

CSR and Sustainable Development during the Epidemic Period – The Case of Gree

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Abstract: The COVID-19 epidemic has brought devastating disasters to many enterprises, especially for household appliance manufacturers, which are struggling with difficulties such as the rise in raw materials and the sudden drop in market demand brought by the epidemic. As a market leader in the household appliance industry, Gree, facing the serious impact brought by COVID-19, gave up short-term profits and fully undertook its corporate social responsibility, successfully survived from the cold winter of this epidemic, and realized its sustainable development. This paper values the benefits CSR made to Gree by analyzing the financial changes of Gree during the epidemic period, and provides reference for other enterprises.

1. Introduction

Since the outbreak of COVID-19 in December 2019, all economies in the world have been affected in varying degrees. According to “World Economic Outlook” report released by IMF, global economy is expected to shrink by 4.4% in 2020. The cumulative loss of global economic output will reach \$8.5 trillion from 2020 to 2021, almost wiping out all the growth of the past four years, and world trade will shrink by nearly 15%. The UN's “World Economic Situation and Prospects (WESP) mid-2020 report” shows that in 2020, China was the only major economy in the world which achieves positive growth, with the total value of imports and exports in goods trading at RMB 32.16 trillion, an increase of 1.9% over 2019. However, due to the delay in the resumption of work and production in various places in the fight against the epidemic and the soaring price of some raw materials, the performance of many industries during the epidemic was not optimistic, and appliance manufacturing industry was the first to be affected.

China's household appliance market has become increasingly saturated in recent years. According to the “2019 China household Appliance Market Report” released by China Institute of Electronic Information Industry Development, the retail sales of the household appliance market in 2019 fell by 3.82% year-on-year, this is the first drop since 2012. “Report on China's Household Appliance Market in the First Half of 2020” points out that affected by the continual epidemic in 2020, the retail sales volume of China's household appliance market in the first half of 2020 is PMB

369 billion, decreased by 14.13% compared with the same period last year, and the decline is 2.73% higher than the average level of China's social consumer goods. As the market is saturated with durable goods, household appliances consumption affected by the epidemic impact is obvious. In the second half of the year, with the effective control of the domestic epidemic and the comprehensive promotion of the resumption of work and production, "the Report on China's Household Appliance Market in 2020" pointed out that by the fourth quarter, the online and offline markets had fully recovered, and the retail sales reached the highest level of the year, reaching RMB 294.1 billion. Overall, the annual retail sales of household appliances market in 2020 was RMB 833.3 billion, down by 6.5% year on year. In the first quarter, the retail sales shrank by 35.8%, and then gradually improved.

2. Literature Review

With people's rising attention to the social effects of corporate behaviour, the stakeholder theory has been put forward, which requires giving consideration to all kinds of stakeholders in the process of corporate governance. Stakeholders refer to groups or individuals who have a stake in the production and operation of the enterprise and its consequences. For enterprises, its stakeholders in general can be divided into three categories: capital market stakeholders, product market stakeholders (main customers, suppliers, local communities, and the union, etc.), as well as the organization stakeholders (all employees, including managers and general staff). Companies need to make trade-offs based on the degree of reliance on stakeholders and take development into consideration, because the operation and development of an enterprise requires the participation and support of stakeholders rather than simply relying on shareholders [1], Blair (1995) also believes that an enterprise must consider and pay attention to the interests of stakeholders in the decision-making process and try its best to meet them [2].

In terms of corporate social responsibility, John Elkington (1997) came up with the concept of triple bottom line [3]. In his opinion, corporate social responsibility can be divided into economic responsibility, environmental responsibility and social responsibility. Economic responsibility is the traditional corporate responsibility, mainly reflected in the increase of profits, tax responsibility and dividends to shareholders and investors; Environmental responsibility is environmental protection; Social responsibility is the responsibility to other stakeholders in society. Enterprises must fulfil the responsibilities in the above three fields when carrying out CSR practice, which is the "triple bottom line theory" related to CSR.

Xu Tianshu (2020) believes that undertaking CSR to shareholders, creditors, consumers and the government has a significantly positive impact on enterprise's competitiveness, and enterprise's CSR to employees and the environment also have a significantly positive impact on their competitiveness. These are the reasons for enterprises to practice CSR [4].

In terms of the impact of corporate social responsibility on financial performance, Ruf (2001) weighted and averaged the company's performance in eight aspects, such as product responsibility, community relations and environmental protection, to obtain the performance index of corporate social responsibility. Meanwhile, they also selected accounting indicators, such as return on net assets, return on sales and sales growth rate, to analyse corporate financial performance. It is found that the change of CSR is not only positively correlated with the change of financial performance in the current period, but also positively correlated with the financial performance in the subsequent period. This result indicates that the improvement of CSR can not only improve the short-term financial performance, but also benefit the long-term financial performance [5]. Jiang Tianxu (2019) also found that the fulfillment of both internal and external social responsibilities can significantly positively affect financial performance [6].

3. Case Analysis

The COVID-19 epidemic has brought devastating disasters to many enterprises, especially for household appliance manufacturers, which are struggling with difficulties such as the rise in raw materials and the sudden drop in market demand brought by the epidemic. As a market leader in the household appliance industry, Gree, facing the serious impact brought by COVID-19, gave up short-term profits and fully undertook its corporate social responsibility, successfully survived from the cold winter of this epidemic, and realized its sustainable development.

Firstly, we can conduct an overall accounting analysis on the development of Gree in recent years from analysing balance sheet, income statement and cash flow statement of Gree. Through the annual report of Gree in 2020, we can value the performance of Gree during the epidemic period by its financial changes during the epidemic.

3.1. Accounting Analysis

Table 1: Balance sheet of gree electric appliances from 2016 to 2020

Unit: Ten thousand Yuan

Item/Year	2016	2017	2018	2019	2020
Monetary Funds	9,561,313.07	9,961,043.17	11,307,903.04	12,540,071.53	13,641,314.39
Notes Receivable	2,996,335.55	3,225,641.35	3,591,156.79	-	-
Accounts Receivable	296,053.47	581,449.16	769,965.90	851,333.45	873,823.09
Inventories	902,490.52	1,656,834.72	2,001,151.82	2,408,485.41	2,787,950.52
Other Current Assets	199,253.65	1,034,191.26	1,711,092.12	2,309,114.42	1,561,730.19
Fixed Assets	1,768,165.55	1,746,737.15	1,837,417.72	1,911,102.48	1,898,348.51
Construction in Progress	58,154.38	102,070.93	166,393.90	243,105.14	401,608.27
I.Total Assets	18,236,970.50	21,496,799.93	25,123,415.73	28,297,215.74	27,921,792.36
Short-term Loans	1,070,108.16	1,864,609.50	2,206,775.00	1,594,417.65	2,030,438.47
Accounts Payable	2,954,146.69	3,455,288.63	3,898,737.15	4,165,681.58	3,160,465.92
Notes Payable	912,733.69	976,692.95	1,083,542.83	2,528,520.78	2,142,707.20
Advances from Customers	1,002,188.55	1,414,303.82	979,204.14	822,570.77	-
Other Current Liabilities	5,975,884.86	6,091,222.02	6,336,159.88	6,518,149.19	6,438,225.43
II.Total Liabilities	12,687,627.97	14,813,320.16	15,851,944.55	17,092,450.09	16,233,743.65
Subscribed Capital	601,573.09	601,573.09	601,573.09	601,573.09	601,573.09
Capital Surplus	18,340.06	10,388.06	9,337.95	9,337.95	12,185.03
Surplus Reserve	349,967.16	349,967.16	349,967.16	349,967.16	349,967.16
Retained Earnings	4,407,494.96	5,574,007.61	8,193,970.16	9,379,464.35	10,284,159.64
III.Total Shareholder's Equity	5,492,360.28	6,683,479.78	9,271,471.17	11,204,765.65	11,688,048.71

Date source: Gree's annual reports from 2016 to 2020[7]

From Table 1, as can be seen from Gree's balance sheet, the proportion of "Monetary Funds" in total assets from 2016 to 2020 is 52.43%, 46.34%, 45.01%, 44.32%, and 48.86%, respectively. Monetary fund holdings have remained high in recent years, indicating that Gree's liquidity is abundant and financial risks are very low. 57.20% of the "monetary funds" in 2020 is bank deposits, other part can be used for investment and business activities to achieve value-added functions. The total of Gree notes receivable and accounts receivable is less than accounts payable and notes

payable. Considering Gree's high gross profit margin, it can be preliminarily judged that this company has strong bargaining power for the upstream and downstream of the industry, and you can see the details from Gree's annual report that almost all of its notes receivable are bank bills, further confirming that Gree has a very strong ability to control downstream and to recover funds. It is not easy for an enterprise to achieve this market position. This situation often shows that the enterprise has a strong competitive advantage, and its products or services are irreplaceable in the market. Gree's other current liabilities have always been very high, almost all of which are sales rebates. Sales rebates are an extreme important part of Gree's overall strategy. First of all, Gree's distribution model adopts a payment-before-stock method, although it has improved Gree's cash recovery capabilities, however, it also increases the burden on dealers. In peak sales season, dealers' willingness to take goods is higher, and their willingness to take goods in off-season will be reduced. Therefore, Gree will use retained sales rebates to benefit dealers in low season, in order to increase the willingness of dealers to buy their goods, and in this way Gree can smooth its shipments each quarter, thereby improving the stability of production.

Table 2: Income statement of gree electric appliances from 2016 to 2020

Unit: Ten thousand Yuan

Item/Year	2016	2017	2018	2019	2020
I.Total Revenue	11,011,310.19	15,001,955.16	20,002,399.77	20,050,833.36	17,049,741.57
Sales from Operation	10,830,256.53	14,828,645.00	19,812,317.71	19,815,302.75	16,819,920.44
II.Total Operating Costs	9,152,937.98	12,469,881.27	16,958,932.92	17,072,357.38	14,626,068.19
Operating Costs	7,288,564.12	9,956,291.28	13,823,416.77	14,349,937.26	12,422,903.37
Selling Expenses	1,647,726.60	1,666,026.85	1,889,957.80	1,830,981.22	1,304,324.18
General and Administrative Expense	548,895.56	607,114.37	436,585.01	379,564.56	360,378.28
Add: Financial Profit	484,554.66	-43,128.47	94,820.14	242,664.34	193,750.47
R&D Costs	-	-	698,836.83	589,121.97	605,256.31
Losses on the Assets Impairment	-99.16	26,378.70	26,167.42	-	-
III.Operating Costs	1,745,569.78	2,612,666.60	3,099,688.47	2,960,510.71	2,604,351.78
Add: Non-operating Income	109,623.48	51,105.91	31,785.77	34,570.67	28,716.07
Less: Non-operating Expenses	2,074.25	2,054.02	4,123.47	59,810.66	2,174.11
Including: Loss on Disposal of Non-current Assets	1,508.38	-	-	-	-
IV.Total Profit	1,853,119.01	2,661,718.50	3,127,350.77	2,935,270.72	2,630,893.74
Less: Income Tax Expenses	300,655.52	410,858.59	489,447.79	452,546.36	402,969.52
V.Net Profits	1,552,463.49	2,250,859.90	2,637,902.98	2,482,724.36	2,227,924.22

Date source: Gree's annual reports from 2016 to 2020[7]

From Table 2, it's obvious that from 2016 to 2020, Gree's "Sales from Operation" accounts for more than 98% of its "Total Revenue", indicating that most of Gree's income comes from its main businesses with high certainty, while the uncertain income takes a small proportion. At the same time, the total profit from 2016 to 2018 rose steadily. In the fourth quarter of 2019 and 2020, Gree's profit declined like that of other enterprises in the household appliance industry due to the impact of

the epidemic. However, under such circumstances, Gree still stuck to its CSR and basically recovered by the first quarter of 2021 through unremitting efforts. It is still the market leader in the home appliance industry and has further enhanced its brand reputation. I will cover this in more detail in the later article.

From Table 3, finally, let's take a look at the cash flow statement of Gree. Gree's operating cash income has been very healthy and stable in recent years. Through its powerful strength in the industry chain, Gree has achieved a high net cash ratio. Although it's annual investment, financing cash changes differently, but Gree always ensure the stability of its cash balance.

Table 3: Cash flows statement of gree electric appliances from 2016 to 2020

Unit: Ten thousand Yuan

Item/Year	2016	2017	2018	2019	2020
I.Cash flows from operating activities:					
Cash received from sales of goods and rendering of services	6,989,662.13	10,759,912.01	13,502,912.64	16,638,769.80	15,589,038.43
Net cash flows from operating activities	1,485,995.21	1,635,853.82	2,694,079.15	2,789,371.41	1,923,863.73
II.Cash flows from investing activities					
Net cash flows from investing activities	-1,924,655.27	-6,225,345.80	-2,184,576.53	-1,127,504.86	9,773.02
III.Cash flows from financing activities					
Net cash flows from financing activities	-575,156.02	-226,934.12	251,384.65	-1,922,197.61	-2,111,149.75
IV.Net increase in cash and cash equivalents	-604,365.68	-4,996,228.83	741,250.46	-239,954.90	-214,752.22
Add: Balance of cash and cash equivalents at the beginning of the period	7,736,501.68	7,132,136.00	2,135,961.62	2,877,212.08	2,637,257.18
V.Balance of cash and cash equivalents at the end of the period	7,132,136.00	2,135,907.17	2,877,212.08	2,637,257.18	2,422,504.96

Date source: Gree's annual reports from 2016 to 2020[7]

3.2. Financial Analysis during the Epidemic

3.2.1. Debt Paying Ability

Debt paying ability reflects the financial situation and operating ability of an enterprise, which is used to evaluate whether an enterprise can fulfil its financial obligations on time. It can be seen from Table 4,5 that during the epidemic period, Gree has maintained relatively stable current ratio and quick ratio, and Gree's short-term debt paying ability has not been adversely affected. After the epidemic was effectively controlled in China, Gree's asset-liability ratio dropped from 60.40% at the end of 2019 to 58.14% at the end of 2020, while its competitor Midea's asset-liability ratio was 64.4% and 65.53% respectively in the same period. Haier's asset-liability ratio is 65.33% and 66.53% respectively, so through comparison, Gree's asset-liability structure has been adjusted more

healthily during the epidemic period.

Table 4: Debt paying ability of Gree before and after the epidemic

Item/Year	2020/12/31	2020/9/30	2020/6/30	2020/3/31	2019/12/31	2019/9/30
Current Ratio (%)	1.35	1.33	1.26	1.27	1.26	1.26
Quick Ratio (%)	1.17	1.20	1.10	1.11	1.12	1.15
Liquidity Ratio (%)	86.08	84.77	78.77	76.65	74.22	72.50
Asset-liability Ratio (%)	58.14	57.57	59.27	58.26	60.40	64.92

Date source: Calculating the data through the annual report of Gree

Table 5: Comparison of paying ability of the three companies in 2020

Item/Company	Gree	Midea	Haier
Current Ratio(%)	1.35	1.31	1.04
Quick Ratio(%)	1.17	1.14	0.78
Liquidity Ratio(%)	86.08	44.10	42.47
Asset-liability Ratio(%)	58.14	65.53	66.52

Date source: Calculating the data through the annual report of above companies

3.2.2. Profitability

Table 6: Profitability of gree before and after the epidemic

Item/Year	2020/12/31	2020/9/30	2020/6/30	2020/3/31	2019/12/31	2019/9/30
Ratio of Profits to Costs (%)	18.81	15.19	12.67	10.52	17.82	21.15
Operating Margin (%)	15.48	12.85	10.91	8.95	14.94	16.98
Net Profit Margin on Sales (%)	13.25	10.96	9.24	7.74	12.53	14.33
Rate of Return on Total Assets (%)	7.93	4.95	2.27	0.57	9.30	8.18
Return on Equity (%)	19.25	11.94	5.60	1.38	22.42	21.94

Date source: Gree's annual reports from 2016 to 2020

Table 7: Comparison of profitability of the three companies in 2020

Item/Company	Gree	Midea	Haier
Ratio of Profits to Costs(%)	18.81	12.74	7.02
Operating Margin(%)	15.48	11.08	6.48
Net Profit Margin on Sales(%)	13.25	9.68	5.40
Rate of Return on Total Assets(%)	7.93	8.31	5.79
Return on Equity(%)	19.25	23.17	13.29

Date source: Calculating the data through the annual report of above companies

Profitability refers to the ability of an enterprise to obtain profits, also known as the capital or capital appreciation ability of an enterprise. It is the most intuitive performance of a company's

finance and also an important indicator to attract more investors. Since the cash flow statement is based on the cash basis, the deadline has a relatively large impact on the cash basis, so it is normal for some indicators to have great differences between quarterly and annual data. Therefore, we compare the data of the same period to conduct analysis. As can be seen from Table 6,7, under the impact of the epidemic, each index was negatively affected to varying degrees in the same period. However, it is easy to find that with the gradual recovery of the domestic economy and the efforts made by Gree's efforts in maintaining the sustainable development, the revenue in the fourth quarter was basically flat with that in the fourth quarter of last year. It is worth mentioning that Gree's sale channel reform was promoted by live streaming nationwide. In the 618 live broadcasts in 2020, Mingzhu Dong, CEO of Gree, led Gree to achieve a sales volume of more than RMB 10 billion. After that, many local governments invited Gree to conduct live broadcasts, so Gree has cooperated with local governments to conduct live broadcasts since third quarter, the total sales of live broadcasting accounted for more than 40% of Gree's total revenue at that time, which effectively expanded the sales channels and helped Gree recovered from the cold winter of the epidemic to a bright future.

3.2.3. Operation Capacity

Operating capacity is mainly determined based on the company's capital utilization and the current status of asset operations. If the enterprise has a better operating capacity, it can improve the utilization degree of its own resources. As shown in Figure 1, Gree has the highest turnover rate of receivables and the strongest management ability of receivables, which is benefited from the "payment before loan" mode implemented by Gree, and more than half of Gree's receivables are bank acceptance drafts that are easy to be realized. By contrast, Midea and Haier's receivables are slower to realize than Gree's. However, except for this index, inventory turnover, total asset turnover and current asset turnover of Midea and Haier were all slightly higher than Gree, indicating that these two companies had relatively better efficiency in using assets during the epidemic period.

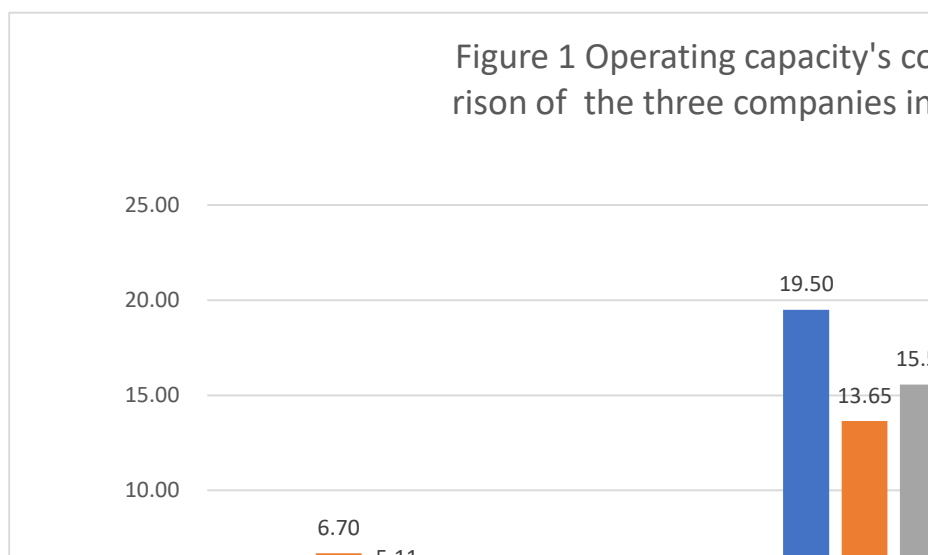


Figure 1: Operating capacity's comparison of the three companies in 2020 (Date source: Calculating the data through the annual report of above companies)

3.2.4. Growth Capacity

Growth ability is mainly to show the future prospects of the company, including the expansion of

the scale, the increase of profits and owner's equity. Dependence on superior products is likely to cause business risks [9]. Gree's main business is relatively single, basically focusing on air-conditioning products, while Midea and Haier are relatively richer in their main product structure. Midea and Haier produce almost all kinds of household appliances. Haier covers large white appliances and kitchen and bathroom appliances. Their business structure has shown a relatively stronger ability to resist risks, and Haier has taken the lead in deploying a global smart market, its revenue in overseas markets is also good, so the impact in the epidemic will be less. From Table 8 we can see that although Gree's revenue for the whole year of 2020 is not optimistic, it is slowly catching up every quarter. According to the data in the first quarter of this year, Gree has basically recovered from the epidemic crisis.

Table 8: Growth capacity of Gree before and after the epidemic

Item/Year	2021/3/31	2020/12/31	2020/9/30	2020/6/30	2020/3/31	2019/12/31	2019/9/30
Main Business's Increasing Rate of Income (%)	62.73	-15.12	-18.80	-28.57	-49.70	0.02	4.26
Net Profit Growth Rate (%)	118.81	-10.26	-37.92	-53.49	-72.31	-5.88	4.60
Total Assets Growth Rate (%)	11.26	-1.33	-6.04	-0.16	4.48	12.63	17.90

Date source: Gree's annual reports from 2016 to 2020

3.3. Gree's Social Responsibility Practices during the Epidemic

Through financial analysis above, we can clearly conclude that in the face of the huge exogenous impact of the epidemic on household appliance industry, Gree's revenue was not pretty in the early period of the epidemic, and it was facing challenges in terms of profitability, operating capacity and growth ability. However, starting from the second half of 2020, most of the financial indicators quickly rose again. Gree successfully defended its position as a market leader in household industry and achieved sustainable development. Gree was once again listed on the "Fortune Global 500" list, and listed "Most Admired Chinese Company" in 2020 released by Fortune. What contributed most for this success is that Gree actively assumed its corporate social responsibility during the epidemic. I will combine the stakeholder theory and the triple bottom line principle to introduce Gree's efforts during this period in detail below.

3.3.1. Rights and Benefits Equity of Shareholders

Due to the impact of the epidemic, Gree's sales in the first quarter of 2020 were very bleak, paralleling with falling stock price. Coupled with the panic caused by the epidemic, capital market was also very unstable. In order to protect the rights and interests of Gree's shareholders and send a positive signal to the capital market to restore investor confidence, Gree has launched two repurchase plans with a total value of RMB 12 billion in 2020[8]. By reducing the flow of stocks on the market, it can increase earnings per share, which help to raise stock prices. Gree has implemented a repurchase amount of approximately RMB 5.2 billion as of December 31, 2020. Meanwhile, Gree implements stock option incentive plan and employee stock ownership plan to ensure that the company can survive from the epidemic smoothly, ensure the realization of the company's business objectives, preserve the consistency and sharing of the interests of all shareholders, and enhance the value of the company.

In terms of information disclosure, Gree has been in strict accordance with the information

disclosure regulations, truthfully, accurately, timely, completely, and fairly disclose information about the company's regular reports and temporary announcements, paying special attention to timely disclosure of related party transactions, price-sensitive information and other information. In 2020, Gree issued 112 announcements of various information, and its efforts and effectiveness in information disclosure have also been recognized by regulators and the capital market.

3.3.2. Rights and Benefits Equity of Consumers

Gree adheres to the concept of "The highest standard is to meet the needs of consumers to the greatest extent". As a household appliance manufacturer, the best protection that Gree can provide is to actively research and develop products which can reduce the possibility of consumers being infected with the new crown virus. After the virus outbreak, a large number of substandard masks appeared on the market. At first Mingzhu Dong couldn't understand this phenomenon, since the technical difficulty of masks is relatively low, how can substandard masks appear? So Gree itself switched to mask production, and only discovered after its own production that the reason for the large number of substandard masks appeared was due to the high cost of raw materials for the production of masks. When faced with the epidemic and the choice of interests, Gree resolutely chose to give up its interests and was faced with the loss of manufacturing medical equipment. Through research on the advantages and disadvantages of various disinfection and sterilization technologies, the structural characteristics of the new coronavirus and the pathogens of the virus, the CKER triple elimination system was finally developed, and then Gree produced the "Hunter" series of air purifiers, which can eliminate the new coronavirus and other pathogenic viruses. The product has obtained disinfection certification, CE, CB certification, SASO certification, CQC certification, and has been widely used in domestic hospitals, government agencies, docks, hotels, schools, factories and enterprises, and sold to 30 domestic provinces and cities to help resume production, work and school. Meanwhile, this series of products have also been exported to more than 40 countries and regions including the European Union, the Middle East, Mexico, South Africa, Brazil, and Malaysia to help overseas regions.

In response to the new coronavirus epidemic, Gree has also developed mobile protective equipment that meets the requirements of epidemic protection, and finally broke through the key technical difficulties of biosafety laboratories, developed a P2+ environmental control system which be used on the mobile epidemic control vehicle to help nucleic acid test; reduce the testing load of hospitals, and also provide a strong guarantee for responding to public health emergencies.

In terms of conventional services, Gree improved its service system and improved service standards. Gree provides customers with high-quality services, provides fast feedback channels for service information, and promotes "replacement of old" activity to create a green and healthy life.

3.3.3. Rights and Benefits Equity of Employees

In the face of the new crown epidemic and the external economic downturn in 2020, Gree undertook its social responsibility positively, promised there won't be any layoff in Gree, and executives received less payment voluntarily, ensured that employees would get enough paid as usual. When facing enormous losses in the first quarter, Gree announced to hire 5000 more employees unexpectedly, the reason for make such decision is not only to help solving the unemployment problem during the epidemic, but also to consider the long-term planning of enterprises and promote sustainable development. In addition, Gree also has a comprehensive employee incentive system to care about employees' life. In order to solve the problem of employees' children going to school, Gree has set up a Gree School with beautiful environment and complete teaching facilities, so that employees can concentrate on career development without any

worries and improve employees' satisfaction and happiness.

In contrast, the former retail giant JCPenney was unable to pay its debts during the epidemic, it relieved the financial pressure of the company through layoffs. After preparing for bankruptcy, it also paid a bonus of USD 4.5 million to CEO Jill Soltau, and to CFO Bill Wafford and other two executives USD 1 million each. It's obvious that the decline of JCPenney is actually closely related to its absence in assuming social responsibility.

3.3.4. Rights and Benefits Equity of Suppliers and Distributors

In the first half of 2020, Gree provided RMB 9.075 billion of financial support to its upstream and downstream enterprises of the industrial chain which were affected by the epidemic, by means of new increase, renewal of loans, extension of term, fee reduction, and interest payment postponement, to tide over difficulties together with partner enterprises. Besides, Gree also led dealers to start online mode and promote sales through online sales and online broadcast.

Affected by the continuous spread of the epidemic, traditional promotion modes such as business visits, international exhibitions and offline promotion have been hindered. Gree has actively transformed its overseas brand promotion, participated in the online meeting, and comprehensively displayed its corporate image and latest products to overseas customers through brand new ways such as live marketing, VR exhibition hall and online store. Gree organized online new product launch conferences and online dealer meetings in Vietnam, Indonesia, Brazil and other markets, deepened online brand promotion and construction efforts, and enhanced the confidence of overseas dealers. Gree also set up new stores in Turkey, Hungary, Macedonia, Albania, India and other countries, continue to promote the brand sales and brand influence.

3.3.5. Rights and Benefits Equity of Environment

Adhering to the green environmental protection concept of "bluer sky, greener earth", Gree always implements the energy policy of "rational use of energy, improve energy efficiency", Gree never set an upper limit on investment in energy conservation and emission reduction technology renovation projects, and takes the initiative to undertake social responsibilities.

3.3.6. Rights and Benefits Equity of Society

Maintaining and improving social welfare is also one of the social responsibilities of enterprises [10]. In the first time of the outbreak of coronavirus, Gree responded quickly, made overall plans, and quickly joined in the anti-war struggle to set up a pioneer air conditioning team. After three days and nights of non-stop fighting, Gree successfully completed the air conditioning installation and commissioning work of Huoshenshan and Leishenshan hospital. Knowing that there was an urgent shortage of welders in Leishenshan mountain hospital, Gree gathered a "commando team" composed of professional welders to complete the welding task of 1,500 solder joints in Leishenshan hospital day and night to ensure the delivery of the two hospitals.

At the same time, Gree actively coordinated overseas resource procurement and donated medical supplies and anti-epidemic supplies. After the outbreak of the epidemic, China fell into a masks lacking dilemma, and there was a shortage of protective materials in medical institutions. In order to support medical workers fighting on the front line, Gree actively coordinated resources and donated 30,170 masks to the hospital as soon as possible; donated 10,000 disposable medical surgical masks to the Zhuhai Municipal Health Commission and Zhuhai General Border Inspection Station. Gree also donated 2465 air conditioners and purifiers to Wuhan, which worth RMB 15.4 million, and raised more than RMB 6 million for the Hubei region within the company to convey love and warmth through actions.

4. Conclusions

Through the Financial analysis of Gree, it can be concluded that Gree has always had a strong competitive advantage in recent years and has been in the leading position firmly in household appliance industry. When facing the impact of epidemic, Gree gave up short-term profits and actively undertook its social responsibilities. In the later period of the epidemic, its financial situation gradually improved, which confirmed the importance of undertaking corporate social responsibilities for enterprises. Just like Mingzhu Dong said at the “two sessions” in 2020: “Enterprises should not only focus on short-term difficulties, but should maintain a fighting capacity. Evaluating an enterprise is not only based on how much money it can make, but also how to do it. How to fulfil social responsibilities and assume social responsibilities.” Under her leadership, Gree's social responsibility during the epidemic period is well known to all. Only such enterprises can achieve real sustainable development.

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