



# Corporate Social Responsibilities

## CORPORATE CULTURE

The Group places great emphasis on the establishment of its corporate culture and advocates the enhancement of both staff unity and corporate competitiveness under its corporate philosophy of “Excellent Management with Athletic Spirit”. Adhering to the core values of athleticism, integrity, professionalism, passion, breakthroughs and trust, the Group endeavours to promote the growth and development of the corporation as well as its employees by creating an atmosphere of learning and innovation.

The conventional events to promote our corporate culture continued in 2007. Sports Day and 11 staff sports clubs exemplified the Group’s tradition to emphasize sports. The annual dinner at Chinese New Year gathered our employees from various regions in China, providing an opportunity for the performance of their talents and interaction among the employees. Christmas and the 1st June Family Day drew together employees and their families at the big and happy family of the Company, for a closer connection. During the year 2007, the six issues of our internal publication “Sports Ethics” (《運動品格》) and the timely update of relevant information on our intranet served to disseminate our corporate culture and information and opened a window for better understanding of the corporation. In addition, communication between the management and employees was achieved through regular events of “CEO Open Day” and “HR Open Day”, where the management and the employees can speak frankly and freely, reinforcing mutual understanding and creating a harmonious atmosphere within the corporation.

The Group’s care towards its employees is exemplified in a number of ways. In establishing our new operations headquarters in Tongzhou in Beijing during the year 2007, the issues of environmental protection and greenbelt construction were given full consideration as early as at the beginning of the design stage. Commuter buses are offered in a number of routes to ensure convenience for employees to travel to and from the operations headquarters. Facilities including cafes, restaurants, swimming pools, fitness rooms, gymnasiums are available at the headquarters. Such human elements have enhanced employees’ sense of belonging to the corporation and boosted their morale.

With an ample variety of themed activities for cultural dissemination and advanced equipments and facilities, the Group is well-equipped with both software and hardware necessary to step up the establishment of a corporate culture in line with the strategic development of the Group and to maintain sustainable and rapid development of the Group.

# 东方市中国运动员希望小学落成仪式



## HUMAN RESOURCES

The Group always values the importance to select, train, motivate and retain talented staff. We consider talented human resources as our invaluable asset and is vital to our corporate development. In 2007, the Group's human resources management was strengthened through recruitment, development and enhancement of staff members, and streamlining of the organizational structure, with a view to better support the sustainable and rapid expansion of the Group.

### Employees and Remunerations

The Group has adopted the digital Key Performance Indicators as the core assessment and motivation system which quantifies and breaks down the strategic targets of the Group to the individual level. Individual remuneration is divided into basic salary and performance-based remuneration, in which the corporate, departmental and individual performances are linked up effectively. This policy aims to award staff with outstanding performance. It not only boosts the enthusiasm and creativity of the employees, but also facilitates the strategic consistency of the Group as a whole. In addition to salaries, the Group has also adopted different methods such as share options and restricted shares to incentivize our employees. The Group's close attention to salary level changes in the market from time to time, appropriate remuneration packages of the employee and competitiveness of our pay scale have enabled the Group to attract and motivate talented people.

In response to the intensified competition for talents in the market, increasing employees' concern for their career development, and more stringent requirements on our pool of personnel as driven by the Group's business development, the Group initiated a talent development scheme and established an internal procedure for talent review in 2007. We conducted two rounds of review and embarked on training and rotational arrangements, which activated the potentials of our staff with a view to achieving the common goals and visions of the Group and its employees. In future, the Group will continue to streamline its procedures to identify key personnel in all levels of the Group's hierarchy and is committed in promoting the internal development and training of our staff force.

### Learning and Development

The Group has developed a comprehensive training system including a leadership training program for managers, an all-around workplace skills program for employees and a professional skills program for professional staff.

The leadership training program mainly focused on strategic thinking, influencing power and staff development abilities of management staff. The comprehensive professional skills program and the all-around workplace skills program covered business English/Japanese, computer skills, time management, personal knowledge management, public speaking skills, effective meeting

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skills, sales ability, negotiation skills etc. During the year 2007, a total of 92 courses were provided to 1,000 employees, with an aggregate of 43,582 training hours and an average training time per person of approximately 43.58 hours. The training took the convenient and flexible forms of public courses and e-learning and succeeded in enhancing the overall quality and working skills of our employees in many different aspects. An award system is also in place to reward employees who participate actively in their learning.

In 2007, the Group embarked on a large-scale training scheme called “Looking forward to Beijing Olympic Games, Growing with Li Ning — Career Development and Mission Setting Training Camp” (迎奧運·我與李寧共同成長—職業發展和使命共創培訓營). 361 employees participated in a total of ten training camps. In line with our staff development initiative, the training camp played an indispensable role in identifying and developing quality staff in our existing team.

During the year 2007, the Group initiated a campaign called “Knowledge Sharing is Power” (知識分享·卓越的力量) to collate most-valued knowledge topics. This ongoing campaign of collating the Company’s most-valued knowledge topics applied the professional tools of knowledge file collection and refinement, forming a knowledge system of the Company, strengthening the cultural atmosphere which entailed “knowledge sharing, collective learning, and growing together” (分享知識·集體學習·共同成長), and providing a solid foundation for building a learning-based organization.

## CHARITY EVENTS

It has always been the Group’s commitment to contribute to society. Over the continuing process of business development, it recognizes its social responsibility and mission as a corporate citizen of the community and stresses the importance of community services.

In 2007, amongst its long-term participation in charity events such as “Lifeline Express” (健康快車) and “Li Ning Hope Primary School” (李寧希望小學), the Group continued to sponsor activities of “Lifeline Express”, with an aim to help to recover the eyesight of unfortunate children. A total of RMB388,000 was donated by our employees for the construction of two new Hope Primary Schools, giving more children the opportunity to attend formal education and change the future of their own, the society and the nation at large.

During the year 2007, the Group continued to increase its involvement in “Let’s Do Sports Together — Charity Training for Sports Teachers in Poor Areas Nationwide” (一起運動 — 全國貧困地區體育教師公益培訓). To date, the campaign has extended to cover to poor areas including Sichuan, Shanxi, Guangxi, Yunnan, Heilongjiang, and has trained a total of 900 people. To further the development of the project, the Group also initiated a Survey on Qualification of Sports Teachers in Poor Villages in China with Beijing Sports University (北京體育大學) to examine the qualifications of existing sports teachers in poor villages, backing the enhancement of teaching quality of physical education and the improvement of the poverty landscape in China. The charity show called “Let’s Do Sports and Have Fun Together Spring 2007” (春暖2007 一起運動·一起快樂) on the topics of the Olympic Games, education and support for the poverty, was broadcast on CCTV under the joint efforts of the Group and relevant organizations. It raised approximately RMB11,020,000 for constructing Chinese athletes Hope Primary Schools and implementing charity training projects of the campaign “Let’s Do Sports Together”.

In November 2007, the Group announced its strategy with respect to the Olympic Games, launching a “Hero Triumph” plan in collaboration with “Chinese Athletes Education Fund” (中國運動員教育基金) and “China Teenagers Development Fund” (中國青少年發展基金會). Under the campaign, in respect of each gold medal winner representing any one of the four PRC





national teams of shooting, table tennis, diving or gymnastics sponsored by the Group in the Beijing 2008 Olympic Games, a Hope Primary School named after the champion and funded by the Group and the aforesaid institutions will be built in his/her hometown. The Group will further extend the “Hero Triumph” plan in the hope that more athletes and corporations will participate in such initiatives.

In early 2008, the devastating snowstorm and rainstorm in southern China caught the utmost attention of our employees. Amidst the festive Chinese New Year, the Company promptly responded by donating warm clothes amounting to RMB1,050,000 to the catastrophic regions.

## RECOGNITION BY THE COMMUNITY

In 2007, Li Ning Company Limited was named on the “China Charity Ranking” (中國慈善排行榜) and was the only sports goods enterprise being awarded the “Top Ten Charitable Enterprises 2007” (2007十大慈善企業). This award represents the community’s recognition of the Group’s long-term care for charity.

In April 2007, “The Most Respected Enterprise Award in China 2006” (2006年度中國最受尊敬企業評選) ceremony, which was jointly organized by the Management Cases Research Center of Peking University (北京大學管理案例研究中心) and Economic Observer (《經濟觀察報》), was held in Peking University (北京大學). With its all-rounded accomplishments in terms of innovation, social responsibilities, corporate image and management ability, the Company was awarded “The Most Respectable Enterprise in China” (中國最受尊敬企業) for the second time, and was the only sports goods enterprise obtaining such a recognition.

In early 2008, at the international forum of Corporate Social Responsibilities in China jointly organized by the China Newsweek (《中國新聞周刊》) and China Red Cross Foundation (中國紅十字基金會), the Company was awarded the “2007 The Most Responsible Enterprise” (2007最具責任感企業獎), and was the only enterprise in the industry obtaining such a recognition.

In early 2008, the Company was awarded the “2007 The Best Enterprise’s Public Image Award” (2007最佳企業公眾形象獎) organized by institutions including the Enterprise Research Institute affiliated with the Development Research Center of the State Council (國務院發展研究中心企業研究所). The Company received the award in two consecutive years, and was the only enterprise in the industry obtaining such a recognition.

It has always been a cornerstone of the Group’s corporate culture to undertake social responsibilities. In pursuit of brand professionalism and internationalization, the Group will also keep up with its commitment in contribution to the construction of a harmonious society by utilizing its edge in sporting resources.

