment.
- Supervisor. The supplier shall ensure that a supervisor is present throughout the duration of the special operations and shall not leave the site or participate in on-site work. The supervisor shall have practical experience in the relevant operations, as well as safety knowledge and emergency response capabilities appropriate to the special operations.
- Qualifications and Training. The supplier shall ensure that personnel performing special operations hold valid special operations operator certificates. Prior to commencing work, such personnel must undergo training on the facility's special operations approval process and safety management procedures. External personnel performing special operations must first present a valid special operations operator certificate (a copy of which shall be retained), confirm that the special operations approval process has been completed, and complete the safety training provided by the facility before commencing work.

Documentation

Special operations operator certificates, training records for special operations personnel, work permits for special operations approvals, etc.

References

The Work Safety Law of the People's Republic of China

Catalog of Special Operations

Regulations on the Administration of Safety and Technical Training and Assessment for Special Operations Personnel

Classification of Work at Height

Regulations on Safety for Confined Space Operations in Industrial and Trade Enterprises

Safety Guidance Manual for Confined Space Operations

2.10 Medical Care and First Aid

Standards

Suppliers shall provide adequate first-aid facilities and supplies, train qualified first-aid personnel, and ensure that timely medical assistance can be provided to employees in emergencies.

Basic Requirements

- Suppliers shall place first-aid kits or boxes in conspicuous and easily accessible locations on at least one floor of each building, ensuring that the types and quantities of first-aid supplies and equipment meet requirements, and conducting regular inspections, restocking, and updates.
- Suppliers shall have first aid personnel who have been trained and certified by professional organizations, ensuring that their numbers, distribution, and scheduling cover all work areas and shifts. All first aid personnel must hold valid certifications and undergo regular refresher training.
- The supplier shall document the reasons for the use of first-aid kit supplies and the corresponding procedures, and shall conduct regular analysis and improvements. For reports of workplace accidents, the supplier shall identify the causes and implement corrective measures.

Documentation

List of first aid personnel and their training certifications, records of first aid material usage, work-related injury reports, etc.

References

Hygiene Standards for the Design of Industrial Enterprises

2.11 Food & Sanitation

Standard

Canteen shall be established and operated in accordance with laws to ensure full-process hygiene control and traceable management covering raw material procurement, food processing and meal service, to guarantee food safety. In addition, Suppliers shall provide employees with clean, hygienic, sufficient and conveniently accessible restrooms as well as safe drinking water.

Basic Requirements

- The Canteen must obtain a valid food business license before they may be put into use.
- The Canteen must have separate areas for raw material handling, cooking, dishwashing and disinfection, and dining. The layout must be designed to prevent cross-contamination and include adequate ventilation, exhaust, drainage, and pest control facilities to meet basic hygiene and safety standards.
- The Canteen must be equipped with sufficient dedicated facilities for refrigeration, freezing, cleaning, disinfection, and food sampling, and ensure their proper operation. Supporting facilities for disinfection, handwashing, and waste collection must be complete and effective.
- Suppliers shall establish and implement food safety management systems covering the entire process, including raw material procurement and inspection, verification of certificates and invoices, inventory management, processing control, tableware disinfection, food sample retention, and waste disposal.
- Suppliers shall provide food sample cabinets and retain samples for 48 hours. Sample labels must indicate the food item, date, and meal service, ensuring that the quantity of each sample meets testing requirements.
- All Canteen staff must hold valid health certificates and undergo regular training on food safety laws, regulations, and operational standards. Canteen staff must wear work caps, masks, and gloves in accordance with hygiene requirements.
- Suppliers shall provide sufficient separate male and female restrooms for employees, which shall be located not far from workplaces with adequate ventilation and lighting. Hand washing basins, hand soap and toilet paper shall be equipped. The restrooms shall be cleaned daily and disinfected regularly.
- Suppliers shall establish a drinking water hygiene management system, provide employees with safe drinking water, assign dedicated personnel for daily operation, maintenance and record-keeping, and keep water quality inspection reports as well as cleaning and disinfection records on file.

Documentation

Food Business License, health certificates for Canteen staff, food sample retention records, etc.

References

The Food Safety Law of the People's Republic of China

Food Safety Operating Standards for Catering Services

Hygienic Standards for the Design of Industrial Enterprises

Standards for Drinking Water Quality

Measures for the Supervision and Administration of Drinking Water Hygiene

2.12 Dormitories

Standards

Suppliers shall ensure that the dormitories provided for employees comply with legal and regulatory requirements (including fire safety requirements) and ensure the safety and hygiene of the living environment.

Basic Requirements

- The living space, ceiling height, bed layout, and storage space in the dormitories shall comply with national and local standards for residential facilities.
- Dormitories shall be equipped with an adequate number of shower stalls and restrooms in accordance with regulatory requirements, and shall provide sufficient privacy partitions.

- All types of firefighting equipment, such as fire extinguishers, fire hydrants, emergency lighting, and evacuation signage, shall be installed and maintained in accordance with regulatory requirements, and regular inspections shall be conducted to ensure that fire safety and emergency facilities remain in good working order at all times; each floor shall have at least two emergency exits, and these exits shall be kept clear.
- Suppliers shall conduct regular evacuation drills in the living quarters.

Documentation

Records of living area evacuation drills, etc.

References

Code for Design of Dormitory Buildings

3. Environmental Protection

3.1 Environmental Permits

Standards

Suppliers shall ensure that the construction project has obtained environmental approval in accordance with the law, and that the corresponding environmental protection facilities have obtained the permits and approvals required by law.

Basic Requirements

- For new construction, renovation, or expansion projects, suppliers shall conduct environmental impact assessments in accordance with the law, prepare reports (or forms) that comply with regulations, ensure that the assessment content is comprehensive and the conclusions are compliant, and submit them to the competent ecological and environmental authorities with approval authority as required.
- Suppliers must obtain formal approval of the environmental impact assessment (EIA) documents from the competent ecological and environmental authorities. The project's scope, scale, location, processes, and pollution control measures must strictly comply with the requirements set forth in the approval. If any significant changes are involved, the supplier must resubmit the application for approval in accordance with the law.
- Upon completion of environmental protection facilities, the supplier shall promptly conduct the final acceptance inspection of such facilities in accordance with the requirements of the EIA approval, prepare an acceptance report, and ensure that the facilities pass the acceptance inspection before formally commencing production or use.
- Suppliers shall, based on actual pollutant generation, apply for an emission permit in accordance with the law if required. Such permits must be obtained prior to the actual discharge of pollutants, and pollutants must be discharged in compliance with the provisions of the emission permit. Suppliers whose pollutant generation, discharge volume, and environmental impact are all minimal shall complete an emission registration form in accordance with the law.

Documentation

Project Environmental Impact Statement/Report/Registration Form, EIA approval documents, Project Completion Environmental Protection Acceptance Report, Pollutant Discharge Permit, or Fixed Pollution Source Discharge Registration Receipt, etc.

References

Law of the People's Republic of China on Environmental Protection

Environmental Impact Assessment Law of the People's Republic of China

Regulations on the Administration of Environmental Protection for Construction Projects

Regulations on the Administration of Pollutant Discharge Permits

Measures for the Administration of Pollutant Discharge Permits

Catalogue of Classification Management for Environmental Impact Assessments of Construction Projects

Catalogue of Classification Management for Pollutant Discharge Permits of Fixed Pollution Sources

3.2 Hazardous Waste

Standards

Suppliers shall classify and store hazardous waste in accordance with regulations, select qualified hazardous waste disposal entities for disposal, and ensure that the entire process is documented clearly, risks are controllable, compliance is maintained, and traceability is ensured.

Basic Requirements

- Suppliers shall implement necessary measures to prevent wind, sunlight, rain, leakage, seepage, and corrosion, as well as other environmental pollution control measures, based on the form, physical and chemical properties, packaging, and migration pathways of hazardous waste. Open-air stockpiling of hazardous waste is prohibited. Suppliers shall establish necessary storage zones to prevent incompatible hazardous wastes from coming into contact or mixing.
- Suppliers shall use specialized containers or packaging that comply with relevant standards to store hazardous waste, ensuring they are intact, sealed, and properly labeled with hazardous waste labels.
- Suppliers shall establish comprehensive management records, accurately documenting information such as the types, quantities, flow, storage locations, and utilization or disposal of hazardous waste. Suppliers shall entrust qualified hazardous waste disposal entities to handle the disposal and utilization of hazardous waste, enter into contracts with them, and implement the hazardous waste transfer manifest system during the transfer process.
- Suppliers shall provide pre-employment and periodic training to personnel involved in hazardous waste management (including those in generation, storage, and transportation), covering regulatory requirements, risk identification, standard operating procedures, and emergency response measures to ensure their competence. Complete records of all training shall be retained and periodically evaluated and updated.

Documentation

Hazardous waste management ledgers, hazardous waste disposal contracts, qualification certificates of hazardous waste disposal entities, hazardous waste transfer manifests, training records for hazardous waste management personnel, etc.

References

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Catalogue of Hazardous Wastes

Measures for the Administration of Hazardous Waste Operating Licenses

Standards for Pollution Control of Hazardous Waste Storage

Technical Specifications for the Placement of Hazardous Waste Identification Signs

Measures for the Administration of Hazardous Waste Transfers

3.3 General Solid Waste

Standards

Suppliers shall ensure that the management of their general solid waste complies with local laws and regulations, and shall prohibit illegal transfer, dumping, or landfilling.

Basic Requirements

- Incompatible general industrial solid wastes shall be stored in separate designated areas. Hazardous wastes and municipal solid wastes shall not be introduced into general industrial solid waste storage areas.
- Suppliers shall establish a management ledger for industrial solid waste, accurately recording information such as the type, quantity, flow, storage, utilization, and disposal of industrial solid waste.

Documentation

General solid waste management ledger, etc.

References

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Guidelines for the Preparation of General Industrial Solid Waste Management Ledgers (Trial)

Pollution Control Standards for the Storage and Landfilling of General Industrial Solid Waste

3.4 Wastewater

Standards

Suppliers shall effectively treat wastewater and ensure that discharges meet the standards specified in the discharge permit.

Basic Requirements

- Suppliers shall ensure that wastewater treatment facilities operate normally and maintain operational records, including operating parameters, daily maintenance, and chemical dosing, for verification purposes.
- Suppliers shall arrange for online monitoring and periodic testing of wastewater in accordance with the requirements of the discharge permit to ensure that wastewater is discharged in compliance with standards.

Documentation

Operational logs for wastewater treatment facilities, wastewater inspection reports, etc.

References

Law of the People's Republic of China on the Prevention and Control of Water Pollution

3.5 Emissions

Standards

Suppliers shall effectively treat exhaust gases and ensure that emissions meet the standards specified in the emission permit.

Basic Requirements

- Suppliers shall ensure that exhaust gas treatment facilities operate normally and maintain operational records, including operating parameters, maintenance activities, and details of chemical agent addition/replacement, for verification purposes.
- Suppliers shall arrange for online monitoring and periodic testing of exhaust gases in accordance with the requirements of the emission permit to ensure that emissions meet standards.

Documentation

Operational logs for emission treatment facilities, emission inspection reports, etc.

References

Law of the People's Republic of China on the Prevention and Control of Air Pollution

Comprehensive Emission Standards for Air Pollutants

Control Standards for Fugitive Emissions of Volatile Organic Compounds

3.6 Boundary Noise

Standards

Suppliers shall implement effective sound insulation and noise reduction measures to control noise generated during production activities, ensuring that noise emissions at the plant boundary comply with the limit requirements of national and local standards.

Basic Requirements

- Suppliers shall regularly commission qualified institutions to monitor noise at the plant boundary. Monitoring shall cover both daytime and nighttime periods (if nighttime production is involved) to ensure that noise emissions at the plant boundary comply with laws, regulations, and the acoustic environmental functional zone standards specified by local environmental protection authorities.
- For high-noise-generating outdoor or boundary-adjacent equipment such as air compressors, fans, and cooling towers, effective sound insulation and noise reduction measures shall be implemented to prevent noise pollution in surrounding communities.

Documentation

Boundary noise inspection reports, maintenance records for noise control facilities, etc.

References

Law of the People's Republic of China on the Prevention and Control of Noise Pollution
Environmental Noise Emission Standards for Industrial Enterprises at Plant Boundaries

3.7 Greenhouse Gas Emissions

Standards

The greenhouse gases that suppliers should prioritize for control primarily include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). Suppliers shall effectively manage greenhouse gas emissions in accordance with regulatory requirements in their locations of operation and target markets.

Basic Requirements

- Suppliers shall adopt a scientific approach to define organizational and operational boundaries, calculate and record greenhouse gas emissions for Scope 1 (direct emissions generated within operational boundaries, such as fuel use in boilers and vehicles, and refrigerant consumption in cooling equipment) and Scope 2 (direct emissions generated outside operational boundaries, such as purchased steam and electricity), and cooperate with Li Ning's annual inventory work to report as required, ensuring the accuracy and reliability of the data.
- Suppliers shall cooperate with Li Ning's product life cycle greenhouse gas inventory work and, in accordance with the GHG Protocol – The Corporate Value Chain (Scope 3) Standard, record annual activity data related to raw material procurement (e.g., the types and proportions of raw materials used in the production of Li Ning products, their quantities, and the final quantity and weight of products supplied to Li Ning).
- Suppliers shall align with Li Ning's greenhouse gas management policy, establish emission reduction targets based on their own emissions and operational performance, set and implement emission reduction plans, and effectively manage emission-generating activities in daily operations through internal management procedures and guidelines.

Suppliers must comply with relevant national and local government energy and carbon reduction policies, including refraining from using equipment and processes that have been explicitly phased out, and ensuring full compliance with legal requirements.

Documentation

Greenhouse gas emission inventories and source records for data on various emission activities, such as invoices, must be retained for at least three years.

References

Opinions on Fully, Accurately, and Comprehensively Implementing the New Development Philosophy to Effectively Advance Carbon Peaking and Carbon Neutrality

Action Plan for Carbon Peaking by 2030

Greenhouse Gas Protocol (The Corporate Standard; The Corporate Value Chain (Scope 3) Standard)

ISO 14064-1:2018 Part 1: Specification and guidance for the quantification and reporting of greenhouse gas emissions and removals at the organizational level

Implementation Guidelines for Climate Disclosure under the Hong Kong Exchanges and Clearing Limited (HKEX) Environmental, Social, and Governance (ESG) Framework

4. Business Ethics

4.1 Ethical Business Practices

Standards

Suppliers shall conduct business activities in accordance with the law, adhere to the fundamental business principles of honesty and integrity, ensure that business conduct is lawful, truthful, and compliant, and shall not engage in fraud, falsification, or other acts that disrupt normal market order.

Basic Requirements

- Suppliers shall comply with laws, regulations, and regulatory requirements, and obtain the necessary business qualifications in accordance with the law.
- Suppliers shall comply with relevant international trade regulations and practices, including requirements related to export controls, economic sanctions, and anti-money laundering.

Documentation

Business license and relevant qualification documents, records of whistleblower handling, etc.

References

The Company Law of the People's Republic of China

Anti-Unfair Competition Law of the People's Republic of China

4.2 Transparency

Standards

Suppliers shall maintain a basic level of transparency regarding their own information in accordance with laws and regulations, ensuring that they provide true, accurate, and complete information to Li Ning and third parties designated by Li Ning. Suppliers shall not influence compliance assessments or disrupt normal management order through concealment, false disclosure, or misleading statements.

Basic Requirements

- Suppliers shall ensure that the information they maintain is true, accurate, and complete; they shall not forge, alter, or conceal material facts, and shall properly preserve relevant documents and records to ensure the necessary verifiability of the information.
- When there are significant changes in the company's basic information, operational status (e.g., renovation, expansion, or relocation), or compliance conditions, suppliers shall promptly notify Li Ning to avoid information delays or inconsistencies.
- Without violating laws and regulations, trade secrets, or personal information protection requirements, suppliers shall cooperate with the assessments and audits required by Li Ning and shall not evade compliance management requirements through false materials, misleading statements, or selective presentation.
- Suppliers must not obstruct the audit in any way, including but not limited to concealing certain personnel or areas—such as removing certain employees (e.g., child laborers, young workers, temporary workers) from the factory or prohibiting their entry, or blocking access to certain work areas or dormitories; improperly interfering with employees, such as pre-training or threatening employees, or impersonating employees to participate in interviews; restricting auditors' movements, intentionally delaying the audit process under various pretexts, or refusing to provide audit documents; Furthermore, no acts of intimidation, verbal abuse, physical assault, or verbal threats shall be directed at Li Ning employees or their representatives, including third-party auditors and project partners.

Documentation

Ledger of significant corporate changes, etc.

References

Interim Regulations on the Public Disclosure of Corporate Information

4.3 Anti-Corruption and Anti-Bribery

Standards

Suppliers shall prohibit any form of commercial bribery, improper transfer of benefits, or the use of other improper means to secure business opportunities or competitive advantages, thereby upholding a fair, orderly, and integrity-based market order.

Basic Requirements

- Suppliers shall establish anti-corruption and anti-bribery policies to prevent commercial bribery and improper business practices.
- Suppliers shall not offer bribes to Li Ning or third parties appointed by Li Ning in the form of cash, goods, kickbacks, commissions, gifts, entertainment, travel, sponsorship, or other improper benefits.
- Suppliers shall also comply with other requirements stipulated in Section 4 of Chapter 1 of this Manual concerning the Anti-Corruption and Anti-Bribery Policy.

Documentation

Anti-corruption and anti-bribery policies, records of whistleblower reports, etc.

References

Anti-Unfair Competition Law of the People's Republic of China

4.4 Sustainable Procurement

Standards

Suppliers shall monitor risks related to labour rights, health and safety, environmental protection, and business ethics within their supply chains and promote supply chain sustainability.

Basic Requirements

- Suppliers shall have a thorough understanding of their supply chains and, where applicable, may pursue GOTS (Global Organic Textile Standard) certification, OCS (Organic Content Standard) certification, OEKO-TEX® standard 100 certification to ensure maximum transparency and traceability in the sourcing of raw materials; and Leather suppliers shall obtain LWG (Leather Working Group) certification.
- Suppliers shall communicate Li Ning's Code of Conduct to their subcontractors, secondary suppliers, and service providers.

Documentation

List of qualified suppliers, contracts or agreements signed with suppliers, etc.

References

The Bidding Law of the People's Republic of China

4.5 Privacy Protection

Standards

Suppliers shall protect personal information and privacy rights in accordance with the law during their business operations, and shall collect, use, store, and manage personal information in accordance with the principles of legality, propriety, and necessity to prevent risks of personal information leakage, misuse, or other infringements resulting from improper management.

Basic Requirements

- Suppliers shall provide individuals with clear, understandable, truthful, accurate, and complete notices prior to collecting or processing personal information, explicitly stating the purpose, method, scope of processing, and related rights. Suppliers shall collect and process personal information only after obtaining the individual's explicit consent, or in cases where such processing is necessary for human resources management under labour regulations established in accordance with the law or collective agreements lawfully entered into; they shall not exceed the necessary scope or expand the purpose of use in any disguised manner.
- Suppliers shall implement tiered management of personal information pertaining to employees, customers, business partners, and other relevant parties, and adopt necessary administrative and technical measures to prevent the leakage, alteration, loss, or unauthorized access of personal information.
- Suppliers must strictly regulate the installation and use of security surveillance equipment. It is strictly prohibited to install surveillance equipment in areas involving personal privacy, such as changing rooms, restrooms, bathrooms, and dormitories. Prominent warning signs must be posted in monitored areas, and hidden cameras must not be used. Furthermore, the scope of surveillance must not cover complaint channels such as suggestion boxes or whistleblower boxes, to ensure the independence and confidentiality of employee complaints.

Documentation

Personal information protection policies, records of information security incident handling, etc.

References

Personal Information Protection Law of the People's Republic of China

Cybersecurity Law of the People's Republic of China

Data Security Law of the People's Republic of China

The Civil Code of the People's Republic of China

Network Data Security Management Regulations

5. Management System

5.1 Policies and Systems

Standards

Suppliers shall formulate and publish a social responsibility policy in accordance with laws, regulations, and Li Ning's supplier social responsibility standards, clearly outlining their commitments regarding labour rights, health and safety, environmental protection, and business ethics. They shall ensure that this policy is effectively communicated, implemented, and continuously improved within the company and throughout the supply chain to promote sustainable development and fulfill corporate social responsibility.

Basic Requirements

- Suppliers shall identify and collect applicable laws, regulations, and industry standards in their regions of operation, as well as the requirements of this Standard, to serve as a reference for establishing their own procedures.
- Suppliers shall establish corresponding systems regarding labour rights, health and safety, environmental protection, and business ethics, clearly defining the scope of application and responsible parties.
- Suppliers shall periodically evaluate and update their management policies as necessary in response to changes in laws and regulations, operational conditions, or risk profiles to ensure their continued applicability and effectiveness.

Documentation

List of laws and regulations, social responsibility policies and procedures, etc.

References

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

5.2 Risk Assessment

Standards

Suppliers shall identify and assess potential risks in their business operations regarding labour rights, health and safety, environmental protection, and business ethics; reasonably determine the risk level; and, based on this, implement corresponding management and control measures to prevent the occurrence of major risk incidents.

Basic Requirements

- Risk Identification. Suppliers shall identify operational risks across all aspects of labour rights, health and safety, environmental protection, and business ethics.
- Risk Assessment. Suppliers shall use scientific methods to assess the identified risks related to labour rights, health and safety, environmental protection, and business ethics, and define the risks that require management and control.
- Risk Management. Suppliers shall adopt a risk management hierarchy approach, prioritizing control measures - such as hazard elimination, process or material substitution, engineering controls, administrative controls, and personal protective equipment—to define and implement control measures for risks requiring management.

Documentation

Records of risk assessments, records of the implementation of risk mitigations, etc.

References

Law of the People's Republic of China on Work Safety

The Environmental Protection Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

General Rules for the Construction of a Dual Prevention Mechanism for Enterprise Safety Risk Grading, Control, and Hidden Hazard Investigation and Rectification

5.3 Training and Capacity Building

Standard

Suppliers shall arrange training and capacity building for management and workers to communicate policies and systems regarding labour rights, health and safety, environmental protection, and business ethics, ensuring that employees understand and comply with applicable laws and regulations, internal management requirements, and operational standards, and possess the basic competencies required to perform their job duties.

Basic Requirements

- Suppliers shall arrange social responsibility policy training for management and workers to support the implementation of relevant policies and procedures and ensure the smooth operation of the social responsibility management system.
- Suppliers shall identify the legal requirements regarding health, safety, and environmental protection applicable to employees, taking into account job responsibilities and operational risks, and provide employees with the necessary training in accordance with the content and frequency specified by laws and regulations.

Documentation

Annual training plan, training materials (e.g., PowerPoint presentations), training attendance records, etc.

References

The Labour Law of the People's Republic of China

The Work Safety Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Regulations on Safety Training for Production and Business Entities

5.4 Continuous Improvement

Standards

Suppliers shall continuously evaluate and improve their management systems and operational practices to ensure compliance with laws and regulatory requirements related to social responsibility, as well as Li Ning's supplier social responsibility standards.

Basic Requirements

- Internal Audits. Suppliers shall conduct internal audits to verify that their social responsibility systems comply with established requirements and promptly identify any deficiencies in the management system.
- Management Review. Senior management shall periodically review the status of the management system, including the suitability of the social responsibility policy and the adequacy and effectiveness of the social responsibility management system.
- Corrective and Preventive Actions. For management deficiencies, risk points, or non-conformities identified through internal or external audits, corrective measures must be developed, with clear assignment of responsibilities and deadlines, to ensure implementation of corrective actions and prevent recurrence of issues.

Documentation

Internal audit reports, management review reports, corrective action plans, etc.

References

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

III. Classification of Nonconformities

1. Zero Tolerance issues

Zero-tolerance issues represent the highest level of non-compliance. They refer to actions by suppliers that directly and seriously violate internationally recognized fundamental principles, laws and regulations, or Li Ning's core commitments. Such issues cause significant harm to employees, the environment, or the community, or pose an extremely high risk, and are unacceptable violations. If any zero-tolerance issue is identified during the supplier social responsibility audit, Li Ning reserves the right to terminate the business relationship or suspend the supplier onboarding process until the relevant corrective actions are completed and verified by Li Ning. Zero-tolerance issues include:

- **False Records and Documents.** Systematic falsification of documents provided by the supplier to Li Ning, including but not limited to falsification of working hours, overtime hours, wages, wage composition, wage deductions, various government approvals, third-party testing reports, and any other relevant information.
- **Commercial bribery.** Suppliers and their representatives offering, promising, or providing any improper benefits (including cash, shares, valuable gifts, excessive hospitality, or any other form of benefit transfer) in any form to any Li Ning employee, auditor, or their relatives or associates, with the intent to influence business decisions or audit results.
- **Obstruction of Audits.** Suppliers obstructing audits in any manner, including but not limited to concealing certain personnel or areas - such as removing certain employees (e.g., child laborers, young workers, temporary workers) from the factory or prohibiting their entry, or blocking access to certain work areas or dormitories; improperly interfering with employees, such as pre-training or threatening employees, or impersonating employees to participate in interviews; directly obstructing the audit process, restricting auditors' movements, intentionally delaying the audit process under various pretexts, or refusing to provide audit documents, etc.; Intimidating, verbally abusing, threatening, or physically assaulting Li Ning employees or their representatives, including third-party auditors and project partners.
- **Forced labour.** Workers performing involuntary work or services under punishment or threats, or engaging in other forms of servitude, including human trafficking, debt bondage, indentured labour, or other forms of forced labour.
- **Employment and Use of child labour.** Suppliers recruit or employ child labour; the minimum age for employment under the Li Ning Supplier Code of Conduct is 16 years old.
- **Harassment or abuse.** Systematic physical, verbal, or psychological abuse or harassment occurs at the supplier's premises, such as documented cases of corporal punishment used to discipline employees, widespread sexual harassment, or workers being subjected to intimidation or offensive treatment.
- **Remuneration below the legal minimum wage.** Suppliers pay employees, including subcontracted workers, wages that are below the statutory minimum wage of the relevant country or region.
- **Safety hazards that may result in serious injury or death.** The working and living conditions provided by the supplier may directly result in serious injury or death to employees or the public, such as providing "three-in-one" dormitories (where living quarters are combined with production, business operations, and storage), altering the original load-bearing structure of a building, or adding floors without conducting a quality and safety assessment of the facility.
- **Illegal discharge.** Illegal discharge of industrial pollutants that causes environmental pollution or has a substantial impact on residents' health.

2. Critical Non-conformities

Critical non-conformities are issues where a supplier has seriously breached Li Ning's Social Responsibility Management Standards. These issues are high priority and require corrective action within a specified timeframe. If multiple serious violations are identified during a supplier assessment, it may result in a failed assessment or a downgrade of the final assessment rating; repeated instances of multiple critical non-conformities may lead to the termination of the business relationship between the two parties. Critical non-conformities include, but are not limited to:

- **Non-compliant operations.** Failure to renew expired business operation licenses, or business operation beyond approved business scope, or inconsistent registered business address vs. actual production address.
- **Lack of employee rosters and/or copies of age supporting documents.** The supplier has not established an employee roster, the roster is incomplete, copies of employees' age verification documents are not retained, or records are incomplete.
- **Discrimination.** Confirmed cases of the supplier discriminating against employees based on race, ethnicity, skin color, gender, age, nationality, household registration, religious beliefs, sexual orientation, disability, marital status, pregnancy, or parental status in employment-related processes such as recruitment, compensation, training, promotion, disciplinary action, and contract termination.
- **Failure to Respect Freedom of Association.** The supplier fails to respect employees' rights to form or join legitimate labour organizations in accordance with the law, as well as their right to engage in collective bargaining.
- **Lack of detailed attendance records or excessive overtime.** Suppliers fail to provide employee attendance records, or the records are incomplete; or serious excessive overtime occurs.
- **Non-compliant wage payments.** Suppliers fail to provide wage payment records, or do not pay overtime wages in full, or do not pay wages on time.
- **Use of unreasonable fines as disciplinary measures.** The supplier imposes unreasonable fines on employees for violations.
- **Lack of employment contracts.** The supplier has failed to enter into written employment contracts with employees that comply with legal requirements within the prescribed timeframe.
- **Failure to monitor occupational hazard factors.** Suppliers with severe occupational health risks have not conducted testing for occupational hazard factors.
- **Serious fire safety violations.** Suppliers have not obtained fire safety inspection approval or filed fire safety records; have an insufficient number of emergency exits or have them locked; have evacuation routes completely blocked, preventing rapid evacuation in emergencies; or have not conducted fire drills within the past year.
- **Building Structural Hazards.** The buildings used by the supplier have visible safety hazards, such as structural cracks in load-bearing walls, ground subsidence, or building tilting.

3. Major Non-conformities

Major non-conformities refer to actions that systematically deviate from laws, regulations, or a specific requirement outlined in this standard. Upon the occurrence of such issues, the supplier will be required to complete corrective actions within a specified timeframe. The results of these corrective actions may be verified through documentary evidence or through on-site spot checks.

4. Minor Non-conformities

Minor non-conformities refer to occasional or minor deviations from laws, regulations, or the requirements of this standard, or situations where there are omissions in policy documents but no substantive deviations from laws, regulations, or the requirements of this standard at the implementation level. The priority for rectifying such issues is lower than that of other issues identified during the audit; however, suppliers must still complete rectification within a specified timeframe. Rectification results may be verified through documentary evidence or on-site spot checks.

1.3 Regular Supplier Assessments

Conduct regular assessments of suppliers to continuously monitor their daily performance and promptly identify potential risks. If a supplier fails the initial assessment, they must complete corrective actions within the specified timeframe. If the supplier still fails the re-evaluation, the termination process will be initiated.

1.4 Supplier Remediation Review

For serious risks identified during assessments, suppliers shall conduct root cause analysis and implement corrective and preventive measures to prevent recurrence. Suppliers must address these issues with the utmost seriousness; if a subsequent assessment (review) remains unsatisfactory, the termination process will be initiated.

1.5 Supplier Termination

For suppliers that remain non-compliant after rectification, an orderly termination process will be executed. It should be specifically noted that Li Ning categorically does not accept any zero-tolerance violations identified during audits. If such violations are discovered during the onboarding of new suppliers, the onboarding process will be halted. If identified during routine audits, Li Ning reserves the right to terminate the business relationship.

2. Supplier Social Responsibility Rating Criteria

2.1 Classification of Supplier Social Responsibility Ratings

Li Ning has established a systematic supplier social responsibility rating system. Annual evaluation results are categorized into four levels: “Green,” “Blue,” “Yellow,” and “Red.” This system aims to clearly identify best practices, identify opportunities for improvement, and effectively manage risks. Different ratings correspond to different collaboration and management approaches. Through this tiered mechanism, we aim to incentivize suppliers to achieve continuous improvement from “compliance” to “excellence,” and to jointly build a more resilient and responsible supply chain.



Table 1: Supplier Social Responsibility Rating Categories

Rating	Definition and Action Plan	Score	Conclusion
Green	- Definition: The management system is mature and well-established, with overall performance exceeding Li Ning Company's standards. It demonstrates exceptional self-management and continuous improvement capabilities. - Cooperation Measures: Conduct ongoing self-inspections and improvements, and participate in the annual assessment arranged by Li Ning Company as required.	Score ≥ 85	Excellent
Blue	- Definition: Overall performance complies with laws, regulations, and Li Ning's social responsibility management requirements, but there is room for improvement. - Cooperation Measures: Conduct ongoing self-assessment and improvement, and participate in Li Ning's periodic evaluations as required.	$70 \leq \text{Score} < 85$	Good
Yellow	- Definition: Performance generally meets Li Ning's social responsibility management requirements, but deficiencies or potential risks exist in certain areas, requiring targeted corrective actions. - Cooperation Measures: Accept on-site spot checks within six months to verify the effectiveness of corrective actions; if the spot check reveals that non-compliance issues have not been rectified or new serious violations have emerged, the rating will be downgraded to a Red Card.	$60 \leq \text{Score} < 70$	Pass
Red	- Definition: Fails to meet Li Ning's social responsibility management requirements, with zero-tolerance issues, lack of transparency, or multiple serious violations resulting in an overall low score. - Cooperation Measures: The factory must undergo self-funded guidance and a self-funded re-evaluation. On-site spot checks to verify the effectiveness of corrective actions will be conducted within three months. If the factory is rated as a "Red Card" for two consecutive evaluations, cooperation will be terminated.	Score < 60	Fail

2.2 Li Ning-Approved Third-Party Audit Standards, Audit firms, and Auditor Qualifications

2.2.1 Li Ning-Approved Audit Standards

To reduce the burden on suppliers and avoid duplicate audits of the same factory within a short period, Li Ning recognizes third-party audit reports that meet the following conditions and uses them as the basis for evaluating the supplier. Additionally, for audits conducted by other internationally renowned brands on their suppliers, Li Ning will evaluate each case individually to determine whether to recognize them; please contact the Li Ning Social Responsibility Team to confirm specific details. Please refer to Table 2 for the specific list of standards.

Table 2: Audit Standards Recognized by Li Ning

Standard Abbreviation	Full Name of Standard
BSCI	Business Social Compliance Initiative
SMETA	Sedex Members Ethical Trade Audit
SLCP	Social and Labour Convergence Program
SA8000	Social Accountability 8000
WRAP	Worldwide Responsible Accredited Production
WCA	Workplace Conditions Assessment
DISNEY ILS	DISNEY International Labour Standards
ICS	Initiative for Compliance and Sustainability

Note: This list is not exhaustive, and other third-party audit standards may also be recognized by Li Ning Company.

- 1. Validity: Li Ning Company makes timely adjustments to recognized audit standards.
- 2. Timeliness: All adopted audit reports must be within their specified validity period.
- 3. Final Interpretation: Li Ning's Corporate Social Responsibility team reserves the right to make the final determination regarding the validity, applicability, and ultimate acceptance of reports.

2.2.2 Audit Firms Recognized by Li Ning

To ensure the independence, impartiality, and professionalism of the audits, the aforementioned audits must be conducted by independent third-party audit firms recognized by Li Ning in accordance with the standards outlined above. The organizations listed in the table below possess broad international recognition and professional auditing capabilities, and the reports they issue are accepted by Li Ning.

Table 3: List of Third-Party Audit Firms Approved by Li Ning

Company Name	Relevant Information
TÜV Rheinland	TÜV Rheinland, https://www.tuv.com/greater-china/cn/
SGS	SGS, https://www.sgsgroup.com.cn/zh-cn
Openview	Openview, www.openviewservice.com
Intertek	ITS, https://www.intertek.com.cn/
BV	BV, https://www.bureauveritas.cn/
LRQA	LRQA, https://www.lrqa.com.cn/
CTI	CTI, https://t.ctimall.com/

Note: This list is not exhaustive; other audit firms with equivalent qualifications and reputation may also recognized by Li Ning Company.

2.2.3 Qualification Requirements for Third-Party Auditors

To ensure audit quality and professionalism, Li Ning Company requires the following of third-party auditors conducting the audits:

- Industry Qualifications: Must meet the requirements of the Association of Professional Social Compliance Auditors (APSCA);
- Professional Qualifications: Must hold auditor certifications for relevant standards (e.g., WRAP, amfori BSCI, SA8000, etc.);
- Work Experience: Must have several years of experience in supply chain social responsibility audits; at least one member of the audit team must possess professional knowledge and audit experience relevant to the auditee's industry (e.g., apparel, footwear, etc.);
- Professional Conduct: Must maintain objectivity, impartiality, and confidentiality, and strictly adhere to Li Ning's anti-corruption and anti-bribery policies;
- Personal Qualities: Possess excellent interviewing skills, document review capabilities, risk identification skills, and clear written and verbal communication abilities;
- Communication and Coordination: The audit team leader must possess strong teamwork and communication skills and be able to effectively manage the audit process;
- Evaluation and Feedback: The auditee has the right to evaluate the auditor's performance, and this feedback will serve as an important reference for future cooperation.

2.3 General Requirements for Written Evidence

The documentation provided by suppliers must adhere to the following principles:

- **Transparency.** The factory must ensure that all provided documents and materials are authentic, valid, and consistent with the original information.
- **Clarity.** The factory must ensure that all provided documents and materials are clear and legible.
- **Relevance.** The factory shall ensure that all documents and materials provided directly correspond to and are relevant to the identified issues.
- **Timeliness.** The factory shall provide documentation and information covering the specified time period.
- **Traceability.** The factory must ensure that all provided documents are traceable, and that all changes, additions, and deletions are properly documented.

3. New Supplier Onboarding Assessment

The Social Responsibility Assessment for New Suppliers is designed to comprehensively identify potential suppliers' social responsibility compliance risks and risk management capabilities through a systematic evaluation process prior to the commencement of cooperation, ensuring they meet Li Ning's basic requirements and development expectations. The Social Responsibility Assessment is a mandatory step in the new supplier onboarding process, and its results have a decisive impact on supplier qualification. All prospective suppliers must pass this assessment before proceeding to subsequent stages of the business cooperation process.

This section details the process, standards, and requirements of the New Supplier Social Responsibility Assessment to guide internal company teams in their work and assist potential suppliers in accurately understanding and cooperating with the process.

The social responsibility assessment for new suppliers consists of four key stages: initiation of document review, submission of documents, initial audit, and corrective action review if applicable. The specific process is illustrated in Figure 2. Suppliers must provide relevant materials and information in a timely and accurate manner in accordance with the specified deadlines.

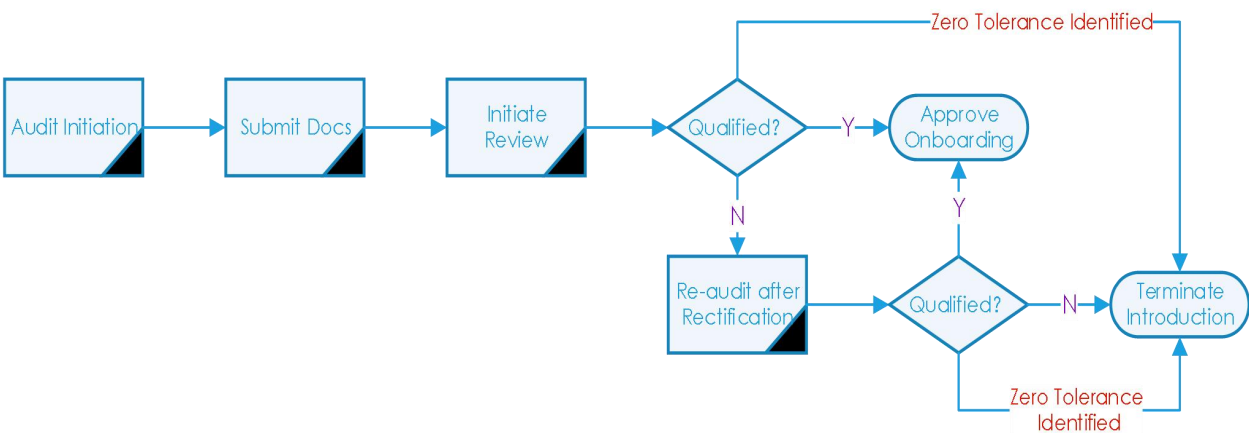


Figure 2: Flowchart of the New Supplier Assessment Process

1) Initiation of Document Review

Upon initiation of the new supplier onboarding process, Li Ning's Corporate Social Responsibility team formally issues a CSR document review notice to prospective suppliers, clearly outlining the assessment requirements, key timelines, and the list of information and documents to be submitted (the "Supplier Basic Information Form" and "CSR Audit Documentation Checklist" , as shown in Appendix 2 and 3).

3) Initial Review

Li Ning's Corporate Social Responsibility team will review the materials submitted by the supplier. If the review results meet the social responsibility admission requirements, the supplier will pass the admission review; if the review results do not meet the social responsibility admission requirements, the supplier must rectify the issues or supplement the documents based on the feedback; if any zero-tolerance issues are identified, Li Ning will terminate the admission process.

4) Rectification and Re-review

Upon receipt of the corrective actions or supplementary documents, Li Ning's Corporate Social Responsibility team will conduct a re-review. If the re-review results meet the social responsibility admission requirements, the supplier will be approved; if the re-review results still fail to meet the social responsibility admission requirements or involve zero-tolerance issues, the onboarding process will be terminated. It is particularly emphasized that if any zero-tolerance issue is identified during the onboarding process for new suppliers, Li Ning will terminate the onboarding process.

4. Regular Supplier Assessment and Audit

For suppliers with whom a cooperative relationship has been established, Li Ning continuously monitors and systematically reviews their social responsibility compliance performance through a combination of quarterly business reviews (QBRs) and annual assessments, ensuring daily compliance, managing risks, and driving continuous improvement.

4.1 Quarterly Business Reviews and Audits

The QBR (Quarterly Business Review) is one of Li Ning's routine methods for verifying the social responsibility performance of key suppliers. The verification takes two forms: 1) On-site or online audits conducted by Li Ning or a third party appointed by Li Ning, with scoring based on Li Ning's Supplier CSR Management Scoring System; or 2) submission by the supplier of a valid, recognized third-party CSR audit report, which is then scored by Li Ning or a third party appointed by Li Ning according to the same scoring system. Scores are presented as Green, Blue, Yellow, or Red.

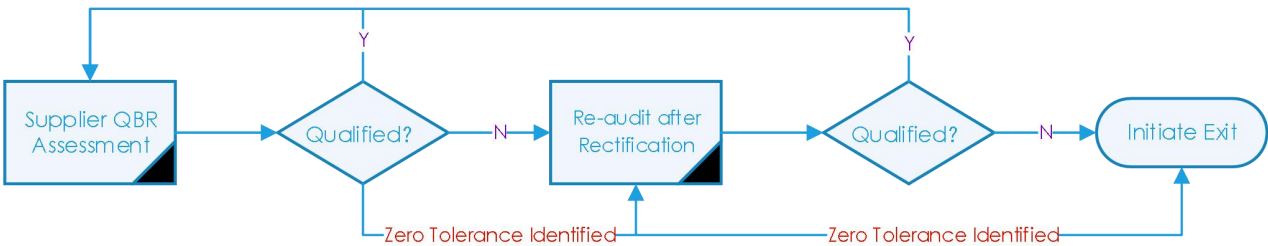


Figure 3: Quarterly Evaluation Process Flowchart for Major Suppliers

For suppliers with green, blue, or yellow ratings who may have varying degrees of non-compliance issues, suppliers must implement corrective actions within a specified timeframe, focusing on serious violations. Li Ning will conduct unannounced spot checks as appropriate to monitor their daily compliance status; Suppliers rated as Red must immediately implement corrective actions. If, following corrective actions, the re-evaluation still results in non-compliance, Li Ning will initiate the termination process. At the same time, we encourage suppliers to actively conduct self-inspections, proactively identify risks in their operations, and take effective measures to eliminate or mitigate such risks.

4.2 Annual Assessment and Audit

Based on the quarterly assessments, Li Ning will select a certain number of suppliers based on their assessment results from the previous year to conduct social responsibility audits for the new year, using the same audit methods as the quarterly audits.

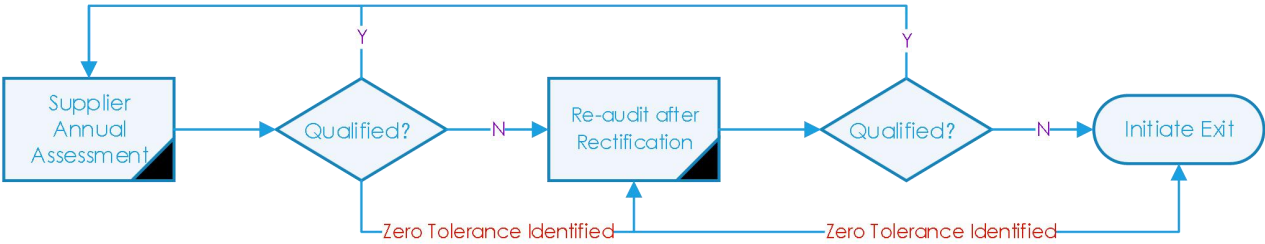


Figure 4: Supplier Quarterly Assessment Flowchart

If the initial audit result is unsatisfactory, the supplier must make corrections within a specified timeframe; if the supplier remains unsatisfactory after the follow-up audit, Li Ning will initiate the termination process; if the initial or follow-up audit result is satisfactory, the supplier passes the annual assessment.

4.3 Social Responsibility Questionnaire

In addition to quarterly and annual audits, to further strengthen social responsibility management in the supply chain, promote sustainable development, and fulfill the shared social responsibilities of both parties, Li Ning will periodically conduct social responsibility compliance surveys among all supplier partners. The purpose is to track and understand the current management status of suppliers regarding the establishment of social responsibility management systems, labour rights, health and safety, environmental protection, and business ethics.

Suppliers must ensure that all materials submitted to Li Ning or to third parties commissioned by Li Ning are true and valid. Li Ning does not accept falsified documents; upon discovery, the company reserves the right to terminate the cooperative relationship, and the supplier shall bear all related liabilities.

Li Ning will conduct risk identification and assessment based on the survey feedback, and the survey results will serve as one of the key references for evaluating supplier partnerships and optimizing the supply chain management system. Suppliers with high-risk items will be included in annual on-site audits or capacity-building plans to promote their continuous improvement.

5. Supplier Optimization and Improvement

For non-conformities identified during quarterly and annual social responsibility audits, Li Ning will collaborate with suppliers to drive corrective actions, eliminate or mitigate risks, and enhance management capabilities. For issues identified during audits, suppliers shall develop and submit a Corrective Action Plan (CAP) under the guidance of auditors, which will serve as the core management tool for implementing corrective measures and conducting follow-up tracking.

These CAPs are focused on substantive rectification of issues and should include the following key elements:

- Objectively document the non-conformities identified during the audit, clearly defining the areas involved and potential risks;
- Analyze the root causes of the issues in light of the supplier's actual management practices, avoiding a focus solely on superficial symptoms;
- Develop corresponding corrective and preventive measures based on the root causes to drive substantive improvements in systems, processes, or on-site management;
- Clearly define the responsible parties and completion deadlines to ensure the remediation process is traceable and verifiable.

Li Ning will review the corrective action plans submitted by suppliers and, based on the risk level of the issues, will continuously monitor the implementation of corrective actions through document reviews or follow-up audits until the issues are resolved.

To ensure the effective implementation of corrective actions and to promote the continuous improvement of suppliers' social responsibility management, Li Ning will provide necessary professional support to suppliers during the development and implementation of their corrective action plans. Support methods include remote communication and on-site support when necessary; the type of support will be determined based on the nature, complexity, and risk level of the issue. Support primarily includes:

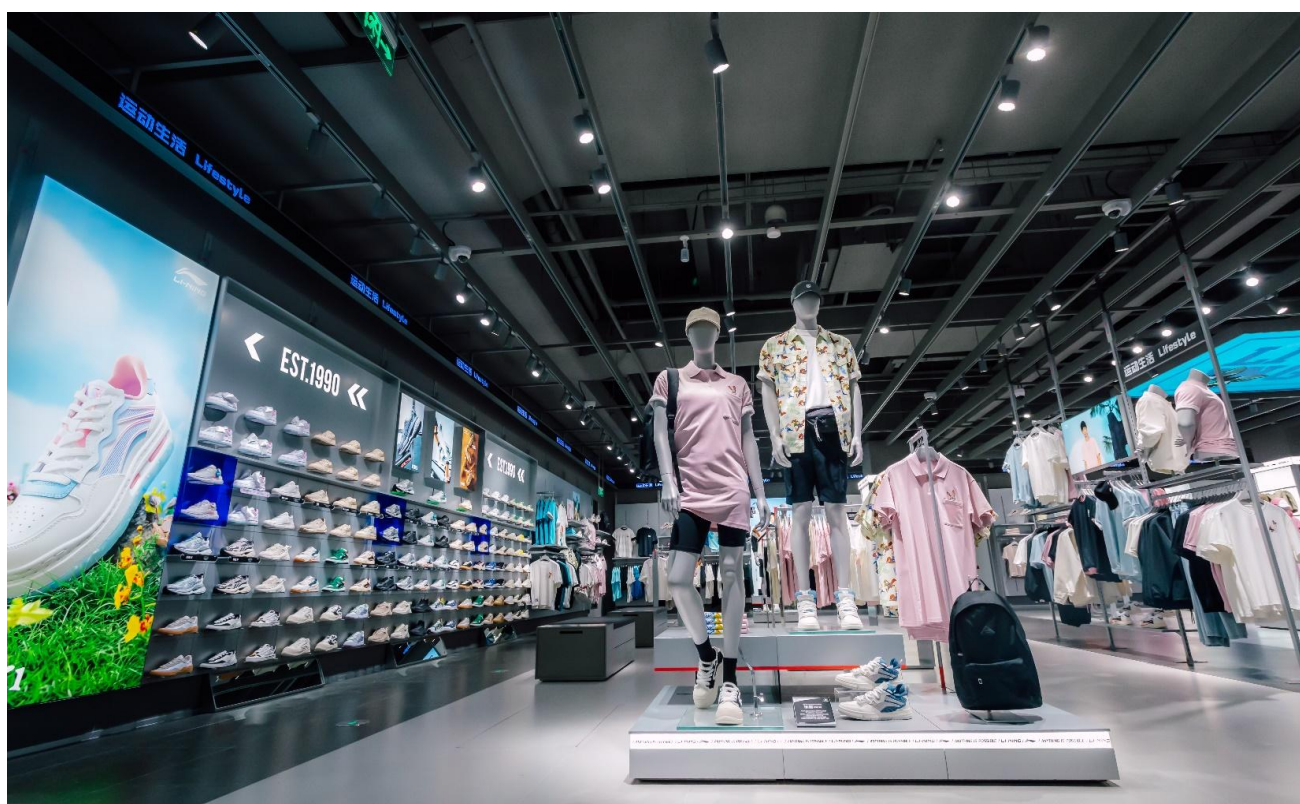
- Providing professional interpretation of issues identified during audits and related compliance requirements to help suppliers accurately understand standard requirements and key rectification priorities;
- Providing improvement directions and practical recommendations regarding system development, process optimization, or weaknesses in on-site management;
- Supporting suppliers in implementing corrective and preventive actions through ongoing communication and Q&A sessions.

6. Supplier Exit Mechanism

In response to supplier violations, Li Ning will adhere to the principles of evidence-based decision-making, documented communication, and well-founded decisions to ensure the objectivity and legitimacy of the process, striking a balance between optimizing the supply chain and safeguarding the company's reputation and compliance standards.

Li Ning continuously monitors its suppliers' compliance with social responsibility standards through quarterly comprehensive evaluations, annual assessments, and surveys. We will initiate the termination process for suppliers that meet any of the following criteria:

- Failure to meet the minimum compliance standards in two consecutive audits;
- Violations of zero-tolerance items that remain unresolved after corrective action and re-evaluation;
- Where it is verified that the supplier has been reported by a named party or that significant negative public sentiment has been identified through routine monitoring;



V. Supplier Capacity Building

1. Purpose and Objectives

To systematically enhance suppliers' compliance awareness and management capabilities in the area of social responsibility, and to ensure their continued compliance with Li Ning's standards and requirements, Li Ning has established and continuously improves a supplier capacity-building framework. We aim to build a multi-tiered, sustainable empowerment system that drives suppliers' transformation from “passive compliance” to “proactive management” and ultimately to “pursuit of excellence,” thereby jointly creating a responsible and resilient supply chain.

2. Core Capacity Building Framework

Li Ning's approach to supplier capacity building adheres to the principles of “basic outreach, specialized deepening, tiered management, and resource sharing,” establishing and refining the following core mechanisms.

2.1 Basic Compliance Training

Li Ning regularly organizes basic corporate social responsibility (CSR) training for all suppliers. The training covers mandatory provisions such as Li Ning's “Supplier Code of Conduct,” audit and evaluation processes, as well as the definitions and zero-tolerance policies regarding serious violations such as child labour, forced labour, major safety hazards, and environmental management. This ensures that suppliers develop a unified and accurate understanding of Li Ning's fundamental CSR requirements.

2.2 Tiered Specialized Training

For high-risk suppliers or those requiring performance improvement - identified through ongoing monitoring and periodic assessments as having management weaknesses - Li Ning will require them to participate in designated specialized training directly addressing their specific shortcomings.

At the same time, Li Ning will also regularly provide thematic training for all prospective suppliers covering cutting-edge social responsibility topics and general management improvement areas. We encourage suppliers to actively participate based on their own development needs, with the aim of jointly and precisely addressing management gaps and proactively addressing the challenges of sustainable development.

3. Forms and Platforms

To enhance the effectiveness and reach of training, Li Ning will actively establish and maintain the following diversified capacity-building platforms:

1. **Online Learning Platform:** The company will establish or designate a unified online learning system as appropriate. Suppliers are obligated to ensure that their relevant management personnel complete the designated required courses on the platform on time and utilize the extensive library of elective resources provided by the platform for self-directed learning.
2. **Third-Party Professional Training:** Li Ning will engage third-party professional training institutions as appropriate to conduct specialized training in areas such as anti-forced labour, health and safety, environmental management, and carbon reduction, providing suppliers with in-depth, professional knowledge and skills.
3. **Annual Supplier Conference:** Li Ning holds an annual supplier conference to systematically review suppliers' annual social responsibility and environmental performance evaluations, clearly communicate relevant standards and requirements, and facilitate in-depth discussions on key topics such as sustainable development. During the conference, suppliers demonstrating outstanding social responsibility performance will be recognized to establish best practices, thereby jointly promoting continuous improvement and collaborative development within the supply chain in areas such as social responsibility management, energy conservation, emissions reduction, and environmental management.

4. Supplier Responsibilities and Participation

Li Ning requires and expects suppliers to:

1. **Resource Allocation:** Designate dedicated management personnel to coordinate capacity-building initiatives with Li Ning, and provide necessary time and administrative support for employee participation in training.
2. **Internal Implementation:** Effectively translate the knowledge and skills gained from training into internal regulations, operating procedures, or secondary training programs.
3. **Proactive Feedback and Participation:** Proactively analyze management gaps within their own organizations and provide training needs feedback to Li Ning; actively participate in interactive activities such as knowledge-sharing sessions and workshops to foster a virtuous cycle of knowledge transfer.

VI Appendix

1. Related Terms and Definitions

Standard Abbreviation	Full Name of Standard
CSR	Corporate Social Responsibility
GOTS	Global Organic Textile Standard
OCS	Organic Content Standard
RDS	Responsible Down Standard
OEKO-TEX® Standard 100	It's a globally recognized certification system for textiles tested for harmful substances.
LWG	Leather Working Group
QBR	Quarterly Business Review
Supply Chain Social Responsibility Audit	Companies restructure their internal governance and management procedures, adjust their procurement strategies, and engage in communication and collaboration with suppliers (including subcontractors) to encourage compliance with laws, regulations, and guidelines related to social responsibility, while promoting the implementation of effective management programs to systematize compliance practices.
Prison Labour	Convicted individuals under the direct control and supervision of state authorities are used to produce goods or provide services for private individuals or businesses, with the fruits of their labour benefiting those private individuals or businesses.
Debt Labour	Workers forced to work against their will to repay debts owed to employers or creditors.
Contract Labour	Refers to services provided under commission or subcontracting agreements in accordance with the employer's instructions. In such cases, workers' freedom of movement is strictly restricted, and they often receive no wages; furthermore, employers frequently prohibit contract workers from leaving freely, or the workers are unable to freely choose to terminate the employment relationship.
Child labour	Defined as follows: (1) A person under the minimum age for employment in the country or region; or, in the absence of relevant legal provisions, (2) A person who has not reached the age at which compulsory education ends; or, in the absence of relevant legal provisions, (3) A person under the age of 16.
Young workers	Under Chinese law, a minor worker refers to a worker who is at least 16 years of age but under 18 years of age.

Standard Abbreviation	Full Name of Standard
Interns	In this manual, this term refers to students participating in internship programs at vocational schools or general undergraduate universities. Vocational school student internships refer to practical educational and teaching activities conducted by students from full-time vocational secondary schools, higher vocational colleges, and higher vocational undergraduate institutions at enterprises or public institutions, either arranged by the vocational school or independently undertaken with the school's approval, in accordance with the training objectives and program requirements; undergraduate university internships refer to teaching practice activities conducted by students from general undergraduate universities at employers, organized or approved by the university in accordance with the curriculum or talent development needs.
Apprenticeship	In China, apprenticeship training targets newly hired or transferred personnel in skilled positions who have signed labour contracts of one year or longer with enterprises. It is based on the principles of “hiring equals enrollment, entering the enterprise equals entering the school, and joint training by enterprise and school instructors.” Specifically, enterprises collaborate with technical schools, vocational colleges, vocational training institutions, and enterprise training centers (hereinafter referred to as “training institutions”) to jointly train apprentices through models such as dual-instructor mentorship and work-study alternation.
Minimum Wage	Refers to the minimum remuneration that an employer is legally required to pay to an employee who has performed normal work during statutory working hours or the working hours specified in a legally signed labour contract. The minimum wage does not include overtime pay, allowances for special working environments or conditions, nor does it include employee insurance, statutory benefits, or various non-monetary forms of income. The minimum wage must be paid on time in legal tender and is generally established by a country or region through legislation.
Labour Dispatch	Labour dispatch refers to a form of employment in which a labour dispatch agency enters into a labour contract with a worker, dispatches the worker to a user enterprise, and the user enterprise then pays service fees to the labour dispatch agency.
Occupational Diseases	Refers to diseases caused by an employer's workers' exposure to dust, radioactive substances, and other toxic or harmful factors during occupational activities.
Occupational Hazard Factors	A general term for various hazard factors that affect workers' health in occupational activities, which can be divided into three categories: harmful factors generated during production processes, including chemical, physical, and biological factors; harmful factors arising during work; and harmful factors in the work environment.
Assessment of Occupational Hazard Factors	A comprehensive evaluation of the exposure levels to occupational hazard factors, the effectiveness of occupational disease prevention facilities, the effectiveness of other relevant occupational disease prevention measures, and the impact of occupational diseases on workers' health, along with the proposal of supplementary measures and recommendations to control and reduce the severity of occupational disease hazards. This process generally includes the preliminary evaluation of occupational disease hazards for construction projects, the evaluation of the effectiveness of occupational disease hazard control measures, and the evaluation of the current status of occupational disease hazards.
PPE	PPE stands for Personal Protective Equipment, also known as labour protection supplies. It is a general term for protective gear worn, equipped, and used by workers to defend against harm from external factors such as physical, chemical, and biological hazards.

Standard Abbreviation	Full Name of Standard
MSDS	MSDS stands for Material Safety Data Sheet, also known as a Chemical Safety Data Sheet or Chemical Safety Information Sheet. It is a document used by chemical manufacturers and importers to describe the physical and chemical properties of a chemical (such as pH, flash point, flammability, reactivity, etc.) as well as the potential hazards it may pose to users' health (such as carcinogenicity, teratogenicity, etc.).
Work-related injury	Circumstances where an employee sustains an accidental injury or contracts an occupational disease due to work-related reasons during working hours and at the workplace.
Environmental Impact Assessment	A method and system for analyzing, predicting, and evaluating the potential environmental impacts resulting from the implementation of planning and construction projects, proposing countermeasures and measures to prevent or mitigate adverse environmental impacts, and conducting follow-up monitoring.
Pollution Discharge Permit	As stipulated in the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, it refers to solid wastes (including liquid wastes) that are listed in the National Catalogue of Hazardous Wastes, or identified as hazardous in accordance with the national criteria and identification methods for hazardous wastes. Such wastes shall be disposed of in compliance with national laws.
Hazardous Waste	According to the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste," hazardous waste refers to solid waste listed in the National Hazardous Waste Catalog or identified as having hazardous characteristics based on nationally prescribed identification standards and methods. Such waste must be treated in accordance with national laws and regulations.
Greenhouse Gases	Refers to gaseous components in the atmosphere—whether naturally occurring or generated by human activities—that can absorb and emit radiation within the infrared spectrum produced by the Earth's surface, the atmosphere, and clouds. These include carbon dioxide(CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃), among others.
Scope 1 (Direct Emissions)	A reporting organization's direct GHG emissions.
Scope 2 (Indirect Emissions from Energy)	A reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption.
Scope 3 (Other Indirect Emissions)	A reporting organization's indirect emissions other than those covered in scope 2.

2. Supplier Basic Information Form

1. Supplier Basic Information		
1.1	Company Name :	
	Business License Registered Address:	
	Actual Business Address:	
	Legal Representative's Name:	
1.2	Business License Start Date:	
1.3	Total land area:	
	Total floor area:	
	1) Number and purpose of buildings:	
	2) Other businesses within the boundary (if applicable):	
1.4	Corporate Social Responsibility (CSR) Representative:	
	(CSR) Head's Title:	
	(CSR) Head's Contact Number:	
	(CSR) Head's Email:	
2. Basic Information of Production		
2.1	Main Products:	
2.2	Production Processes:	
2.3	Subcontracted Processes (if applicable):	
2.4	Previous major brand clients	
3. Basic Information of Employee		
3.1	Total Number of Personnel (including management, temporary staff, outsourced personnel, etc.):	
	1) Number of management personnel:	
	2) Number of non-management personnel:	
	3) Number of female employees:	
	4) Number of male employees:	
	5) Number of dispatched workers:	
	6) Number of outsourced employees:	
	7) Number of employees with local household registration:	
	8) Number of employees with non-local household registration:	
	9) Number of foreign employees:	
	10) Average monthly employee turnover rate:	

4. Information of wages and working time

4.1	Normal workdays	
	Daily working hours:	
	Break Schedule:	
4.2	Attendance Recording Method	
	1) Fingerprint scanning:	
	2) Facial recognition:	
	3) Check-in (paper):	
	4) Check-in (electronic):	
	5) Manual attendance:	
4.3	Wage Calculation Method	
	1) Hourly wage: (Monthly income is calculated based on the number of hours worked)	
	2) Piece-rate: (Monthly income is calculated based on the number of pieces completed)	
	3) Monthly Salary: (Monthly income is calculated based on basic salary + performance-based pay for the current month)	
4.4	Payment Method	
	1) Bank transfer:	
	2) Cash:	
4.5	Salary calculation cycle	
	1) Calendar month:	
	2) Other:	
4.6	Payday (salary payment date):	

5. Existing third-party certificate or audit report

Category	Audit Standards or Certification Standards	Audit Date
5.1 Social Responsibility Series	☐ BSCI	
	☐ SMETA	
	☐ SLCP	
	☐ SA8000	
	☐ WRAP	
	☐ WCA	
	☐ DISNEY ILS	
	☐ ICS	
	☐ Other social responsibility audit standards	
5.2 ISO Series	☐ ISO9001	
	☐ ISO14001	
	☐ ISO45001	
	☐ ISO50001	
	☐ ISO14064	
5.3 Others	☐ GOTS	
	☐ OCS	
	☐ GRS	
	☐ RCS	
	☐ RDS	
	☐ BCI	
	☐ Other	

3. CSR Audit Documentation Checklist

Module	Document
1. Labour Rights	Policy Against Forced Labour
	Child Labour Prohibition Policy (Child Labour Rescue Program)
	Recruitment Procedures (Including Strict Age Verification Processes)
	Procedures for Managing Young Workers
	Anti-Discrimination Policy
	Anti-Harassment and Abuse Policy and Implementation Procedures
	Security Procedures
	Grievance and Complaint Procedures
	Freedom of Association and Collective Bargaining Policy
	Work Hours Management Procedures
	Compensation and Benefits System
	Employee Roster (Including Employees of All Employment Types)
	Employee Files (including copies of age verification documents)
	Employment Contracts (including copies of contracts signed between temporary agency workers and the staffing agency)
	List of Young Workers
	Young Worker Health Examination Forms
	Young Worker Registration Form/Certificate
	Tripartite Internship Agreement
	Internship Liability Insurance Policy
	Job Posting
	Pre-employment and Periodic Medical Examination Reports
	Record of Rewards and Disciplinary Actions
	Record of Complaint Handling
	Records of union activities (if applicable)
	Attendance Records
	Approval for the Comprehensive Working Hours System/Flexible Working Hours System
	Overtime Request Form (if applicable)
	Leave Records
	Payroll Records and Payroll Disbursement Vouchers (if applicable)
	Social Security Contribution Records
	Resignation Records
	Business License and Operating Permit of the Labour Dispatch Company (if applicable)
	Service Agreement with the Labour Agency
	Work permits for foreign employees (if applicable)

Module	Document
2. Health and Safety	Safety Management System
	Safety and Environmental Emergency Response Plan
	Occupational Health Management Procedures
	Fire Safety Responsibility System
	Lockout/Tagout Management System
	Procedures for the Storage, Use, and Disposal of Chemicals
	Special Operations Management System
	First Aid Procedures
	Work-Related Injury Investigation Procedures
	Certificate for Principal Responsible Persons of Production and Operation Units / Certificate for Safety Management Personnel of Production and Operation Units
	Health and Safety Risk Assessment
	Fire Emergency Drill Records
	Notice of Occupational Hazards (if applicable)
	Occupational Health Examination Reports (Pre-employment, During Employment, and Upon Termination) (if applicable)
	Occupational Health Records
	Occupational Hazard Factor Monitoring Report
	Current Assessment of Occupational Hazards
	Personal Protective Equipment (PPE) Issuance Records
	Fire Safety Completion Inspection Report (Filed)
	Firefighting equipment Inspection Record
	Firefighting equipment Operator Certificate
	Electrical Preventive Testing Report
	Periodic Inspection Report for Lightning Protection Facilities
	Explosion-Proof Electrical Facilities Inspection Record
	Annual Electrical Facility Inspection Report
	Electrical Work Operation Certificate
	Building Completion Acceptance or Building Quality and Safety Appraisal Report
	List of Chemicals
	Permits and Purchase Records for Precursor Chemicals, Highly Toxic Chemicals, and Explosive Precursor Chemicals
	Special Equipment Register and Certificate of Use
	Periodic Inspection Reports for Special Equipment and Their Accessories
	Special Equipment Safety Management Certificates and Operator Certificates
	Special Operations Operator Certificates
	Records of Special Operations Approval
	First Aid Training Certificates
	Work-Related Injury Records
	Food Service Permit
	Canteen Staff Health Certificate

Module	Document
3. Environmental Protection	Hazardous Waste Management Plan
	Environmental Impact Assessment Report, Form, or Filing
	Approval of the EIA Report (or Form)
	Completion Acceptance of the "Three Simultaneities" for Environmental Protection in Construction Projects
	Pollutant Discharge Permit or Fixed Pollution Source Declaration Record
	Periodic Pollutant Discharge Monitoring Reports
	Hazardous Waste Ledger
4. Business Ethics	Certification of Qualifications for Hazardous Waste Treatment Facilities and Transfer of Hazardous Waste Transfer forms
	Business License
	Supplier Social Responsibility Assessment Records
	List of Qualified Subcontractors and Suppliers
5. Management Systems	Confidentiality Mechanisms
	List of Laws, Regulations, and Industry Standards
	Policies and Procedures Regarding Labour Rights, Health and Safety, Environmental Protection, and Business Ethics
	Risk assessments regarding labour rights, health and safety, environmental protection, and business ethics
	Training Records on Labour Rights, Health and Safety, Environmental Protection, and Business Ethics
	Internal CSR Audit Records
	Records of management reviews of corporate social responsibility
	Corrective action plans and implementation records

4. Complaint and Whistleblowing Mechanism

To strictly monitor compliance with Li Ning's Supplier Code of Conduct, we have established a transparent and fair complaint and reporting mechanism, and we sincerely invite all parties to participate in this oversight.

1) Scope of Complaints

We accept reports of any conduct suspected of violating Li Ning's "Supplier Code of Conduct" including but not limited to: forced labour, child labour, discrimination, refuse to pay overtime wages, unsafe working conditions, environmental pollution, commercial bribery, fraud, and violations of ethical standards.

2) Reporting Channels

Whistleblowers may submit complaints, either anonymously or under their real names, through any of the following channels:

- Email: Please send detailed information to CSR@lining.com
- Mail: Department of Environment and Sustainable Development, Li Ning Company, 8 Xingguang 5th Street, Beijing Economic-Technological Development Area (Tongzhou), Beijing (Please mark as "Complaint")

3) Requirements for Complaint Content

To ensure an effective investigation, please provide the following information to the extent possible: the name of the supplier involved, specific details of the violation, the time and location of the incident, relevant evidence (such as photos, documents, or audio recordings), and your contact information (anonymous submissions are accepted, but may affect the efficiency of the investigation).

4) Handling and Confidentiality Commitment

We strictly maintain the confidentiality of complainant information and the details of the complaint, and strictly prohibit any form of retaliation. If the allegations are verified to be true, we will take serious disciplinary action against the non-compliant supplier, including but not limited to warnings, fines, termination of cooperation, and legal liability.

Let us work together to maintain an honest, responsible, and sustainable supply chain environment.

5) Training

Suppliers shall train their employees to understand the contents of this complaint and reporting mechanism and shall post notices in the local language in a prominent location at their primary workplace.

5. Version Updates

Version	Date
Version 3.1	August 5, 2026
Version 3.0	June 30, 2026
Version 2.1	April 14, 2026
Version 2.0	June 15, 2022
Version 1.0	July 18, 2019