



While strictly complying with commercial ethics, the Group continually endeavours to make contributions to society, practice its belief of being a responsible corporate citizen in every aspect of its operations.

CARING FOR OUR STAFF

The Group places great emphasis on the well-being, skills building and career development of its employees, and constantly strives to enhance employee cohesion to create a greater sense of belonging and to improve their individual abilities with a view to achieving mutual growth and development for the Group and its workforce.

The “heartfelt” corporate culture of the Group is forged to enhance team cohesion, where core values of “Live for Dream; Integrity and Commitment; We Culture; Achieving Excellence; Consumer Oriented and Breakthrough” are all consistently promoted. The Group advocates its corporate culture and values through various platforms, including the intranet, internal publications, and senior management e-magazines. At the same time, the Group adopts cross-team training to foster better team-building across its business units and functions, and share cultural experience.

To further promote the well-being of its employees, the Group advocates athleticism and encourages participation in sports. Through sports, the Group hopes to enhance cohesion within the entire organisation. Covering more than 50,000 square meters, the “Li Ning Centre”, the Company’s headquarters



in Beijing, houses gymnasiums for swimming, basketball, badminton and tennis, as well as an outdoor football field, which are open for employees’ use, with dedicated coaches to assist them to cultivate their sportsmanship and skills. Many sports clubs for employees are funded and supported by the Group, and various internal and public sports activities, such as sports games, badminton/basketball/tennis tournaments, Sports Day, Beijing Marathon and football league matches for foreign-invested enterprises in Beijing, are held ardently. These activities allow employees to understand and appreciate the Group’s corporate values and experience its professional sports products. The Group’s unique sport culture, which contributes to the well-being of employees and the improvement of team cohesion, has become one of the key elements for attracting new talents.



The Group cares deeply for its staff in all aspects. The Group operates the employee assistance programme to help staff members cope with pressure in a positive manner and organises Open Day regularly as a platform to allow communication between staff and management. Every year, the Group offers commercial medical insurance to its employees and their children, and arranges free medical check-ups for its employees. Moreover, the Group provides a pleasantly-furnished workplace to ensure a healthy and comfortable working environment.

The Group places great importance on skills nurturing and career development for its employees. By establishing a comprehensive training framework and improving training management system constantly, the Group endeavours to enhance leadership of the management staff and the professional capabilities of key employees. A consistent leadership and professional study programme has also been developed.

To enhance the leadership skills of management, the Group puts emphasis on improving leadership qualifications. All development and practice of the leadership programmes are in line with the Company's qualification model. Furthermore, an internal lecturing system has been designed, and professionally skilled staff are encouraged to take up more responsibilities as internal lecturers. In line with the Company's strategy in talent development, management staff are encouraged to help advance the potential of their key subordinates so as to promote long-term sustainable development within the Group's talent pool, and ultimately enhance our competitive edge.

In order to build our in-house professional expertise, the Group has revamped the outline of every module in our professional training programme to mirror our long-term strategic focus. The Group has also designed a complete sales structure qualification model and relevant training programmes to improve employees' professional sales skills.

ENCOURAGING SUPPLIERS TO TAKE UP CORPORATE SOCIAL RESPONSIBILITY

The Group puts the concept of corporate social responsibility (CSR) into action by encouraging our suppliers to adopt CSR initiatives with a view to promote the sense of responsibility in the business environment.



The Group includes criteria such as compliance with the nation's laws and regulations, protection to the natural environment and the maintenance of positive relationship with employees into the principles in selecting its suppliers and other partners. The Group also formulates and implements "The Basic Social Responsibility Requirements for Suppliers of Li Ning Company" (《李寧公司供應商社會責任基準要求》), and enforces these in contracts with its suppliers. In addition, the Group engages training organisations to help educate its strategic suppliers on policies and practices regarding the environment, health, safety and staff relations. An agreement has also been signed with a manufacturer monitoring organisation to research, examine and assess and follow up on the performance of factories owned or utilised by the Group's suppliers. During 2010, the Group's "Ten Years' Management on Environment, Health, Safety and Employee Relation of Factories of the Group's Suppliers" project was officially launched, helping suppliers' factories to improve their policies and operating standards on promoting the environment, health, safety and staff relations.

PROMOTING EDUCATIONAL DEVELOPMENT

The Group is committed to education and utilises its resources to help in the development of educational programmes for teenagers.



“Let’s Do Sports Together” (一起運動) is a programme that the Group launched together with the State Council’s Office of Leading Group of Poverty Support and Development (國務院扶貧開發領導小組辦公室) to improve the standards of physical education in impoverished regions. In 2010, the Group continued to support the campaign, in which physical education teachers in Luoyang, Henan Province and Guizhou Province received professional training free-of-charge. By improving the instructors’ teaching ability, more children would be able to benefit from, and hence enjoy, the physical and mental well-being brought about by sports. At the end of 2010, the campaign had been in operation for five years, benefitted a number of state-level poverty alleviation and development counties covering more than half of China, and trained over 1,600 teachers.

The Group’s sponsored sports stars also acted as ambassadors for promoting the Group’s social responsibilities and contributed to China’s physical education by various means. During the Guangzhou Asian Games, the new gymnastics champion, Yang Yilin (楊伊琳), visited Li Ning Gymnastics School in Foshan, to personally coach the aspiring athletes while sharing with them the pleasure of gymnastics and encouraging them to hold on to their own sporting dreams. As the Overseas Promotion Ambassador of the Russian Pavilion, pole vault athlete Elena Isinbayeva, also joined “Visit the Expo with Stars” (明星帶你看世博) campaign as a delegate of Li Ning Company.

The Group has long been deeply engaged with high schools in China to show its concern for the development of young people. In 2010, the Group co-organised with Beijing Industrial Promotion Centre (北京工業促進中心) the “Li Ning Prize National Undergraduates Innovative Design Competition” (李寧杯全國大學生創意設計大賽), which provided a practical design platform for contestants. The Group also invited over 1,000 teachers and students of industrial design and related professions from 14 high schools to visit the Group’s design and R&D centre and to exchange ideas with top designers.

Through all these activities, the Group encouraged young students to discover and demonstrate their talents and provided them with an opportunity to learn more about the actual work.

LENDING A HELPING HAND TO SOCIETY

With the standard of good corporate citizenship in mind, the Group places importance on social care. In July 2010, the Company invited Yushu Zere Orphanage’s Tibetan children to visit Li Ning Centre where Mr. Li Ning personally received this group of unfortunate children who had been orphaned by the earthquake and showed them passion and warmth.

Mr. Li Ning was the Health Ambassador of the Shanghai World Expo and also attended several activities organised by the World Expo Business Coordination Bureau, actively promoting a greener lifestyle. Led by Mr. Li Ning, children suffering from AIDS from the Fu’ai Association in Fuyang were also invited to visit the Shanghai World Expo, where they were able to immerse themselves in the excitement and happiness brought about by the Shanghai World Expo.

The charitable acts of the founder and leader of the Group, while reflecting corporate social responsibilities of the Group, establishes a benchmark for the Group’s public interest values and demonstrates the Group’s vision in actively engaging in public welfare across the globe.

In 2010 the Group continued to work with The United Nations World Food Programme (WFP) to actively participate in promoting charity and the building of an international media platform, including the promotion campaign launched with WFP in U.N. Pavilion at the Shanghai World Expo and investment in outdoor promotion. Moreover, Mr. Li Ning also participated in an international aid campaign in Cambodia at the end of the year, calling on society to show more concern towards the living standards of people in underprivileged regions of the world and to work hand in hand to help fight poverty and starvation.

IMPLEMENTATION OF ECO-FRIENDLY IDEAS

The Group puts environmental friendly concepts into practice by actively taking initiatives to protect the environment and reduce carbon emissions. Implementation of the Group's environmental friendly beliefs are not only encouraged in our staff members' day-to-day work habits, but also deeply entrenched in our product innovation and promotion.

In 2010, the Group zealously promoted the "Green Life, Low-Carbon Living" scheme, aimed at saving energy for and reduction emission from major energy-consuming equipment and encouraging the bit-by-bit contribution of our staff in their daily work, with a view to saving resources in the office environment in a variety of ways. Policies are in place in the Li Ning Centre, such as switching off lights for one hour every day, adjusting brightness of lights according to time of the day, working overtime in the same area, installing sunlight-blocking curtains in rooftop of buildings, using solar-energy hot water system and advocating reduced use of water and paper and of elevators by putting up notices near lavatories, staircases and photocopiers so as to lower energy consumption. The Group plans to implement paperless facsimile and kick off projects such as contracted energy management in the near future, for further energy saving and emission reduction.

Efforts were made to continuously promote the LI-NING brand environmental friendly Eco-Circle apparel in 2010. Recyclable Eco-Circle materials continued to be used in several LI-NING brand apparels, while recycling of clothing is ongoing. In parallel, LI-NING brand further promoted the Eco-Cut tailoring technique that increases the utilisation of materials.

The Group is consistently putting into practice and promoting environmental awareness in every segment of its footwear products including the choice of materials and formulae for shoe soles. It takes an active role in introducing and using various environmental materials, for example bamboo charcoal fibre and corn fibre, and in adopting various methods to maximise the utilisation of chemical raw materials. Regarding formulae for shoe soles, we try to add various environmental components and actively promote the use of environmental cotton shoe pads. Products entailing environmental ideas as represented by "Master V" (馱帥V) which fully utilises various environmental materials including corn fibre leather and natural bamboo flaps etc. were launched, which better convey the ideas of our environmental friendly products to the consumers.

The Group believes that enterprises are an integral part of the community, and both the natural and the social environment are indispensable to the survival of enterprises. While sustaining constant growth in

our business and stepping forward as an international brand, the Group keeps a close eye on the harmonious coexistence between itself, nature and society in the long-term pursuit of sustainable development.

SOCIAL RECOGNITION

In May 2010, Universum held a competition for the "Ideal Employer for University Students in China" (中國大學生理想僱主評選), which consisted of a survey of 400,000 students and those from the workforce. The results showed that the Company was among the top ten "Enterprises with the Best Corporate Social Responsibility" (最具企業社會責任公司).

In December 2010, the Company was honoured with the title of "China's Best Enterprise Employer in Apparel Industry" (中國服裝行業最佳僱主企業). This award was co-organised by CFW and China Fashion Magazine, assessing candidates based on their company culture, efficiency in communication, staff development and care programme and policy innovation.

In February 2011, the Company was named one of "Best 50 Workplaces" (50佳第一工作場所), for the second year.

The above-mentioned awards demonstrate that the Company is well regarded by the industry and the human resources market as a preferred employer, which is strong recognition of the Company's emphasis on staff development and its people-oriented approach. Encouraged by such social recognition, the Company will continue to practice strict self-restraint, with the aim of giving back to society and contributing to the harmonious and sustainable social development while securing a steady and healthy growth model. The Company is firmly committed to incorporating social responsibility into its multi-level accountability framework for Shareholders, employees, consumers, government, community and the environment.

