

Introduction to The China Business and Social Sustainability Check

The China Business and Social Sustainability Check (CBSS Check) is a self-assessment tool designed to help companies identify and comply with the most essential human rights standards in relations to their activities in China.

The CBSS Check was developed with the aim of increasing Chinese ownership of CSR standards. By raising awareness and building capacity, The CBSS Check hopes to develop a common language for promoting human rights and business in China. The CBSS Check also seeks to address the seeming conflict between the aspirations of international human rights commitments on the one hand, and Chinese social, economic, cultural, and political realities on the other hand. The CBSS Check thus aims to demonstrate how international standards can be operationalised in China without losing their essential core. As a reflection of the Chinese ownership of the process of developing the tool has been tested and evaluated by several Chinese civil society organisations, representatives from Chinese companies of various sizes, and Chinese CSR experts.

The CBSS Check contains 28 questions and a total of 245 corresponding indicators to help companies evaluate their human rights performance in the following three spheres:

1. **Employment Practices** – concerning the rights of individuals employed by the company or seeking employment with the company. The scope of this sphere extends to within the company itself.
2. **Community Impact** – concerning the rights of individuals residing in communities (including communities defined by political, cultural, or geographic boundaries) that are affected by the company's activities. The scope of this sphere extends to the communities directly affected by the company's operations.
3. **Supplier, Customer and Government Relations** – concerning due diligence with regard to the company's business associates and other stakeholders whose actions the company may be considered to be complicit in, as well as users of the company's products and services. The scope of this sphere extends to the outmost limits of the company's sphere of influence.

Each sphere contains a number of questions that guide the company through a process of self-assessment in three stages:

- **General question** – conveying the issue in the form of a question enquiring about compliance in general terms.
- **Narrative description** – describing the key aspects of the issue illustrated by examples and references to international and national standards.
- **Suggested indicators** - conveying the issue in the form of a number of questions concerning specific, concrete aspects of the company's policies, procedures, and performances.

To give an idea of the types of issues addressed by The CBSS Check, the following is a list of all the questions distributed under the three spheres:

A. Employment Practices

- No. 1: Hours of Work
- No. 2: Living Wage
- No. 3: Procedures on Salary and Other Payments
- No. 4: Leave and Holiday
- No. 5: Workplace Health and Safety Standards
- No. 6: Training and Protective Gear



- No. 7: Labour Contract
- No. 8: Equal Treatment
- No. 9: Migrant Workers
- No. 10: Minimum Age Standards
- No. 11: Young Workers and Worst Forms of Child Labour
- No. 12: Freedom of Movement and Choice in Work
- No. 13: Privacy
- No. 14: Security
- No. 15: Discipline
- No. 16: Facilitating Worker Representation
- No. 17: Internal Grievance Mechanism
- No. 18: Company-provided Dining Facilities
- No. 19: Company-provided Housing Facilities

B. Community Impact

- No. 20: Consulting Legal and Customary Owners of Land
- No. 21: Relocations and Usage of Company Land
- No. 22: Environmental Health
- No. 23: Environmental Safety
- No. 24: External Grievance Mechanism

C. Supplier, Customer and Government Relations

- No. 25: Supply Chain Management
- No. 26: Recruitment Agencies
- No. 27: Company Products and Consumer Protection
- No. 28: Corruption and Bribery

The CBSS Check builds on previous human rights and business tools developed by the Danish Institute for Human Rights (DIHR). These tools include the Human Rights Compliance Assessment (HRCA), a Quick Check version of the HRCA (HRCA QC), and the China Country Risk Assessment (China CRA). The HRCA is a diagnostic self-assessment tool designed to help companies detect potential human rights violations caused by the effect of their operations on workers, local residents, and all other stakeholders. The HRCA tool runs on a database containing over 350 questions and 1400 corresponding human rights indicators, developed from the International Bill of Human Rights and over 80 other major human rights instruments and the main ILO conventions. In 2004, a HRCA QC was developed, which is a condensed version of the HRCA addressing the most essential human rights issues a company should consider in its activities. The HRCA QC consists of 28 questions and 240 indicators. The China CRA (updated 2008) is part of a series of reports developed by the DIHR to provide companies with systematic and in-depth analysis of human rights issues in specific countries of operation, including practical guidance on how to avoid engaging in human rights violations.

The CBSS Check takes as its departure point the international framework and format of the larger HRCA database. In addition, on the basis of the high-risk areas identified in the China CRA, questions and indicators were developed and tailored to specifically target the pertinent human rights issues in China. Comprehensive research and analysis of Chinese legislation were also conducted in reference to each question and indicator. Essentially, international human rights standards have been modified to adapt to a business setting, and in particular to a business setting in China with reference to Chinese laws and standards. In short, The CBSS Check can measure a company's policies and practices against the set of defined international human rights standards as well as Chinese legal standards.

The research on Chinese law was conducted in primarily the field of labour law, but also, for example, company law, environmental law, anti-discrimination law, land and property law, product liability law, and criminal law. The legal research focused on the top three levels of Chinese law issued by the central government: 1) national laws passed or adopted by the National People's Congress or its Standing Committee, 2) regulations, opinions, and directives promulgated by the State Council, and 3) regulations, guidelines, directives, and interpretations issued by various ministries or organs under the State Council. In addition, when significant and necessary to clarify

certain legal standards, references were made to judicial interpretations, local regulations, and group- or industry-specific rules and guidelines.

Overall, for each question, The CBSS Check aims to summarise the main Chinese legal standards and requirements of relevance to companies, including the types of liability or sanctions a company may be exposed to for failing to comply with Chinese law. Besides a narrative description, the relevant Chinese laws and regulations are all cited and listed as references, allowing the user to quickly identify the relevant Chinese legal standards and locate the legal sources. It should be noted that The CBSS Check focuses on national laws and general principles applicable to all sectors. Thus for sector-specific issues, the user should consult the particular laws and standards relevant to the sector.

The CBSS Check and the HRCA can be used by individuals with no prior experience with human rights issues, and can be applied to a full range of different company sizes and industry sectors.

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The objective of the Human Rights and Business Project of the Danish Institute for Human Rights (DIHR) is to combine the expertise of the human rights research community with the experience of business. The Project develops concrete, achievable human rights standards for companies and offers training, tools and bespoke advisory services to help companies live up to those standards in practice. The Project is among the leading actors in developing, researching, facilitating and advising all relevant stakeholders in dialogues, initiatives, and activities concerning human rights and business in China.

For more information on the Human Rights and Business Project, see www.humanrightsbusiness.org



DIHR is a National Human Rights Institution established in accordance with the UN Paris Principles. It is part of the Danish Centre for International Studies and Human Rights, established by law on 1 Jan. 2003, and a continuation of the Danish Centre for Human Rights, established by a parliamentary decision on 5 May 1987. The DIHR conducts research, analysis, information, and education activities nationally and internationally.

For more information on DIHR, see www.humanrights.dk

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