

COMMUNICATION ON ENGAGEMENT (COE)

Beijing New Century Academy on Transnational Corporations



Period covered by this Communication on Engagement

From: October 1, 2019 To: September 30, 2021

Part I. Statement of Continued Support by the Chief Executive or Equivalent

October 20, 2021

To our stakeholders:

I am pleased to confirm that Beijing New Century Academy on Transnational Corporations(NATC) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, consisting of three stylized Chinese characters: "王志乐" (Wang Zhile).

Wang Zhile

Director of NATC

Part II. Description of Actions

1. Improving the Effectiveness of Compliance Management in Target Industries
 - 1) Enhancing commitment from administration and national ministries
 - “Proposal on Accelerating the Establishment of Compliance Systems for Overseas Private Enterprises” drafted by NATC has been submitted to the CPPCC National Committee by the All-China Federation of Industry and Commerce in Sep.2020, and the proposal was formally replied and accepted by 4 national ministries in December 2020.
 - NATC developed the Evaluation Index System for Corporate Compliance Management, which has been used to evaluate the maturity of the compliance programs of 5 municipal pilots initiated by Beijing SASAC.
 - NATC supported Beijing SASAC to draft the *Guidelines for compliance management of enterprises under the jurisdiction of Beijing Municipality* in Q1 and Q2 2021, which will be formally issued by the end of 2021 to guide the municipal state-owned enterprises in Beijing to build compliance systems.
 - NATC supported Shenzhen government bodies to integrate "Four forces" : "criminal compliance + administrative compliance + industrial organization compliance + integrity compliance", which not only standardized and strengthened the external compliance supervision requirements, but also transformed the external forces into the driving force for enterprises to strengthen compliance management.
 - 2) Unifying key driving partners to address key compliance issues
 - NATC conducted over 40 interviews and four rounds of questionnaire survey to evaluate compliance risks and the needs of the enterprises to improve compliance policy system for the target industries: industry sector and energy sector in 2020 and 2021.
 - NATC held six workshops on key compliance topics for industry sector and energy sector to discuss measures to enhance effective compliance management.
 - Two working groups of NATC drafted five compliance tools and policy templates for the two target industries: Code of Conduct template, Anti-corruption Compliance Manual, Compliance Manual on Conflict of Interest, Cyber & Information Security Manual and Personal Data Protection Manual.
 - 3) Promoting the assessment tool for effective compliance management and best practices sharing
 - The 11th China Forum on Corporate Compliance “Establishing Compliance System, Enhancing Compliance Capacity” was held on Sep. 25 in Qingdao, Shandong Province. More than 160 representatives, including officials of Qingdao municipal government and compliance managers from more than 120 local well-known enterprises attended the forum.
 - The book *The Evaluation of the Effectiveness of Compliance Systems* drafted and compiled by NATC was completed and published in Sep. 2021, which includes research reports and case reports to introduce evaluation tools for effective compliance management.
 - 4) Communication channels

- Compliance news and documents were updated regularly to NATC compliance website and WeChat platform. (<http://compliance.org.cn>)
- media coverage of compliance events and interviews of NATC researchers
(<http://news.bandaoapp.com/shares/tuwen.html?newsId=506980178992566272>
http://appwx.legaldaily.com.cn/share/news/detail_index.html?contentType=5&contentId=227915&cId=0&tencentShare=1
<https://www.chinca.org/IEAService/info/20031914355411>
<https://mp.weixin.qq.com/s/442FPLH-T0Rdgr6cOZuHLw>
https://appdetail.baoanone.com/cms/content/2021-07/07/content_52182.html)

2. Education on compliance talents for Chinese enterprises

- NATC supported and coordinated the policy recommendation process for the professionalization of compliance practitioners. The draft of the report *Compliance Professionals as a New Profession* was completed in Nov. 2019. And "corporate compliance officers" has officially become a new profession recognized by the state government in March 2021.
- Three compliance trainings for compliance practitioners on the elementary level in 2020 and 2021 with over 300 participants, mainly from SOEs, private enterprises and law firms from different regions of China.
- A two-day compliance training for advanced level compliance practitioners was held in Sep 2021 with over 80 participants.

Part III. Measurement of Outcomes

1. Improving the Effectiveness of Compliance Management in Target Industries

- The compliance pilot program of Beijing SASAC has pushed nearly all the municipal state-owned enterprises to build compliance programs. The program also led other non-pilot municipal enterprises to launch compliance programs.
- The cooperation with relevant ministries in Shenzhen enhanced the compliance awareness of local enterprises and pushed a number of pilot enterprises to enhance compliance systems.
- By constantly providing consulting advices to ACFIC, NATC has pushed the compliance trend, an increasing number of private enterprises started to stress corporate compliance.
- By drafting compliance templates and manuals for enterprises in the industry sector, and offering advices on their specific compliance issues, NATC has assisted the enterprises to improve their policy systems and overall compliance systems, which helped them to strengthen compliance capacity and cultivate compliance culture.

2. Education on compliance talents for Chinese enterprises

- Over 400 trainees finished the entire three-day training course for elementary compliance practitioners and received training certificates, and became qualified elementary compliance practitioners.
- Over 70 trainees finished the two-day training course for advanced compliance practitioners and received training certificates

- The trainings have received good reviews from the participants in terms of acquiring compliance knowledge and practices, who commented that the methods and tools they acquire are very practical, and they could apply the practical skills in their daily work, enhance compliance risk control and improve their corporate operations.