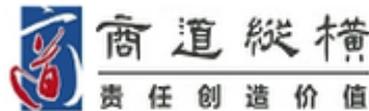


Top 10 CSR Trends in China (2017)



December 2016



Trends Overview

Trend 1 The Year of Positioning

Trend 2 Green Consumption:

Trend 3 Overseas Investment:

Trend 4 Green Finance

Trend 5 New Laws Functioning

Trend 6 Information Disclosure:

Trend 7 Technologies for Good

Trend 8 Targeted Poverty Alleviation

Trend 9 Value Chain Partnership

Trend 10 Social Media

The Year of Positioning: A changing world and UN SDGs

1



In 2017, the United Nations will appoint a new Secretary-General; China will hold the 19th CPC Central Committee. The major developed countries, including the United States, Britain, Germany, France, and Korea, have already appointed or will appoint their new representatives. All of these changes will bring much uncertainty in 2017, directly or indirectly influencing the CSR trends. However, the UN will continue to promote SDGs. China has made great efforts in the 2030 Agenda for Sustainable Development implementation, linking the 2030 Agenda with its 13th Five-year Plan.



China's National Plan in Implementation of the 2030 Agenda for Sustainable Development.



Promoting enterprise participation

- Path: integrating goals and indexes into national development plans.
- Resource investment: innovating cooperation pattern, and promoting cooperation between the Government and social capitals.



SDG-based business strategy

- Challenges and opportunities
- Business innovation and social innovation



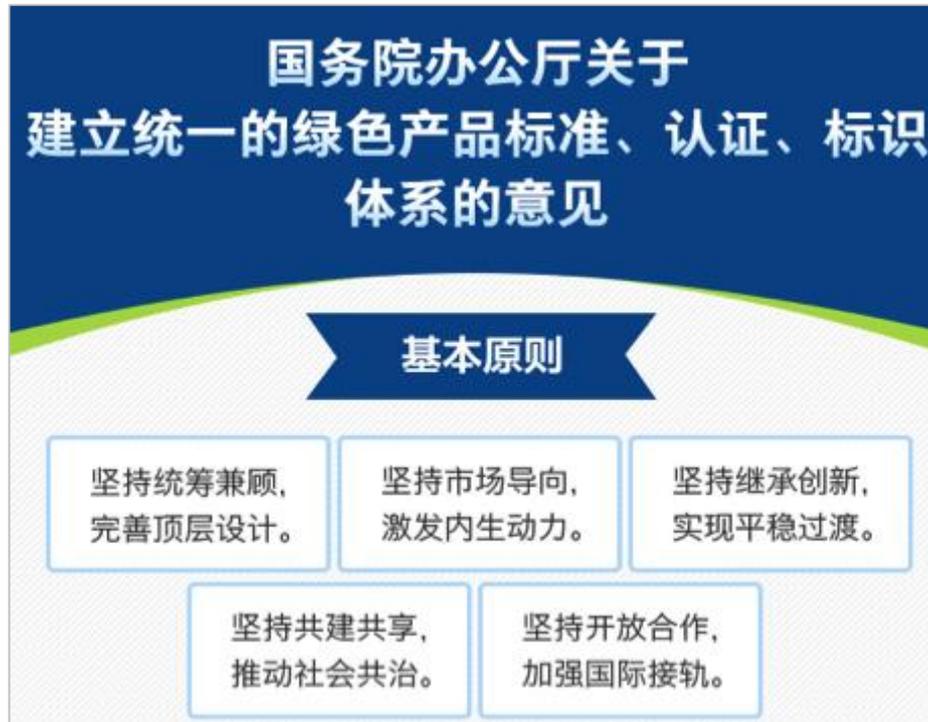
Public education and social mobilization

Making full use of non-governmental groups, private sectors, individuals and the youth, which facilitates the public education and social mobilization, and helps enhance enterprises' image.



Green Consumption: Product & service market with great potentials

2



More policy support

China will provide more favorable policies for sustainable consumption development. With the implementation of green economy strategy raised in the 13th Five-Year Plan, more guidance for green consumption is expected.



Strong consumption willingness

- 73.43%: willing to buy
- 54.41%: willing to buy at a higher price
- 14 times in 4 year: Alibaba Green Consumer Report



Opportunities for E-commerce

- Reflection on excessive consumption motivated by on-line shopping festivals, like Nov 11 Festival of Taobao.
- E-commerce platforms play more important role in guiding consumption and promoting production

Overseas Investments: More NGOs are going out

3



In the first three quarters of 2016, the total amount of overseas non-financial direct investment is RMB 134.22 billion. In 2015, the total amount of overseas non-financial direct investment is RMB 121.42 billion

Four elements



NGO NGO Going-out

- CFPA recruiting international volunteers;
- Chinese green leadership, the Belt and Road Initiative, green development projects
- Opinions on Reforming Social Organization Management System to Promote Healthy and Orderly Development of Social Organizations



MNCs participate in the Belt and Road Initiative

- MNCs can share experiences of globalization
- MNCs can share experiences of community engagement

Green Finance: On the forefront of green transformation

4



2016年二十国集团中国峰会



G20 GERMANY 2017
HAMBURG

On eve of G20 Summit, the "Guidelines on Establishing the Green Financial System" were issued. The first Green Finance Synthesis Report was also issued during G20 Summit. China will continue to take the lead in the global green finance field.



China: Global Green Finance Leader

- Green finance was discussed as a key agenda at G20 Summit for the first time
- China-UK central bank negotiated to organize the 2017 G20 Green Finance Research Group in Germany.
- Green financial measures reflected in the Belt and Road Initiative and Shanghai-London Stock Connect



Rapid growing green bonds

- 0-200 billion, 40%;
- Increasing scale ;
- Improving third-party evaluation and certification mechanism;
- Expanding green fund scale
- More green indexes



Carbon market at the new stage

Carbon emission transaction system launched

- 8 sectors: petrifaction, chemicals, building materials, iron, nonferrous metals, paper making, electricity and aviation
- Spot trading scale: 1.2-8 billion
- (If with) carbon futures : 60-400 billion

New Laws Functioning: Reshape the landscape of philanthropy

5



NGO

NGO Changes brought by Law on the Administration of Overseas Non-Governmental Organizations' activities within the Territory of China

It brings uncertainty for registration of overseas NGOs, and provides more opportunities for Chinese NGOs. Overseas NGOs cannot participate in or finance profit-earning activities and political activities.



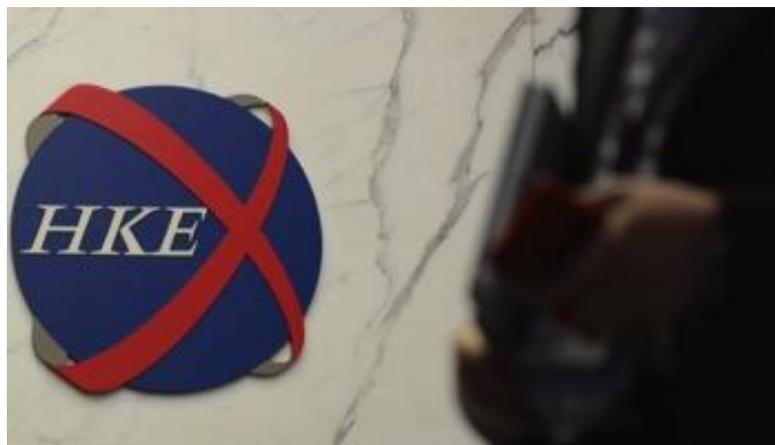
Transparency

- Disclosure: regulations on the platform, content, financial report auditing, term and relevant legal responsibility;
- Annual inspection: Annual report and announcement
- Higher transparency, fewer risks



Social finance

- Charitable trusts: 10—39;
- Social securities: Youcheng - Social Value Investment Alliance
- Influence investment: IMPACT
- Hub Shanghai



Stock exchanges tighten requirements

- Material and quantitative information
- Three questions for companies listed in Hong Kong and operating in Chinese Mainland
 - How to collect information and data?
 - How to comply with laws and regulations of China Mainland and the report standards?
 - How to identify the key CSR indexes in this industry?
- MQI



Combining with SDG

As an important tool for assessing and reviewing the implementation of SDG projects, it is foreseen that a number of CSR reports with distinctive SDG characteristics will emerge in 2017.

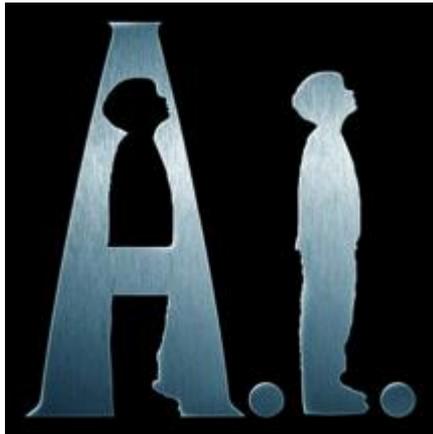


Chinese version of GRI Standards to be released

Existing G4 guidelines can be closely monitored and prepared for a transitional period, but organizations that have not yet adopted the G4 guidelines can use the GRI standard for CSR reporting.

Technologies for Good: Ethical consequences for internet & new tech

7



AI development and application impact the ethics



China has 710 million netizens (including 6.56 million mobile netizens).



Internet Live Service Management Regulations.



Engineering Ethics Education Forum



User friendly technology

Social consequences of technologies should be considered at the development stage. More people pay attention to AI and other new technologies ethical issues.



Internet platform responsibility

Supervision on Internet platform responsibility from the governments, media and the public is becoming more stringent..



Engineering ethics education

- August 2016, Tsinghua University, 80 teachers from 43 higher education institutions
- Engineering Ethics textbook and MOOC launched
- Engineering degree education reform



Syn Tao
Sustainability Solutions

Targeted Poverty Alleviation: Opportunities and risks co-exist

8



China has five specific poverty alleviation and development plans, clearly defines the targeted poverty alleviation roadmap and schedule, and puts forward five obligatory targets and expected targets.



It creates impacts on business CSR strategies

- State-owned enterprises and institutions are under a great pressure and their CSR strategies will be influenced.
- Poverty alleviation by enterprises: strengthening the role of state-owned enterprises, and promoting the role of social enterprises
- Listed companies to be required to release Targeted Poverty Alleviation CSR Efforts in Annual Reports
- State-owned enterprises emphasize scale and influence, foreign-funded enterprises pursue for innovation and win-win, and private enterprises fall in between.



Opinions of China Securities Regulatory Commission on Promoting National Poverty Alleviation Strategy by Promoting Capital Market's Roles



From Corporate Social Movement to Corporate Social Innovation

- The five obligatory indicators and five expected indicators bring both opportunities and risks.
- From Corporate Social Movement to Corporate Social Innovation
- Combined with Two Innovations Policies: Supporting new business entities, enterprise could support poverty alleviation by leveraging its strength, supporting start up companies or social enterprises

Value Chain Partnership: From NGO-Biz partnership to Biz-Biz partnership

9



Cross-over cooperation is a model to solve social challenges through social innovations.

JAC is a particular example for the collaboration between telecom corporations in the global sustainable supply chain practices by jointly auditing their common suppliers and sharing resources and best practices.

The industrial park is the best platform for value-chain-based cross-over cooperation.



From NGO-Biz partnership to Biz-Biz partnership

- WeChat groups, email groups, associations, like CRO Forum Cross-over Dialogue, JAC
- Global and cross-over interaction, industrial collaboration, and joint innovation
- Creating shared value and promoting CSR development in China;
- Upgrading Internet+ traditional industries: transportation + e-commerce;
- Industrial Parks are becoming platforms for value chain interaction: SIP-CSRA



Shared economy

- The cross-border cooperation between the providers, platforms and consumers on the right of use, disposition, profitability as well as rebuilding values through connection and experience:
- Challenges: services, standards, credit, Safety

Social Media: Storytelling through new media and videos

10



VR
AR

New technology
New media



Video
Audio
Webpage
H5



More attention to CSR

- 88%——Nielsen reports
- 49%——SynTao- Sustainable Consumption Survey 2016.



Social media: The most efficient communication channel

- Social media: 10%—18%;
- Traditional media: 24%—15%
- 12 print media are closed in last year
- Chinese prefer to get information from social media: 89%—61% ;
- The Dual Edge of Social Media.



Communication through videos is increasingly popular

- China International Philanthropy Movie Festival”700+ works
- VR\AR and story telling: easy to access, easy to read, dynamic presentation.



Strategic context

Trend 1 The Year of Positioning

Trend 2 Green Consumption:

Trend 3 Overseas Investment:

Trend 4 Green Finance

Compliance & risk mgt.

Trend 5 New Laws Functioning

Trend 6 Information Disclosure:

Trend 7 Technologies for Good

Project Design

Trend 8 Targeted Poverty Alleviation

Trend 9 Value Chain Partnership

Communication

Trend 10 Social Media

THANK YOU!



GUO PEIYUAN

SynTao

**Beijing-Shanghai-Guangzhou-Chengdu-
Shenzhen-Washington**

Tele: 86-10-58699465/66

Email: guopeiyuan@syntao.com

Http://www.syntao.com



SynTao WeChat account
SynTaoCSR



Guo Peiyuan's WeChat account
guopeiyuan139