



# LI NING COMPANY LIMITED

## 李寧有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

### **Complaint and Whistleblowing Procedure**

#### **1. Purpose**

- 1.1. Li Ning Company Limited (the “**Company**”) adheres to the concept of practicing corporate social responsibility and abiding by business principles and ethics, to provide all employees and stakeholders (e.g. investors, direct suppliers, partners, customers, etc., hereinafter referred to as “**Stakeholders**”) of the Company an open and transparent complaint mechanism which includes two forms – complaint and whistleblowing. By formulating this complaint and whistleblowing procedure (this “**Procedure**”), the Company can understand the demands of the employees and the Stakeholders, carry out internal complaint and whistleblowing procedures, investigate the reasons, propose solutions, and provide feedback to the reporters on the investigation results.
- 1.2. This Procedure can be accessed on the Company’s website for all employees and Stakeholders to read about the reporting guidance. This Procedure is also available on the Company’s intranet for employees.

#### **2. Scope**

This Procedure applies to all complaints and whistleblowing made by employees or the Stakeholders to the Company.

#### **3. Complaint and Whistleblowing Contents**

- 3.1. This Procedure applies to the reporting of any form of misconduct or violation of applicable law(s) or regulation(s) by employees, management team and the Stakeholders, in the course of work or related to company affairs, such as fraud and bribery, corruption, customs or tax violations, misappropriation of payments, misappropriation of Company property, unfair reward or punishment or assessment, any action which endangers the health and safety of the employees or the Stakeholders of the Company (including any violation of laws, regulations, or Company policies with respect to labor conditions and practices), harassment of employees of the Company or the Stakeholders, damage to the company's interests, violation of the “Anti-Corruption and Anti-Bribery System of Li Ning Group” and other management rules and regulations of the Company, etc.
- 3.2. Complaints and whistleblowing shall be made in writing and, the content shall be as detailed as possible with supporting evidence, including but not limited to:

- (1) The type of misconduct or violation;
- (2) The persons involved in the misconduct or violation;
- (3) The date(s) and time(s) of the misconduct or violation;
- (4) A detailed description of the misconduct or violation, including any pattern of events related to the misconduct or violation;
- (5) Evidence to support the complaints and whistleblowing, such as photos, videos, witnesses, recordings, emails, written documents, chat logs, etc.; and
- (6) If the complaints and whistleblowing reporting are on non-anonymous basis, the contact information of the reporter shall be provided.

3.3. If the employees or the Stakeholders report truthfully and in good faith, the Company appreciates the concern of the reporter for the Company even if the Company's subsequent investigation cannot substantiate the misconduct or violation of law reported in the complaint/whistleblowing.

#### 4. Complaint and Whistleblowing Channels

4.1. Employees or the Stakeholders may use the standard form, *Handling Record of Employee Complaints*, enclosed to this Procedure to report complaints or provide whistleblowing information to the audit committee of the Company (the “**Audit Committee**”) in the following ways, and the chairman of the Audit Committee shall determine the course of action to pursue, with the power to delegate, with respect to the reporting:

(1) Email:

By email to the Audit Committee (via the Human Resources Department at email address whistleblower@li-ning.com.cn).

(2) OA system:

OA-Integrated Office-New Process-Complaint/Whistleblowing Form (to the Audit Committee)

(3) By Post:

Address: Li-Ning Centre, Building 1-8, No.8 Xing Guang 5th Street, Beijing Economic-Technological Development Area (Tongzhou), Beijing, PRC (Addressee: Audit Committee)

(4) Anonymous channel:

Reporters may choose to anonymously send complaints or whistleblowing information electronically by private email to the email address listed in item (1) of Article 4.1 or send a hard copy of complaints or whistleblowing information by post to the address listed in item (3) of Article 4.1.

4.2. The email mailbox listed in item (1) of Article 4.1 of this Procedure shall be managed by the Human Resources Department. The Human Resources Department shall follow the principle of objectivity, fairness and integrity to forward emails received in the said mailbox to the Audit Committee. The Director of the Legal Department and the Chairman of the Labor Union shall be responsible for the supervision of the mailbox management and email forwarding of the Human Resources Department. Any department or individual shall not delete, destroy, extract, copy or divulge the complaints

or whistleblowing information.

## **5. Anonymous Complaints and Whistleblowing**

- 5.1. The Company has an anonymous complaint and whistleblowing channel as described in item (4) of Article 4.1, which allows employees and the Stakeholders to report complaints and provide whistleblowing information anonymously.
- 5.2. Anonymous complaints and whistleblowing information shall be as detailed as possible and supporting evidence shall be provided. The Company does not accept anonymous complaints and whistleblowing information without verifiable evidence.
- 5.3. The Company does not encourage complaints and whistleblowing that are frivolous, false or unsubstantiated.

## **6. Complaint and Whistleblowing Processing**

The Company provides an open and transparent complaint mechanism which includes two forms – complaint and whistleblowing.

### **6.1. Complaint Process**

The Company has set up two levels of procedures in its internal system to handle employee complaints to ensure that they are handled fairly and efficiently:

- (1) First-level procedure: The Company encourages employees to communicate with their direct supervisor before filing a complaint, but they can also file a complaint directly with the first-level procedure. The procedure shall be investigated and handled by the next-level leaders and Human Resource Business Partner (HRBP) and shall be replied to within 3 working days; and
- (2) Second-level procedure: If the approver of the first-level procedure does not reply within 3 working days or the employee thinks that the reply of the first-level procedure does not solve the problem of the complaint, he/she can choose "unresolved" in the system and submit the complaint request to the second-level procedure, which shall be investigated and responded by the system manager and the Employee Relations Department at the headquarter.

### **6.2. Whistleblowing Process**

The reporter may use the ways as set out in Article 4.1 to report whistleblowing. In particular, if employee chooses to use the OA system for whistleblowing, he/she can choose "whether by HR" when reporting. If the reporter chooses "yes", the account (as managed by the Human Resources Department), upon receipt of the report information, shall forward the relevant information to the Audit Committee, and the Human Resources Department shall follow up on the investigation results of the incident; if the reporter chooses "No", the report information shall be sent directly to the Audit Committee. In general, the Audit Committee shall respond within 1 working day and launch the relevant investigation, and shall reply the results of the investigation within 5 working days.

- 6.3. If the whistleblowing information is verifiable, the Company will reprimand the employee(s) or management personnel who are found to be responsible for the violation or misconduct under the applicable law(s), regulation(s) or company management rules and regulations; if the superior management personnel is at fault, he/she shall bear the corresponding management responsibility. According to the severity of the misconduct, it is divided into the first level of negligence, the second level of negligence and the third level of negligence. The third level of negligence is a serious violation of the Company's rules and regulations. If it constitutes a criminal offence, the Company shall transfer to relevant law enforcement agencies to investigate the criminal responsibility.
- 6.4. The Company's decision on whether to investigate depends on whether there is sufficient information and evidence, and if it decides not to investigate due to the lack of sufficient information and evidence, the Human Resources Department shall notify the reporter.
- 6.5. An internal inquiry shall not jeopardise any further investigation by a law enforcement agency. Once there is reasonable suspicion of a criminal offence, a report shall be made to the appropriate law enforcement agency. In some circumstances, when the Chairman of the Audit Committee considers it appropriate, the case shall also be referred to relevant law enforcement agencies or regulatory authorities. If the case matter is referred to the authorities, the Company shall not be able to take further action on the case.

## **7. Records**

- 7.1. All complaints and whistleblowing shall be recorded in the "Complaining and Whistleblowing Handling Register", which indicates the type of complaints or whistleblowing, whether it is anonymous or not, the date of the complaints or whistleblowing and the action taken in response to the complaints or whistleblowing. When the complaints and whistleblowing are resolved, the date and the resolution shall also be recorded.
- 7.2. Complaining and whistleblowing records and related documents are kept for a period of 7 years.

## **8. Protection and Confidentiality**

- 8.1. The Company does not tolerate any retaliation or discrimination against reporters, and anyone who retaliates against individuals who report suspected violations of applicable law(s) or regulation(s) or company management rules and regulations shall be dealt with seriously. If the reporter has been discriminated against, retaliated against, or harassed because of the complaint or whistleblowing, the Human Resources Department shall be notified to investigate and take necessary action.
- 8.2. Every report shall be treated as confidential pursuant to applicable privacy laws. The identity of the reporter shall not be divulged save with such reporter's consent or where:
- (1) in the opinion of the Audit Committee, it is material to the investigation or in the interest of the Company to disclose the identity;
  - (2) the report is frivolous or is lodged in bad faith with malicious or mischievous intent or in abuse of this Procedure;

- (3) it is required to be disclosed in compliance with any applicable law or regulation, by any relevant government or regulatory authority (including The Stock Exchange of Hong Kong Limited), or by the order or directive of any court having jurisdiction over the Company; and
- (4) the report and the identity of the reporter is already public knowledge.

8.3. If the reporter maliciously makes a false or fraudulent complaint for personal gain or improper purpose, the Company reserves the right to take necessary action against the false or fraudulent reporter.

## **9. Remedial Measures**

If the investigation results show that there are loopholes in the management of the Company, the Company shall take remedial measures to improve the management system and policies.

## **10. Maintaining this Procedure**

The Audit Committee shall review this Procedure at least every two years, and make updates or revisions to this Procedure whenever necessary. It shall supervise this Procedure and the enforcement thereof, and is responsible for the interpretation, review and revision of all the policies and procedures set out herein.

*Attachment: Handling Record of Employee Complaints*



**LI NING COMPANY LIMITED**  
**李寧有限公司**

**員工投訴意見處理記錄**

**Handling Record of Employee Complaints**

投訴人 <b>Complainant</b>		投訴方式 <b>Complaints Approach</b>		投訴時間 <b>Submit Time</b>	
投訴內容及支持證據 <b>The Content of Complaints and Supporting Evidence:</b>					
處理時間 <b>Handling Time</b>		受理人 <b>Receiver</b>		答覆時間 <b>Reply Time</b>	

投訴處理結果 **Handling Results of Complaints:**