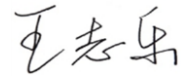


As a member of UNGC's Working Group on the 10th Principle, it is our duties and responsibilities to support for the Global Compact and renewing our ongoing commitment to the initiative and its principles.

**SIGNED for and on behalf of
[Beijing New Century Academy on Transnational Corporations]**



2014-2015

Summary of main activities

- Activity 1: Research, Publication and Policy Recommendation
 - Research on newly-emerging issues on Compliance such as the compliance management of business partners and publication of research articles
 - Finalize the fourth of compliance series books
 - Submit an internal report concerning constructing the compliance culture in state-owned enterprises to the State-owned Assets Supervision and Administration Commission of the State Council
- Activity 2: Compliance Knowledge Sharing
 - Dialogue between NATC and several industrial associations
 - Seminar on fostering compliance culture of enterprises involving several industrial associations
 - One compliance brochure
- Activity 3: Compliance Training
 - Develop state-of-the-art curriculum
 - A three-day training program
 - Give a series of lectures to staff of different companies as well as government officials
- Activity 4: Compliance Club
 - Expand compliance club
 - Set up Committee of Compliance Management Consultants
 - Four Compliance Club meetings
 - An "Experience Sharing and Discussion on Specific Subjects" seminar as Compliance Talent Exchange program
- Activity 5: Compliance Forum
 - Two semi-annual forums on specific topics with over 80 participants
- Activity 6: Chinese Compliance Information Website

- A Chinese compliance website with up-to-date information and in-depth opinions for market participants in China

Impact Assessment

▪ Objective 1: Research, Publication and Policy Recommendation

The book *Compliance IV: Strengthening the Compliance Management of Business Partners* has been completed.

NATC submitted a policy recommendation report titled *Reinforcing Compliance Culture: a New Goal for the Reform of State Owned Enterprises* to the State-owned Assets Supervision and Administration Commission of the State Council in Mar. 2015. And the government has responded to the report. Evidence can be seen from the document *Guidelines on Deepening the Reform of State-Owned Enterprises* issued by the Central Committee of the Chinese Communist Party and the State Council in Sept. 2015, in which several principles are emphasized, among them establishing the modern enterprise system featuring clearly established ownership, well defined power and responsibility, separation of enterprise from administration, and scientific management, enhancing the supervision and preventing loss of state-owned assets, and pushing the progress of ruling the enterprises in accordance with law. All these requirements are in line with the policy of enhancing anti-corruption and compliance adopted by NATC. So NATC pushed the trend of the reform of SOEs, and urged them to integrate into the global industrial chain and perform the internationally accepted standard by improving the compliance system.

In addition, NATC's research team created an up-to-date bibliography, convened bi-weekly reading club events, conducted new and follow-up interviews and on-site field trips, wrote and published research articles.

▪ Objective 2: Compliance Knowledge Sharing

Two associations--China Research Institute of Enterprise Culture and China Association for Public Companies reached agreement with NATC to collaboratively disseminate compliance knowledge to their cooperative partners and jointly build a clean business environment in China. And through the Aug.7 seminar and discussions on several meetings, NATC shared compliance knowledge with several Chinese industry associations as well as enterprises from such industry sectors as energy, transportation, infrastructure, engineering and medical device, etc. Through these meetings, NATC strengthened compliance awareness as well as capacities of different industries and urged the enterprises from a certain industry to form alliance and contribute a synergy effect to building a clean business environment.

▪ Objective 3: Compliance Training

The trainees of the annual training program rated the training very helpful in solving the problems they met in their work related to compliance management. After the training, they are equipped with advanced compliance knowledge and methods, and fortified in

their effort to fight corruption. And they will disseminate these knowledges to their own targeted trainees.

- Objective 4: Compliance Club

The club meeting held on Jan. 30, 2015 rendered valuable comprehensive advice to NATC in terms of designing and implementing the project, and drew more attention from market participants to our program. Through the July 15 club meeting, the Compliance Consultants Committee was founded as an expert team to offer professional support for NATC in compliance training, publication, and policy recommendation, etc. and for Chinese and foreign companies in dealing with problems concerning compliance management, with 13 senior compliance officers of the club member companies as its founding members. The club members pushed the compliance training, forums and other programs to a large extent. So compliance club is working to produce a joint force of market participants to strengthen the fight against corruption in China.

- Objective 5: Compliance Forum

On the forums, research findings were disseminated and ideas exchanged through the "Experience Sharing" and "Practice Discussion" sessions. Most participants claimed the forums are a great opportunity to update their compliance knowledge and frankly communicate with peers to jointly explore effective ways to ultimately build a clean and fair business environment in China. After the forums, some organizations are more confident in initiating cooperation with NATC to jointly build compliance capacity for their member companies. And NATC enrolled over 60 new club members through the forums in Y1.

- Objective 6: Chinese Compliance Information Website

The fluctuation/increase of the website's readership indicates that more and more people turn to the website in dealing with compliance related problems. And the website enhanced readers' compliance awareness and capacity by providing useful compliance knowledge and information.