

Case Study and Discussion

Social Return on Investment



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SynTao Co., Ltd., founded in 2005, is a leading independent consultancy promoting sustainability and responsibility in China.



SynTao has accumulated rich experience in fields of corporate social responsibility and sustainable development. Our services cover **CSR strategy, CSR report, CSR communication, project design**, etc.



SynTao has offices in Beijing, Shanghai, Guangzhou, Chengdu and Washington D.C.

Our website : <http://www.syntao.com>

Our Vision: A happy place for a happy world



Statement on the Purpose of a Corporation

We share a fundamental commitment to all of our stakeholders. We commit to:

- Delivering value to customers.
- Investing in our employees.
- Dealing fairly and ethically with our suppliers.
- Supporting the communities.
- Generating long-term value for shareholders.

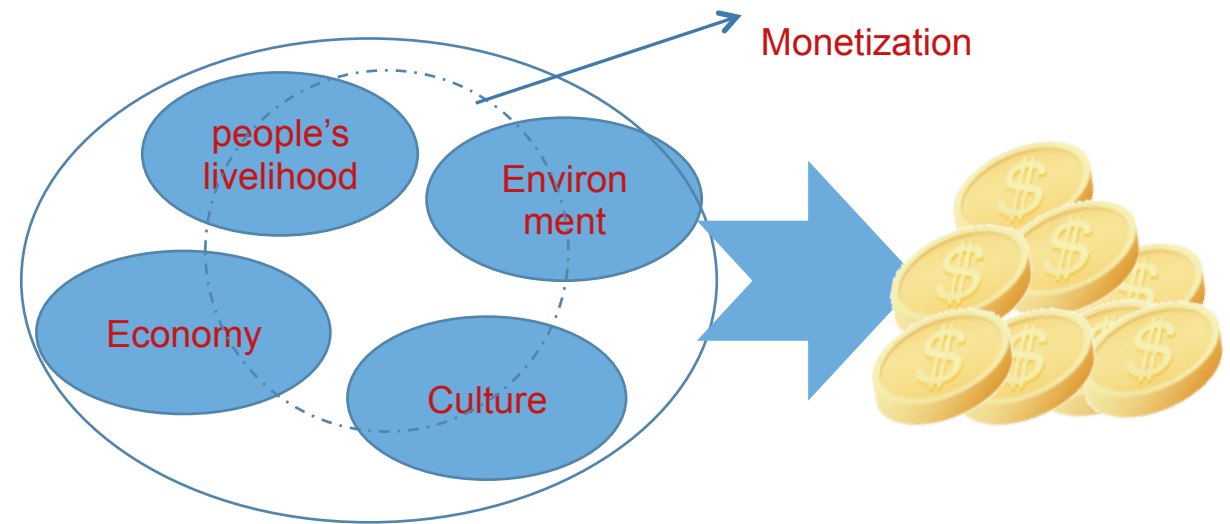
Is it easy to go beyond profit?

Not easy to measure social and environmental value/impact.



Social/Sustainable Return on Investment (SROI)

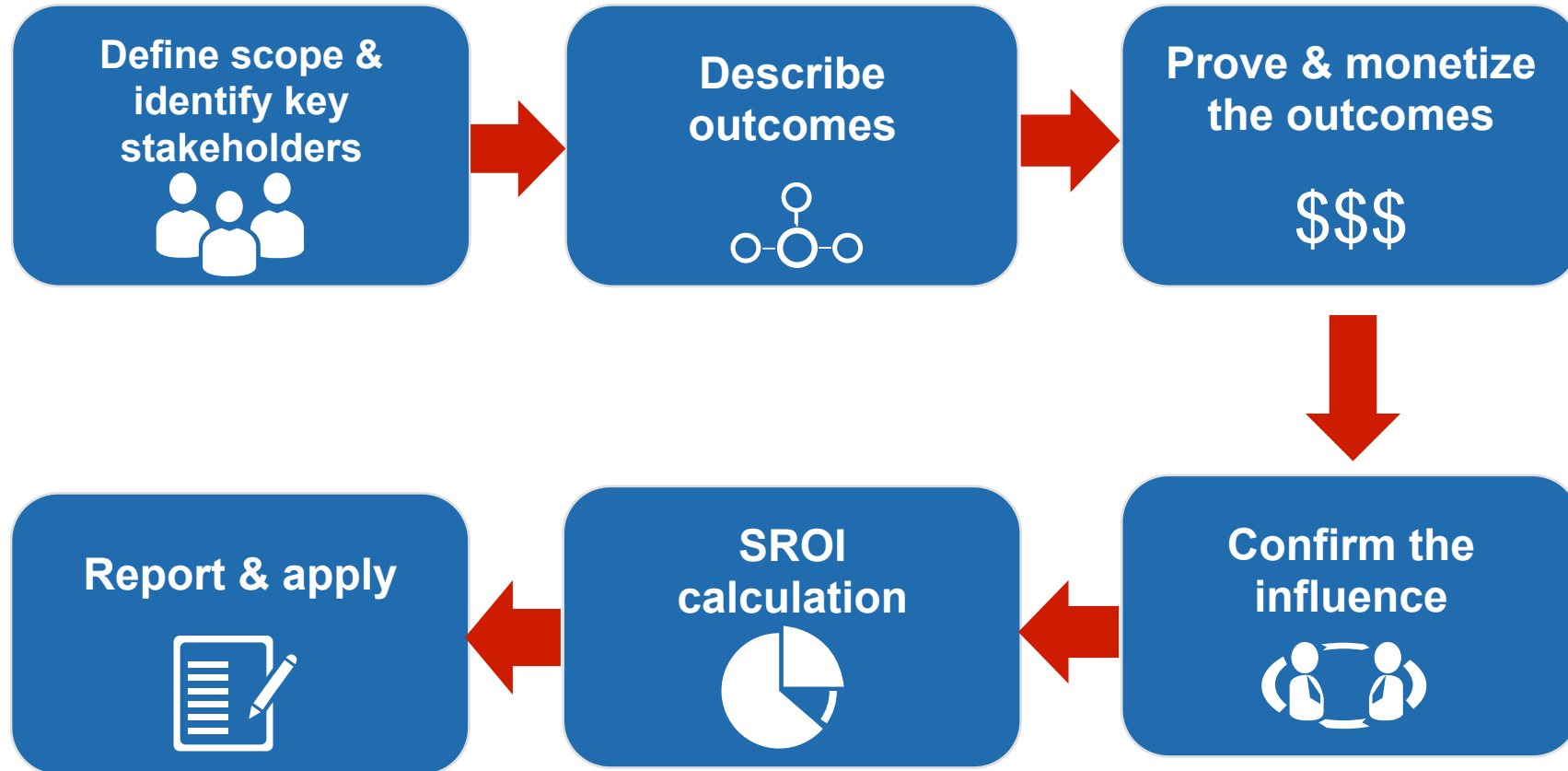
- SROI is an assessment method to quantify social and environmental impact.
- Direct and indirect social value of the project will be measured through scientific calculation formula to quantify the effectiveness of social project.
- Uniqueness of SROI: Price the outcome, and monetize the social value.



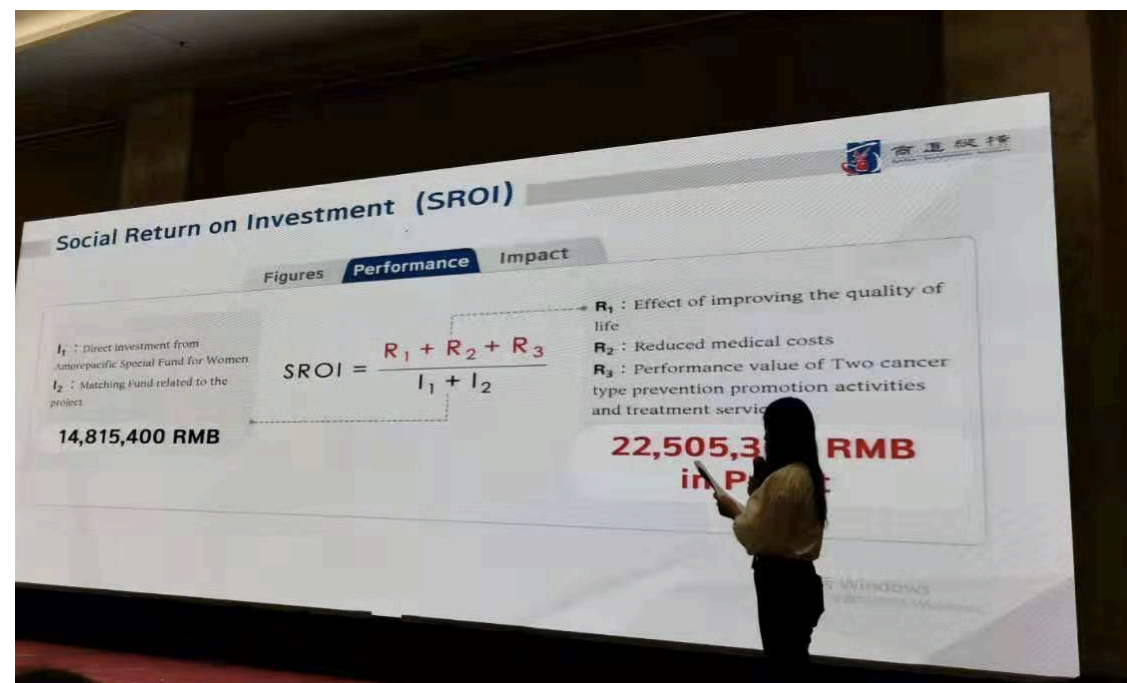
Principles of SROI

1. Stakeholders engagement
2. Understand the caused-changes
3. Only include what is material
4. Monetize the outcome
5. Do not over-claim
6. Be transparent
7. Verify the result

Six Steps of SROI



Case Study



Presentation by AMOREPACIFIC

PHOTO/LU QIAO

Case Study 1: A Nutrition Project

Problem Analysis

Due to lack of nutrition, children in rural areas are:

- 5cm shorter
- 4.5kg lighter
- 14.4% anemia

Input & Activity

- Kitchen equipment
- Nutrition & food safety trainings to chefs
- Nutrition manual to schools

Project Output

By end of 2014:

- Equipment for 3,300+ kitchens
- Training to 3,300+ chefs
- Directly benefit more than 1 mio. students

Project Outcome

- 6.48cm taller
- 5.1kg heavier
- Improved awareness on food safety & nutrition



Case Study 2: A Solar Project

A Company considers to invest 10 million RMB for the installation of a new solar water heating system. It expects that the solar system reduces annual energy costs by 1.5 million RMB. All expenses incur in the first four years of the project duration.

	Sustainable ROI	Conventional ROI	Notes
Present value (PV) of project costs	8.720.000 RMB	8.720.000 RMB	Using 10% as discount rate, project expected to benefit company from the first year
Annual benefits from energy savings	1.500.000 RMB	1.500.000 RMB	Cash benefit
Annual benefits from CO2 emission savings	500.000 RMB	Not considered	Non-cash benefit
PV of savings in 1. year	2.000.000 RMB	1.500.000 RMB	
PV of savings in 2. year	1.820.000 RMB	1.360.000 RMB	
...	
Payback period	5.5 years	8.8 years > 7 years	
Net present value	10.887.000 RMB	8.030.000 RMB	
ROI	2.167.000 RMB	- 690.000 RMB	

Learn more.....



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Measurement and Communication



SynTao Academy
8 months (16 days)
intensive on-job training
Founded in 2015
Now call for applications
(2019-2020)





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