

Corporate Social Responsibilities



The Group places great emphasis on its corporate social responsibilities and continuously advances the concept of sustainable development. While striving for corporate growth, it also actively seeks to promote ongoing social improvements.

Employees

The Group attaches great importance to the well-being, skill building and career development of its employees. It constantly strives to enhance employee solidarity, create a greater sense of belonging, and improve their individual ability in order to pursue growth and development for both the Group and its employees.

It is a long-standing tradition of the Group to promote sports, which is not only for the well-being of its employees but also underscores the LI-NING brand's essence, i.e. the "Sportsmanship". During the year, staff sports day was held and 11 employee sports clubs continued to operate. Apart from internal sports events, the Company also launched a local community programme which offers product sponsorship to staff taking part in external sports activities, with a view to encourage them to participate more in sports activities.

In September 2008, the Group's headquarters, named the "Li Ning Center", was established in Beijing. In the same month, a new office commenced operations in the Double Happiness Mansion in Shanghai. Both of these office locations have a well-equipped gym. The 50,000-plus sq. m. "Li Ning Center" houses sports grounds such as standard swimming pool, basketball, badminton and table tennis courts, occupying 40% of the area of the complex. The Group's efforts in providing these facilities demonstrate fully the Group's corporate culture of advocating sport.

Seizing the opportunity that the Olympics were held in Beijing, the Group arranged employees to buy tickets and watch the performance at the Beijing Olympics, and encouraged them to join the Olympics volunteer team to have a greater involvement and experience of the Games. During the Beijing Olympics, the Group also invited officials of the Beijing Organizing Committee for the Olympic Games and the Company's sponsored athletes and sports teams to meet with the employees at the "Li Ning Center" in order to share the sportsmanship as well as to experience the passion and energy of sport.

The Group places great emphasis on staff training. A comprehensive training system is in place which includes leadership training programmes, general skill training programmes and professional training programmes. Leadership training focuses on reinforcing the management's strategic thinking, and its ability to influence and develop staff members. Professional and general skill training programmes cover a wide-ranging scope designed to elevate employees' professional and general skills through training courses, workshops and group events. The Group has also designed the MINI-EMBA and TOP talents intensive training camps to identify and develop talents for the future.

In 2008, 74 projects designed to improve employees' professional skills were organized, including 58 professional courses, eight workshops and eight group events. The average training time per employee was 5.5 days. The Group currently has a total of 55 internally recognized lecturers, 23 of whom are from the management, both exceeding the targets set at the beginning of the year.



Corporate Social Responsibilities



The management has been actively involved in the use and promotion of Key Development Indicator (KDI), a programme which requires every member of the management to train at least two employees with potential during the year. Each member of the management is required to meet a minimum amount of time spent in the counseling of employees with potential and sharing of knowledge with subordinates. The idea is to encourage managers to help employees develop their skills in daily work, increase work satisfaction as well as impart company knowledge to the employees. In addition, the Company publishes internal publications especially for the managers to communicate the management concept, exchange ideas on management methods and share practical cases. This also helps facilitate communication among members of the management and enhance management ability.

The Company's care for its employees is also expressed through organizing various activities, including annual conference and Christmas party for employees and their children. "CEO Communication Day" and "HR Open Day" are organized regularly, providing a platform for employees to voice their ideas, suggestions and concerns. Without affecting work efficiency, the Company implements a three-month winter recess which shortens the working hours by 0.5 hour per day. The Company also provides green and healthy work environment and free annual body checks for health protection of the employees.

All of these initiatives exemplify the Group's people-centric ideals and reflect its ongoing efforts to align employee benefits and well-being with the corporate interests.

Community commitment

It has always been the Group's commitment to contribute to society and to pursue social responsibilities of a good corporate citizen.

- At the beginning of 2008, the severe snowstorm in the southern areas in the PRC touched the hearts of the staff. The Company was quick to deliver warm clothes to the disaster-stricken areas.
- In May 2008, the Company and the Li Ning Fund Association (李寧基金會), together with all employees, donated a total of RMB12,490,000 to the areas hit by the Sichuan earthquake. In addition, many employees participated in blood donation and the Company was recognized by the community for its efforts.
- In 2008, the Group continued sponsoring "Lifeline Express" (健康快車), with an aim to improving the medical standard of underdeveloped areas, and helping unfortunate patients in impoverished regions to recover their eyesight. During the year, the Group continued its long-term participation in the charitable "Li Ning Hope Primary School" (李寧希望小學) project, which enables more children to attend formal education and help shape their own future, the community and the nation at large.



Corporate Social Responsibilities



Other than giving support by providing goods to the disadvantaged in the community, the Group strives to explore better ways to link sports closely with the fraternity of humanity led by social spirit, promoting sportsmanship empowered by perseverance and unwavering determination, so as to advocate a healthy life style.

- In the Olympic year 2008, as the forerunner of sports goods enterprises in China, the Company focused not only on promoting its brands, but also transmitting a national image borne by China. Its Olympic strategy, themed “Hero”, highlighted the Company’s drive to instill sportsmanship in the general public. The Company’s sponsorship of international Olympic delegations also helped promote China’s national image.
- In March 2008, Li Ning Sports Park in Beijing, the country’s biggest public sports park, opened its door to the public for free.
- In November 2008, Li Ning Sports Science Research and Development Centre was opened. The centre not only specializes in the research and development of new product technology and the enhancement of product functionality, it will also promote knowledge of sports science and sports injuries prevention to the public.
- In view of the lack of professional sports teachers and sports equipment in impoverished regions in China, the Company, together with the State Council’s Poverty Alleviation Department, launched the “Let’s Do Sports Together” campaign in 2006. This initiative is designed to offer free training to sports teachers in primary and secondary schools in impoverished regions and a lot of students in rural villages have benefited from the campaign. In 2008, the Group stepped up its efforts to expand the program. To date, it covers impoverished regions of Sichuan, Shanxi, Guangxi, Yunnan, Heilongjiang and Shaanxi provinces. The number of teachers that have received training is estimated to be around 1,100.

Whilst pursuing its own corporate development, the Group adheres strictly to business ethics and all related laws and regulations. The Group places great importance on liaising and cooperating with its affiliates and organizes a variety of activities involving its business partners in order to facilitate communication and to achieve a robust win-win situation. When business partners encounter difficulties, the Group is keen to lend a helping hand and weather the hard times together with them.

The Group invests tremendous efforts on research and development and quality control. It makes every effort to provide safe and reliable products demanded by customers. A company hotline is also in place to respond swiftly to consumer inquiries and concerns.



Corporate Social Responsibilities



Recognition

The Group's efforts in performing its corporate social responsibilities have all along been accredited by the society.

- In early 2008, at the third international forum of Corporate Social Responsibilities in China jointly organized by the China Newsweek and China Red Cross Foundation, the Company was awarded the "2007 The Most Responsible Enterprise". It was the only enterprise in the industry to obtain such recognition.
- In early 2008, the Company was awarded the "2007 The Best Enterprise's Public Image Award" organized by various institutions including the Enterprise Research Institute affiliated with the Development Research Center of the State Council. This was the second consecutive year the Company has received this award. Again, it was the only enterprise in the industry to obtain such recognition.
- In October 2008, the Company's Chief Executive Officer, Mr. Zhang Zhi Yong was named the "China Business Leaders Awards 2008". One of the criteria of the award was "social morality and responsibility". The award recognizes not only Mr. Zhang's commitment to social responsibility but also the Group's excellence in this area.
- In December 2008, the Company was named the "Best 50 Workplaces in 2008" by Careers Magazine in collaboration with professional human resources consulting firms. The criteria of the award encompassed leadership skill, career development, team work, working environment and atmosphere, and employee compensation and benefits. The award reflects the strong recognition in the labor market for the Company's people-centric approach, social morality and sense of responsibility.
- In January 2009, the Company's Chairman, Mr. Li Ning was named the "2008 CCTV Businessman of the Year". The criteria of the award were based on the principles of "responsibility, exploration, vision and ability to promote solidarity" beyond the realm of business. As the concept of "responsibility" is mentioned foremost, the award is designed for entrepreneurs that harbour a strong sense of responsibility and a vision that enable them to take a leading role in the development of China's economy. The high sense of social responsibility of the Company's founder and leader influences the corporate values and infiltrates every level of the corporate culture, bringing profound and long-lasting positive impact to the Company.

It has always been a cornerstone of the Group's corporate culture to adhere to social responsibilities. While pursuing brand professionalism and internationalization, the Group will continue to utilize its advantages of sports resources to keep up with its commitment and contribution to the development of a more harmonious society.

