

# Environmental, Social and Governance Report

## I POLICY MANAGEMENT AND KEY ISSUES IDENTIFICATION

“Shouldering social responsibility” has been a key integral part of the corporate culture of Li Ning Company. The Group has always pursued the concept that “sports activities are not merely for the purpose of competition or fitness, but also have the functions of public service and social education” and honoured its commitment as a “corporate civil responsibility”, aiming to benefit the society and the environment in the long-term.

For years, the Group has been adhering to its core values: fulfilling dreams, integrity and faithfulness, our culture, excellence, customer orientation and breakthrough, and discharging our responsibilities for products, environment, employees and communities through constant communication and cooperation with all stakeholders. Meanwhile, the Group has also improved its ability on relevant risk management and control.

### 1.1 Environmental, Social and Governance Philosophy

The Group emphasizes that our philosophy in environmental, social and governance should be correlated to our business, which principally includes the areas as below:

- We are highly demanding on product quality, supply chain environment and social management, making all endeavors to reduce emissions of various wastes and resource consumption and actively promoting corporate social responsibility to our suppliers with our practices. We also assist suppliers in promoting the progress of corporate social responsibility in order to develop a more responsible business environment. Meanwhile, we are committed to providing consumers with green, safe and high-quality products.

- Cherishing our employees as the most important asset of the Company, we continue to create a good working environment and provide professional skill training and career development opportunities to achieve mutual growth of employees and the Company.
- As the leader in the domestic sporting goods industry, we are actively participating in public charity and community investment activities to contribute to the society and fulfill the social responsibility of a corporate citizen in the course of development and expansion.

### 1.2 Key Issues Identification

Communication and engagement with stakeholders is the foundation of corporate sustainability. We identified the principal stakeholders of the Group in accordance with the features of the industry and our operations, including government and regulatory authorities, shareholders and investors, employees, distributors and suppliers, media, consumers, communities and general public. In the meantime, we have established a good and stable communication model with stakeholders through various channels.

## Key Stakeholders Identification

Key stakeholders	Communication channel	Issues concerned	Response
Government and regulatory authorities	Policy guidelines; Regulatory document; Industry meeting; On-site inspection; Off-site regulation	Energy saving and emission reduction; Corporate governance; Compliance operation; Implementation of policy	Implement regulatory policy; Accept supervision and assessment; Carry out green operations; Improve corporate governance system
Shareholder and investor	Information disclosure; General meeting; Road show; Result announcement	Operation strategy; Profitability; Transparency and information disclosure	Maintain brand value; Regularly publish results announcement; Promote internal control and risk management
Employee	Trade union; Staff representatives meeting; Intranet mailbox; Corporate activity	Employee remuneration and benefits; Community charity; Development and training; Safety and protection	Bring the role of trade unions into play; Enrich employees' life; Establish a learning platform; Protect employees' rights and interests
Distributor and supplier	Regular communication meeting; Daily exchange and visit; Cooperation agreement; Strategic negotiation	Fair cooperation; Integrity and compliance; Mutual development	Formulate a transparent and fair procurement system; Enhance environmental and social risk awareness; Establish a good relationship in business cooperation
Media	Press Release; Media platform; Site visit	Corporate influence; Transparency and information disclosure; Ability in Public relations	Regularly organize the open day for media; Real-time news release; Timely and objective information disclosure
Consumer	Customer service hotline; Satisfaction survey; Marketing activity; Official website	Product quality; After-sales service; Privacy protection	Establish and improve the quality control and management system; Improve service quality; Protect consumers' rights and interests
Community and general public	Charity activity; Volunteer action; Community activity	Benevolent and charitable activities; Community development; Community relations	Regularly conduct volunteer activities; Increase external donations; Popularize professional sports knowledge

With regard to the 11 major issues identified in the Guidelines on Environmental, Social and Governance Report, we conducted a specific survey on the key stakeholders of the Group and identified the main concerns of the internal and external stakeholders, including community investment, supply chain management and resource use, etc.



## II ENVIRONMENTAL MANAGEMENT

### 2.1 Environmental Management Policy

The Group has been actively exploring a way of development featuring low-investment, low-consumption, low-emission and high-yields since its inception. The Group has taken various control measures for environmental protection, vigorously used green energy and resources to improve the management efficiency of energy resources while developing its business. In addition, the Group continues to focus on energy conservation and emission reduction, increase investment in environmental protection and comply with Environmental Protection Law of the People's Republic of China, Laws of the People's Republic of China on Conserving Energy and other important laws and regulations.

In 2016, the Group achieved the goal of energy saving set at the beginning of the year. The energy consumption was significantly reduced as compared to that of last year.

### 2.2 Environmental Management Measures

As a brand operator in sports industry, the Group did not cause significant pollution and impact on the environment in the course of its operations. However, it still attaches great importance to environmental management. The Group set up a leading team for energy saving and emission reduction led by Administration Department, making clear-cut rules with respect to authority and accountability, appointed responsible persons and specified job responsibilities.

In the year of 2016, the Group continued to improve systems and management measures including "Li Ning Company Energy (Resources) Saving Management Standards (李寧公司節能(源)管理標準)", "Li Ning Company Energy Saving Arrangements (李寧公司節能工作安排)", "Li Ning Company Energy Saving Measures (李寧公司節能措施)". In addition, the Group carried out a variety of training and promoting activities in energy saving and emission reduction to guide the participation of all employees, which created a good atmosphere of energy saving and emission reduction.

In order to improve the overall management level and efficiently launch the campaign on energy saving and emission reduction, the Group conducted regular and irregular follow-up assessment and evaluation on fundamental aspects, such as system development, target implementation and energy utilization management. The Administration Department of the Group has required the property management department to provide monthly statistics and summary of the energy consumption (water, electricity, gas) of areas under its management and make analysis on the statistical results. According to these data, the Group can find out the root cause of unreasonable energy consumption and fine-tune our energy management to ensure the energy and resources in those areas are used reasonably and efficiently.

### Cases

**Li-Ning Centre Photovoltaic Power Generation Project (李寧中心光伏發電工程):** The Administration Department of the Group has actively explored and cooperated with professional service providers to build solar power stations by taking full advantages of the Company's arenas and the vast roof areas of office buildings. The project was composed of more than 5,700 pieces of photovoltaic panels with effective laying area of approximately 15,000 square meters. The power capacity of the project amounted to 1,460KW with an average annual generating capacity of 1,400,000W, accounting for 25% to 30% of the average annual power consumption of Li-Ning Centre. So the Group can directly save more than RMB400,000 every year in power charges, and its emission reduction result will save 510 tons of standard coal per year, and reduce 1,400 tons of CO<sub>2</sub> emission and 42.5 tons of SO<sub>2</sub> emissions per year, respectively.



**LED Light Energy Saving Renovation Project of Office Area (辦公室LED燈節能改造工程):** In order to reduce management cost and meet the target of energy saving and improve efficiency, the Group launched a LED light energy saving renovation project of the office area in Li-Ning Centre at the beginning of 2016. The project converted the original 7,982 fluorescent lamps of 36W into LED lamps of 16W. Upon completion of the conversion, it is expected to save 379,304kWh of electricity and 125 tons of standard coal every year and reduce CO<sub>2</sub> and SO<sub>2</sub> emissions by 295.8 tons and 3.4 tons per year, respectively.

### III EMPLOYMENT MANAGEMENT

The Group strictly complies with the laws and regulations such as "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Social Insurance Law of the People's Republic of China", and has formulated the "Staff Handbook of Li Ning Company Limited (李寧有限公司員工手冊)" in accordance with the laws and the practical conditions of the Company, covering aspects such as recruitment and employment, labour relations management, work time attendance and leave management, reward and punishment management, and remuneration and welfare. At the same time, the Group respects the protection of the legitimate rights and interests of employees, constantly improves the employment management system and establishes a good supervision and protection system on the rights and interests of employees.

#### 3.1 Lawful Employment with Protection of Employees' Rights and Interests

As of the end of 2016, the Group had 1,975 employees in total, including 1,800 employees in the Group's headquarters and retail subsidiaries, and 175 employees in the Group's other subsidiaries.

In respect of employment, the Group has signed, renewed, terminated or dismissed the labour contract with employees in accordance with the relevant laws and regulations of the State and local governments and fulfilled the obligations of the enterprise in accordance with the terms of the labour contract. We treat all candidates equally and respect different culture and beliefs, regardless of gender, ethnic and religious background, in order to select qualified candidates who are in line with the corporate culture through a rigorous recruitment process. As provided

by the "Staff Handbook (員工手冊)", we emphasize that the employees under recruitment must meet the requirements on age stipulated by the law. No significant risk of employment of minors or forced labour has been found within the Company so far.

The Group has developed a remuneration strategy matching the Company's strategies as a whole in line with the Company's strategic development objectives, industry characteristics and other factors, and regularly reviews employee salaries and benefits, in order to provide a variety of incentives according to the performance and contributions of employees of different positions. We provide sale bonuses, sale commissions, share options and share awards to outstanding employees.

The Group has developed "Employee Attendance and Leave Management System (員工考勤及休假管理制度)" to protect the entitlements of employees to paid leave that could offer a balance between work and life. At the same time, we pay full premium on pension, work injury, unemployment, medical and maternity insurance and other social insurance and housing provident fund for all employees in accordance with the provisions of the State and the local government, and provide employees with other additional benefits, including birthday, marriage and birth gifts, traditional festival allowance, accidental injury insurance and supplementary health insurance.

#### 3.2 Focusing on Health and Safety

The Group requires its employees to be strictly in compliance with the "Safety Code (安全手冊)" and "Occupational Health Code (職業健康手冊)" to provide them with safe and comfortable office environment, and help them keep abreast of their health by arranging annual medical check-ups. Human Resources and Operation Department of the Group selects qualified medical check-ups institutions to arrange annual medical check-ups for our staff in July every year, then holds the medical examination report meeting and invites internal and external experts to explain and give some suggestion to our staff on the basis of every medical examination report. In their daily work, we also organize various activities including health talks from time to time and encourage our staff to participate in such activities after making appropriate arrangements to their daily tasks, which are designed to improve the ability of staff's self-care and to effectively prevent occupational diseases by disseminating health knowledge.

The Group has formulated certain systems, including “Li Ning Company Emergency Plan Compilation (李寧公司應急預案彙編)”, “Emergency Rapid Reporting Procedure (突發事件快速匯報流程)” and “Emergency Evacuation Plan (疏散應急預案)”. The Administration Department, as the leading department, issued “Emergency Telephone Contact List of Li Ning Park (緊急電話聯繫表)” to every system. In case of emergency, the staff on duty will contact the person in charge of the property and system in the relevant units and deal with such emergencies in a timely manner. We require every system to put the safety of employees as our top priority and reduce potential accidents through systematic management.

The Group organizes training on safety production regularly for the head of the various systems and the safety management personnel, and strengthens the training for special equipment operators and key personnel continuously to ensure all of them are on duty with required certificates. In addition, we conducted various promotional campaigns on safety and fire protection, including setting up “Safety Production Month” in June every year and “Fire Protection Publicity Day” on 9 November every year. In 2016, Li-Ning Centre, situated in Beijing, carried out 26 safety drills of various kinds in total. At the same time, it carried out more than 10 series of inspection activities according to the 5S office management system (which includes SEIRI, SEITON, SEISO, SEIKEISU and SHITSUKE). The above measures effectively enhanced the safety awareness of our employees and ensure that our staff will master the basic knowledge of emergency relief.

### 3.3 Talent Training and Promotion of Mutual Development

The Group pursues the concept of mutual development with staff, takes talent development as the core of the Company's talent management strategy, and integrates organizational development, talent development and corporate strategies through the mechanism of talent development conference to reduce brain drain and enhance employee engagement. Meanwhile, the Group organizes a number of training activities on a variety of knowhow, skills and work attitude in order to meet the mutual needs of the Company and the employees in future development.

Pursuant to the Group's training objectives, we conduct general training for all employees by integrating self-training and lecture training as well as position training and professional training based on the strategic development needs of the Company. The Group will also continue to explore and innovate on the mode of training, expand its depth and connotation, and build a platform of learning- and knowledge-oriented enterprise to improve the knowledge, ability and initiative of our staff, aiming to achieve the goal of self-realization of our employees.

The basic principles underlying our training are as follow:

- Full Staff: Management and employees should actively participate in training for constant learning and growth.
- Target: Conducting training according to practical needs.
- Planning: Design training plans based on training needs and implement them strictly according to plans.
- Full length: The training covers the full-length of an employment including orientation, on-the-job, transfer and promotion.
- Comprehensive: We offer comprehensive training combining basic training, quality training and technical training through various means such as lectures, discussions, visits, observation and commissioned training.
- Tracking: Subsequent to a training, we will conduct assessment on the contents of the training and review the training results on a regular basis.

## IV SUPPLY CHAIN MANAGEMENT

### 4.1 Social Responsibility of Supply Chain

In the year of 2016, the Group consolidated, strengthened and enhanced the management of its suppliers through the following measures on the basis of the "Code of Conduct on the Social Responsibility of Li Ning Company's Suppliers (李寧公司供貨商社會責任行為準則)":

- The new supplier approval system was strictly executed. In the year, reviews were made on a total of 17 potential suppliers, among which 14 of them passed the review to qualify as our suppliers. The passing rate was approximately 82%;
- The Group developed "Quarterly Self-assessment and Review Tool on the Social Responsibility of Li Ning's Suppliers (李寧供貨商社會責任季度自評審核工具)" and implemented the system of quarterly assessment and review on the social responsibility of suppliers of Li Ning's finished products coupled with a third-party review and assessment on the same, whereby suppliers were required to make self-review and assessment and improve their CSR performance on a regular basis. The Group conducted quarterly assessment and review on CSR performance of all suppliers of finished products in a bid to strengthen suppliers in terms of self-management and continuing improvement. The quarterly CSR ratings will be taken into account in the supplier quarterly comprehensive assessment indicators system;
- With the continuing combination of the suppliers' self-management and improvement and the supervision by Li Ning Company, the Group further improved "On-site Review and Assessment Tool on the Social Responsibility of Li Ning's Suppliers (李寧供貨商社會責任現場審核評估工具)" and commissioned a third-party consulting organization to conduct CSR on-site audit on 19 selected representative suppliers during the year;
- Coupling auditing with improvement measures, the Group emphasized on the improvement requirements for suppliers and tracked the progress of CSR auditing and improvement of all participating suppliers of finished products in order to strengthen suppliers' management and control capability;
- With the combination of daily management and emergency planning, the Group conducted risk review and assessment of suppliers' operation on a regular basis.

### 4.2 Environmental Responsibility of Supply Chain

Impact on the environment has always been a key focus of the Group. In order to become an enterprise which places emphasis on environmental protection and sustainable development, the Group focuses on the following two aspects: the business operation environment and the production environment. During the year of 2016, the Group continuously strengthened the suppliers' awareness and concept of environmental protection and provided them with ways and means to improve their environmental performance by way of policy revision, professional training, on-site review, and sampling test, etc.:

- The Group revised the "Li Ning's Restricted Substances List on Manufacturing", which sets out the requirements on the control of restricted substances used in the manufacturing process and provides a reference for protecting the health and safety of their staff and preventing and controlling pollution to the environment;
- The Group developed "Li Ning's Supplier Quarterly Assessment Tool on Suppliers' Working Environment (李寧供貨商環境審核季度評估工具)", and conducted quarterly assessment and review on the environmental performance of all material suppliers based on their respective self-inspection and reporting, in order to strengthen the suppliers' environmental performance under their self-management and continuing improvement. The quarterly ratings will be taken into account in the Group's quarterly comprehensive assessment indicators system on suppliers;

- The Group commissioned a third-party consulting organization to conduct environmental performance and chemicals on-site audit on 12 selected key representative suppliers. The Group also conducted environmental performance audit on key material suppliers using third-party environmental audit tool (TGI, ZDHC) to evaluate suppliers' environmental management performance in terms of water, energy, solid waste, chemicals, gas emissions and noise, etc. The Group conducted on-site chemical management audit (CM) on key material suppliers using third-party chemical management audit tool to evaluate suppliers' chemical management performance and risks of on-site chemicals, etc.;
- The Group conducted wastewater testing for core material suppliers and promoted their disclosure of data on the platform of the Institute of Public & Environmental Affairs (IPE), enabling 80% of the suppliers with hydrometallurgical process to disclose their data on the IPE platform, thereby facilitating the supply of data for green supply chains.
- The Group joined the Working-team of ZDHC-Stakeholder Partnership, and hosted and took part in research work on "Top Ten Issues on Chemical Management (化學品管理十大問題)" with ZDHC Asian working teams, making positive contributions to the promotion of environmental protection in China and Asia together with the Asian working teams of various major brands;
- During the year, ZDHC updated and released the new version of Manufacturing Restricted Substances List (MRSLS 1.1 version), which has included leather in the list. As the only Chinese brand in the ZDHC group, the Li Ning Group was involved in the formulation of the MRSLS list, continuously making positive contributions to the goal of zero discharge of hazardous chemicals.

### 4.3 Interaction with the Zero Discharge of Hazardous Chemicals Program of Member Brands (ZDHC Program or ZDHC) and Participation in the ZDHC Program

As one of the six founding brands of ZDHC, the Group participated in ZDHC's various working-team meetings in the year of 2016 and collaborated with various ZDHC major brands and made the following contributions to environmental protection in the textile industry:

- The Group participated in regular meetings of the ZDHC management board and took part in the resolutions of and discussions on major issues concerning the ZDHC Program;

## V PRODUCT LIABILITY MANAGEMENT

### 5.1 Quality Control

The Group established a production and quality management system in line with its philosophy and standards in accordance with ISO9001 Quality Management System and related-industrial standards.

In order to ensure that the product quality of our suppliers meets our requirements, the Group has set up a set of quality control requirements, which covers design, research and development, production and other aspects with more than 40 corporate standards including product quality, physical and chemical properties of surface materials, product safety and sanitation, functional requirements, testing methods, marking labels, management process, and so on. In addition, we conduct on-site audit review on the production plants of suppliers every year based on the production and quality management system audit table to standardize their production management process and ensure quality, as well as make comments and suggestions on the related issues. The results of the supplier audit will be taken into account in the supplier's annual assessments and evaluations. For the suppliers with poor results in assessments and evaluations, we will take measures such as interviews, notices of criticism, reduction of orders and delisting from Li Ning suppliers in order to ensure product safety and meet consumers' expectations.

## 5.2 Complaints and Guarantees

In line with the principle of “customer priority and professional services”, the Group has established an efficient customer feedback channel and management system, which allows us to prioritize our responses and responded timely to all kinds of customer feedbacks in order to protect our customer’s rights and interests and ensure that our customers’ opinions and suggestions are properly handled. After receiving a customer complaint, we will make a response immediately and deal with it as soon as possible. For complaints on the technical aspect of a product, they will be promptly referred to the quality management department, and the defective product will be sent to the production plant for inspection. If it is confirmed to be a defective product, the quality management department will cooperate with the production department to further investigate the root causes of the fault, to prevent the recurrence of similar problems. According to the result analysis of customer satisfaction assessment, the overall satisfaction on the Group was 97.90% in 2016.

## 5.3 Customer Data Protection

Protecting customer data security is our commitment. As such, the Group has established a sound information security management mechanism. The customer’s personal data, consumption information and other data are stored in the high-security technical firewall for safekeeping. The Group also monitors data flow process strictly to avoid the information leakage caused by internal and external risks.

## 5.4 Verification and Recall

The Group has formulated the “Li Ning Product After-sales Service Manual (李寧產品售後服務手冊)” as the operating guidelines to deal with product issues, recall and management of defective goods for the staff in sales system in order to solve the product quality issues quickly and better serve customers and consumers.

For the recovery of defective product, the Group formulated the “Li Ning Company’s Defective Product Recall Management Regulations (李寧公司缺陷產品召回管理規定)”. According to these regulations, when a product is confirmed to be defective and required an active recall, the quality management department will coordinate the relevant departments to jointly develop a recall plan, including ceasing effectively the production of the defective product, notifying promptly the sellers to suspend wholesale and retail sales of the defective product, informing effectively the relevant consumers about the specific issues of the defective product and the time and place to deal with the defective product, as well as estimating the results of the recall in an objective and fair manner. These regulations strengthen the management of defective product recall and reduce the risk to consumers and public health and safety from the defective products.

## 5.5 Intellectual Property Protection

The Group formulated and published a series of relevant system and work procedure for protection of the Company’s intellectual property, in accordance with the requirements of the national intellectual property strategy and the relevant laws and regulations, such as Patent Law of the People’s Republic of China, Trademark Law of the People’s Republic of China, Product Quality Law of the People’s Republic of China and Provisions on Indicating Product Identification. At the same time, the Group relies on law enforcement departments of the government, the huge consumers groups and Li Ning employees to jointly maintain the legitimate rights and interests of Li Ning brand.

In our design, production, sales and advertising and marketing activities, we strictly review and control the products or paperwork which may infringe others’ patents, trademarks and/or copyright and other legitimate rights and interests. Meanwhile, we make full use of external resources to establish long-term cooperative relations with intellectual property law firms or agencies, and seek professional services for more important research and development results and products, including pre-assessment, patent infringement retrieval and analysis, and patent novelty retrieval and analysis. In recent years, there has been no material dispute or litigation of intellectual property involving the Group.

We fight against counterfeit products online and offline, including cooperating with intellectual property protection departments of e-commerce companies, such as Alibaba and JD, to crack down on counterfeit goods on websites in time. We are cooperating with Tencent to combat counterfeit products and trademark infringement in the platform of “Brand Protection-WeChat Security Centre (品牌維權—微信安全中心)”. We also work together with third-party companies to identify targeted infringing shops and merchandise links in the platform of e-commerce, resulting in the deletion of more than 10,000 pieces of complained infringement links in the year. Offline-wise, we mainly engage the third-party companies to conduct investigation in markets and production dens of counterfeit products. In addition, we protect product rights through various means including customer reporting, market inspection by law enforcement entities, staff reporting, consumer complaints and other channels, to maximize our efforts in brand protection.

## VI ANTI-CORRUPTION MANAGEMENT

In order to prevent corruption in the procurement process, promote business development and maintain a healthy and stable market environment, the Group has formulated and published a “Engagement Letter on Joint Prevention and Control of Commercial Bribery (關於共同預防和制止商業賄賂的溝通函)” and “Letter of Undertaking on Anti-Commercial Bribery (反商業賄賂承諾書)” for suppliers and distributors. The Group fight against commercial corruption and bribery jointly with suppliers and distributors based on their respective commitment.

The Group continues to strengthen its daily internal audit to prevent corruption, conduct research and analysis on audit findings to identify corruption clues and to assess the risk of corruption. The Group encourages stakeholders to report corruption and provide a means of reporting. Anyone who wishes to report corruption involving senior management may report via the mailboxes of our independent directors.

## VII COMMUNITY INVESTMENT MANAGEMENT

Placing great emphasis on community investment, The Group actively made contributions to the society and honoured its commitment as a “responsible corporate citizen”. As a responsible and major sporting goods company, we develop our business while taking into account the interests of the community. At the same time, we will focus ourselves on community investment through promoting national fitness and community charity, and we expect to bring long-term benefits for the community and further, the entire society as a result of our efforts.

### 7.1 Promoting Fitness and Health of the General Public

The Group has vigorously responded to the “National Fitness Program (2016-2020) (全民健身計劃 (2016-2020年))” issued by the State Council to promote public enthusiasm and participation in sports. In order to further implement the public sports and national fitness, we established the Li Ning Sports Park in Nanning, Yangzhou, Nanyang and other regions to promote a lifestyle and sports habits that is more scientific, healthier and happier for the mass. In addition, we actively cooperate with the government and social institutions, and are committed to promoting the continuous development of sports industry to realize the vision of “fitness for all”.

#### Cases:

##### LI-NING 10K Running League

Li-Ning 10K Running League (hereinafter referred to Li-Ning 10K), the first league of road racing competition in China launched by the Group in 2012, has successfully held more than 40 events all over China. In 2016, the Youyue Li-Ning 10K also introduced runner-team to the competition for the first time, bringing team concept into the social activities of the runners, providing a team running platform for independent “running groups (跑步圈子)” to strengthen the ability of team work running and enhance the fun of competitive race. The league won the prizes of “Best Road Race Tournament in China” by Runner’s World, a professional and authoritative magazine for runners in China, for three consecutive years since 2013. In March 2016, Youyue Li-Ning 10K was selected as the “Most Favourite Running Theme (最想跑的主題跑)” by 100 heads of runner teams in the annual running carnival held by Sina Sports.



### Develop a Nationwide Basketball Strategy

The Group has laid domestic basketball resources on all fronts and paid attention to the development of campus basketball through increasing the training of teenager complementary talents and attracting more teenagers to participate in basketball, in order to vigorously develop and strengthen our nationwide basketball strategy. We set up a professional youth training camp, and organized nationwide grassroots basketball tournaments including “Shot to Fame (壹戰成名)”, “3+1 Basketball League (3+1籃球聯賽)” winter league and others, and continued to sponsor CUBA, CUBS and Junior & High School Basketball Leagues, to help student players to commit themselves more to the activities and enjoy the fun of basketball.



## 7.2 Launch of Community Charity

Through active participation in charity, the Group sends warmth to the society, helps the vulnerable groups to solve their living difficulties, and anticipates to encourage more enterprises to actively fulfil their social responsibilities so as to create a more harmonious and healthier society.

### Cases

#### “Postal Parcel for Mothers”

The Group partnered with China Women’s Development Foundation to carry out a philanthropy project named “Postal Parcel for Mothers” with aim to help poor mothers to solve their living difficulties. Since 2012, Li Ning Company, as a strategic partner of China Women’s Development Foundation, has launched the project of “Postal Parcel for Mothers”, accumulating donations of more than RMB46,500,000.

On 3 March 2016, the Group donated RMB16,500,000 worth of supplies to China Women’s Development Foundation to support the philanthropy projects of “Postal Parcel for Mothers” in poverty-stricken areas, such as Yunnan, Tibet and Inner Mongolia. On the same day, China Women’s Development Fund and the Group jointly donated items worth RMB2,000,000 to the Yunnan Women’s Federation in Diqing Tibetan Autonomous Prefecture in Yunnan Province. On 11 August, the Group further visited Shule County, Yingjisha County and Maigaidi County in Xinjiang to present items of love in person to the poor deprived impoverished mothers. We donated a total of 2,000,000 apparels of love in this visit to Xinjiang.



### “Charity Trip with Science and Technology” in the School for Children of Migrant Workers (「科普公益行走」進打工子弟學校)

In order to raise social awareness about migrant children, in September 2016, the Group launched an activity named “‘Charity Trip with Science and Technology’ in the School for Children of Migrant Workers” with China Corporate Commonweal Committee and Beijing Youth Daily and other organizations, in which more than 40 pupils from Beijing Jinbang School (北京金榜學校) (a school for children of migrant workers) were given opportunities to visit China Science and Technology Museum, and received donation of new school bags and basketballs. Not only do we care about the children’s life after school, but we provide them with the fun of science and technology as well as learning the same.



## VIII PARTICULARS OF THE REPORT

### Report Summary

This report describes the basic principles of environmental, social and governance of Li Ning Company Limited in 2016, the compliance with important laws and regulations, the specific work performed and the relevant performance in response to the concerns of the Company’s key stakeholders.

### Time Span

From 1 January to 31 December 2016, part of contents of the report can be appropriately traced back to previous years.

### Scope of Report

Unless otherwise stated, this report covers the headquarters of Li Ning Company Limited and its retail subsidiaries.

### Basis of Preparation

This report is prepared in accordance with the Guidelines for Environmental, Social and Governance Reporting published by The Stock Exchange of Hong Kong Limited.

### Data Description

The data and cases disclosed in the report are derived from the original records of the operation or financial statements of the Company.