

CORPORATE SOCIAL RESPONSIBILITIES



Li Ning Company attaches great importance to corporate social responsibility (CSR) and continuously carries out a variety of practices that encourages compassion in the society. The Group believes that its commitment to being a responsible corporate citizen helps to bring long-term benefit to not only its employees, but also the community and the environment.

CORE VALUES

The Group considers its employees the greatest asset. By maintaining a working environment that helps their physical and psychological well-beings, providing them with skill training and creating career development opportunities, the Group can enhance staff cohesion, create a greater sense of belonging and improve individuals' skills. As a result, the staff grows as the company grows.

In 2012, the Group continued to adhere to the core values that embrace achieving excellence and breakthrough, creating consumer-oriented work ethics with both integrity and commitment, as well as building the Li Ning Company dream and culture. Senior management and staff of the Group had many opportunities to communicate with each other through various internal platforms, including town hall meetings, management workshops, Group intranet, the internal publication – "Sports Ethics" (《運動品格》) – and various training courses. Our staff was greatly encouraged to project their positive energy and develop a sense of ownership of the company, which helped them deliver good performance, inspire innovation and proactively take part in the corporate reform and transformation.

Staff Training

This year, adhering to the principle of being "people-oriented" and based on the well-established system that integrates the perspectives and needs of students, lecturers and curriculum, the Group developed its training programs with the focus on fulfilling the mutual need for development of both the corporation and the staff.

In respect of enhancing leadership skills, the Group designed four standard curriculums tailored for the management, namely Strategy Analysis and Execution, Performance Management, Leadership in Transformation, and Crucial Conversation, to address the needs arising from our corporate transformation. The curriculums cover management techniques and tactics, and provide expertise knowledge and rehearsals to better equip the trainees to face new challenges that may arise during the Group's transformation. These training courses have been carried out continuously to build a unified language of corporate management and enhance the overall management and execution capabilities of the Group.

In view of the distinctive challenges during the period of transformation, the Group provided new teams in each of the business units with solutions to their structure and integration, and initiated new professional courses to support the business model transformation.

Meanwhile, the Group continued to perfect its talent development system, which included orientation camps for new hires, "TOP" training camps for talents with extraordinary potentials, manager training camps for newly promoted personnel and MINI-EMBA courses for outstanding managerial staff. With the application of Key Development Indicator (KDI), managerial staff was also trained to be trainers themselves to nurture highly selective subordinates with great growth potentials. These programs not only helped individuals' development and enhanced teams' strength, but also served to form an internal talent pool consists of people with strong potential and competitiveness.



CORPORATE SOCIAL RESPONSIBILITIES

Working Environment and Culture

The Group strives to maintain a working environment that enhances the physical and psychological well-beings of its employees. Employees are always encouraged to participate in sports activities which provide great bonding opportunities. In the Li-Ning Centre at the Group's Beijing headquarters, many facilities and venues ranging from basketball courts, badminton courts and swimming pools to outdoor football fields are open to the staff. Professional coaches are also hired to cultivate sportsmanship among employees and teach them the proper skills in playing sports. The Group has dedicated internal resources and runs a number of sports clubs for staff, where various internal and external competitions have been held, including general sports games, badminton/basketball/tennis competitions, Beijing marathons, and swimming competitions for foreign-invested enterprises in Beijing. Taking place in these sports activities provided the participants with unique experiences to enhance their appreciation of corporate value. Our unique sports culture helped ensure the physical and psychological well-being of the staff, enhanced team cohesion, and has become one of the important avenues to draw in talented people into the Group.

Taking Care of Staff and Their Families

To extend the company's caring culture to employees' families, the Group also organized a great number of activities during the year, including parent-child gatherings, annual meetings and sports meetings for staff and their families. These activities helped increase employees' sense of belonging to the Group.

Employee Benefits and Welfare

Besides the standard medical insurance, the Group provides additional commercial medical insurance to all employees and their family members, and arranges free medical check-ups for its staff every year. Our workplaces are designed and furnished to create an elegant and soothing space as well as to ensure a healthy and comfortable working environment. In 2012, the Group revised related rules and procedures to optimise our staff welfare system. In addition, the Group established a staff support program to help employees handle stress at work. Regular department meetings were also held to provide additional platforms for communications between the management and staff.

CONTRIBUTING TO THE COMMUNITY

Building Sports Parks to Popularise Physical Education

The Group has been dedicated to advocating sports among the public and leverages its own resources to contribute to the society. We have built sports venues and provided sports facilities as well as guidance on doing sports, which are intended to promote both competitive sports and the popularisation of national fitness. Following the sports park in Nanning, Guangxi and the gymnastics school in Foshan, Guangdong Province, the sports park in Nanyang, Henan Province opened in September 2012 was another critical part of the Group's national fitness campaign. The sports park in Nanyang entered the limelight in the 7th National Peasants' Games held in the same month as the Park's opening in Nanyang, for its full featured and superior facilities. As an important part of the national fitness campaign, the Park will serve to promote sports education, encourage the public to participate in sports activities more actively, enjoy sports while improving their fitness.

"Postal Parcel for Mothers" Project for Impoverished Mothers

The Group proactively takes part in social philanthropy projects, and has become a long-term sponsor and partner of the "Postal Parcel for Mothers" project launched by China Women's Development Foundation. Through this channel, every caring citizen can contribute to the philanthropic support to impoverished mothers. Since its launch in May 2012, the project has successfully delivered "parcels" (financial aid) to mothers in several poverty stricken areas. On 2 December 2012, at the opening ceremony of "Postal Parcel for Mothers" project held in Long'an County in Nanning, Guangxi province, the Group's Chairman Mr. Li Ning donated RMB200,000 and sports clothes to Guangxi Zhuang Autonomous Region, his hometown. At the ceremony, he also called for more attention and contribution from the society to the "Postal Parcel for Mothers" project.

CORPORATE RESPONSIBILITIES AND SUSTAINABLE DEVELOPMENT MANAGEMENT

Environment-Friendly Supply Chains and Occupational Safety and Health

During 2012, the Group issued “Li Ning Supplier Social Compliance Code of Conduct” to address issues including labour rights, occupational safety and health, environment protection and sustainable development along the supply chain.

The assessment of social compliance and performance of suppliers has become an important indicator for establishing and maintaining business relationship with the suppliers.

During the year, the Group continued to conduct on-site compliance audits on labour rights and occupational safety and health among all major suppliers. Moreover, the Group provided the local manufacturing bases with concentrated capability trainings on CSR, so as to offer chances to enhance suppliers’ abilities in managing their social responsibilities and raising their performance standards.

Product Safety and Sustainability

The Group consistently and unswervingly provides high-quality and guaranteed safe products that meet international standards to consumers and customers, which has been a key component to the CSR of the Group.

During the year, the Group continued to optimise the management system of product quality and safety. The Group upgraded and improved its own product safety standards in line with the latest industry product safety standards and market demands. Inspections on product appearance quality and laboratory testing of physical and chemical properties interweaved throughout the entire process of product research and development, manufacturing process and quality control of finished goods. All the products of the Group sold on the market have passed the inspection of independent third party testing institutions with national credentials.

During the year, the Group continued to apply the “eco-product” concept and new environment-friendly technologies to the research and development of products. The Group advocated the application of organic cotton and recyclable fabrics, and reduced waste and increased the utilisation of fabrics through innovative designs and the applications of environment-friendly cutting methods. This year, the Group included carbon footprints into its measurements of CSR practice and established data and technology parameters to establish a system for reducing carbon emission during the life cycle of the Group’s products.

During the year, the licensed brands of the Group also made respective efforts in brand concept innovation, supply chain responsibility and product sustainability.

Stakeholder Communication and Industry Cooperation

In 2012, under the guidance of striving for the sustainable development in terms of commercial returns of the Group, environmental performance and social interests, the Group collaborated with active social groups and civic organizations, and had open dialogues and interactions with them on the basis of equality and mutual benefit, with an aim to establish a stable and long-term communication channel.

During the year, we also teamed up with peer international brands to dedicate ourselves to the environmental protection in relation to products and supply chains and the elimination of harmful chemicals, the progress of which were published quarterly and annually by all parties concerned. Through the cooperation and mutual learning with peer international brands, we came on top among domestic industries in respect of CSR practices and achieving sustainable development.