

中国企业与社会可持续发展评估

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK



THE HUMAN RIGHTS
AND BUSINESS PROJECT



THE DANISH INSTITUTE
FOR HUMAN RIGHTS

The China Business and Social Sustainability Check

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Introduction

Frequently Asked Questions

1. What is THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is a checklist tool designed to assess company policy, procedure and performance in relation to the most essential human rights issues in China.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK contains 28 questions and 245 indicators formulated to help companies evaluate their compliance with various human rights issues in China. These questions and indicators were developed based on the expertise of the Human Rights and Business Project of the Danish Institute for Human Rights, as well as additional research and input from organisations involved in the Human Rights and Business China Project. THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is part of the larger Human Rights Compliance Assessment database, which contains more extensive guidance on all internationally recognised human rights.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK covers three main topic areas:

1. Employment Practices – the rights of individuals employed by the company or seeking employment with the company. This topic area covers only those directly employed by the company.
2. Community Impact – the rights of individuals residing in communities (as defined by political, cultural, or geographic boundaries) that are affected by company activities. This topic area covers only those communities directly affected by company operations.
3. Supplier, Customer and Government Relations – due diligence with regard to business associates and other stakeholders whose actions may lead to company complicity, as well as users of company products and services. The scope of this area extends to the outermost limits of the company's sphere of influence.

2. What is the Human Rights Compliance Assessment?

The Human Rights Compliance Assessment (HRCA) is a diagnostic self-assessment tool designed to help companies detect potential human rights violations in workers, local residents, and all other stakeholders. The tool has been developed by the Human Rights and Business Project of the Danish Institute for Human Rights (DIHR), which was initiated in 1999 as a cooperation between DIHR, the Confederation of Danish Industries and the Danish Industrialisation Fund for Developing Countries, with the support of the Danish government.

The HRCA tool can be used by individuals or companies with no prior human rights experience, and can be applied to a full range of company sizes, industry sectors and country locations. It contains more than 350 questions and 1,400 indicators, and is built upon the Universal Declaration of Human Rights, the 1966 dual covenants, major International Labour Organisation Conventions and more than 80 other internationally recognised human rights instruments. The Web-based version of the tool allows each company to select questions in the database to suit their sector and area of operations.

In 2004, a Quick Check version of the HRCA tool was launched to address the most essential human rights issues for companies. The Quick Check comprises a total of 28 questions and 240 indicators, and is available free of charge on www.humanrightsbusiness.org.

3. What is the relation between THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK and other Human Rights Compliance Assessment tools?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK builds on existing human rights and business tools developed by the Human Rights and Business Project, including the China Country Risk Assessment (CRA), the HRCA Quick Check and the full HRCA. However, THE CHINA BUSINESS AND

SOCIAL SUSTAINABILITY CHECK has been tailored to the Chinese context. Based on the high-risk areas identified in the China CRA, questions and indicators have been adapted to specifically target the most pertinent human rights issues in China. New questions have also been developed that are specific to China.

The Human Rights and Business Project's full HRCA, CRAs, and the CSR Compass are general tools that can be used for human rights assessments of subcontractors and suppliers around the world.

CRA reports are designed to provide companies with systematic, in-depth analysis of sensitive human rights issues in their countries of operation, alongside practical guidance on how to avoid engaging in human rights violations. The objective of the reports is to determine areas where companies are at risk of human rights violations—both direct and indirect—due to ineffective laws or poor common practice in the country of operation. The CRA is based on the Universal Declaration of Human Rights and examines each human right and its relevance for business. It assigns risk ratings to each right according to strengths and weaknesses identified in formal law, societal practices and the general business environment. Risk ratings are followed by recommended actions to help the company address vulnerabilities and improve its performance in relation to the identified risks.

An updated version of the China CRA was launched in 2008. For more information on these tools, see the Human Rights and Business Project website: www.humanrightsbusiness.org.

4. What is a compliance assessment tool?

While international law does not impose any direct legal obligations on companies, the HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK are based on a framework that defines certain human rights responsibilities for business. This framework recognises that states are the primary duty-bearers to respect, protect, promote, and fulfil human rights and that human rights must be modified before they can be applied to business.

In the HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, international human rights law has been adapted for the business context, and the HRCA sets a baseline for compliance with each right in the Universal Declaration of Human Rights. The HRCA measures a company's policies and practices against a set of defined international human rights standards and aims to determine whether the company is in compliance with these standards.

In addition to referencing international human rights law, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK also references Chinese law. In instances where Chinese law and international law define different requirements, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK recommends companies to follow whichever applicable standard is most stringent.

5. Is the HRCA a sector-specific tool?

The HRCA is designed as a universal tool, and the full HRCA comprises a database containing more than 350 questions and 1,400 indicators that can be applied to a full range of company sizes, industry sectors and country locations. The Web-based version of the tool enables companies to select questions that suit their sector and operations. Future versions of the tool will include country- and sector-specific versions of the tool.

The creation of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is thus a pilot project in this regard. It addresses the specific corporate human rights issues in China and references Chinese law as well as international law. While the HRCA has built-in flexibilities to accommodate sector-specific needs (e.g. company prioritisation of questions and de-selecting questions that are not applicable), there may be some sector-specific risks that are not dealt with in detail in the tool. Certain risks in the pharmaceutical sector related to access to medicines, for instance, are not likely to be relevant to other business sectors, and are not included in the universal tool.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK focuses on national laws and general principles applicable to all sectors. Since sector-specific issues are not addressed in detail in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, it is therefore advisable that companies consider the specific risks inherent to their sector and further consult laws and standards in order to adequately assess their duties.

6. Why a specific check for China?

Companies, governments and other stakeholders have indicated to the Human Rights and Business Project that they need a China-specific tool. The reasons for this can be summarised as follows:

Introducing human rights and business to China: After more than a decade of demands by Western businesses on Chinese partners and suppliers, Chinese companies have begun to take a more proactive stance on company codes of conduct and international frameworks, anticipating demands for compliance rather than reacting to them on an *ad hoc* basis.

The first and second principles of the UN Global Compact establish the key role of human rights in business operations. Combining reliability and flexibility, international human rights law offers a framework and a common language for standards that remain the same in essence despite fluctuations in business practices and contexts. As Chinese companies have begun to implement international human rights standards, local ownership of CSR issues has increased, and has yielded promising results in policy and performance.

One of the goals of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is to establish a broad, common language of human rights to guide the ongoing broadening and deepening of CSR practice. Introducing human rights and business to China lays the foundation for such a common language. Against this background, awareness-raising and capacity-building can be seen as two key functions of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

Serving as the interface between international standards and Chinese realities: Promoting a common language for human rights and business cannot be built upon one-way communication. Companies face a number of dilemmas in their efforts to operationalise their human rights commitments in China. One key reason is the seeming conflict between the absolutist, universalistic nature of these human rights commitments on the one hand and Chinese social, economic, cultural, and political realities on the other. THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK seeks to marry the principles of international human rights standards with the practical experience of companies in China.

7. What type of violations does THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK cover?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK covers three main topic areas:

1. Employment Practices – the rights of individuals employed by the company or seeking employment with the company. This topic area covers only those directly employed by the company.
2. Community Impact – the rights of individuals residing in communities (as defined by political, cultural, or geographic boundaries) that are affected by company activities. This topic area covers only those communities directly affected by company operations.
3. Supplier, Customer and Government Relations – due diligence with regard to business associates and other stakeholders whose actions may lead to company complicity, as well as users of company products and services. The scope of this area extends to the outermost limits of the company's sphere of influence.

8. How was THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK developed?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK was developed by the Human Rights and Business Project with the support of the Swiss Federal Department of Foreign Affairs, Political Affairs Division IV. The development process involved: i) initial testing of the HRCA Quick Check in China; ii)

development of a draft version of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK iii) testing of the draft version of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK with Chinese and non-Chinese companies, research institutions and civil society organisations; and iv) conducting comprehensive analysis of Chinese legislation in reference to the questions and indicators in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

Please refer to Annex 2 for details on the methodology employed in developing THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

9. Who can use THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?

The HRCA tool can be used by individuals or companies with no prior human rights experience, and can be applied to a full range of company sizes, industry sectors and country locations. This has been reflected in the development of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, which included close cooperation and testing with a range of Chinese and non-Chinese companies, research institutions and civil society organisations.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK was developed as a self-assessment tool for companies, and use of the tool can feed into various stages of management systems, from setting priorities and measuring compliance to monitoring and reporting. The tool is also relevant for civil society organisations—not only as a monitoring tool but also as a resource base for defining and addressing relevant human rights and business issues in China.

10. How does THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK work?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is part of the larger HRCA database. Like the full HRCA, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is built upon the Universal Declaration of Human Rights, the 1966 dual covenants, major International Labour Organisation Conventions and more than 80 other internationally recognised human rights instruments. Each question refers to its sources in international law and relevant international norms and guidelines. In addition to references to international law, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK also references Chinese legislation.

11. How long does THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK process take?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is designed as a universal tool with various options for implementation. The company can run the full check or only a selected set of questions. The size and type of company, as well as complexity of operations, are also factors that will influence the time required to perform the check. It is therefore not possible to give a precise time indication. In general, the broader the scope of the test, the more resources and time are needed.

12. To which part of the company's operations should the check be applied?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is designed as a universal tool with various options for implementation. The company should decide the exact scope of the compliance check according to available resources and defined priorities. In general, the broader the scope of the test, the more resources and time are needed.

As previously described, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK questions cover three topic areas: i) Employment Practices; ii) Community Impact; and iii) Supplier, Customer and Government Relations.

For example, an Employment Practices check, which identifies risk areas in regard to individuals employed by the company or seeking employment within the company, will typically be performed by staff from the human resources or personnel departments. It is also possible to narrow this check further into one of the specific employment rights topics.

Likewise, a Community Impact check, which identifies risk areas in regard to workers, local residents or other stakeholders affected by company operations, typically involves company staff from a wider range of function areas, including the land management, procurement or legal departments.

The company can also limit the scope of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK by focusing on levels of compliance. Since each question is accompanied by a set of policy, procedure and performance indicators, the company can limit its check to one of these levels.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is designed to allow companies to decide how widely or narrowly to assess their operations, and each company can target its efforts to particular topics, departments or compliance levels as it sees fit.

13. Does THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK apply to companies based in China that operate in other countries?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK references international law as well as Chinese law. Through a localisation process, which has involved the identification of the pertinent corporate human rights issues in China and a subsequent modification and adjustment of the HRCA tool, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK contains questions that specifically address human rights risk areas for China. The tool is therefore applicable only to China. For operations or subsidiaries in other countries, it is advisable to use the full HRCA tool and (if available) the country-specific CRA.

See also question 1: 'What is THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?' and question 3: 'What is the relation between THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK and other HRCA tools?'

14. Can THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK be used for supply chain management?

Yes, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK includes a specific section on supply chain management, and all questions can be applied to monitoring or auditing efforts in suppliers. However, since THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is designed to address specific human rights areas of concern in China and references Chinese legislation, the tool is only applicable to China.

15. Are human rights standards relevant to business?

The field of human rights is politically and academically well developed, with rights and standards emerging from treaties and conventions, international legal decisions and reports of a number of UN, national and international bodies. But most standards and application procedures have been developed for governments, not companies. To ensure that our application of international human rights law to companies has the support and acceptance of both companies and human rights groups, the full HRCA tool has been taken through a year-long consultation process funded by the European Union. The consultation process involved a total of 80 companies and human rights groups from 14 European countries.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK has been developed in cooperation with Chinese and non-Chinese companies, research institutions and civil society organisations. Business and local ownership has been prioritised throughout the process.

16. What are companies' obligations in relation to human rights?

International law does not impose direct legal standards on companies. States are the primary duty-bearers in regard to respecting, protecting, promoting and fulfilling human rights. However, recent years have seen increased attention on the human rights impact of companies and ongoing debate over whether legally binding standards should be established for business. As of yet, no consensus has been reached. In the

absence of concrete legal standards, a methodological framework has been developed by the Human Rights and Business Project to apply human rights to business. The HRCA and the other human rights and business tools are based on this framework.

The Human Rights and Business Project framework builds on the division of negative and positive duties under international human rights law. Most human rights give rise to four complementary duties: respect, protect, promote and fulfil. Though governments are the primary duty bearers in relation to protecting, promoting, and fulfilling human rights (positive duties), company responsibility is framed in negative terms, i.e. they must refrain from violating rights through their activities.

According to this framework, however, companies have positive obligations in four areas: 1) their workers; 2) the use of their products; 3) communities residing on company land; and 4) cases where the company *de facto* replaces the government.

For more information, see 'Defining the Scope of Business Responsibility for Human Rights Abroad' (M. Jungk, The Human Rights and Business Project, 2001), available at www.humanrightsbusiness.org.

17. How is international law treated in the HRCA?

The HRCA takes its point of departure in international human rights law, but is based on the premise that the company should comply with whichever applicable standard is most stringent. Each question in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK refers to specific sources of international law and relevant international guidelines, including, for example, the Universal Declaration of Human Rights or International Labour Organisation standards. Since the international legal texts cited by the tools apply specifically to states, the cited provisions have been modified to apply to companies. The tools also cite the guidelines of various human rights organisations, research institutions and other independent bodies where those guidelines serve as useful human rights reference points for companies.

18. How is national law treated in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?

While the HRCA tool is based on international human rights law and is applicable to all countries, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK has been localised to the Chinese context. Each question not only references the relevant principles in international law, but also the relevant principles in Chinese law, ranging from general constitutional standards to specific codes covering employment and health.

The HRCA follows the premise that the company should comply with whichever applicable standard is most stringent, whether it be national or international law. This means that in those cases where Chinese law does not comply with international standards, the company is recommended to follow the international standards and go beyond compliance with regard to Chinese law. In those cases where Chinese law offers a higher standard beyond international law, the company should follow Chinese standards. Please refer to Annex 2 for details on the methodology employed in developing THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

19. How do the HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK link up with other international, regional, and national initiatives?

The HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK operationalise voluntary initiatives such as the UN Global Compact, the Amnesty International Human Rights Principles for Companies, the Voluntary Principles on Security and Human Rights, the Extractive Industries Transparency Initiative, the Equator Principles, and the ISO 26000, all of which contain human rights principles based on international standards such as the International Bill of Human Rights and ILO conventions.

Furthermore, the HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK assesses all aspects of corporate human rights responsibilities, and complement certification and monitoring processes

such as the SA 8000, Ethical Trading Initiative, and Business Social Compliance Initiative, which focus on labour conditions in the supply chain. The tools could be used for self-assessment prior to audits or corrective action after audits.

When identifying and prioritising issues for reporting on human rights, the tools could be used in connection with the G3 Guidelines of the Global Reporting Initiative.

The tools could also be used as self-assessment to measure company performance on the social criteria of socially responsible investment indices such as the FTSE4Good Index Series or the human rights and labour rights standards in the IFC Performance Standards.

20. What is the practical dimension of the HRCA and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?

Throughout the development of the HRCA, researchers received input and held consultations with a number of companies and business organisations to ensure that the practical interests and needs of the business community continuously guided the tool.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK has been tested by several Chinese and non-Chinese companies, research institutions and civil society organisations. The input of local stakeholders was gathered through two consultation rounds. The consultations covered both the content and the practical use of the tool.

21. How do I get started?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK exists in a booklet version and as an interactive computer programme. The computer programme allows each company or organisation to select and modify the information in the tool to suit their type of business and area of operations.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK contains 28 questions and 245 indicators. Each question includes a narrative description, references to international and national law and a list of suggested indicators with answer options ('Yes', 'No', 'F/A = further attention required', 'N/A = not applicable', and 'Unknown').

Users are instructed to read the question and the narrative description, answer the suggested indicators and then answer the main question.

The worksheet 'Using THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK in 10 steps' offers more details on how THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK may be used.

22. What are the suggested indicators?

The suggested indicators are guidelines designed to help determine whether or not the company complies with the human rights standards behind each question.

The tool includes three types of indicators: policy, procedure and performance. Policy indicators seek to determine whether the company has policies or guidelines in place to address the human rights issue of concern in the question. Procedural indicators inquire whether the company has appropriate and sufficient procedures in place to implement the policies. Performance indicators request verification of company actions.

It is important for the validity of the assessment that policy, procedure, and performance indicators are answered before answering the main question. While the number of indicators may seem daunting at first, the standardised answer sets allow users, after some familiarity with the tool, to answer all indicators quickly and without difficulty.

Since the relevance and importance of each of the indicators in the tool varies for each company depending on its size, sector and type of operation, there is no pre-defined hierarchy in the sets of indicators. The relevance of the indicators will differ from company to company. To allow for this flexibility, the indicators have not been weighted.

23. How do my indicator answers relate to the main question?

The relevance and importance of each of the indicators in the tool varies for each company depending on size, sector and type of operation. Some indicators may be of high relevance for one company and less relevant for another. To accommodate these differences and provide flexibility, the tool allows users to define the relevance and weight of the indicators and how they relate to the main question. In general, the more relevant indicators that can be answered in the affirmative, the more likely it is that the company is in compliance with the main question.

The company is not necessarily out of compliance if some indicators are answered negatively, but users should make an effort to understand the purpose of any negatively answered indicators and seek to determine whether the company complies in principle. If, for example, users can answer 'true' (indicating compliance) to all but one of the indicators for a particular question, and the company has an alternative method of compliance for the remaining indicator, users can describe the alternative method of compliance next to the indicator and answer 'yes' (for compliance) to the main question.

If, on the other hand, users answer 'false' (for non-compliance) to all indicators but still answer 'yes' to the main question, results should either be investigated further or a note should be added explaining why the indicators for that question are irrelevant to the company.

As a general rule, answering 'false' (for non-compliance) to one or two relevant indicators, without parallel compliance procedures in place, implies that the answer to the question should be 'no' or 'F/A' (further attention required).

For those indicators where the company lacks the information to answer, users can simply answer 'unknown' for that indicator. The more indicators the company is able to answer, however, the more reliable the results of the assessment will be.

24. How should the questions be answered?

Yes/No and True/False: To be used when you agree or disagree with the question or statement presented. Users should answer yes or no to the main questions and true or false to the indicators as often as possible so that the results of the assessment will be easier to monitor and measure year-to-year.

Further Attention Required (F/A): To be used when the company is in the process of addressing the issue, such as developing procedures to address a question or indicator, but the process is not yet complete. This answer can also be given when the desired answer doesn't fall squarely within any of the other answer categories.

Not Applicable (N/A): To be used when the question or indicator doesn't apply to the company's operations.

No Info: To be used when users lack the information necessary to respond to the indicator or question.

25. What do the red, yellow, and green scores mean to my company's performance?

Red-light scores indicate that the company is not in compliance with the question, and it should take immediate steps to remedy the problem area after consulting legal counsel or relevant advisers for specific guidance. A yellow-light score indicates that the company is aware of the problem and is in the process of

addressing the issue, but must take further steps to improve performance. A green-light score indicates that the company complies with the question as phrased.

26. Should answers be verified by third parties?

While the tool has been developed primarily as a self-assessment tool, it includes an element of verification. For most questions, performance indicators ask the company to verify information with civil society actors, workers, worker representatives or local communities. It is advisable when consulting these actors to verify that they represent the target constituency. It is also advisable to consult several actors to obtain a broader picture of company compliance.

For questions or topics that do not include specific verification indicators, it is still recommended, though not obligatory, to verify information with representatives of workers, NGOs or the local community. Though this may be more time-consuming, it also gives the company a comprehensive, balanced view of its human rights performance. Some companies find it useful to undertake this process in cooperation with a third party such as a specialised NGO, research institution or accountancy office.

27. Does completing THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK guarantee that my company is in full compliance with human rights?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is designed as a self-assessment tool to be used by company staff. Although THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK covers many essential human rights issues, it cannot be seen as a replacement for the full HRCA tool or an external audit.

To improve results, we strongly encourage companies to involve local stakeholders in a dialogue about the problem areas detected through the use of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, and verify results with independent third parties to ensure that all concerns of the local population are adequately addressed. Although there is no guarantee of full human rights compliance, the more pieces of the tool are completed, the more confident company can be in its human rights performance and the identification of areas for improvement.

It is also important to note that THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK should be seen as a learning tool, and not a one-time exercise. It is advisable to keep track of progression made over the years.

28. How much does THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK cost?

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is available free of charge.

29. What is the Human Rights and Business Project of the Danish Institute for Human Rights?

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 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.

30. How can I obtain more information about THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK?

For more information on THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, contact

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Information about the tools and activities of the Human Rights and Business Project of the Danish Institute for Human Rights and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK can be found at www.humanrightsbusiness.org.

More information about the aim and development of the full HRCA can be found in 'Building a Tool for Better Business Practice: The Human Rights Compliance Assessment' (M. Jungk, Human Rights and Business Project, 2003), available at www.humanrightsbusiness.org.

The principles of business responsibility underpinning the HRCA are explained in 'Defining the Scope of Business Responsibility for Human Rights Abroad' (M. Jungk, Human Rights and Business Project, 2001), also available at www.humanrightsbusiness.org.

Every company has a different set of priorities and goals, and THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK was developed to be used in a number of different ways. The following section will give an example of how THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK can be used to assess company human rights performance.

Using THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK in 10 steps

Step 1

Define the scope of the assessment. Will certain issues be prioritised over others? Which parts of the company will be assessed? Will the supply chain be involved?

Step 2

Establish a task team consisting of representatives of various departments within the company.

Divide THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK amongst task team members. Who is in the best position to answer which questions?

Or, invite outside parties to facilitate the assessment, such as a specialised NGO or research institution.

Step 3

Read the User's Guide and scan the issues covered by THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

Step 4

Interview task team members to answer questions, either individually or as a group.

For information on answering questions and indicators, see the User's Guide.

Step 5

Identify missing information and how it can be located. Can other departments or individuals fill the gaps? Divide tasks.

Step 6

Conduct a second round of research and report findings to the task team.

Step 7

Verify findings with civil society actors, workers their representatives or local communities. It is advisable when consulting civil society actors to verify that they are meaningfully representative of the target constituency. It is also advisable to consult several actors to get a broader picture of company performance.

Step 8

Finalise and adjust findings on the basis of the verification process. The assessment is completed.

Step 9

Follow-up: Discuss with the task team what will be done with the findings. Were high-risk areas detected? Should adaptations be made to policies, procedures or practices? What will be the timeline for this? Which actors will be involved? Who will be responsible?

Determine which information will be made public. It could be useful to share information about the results from THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK assessment and any follow-up activities to demonstrate the company's commitment to the human rights of various company stakeholders.

Step 10

Determine a date for the next assessment, for example after 1 year. Conduct the same THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK procedure and monitor any improvements or performance lapses.

A. Employment Practices

No. 1: Hours of Work

Does the company ensure that the workweek is limited to 40 hours; overtime is voluntary, infrequent and does not exceed 36 hours a month; and that workers are given reasonable breaks while working, including sufficient rest period between shifts?	Yes	No	F/A	N/A	No Info

Narrative description:

The Chinese Constitution explicitly recognises workers' right to rest. China's Labour Law prescribes that on average, workers should work no more than eight hours per day and 40 hours per week. The State Council has issued more specific regulation on working hours, which provides that standard working hours are eight hours per day, 40 hours per week (effective 1 May 1997). Employers must give workers at least one day's rest per week (i.e. 24 consecutive hours of rest). Companies enjoy some flexibility in setting the rest day, though they should consult with the trade union and workers on this issue (*cf.* rest days for public institutions fall on Saturdays and Sundays). Companies that have the capacity should adhere to the standard system of working hours. However, the law makes special exceptions for companies that, due to the nature of their work or production, cannot comply with the standard system. Such companies may apply for special approval from the labour administrative department to follow a different system of working hours known as unfixed (不定时工作制, *budingshi gongzuozhi*) or composite (综合计算工时工作制, *zonghe jisuan gongshi gongzuozhi*) systems.

In addition, under special conditions or in certain professions, workers may apply to the government for approval to shorten working hours. For example, workers engaged in hazardous or strenuous activities, night-shift workers, female workers who are breastfeeding and young workers should have reduced working hours. Moreover, part-time workers who are paid on an hourly basis should work no more than four hours per day, 24 hours per week.

In principle, companies should guarantee workers' right to rest and leave by avoiding and restricting the amount of overtime (加班加点, *jiaban jidian*). Companies may require overtime due to production or business needs, but must first consult with the trade union and the workers. If the parties do not reach an agreement on overtime, the company may still impose overtime, but only within the legal limits. Overtime should not exceed one hour a day, or three hours a day for special reasons (and provided the worker's physical health is guaranteed). Overtime may not exceed 36 hours per month. Overtime is not subject to the usual restrictions at times of natural disasters or other emergencies, nor during maintenance or rush repair of production equipment.

Though Chinese law allows up to three hours per day overtime for special reasons and overtime during emergencies, the company should make sure that overtime does not exceed 12 hours per week, as per international law. Under Chinese law, workers working overtime are entitled to additional pay: 150 percent of normal wage if overtime occurs on a working day, 200 percent on rest days and 300 percent on statutory holidays. When overtime is done on rest days, the employer should first try to arrange for the worker to take time off on other days. If that is not possible, the worker should be paid double the normal wage.

Companies may implement the unfixed working hours system for certain categories of workers, including high-level management, field or marketing personnel, long-distance transport workers and cargo-unloading workers. The normal overtime restrictions do not apply to workers under this system, but employers should introduce a flexible system to ensure that workers have a reasonable amount of rest. Alternatively, the composite working hours system may be implemented for workers in sectors such as transportation, construction, tourism, salt and sugar production and other industries dependent on seasons or other natural conditions. Under the composite system, overtime is calculated on the basis of weeks, months, seasons or a

year instead of days. In other words, even if a worker works overtime on a certain day or week, if calculated based on a month or season as a whole, the worker did not work on average more than the standard working hours of eight hours a day, 40 hours a week and 36 hours of overtime per month, the worker is not entitled to overtime pay.

In order to implement a composite or unfixed system of working hours, the company must negotiate and reach an agreement with the trade union and the workers regarding work methods and schedules. Moreover, workers engaged in Grade 3 intensity labour may not work more than 11 hours a day and must have at least one rest day per week. Although such alternative systems of calculating working hours exist in China, the company is advised to ensure that the system adopted by the company complies with the international standards reflected in the indicators below.

Chinese law does not clearly specify standards regarding breaks during working hours or rest periods between shifts. However, the Labour Contract Law provides that a labour contract must specify work hours and break times. Moreover, ministry-level clarifications can be interpreted to the effect that, in general, working hours and rest periods should be arranged in due consideration of the correlation between the workers' health, labour efficiency and productivity. Furthermore, some standards indicate that working hours should include time to prepare or conclude work activity, and prescribe rest periods for workers engaging in repetitive activities that are detrimental to health. For example, Beijing regulations provide that working hours include breaks to address workers' natural needs. In all, the company should keep in mind that workers are entitled to breaks under international law, and best practices recommend that workers should be given a half-hour break for every four hours of work.

Finally, under Chinese law, companies that force workers to work overtime in violation of the law could be fined, and those that fail to pay workers for their overtime may be liable for economic damages and other compensation.

On most matters relating to hours of work, Chinese law complies with international labour standards. Companies should however regularly check the compliance of new laws or local regulations with international labour standards in order to comply with the higher standards.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	Company work hours are limited to 40 hours per week and 8 hours per day on average, both in company policy and in practice.					
2	The company ensures that overtime is voluntary, infrequent, remunerated at premium rate, and does not exceed 12 hours per week and 36 hours per month					
3	Workers are allowed at least 24 consecutive hours of rest per week.					
4	The company strives to employ the number of workers necessary to meet production expectations, so that workers can complete their work tasks within the average working week as defined in international, national or industry standards, whichever is most protective.					
5	Breaks are reasonably long and frequent enough to ensure that no worker is required to work for extended lengths of time during a shift without a rest period.					
6	Line managers are aware that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks.					
7	The number of fatigue-related accidents at the company is not					

	excessive for the type of industry.					
8	The company does not encourage workers to avoid taking breaks by rewarding those who do not use their break time, or by making salary deductions for those who take break time.					
9	Workers and their representatives confirm that work hours are limited to 40 per week on average and that breaks are reasonably long and frequent.					

Formal law comments:

- *The above question is based on general principles of the following:*

Universal Declaration of Human Rights (UDHR) (1948), Articles 23 and 24; International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966), Article 7 (d); ILO Hours of Work (Industry) Convention (C1, 1919), Article 2; ILO Weekly Rest (Industry) Convention (C14, 1921), Article 2 (1); ILO Hours of Work (Commerce and Offices) Convention (C30, 1930), Articles 3 and 4; ILO Forty-Hour Week Convention (C47, 1935); ILO Weekly Rest (Commerce and Offices) Convention (C106, 1957), Article 6 (1); ILO Holidays with Pay (Revised) Convention (C132, 1970), Article 10 (2); ILO Reduction of Hours of Work Recommendation (R116, 1962), Articles 14 and 17.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); ILO Weekly Rest (Industry) Convention (C14, 1921).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Article 43
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 17, 31, 68
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 3, 36-39, 41-44, 90-91
- State Council Regulation on Workers' Working Hours (Order of the State Council, no. 174 1995), Articles 3-7
- Notice on Calculating Annual and Monthly Average Working Hours and Wages of Workers (Ministry of Labour and Social Security, no. 3, 2008), No. 1
- Ministry of Labour Reply on Questions Regarding Worker Working Hours (Ministry of Labour, no. 271, 1997), No. 1-4
- Opinion on Some Questions on Implementing the Labour Law of the PRC (Ministry of Labour, no. 309, 1995), No. 67, 70-71
- Ministry of Labour Notice on Questions Regarding the State Council Regulation on Workers' Working Hours (Ministry of Labour, 1995), No. 4, 8-9
- Procedure for Examination and Approval for Enterprises with Unfixed and Composite Working Hours Systems (Ministry of Labour and Social Security, 1995), Articles 4-6
- Measure on Administrative Sanctions for Violating the Labour Law of the PRC (Ministry of Labour and Social Security, 1995), Articles 4-6
- Implementation Measure of the Ministry of Labour on the State Council Regulation on Workers' Working Hours (Ministry of Labour, 1995), Articles 3-9
- Clarification of Certain Provisions of the Labour Law of the PRC (Ministry of Labour, no. 289, 1994), Articles 3, 36-39, 41-42, 44
- Implementation Measure of the State Council Regulation on Workers' Working Hours (Ministry of Personnel & Ministry of Labour and Social Security, 1994), Articles 2, 7, 10
- Clarifications by Ministries of Labour and Personnel on the State Council Regulation on Workers' Working Hours (Ministry of Labour and Social Security & Ministry of Personnel, 1994)
- Beijing City Measure on Implementing Composite and Unfixed Working Hours Systems for Enterprises (Beijing City Bureau of Labour and Social Security, no. 157, 2003), Article 5

No. 2: Living Wage

Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents?	Yes	No	F/A	N/A	No Info

Narrative description:

In international law debates, while a minimum wage must be codified in law, a living wage is a practical measure of the amount a worker must earn to achieve a reasonable standard of living through full-time labour. This measure is based on a comprehensive calculation including not only the costs of housing, food, water, clothing and transport, but also education and some disposable income, as well as social benefits such as health care, unemployment insurance and pension. The calculation also incorporates the relative living standards of other social groups, collective bargaining agreements and economic factors such as the requirements of economic development, levels of productivity, and the desirability of attaining and maintaining a high level of employment.

In some industries, workers are paid entirely or in part on the number of pieces they produce or harvest. These piece-rate payment structures must be closely evaluated to ensure that the total salary meets the workers' living wage requirements, that the price per piece is not too low and that the production expectations are not so high that workers are required to work extra hours to meet the demands.

Under Chinese law, the government guarantees a system of minimum wage (最低工资标准, *zuidi gongzi biao zhun*), but the specific minimum wage requirements are set by local authorities at the provincial level (and, where applicable, at the level of autonomous regions and municipalities directly under the central government) to reflect differences in local living standards. Moreover, administrative areas within a province, autonomous region or municipality may adopt different minimum wage standards. Thus, companies must consult with local authorities to ascertain the actual local standard. By law, the provincial government's administrative department of labour security is responsible for formulating and adjusting the minimum wage standards in consultation with the trade union and the federation of enterprises (or the association of entrepreneurs) at the corresponding administrative level.

Although minimum wage is set by local authorities, the national law does establish the criteria on how minimum wage should be calculated. Minimum wage must be determined according to a host of factors, including: The minimum cost of living (food, shelter, clothing, transportation) for the worker and his dependents can refer to the urban residents' consumption price index; workers' individual contributions to social insurance schemes and the public housing fund; the average wage of workers; the average wage level of society as a whole; labour productivity; general employment conditions; and regional differences in economic development.

At a more technical level, Chinese authorities are required to use one of two methods in calculating minimum wage: The proportion method, based on average cost of living for a poor family, or the Engel coefficient method, based on nutrition standards and food costs. Both methods are to be adjusted by factors such as the amount local residents pay in pension, unemployment and medical insurance premiums and public housing fund contributions. Overall, local authorities should establish the minimum wage in a reasonable manner by using the stipulated methods in combination with local circumstances.

Chinese law provides that minimum wage can include bonuses, but excludes overtime pay, extra subsidies for night work or work under hazardous conditions, employer's subsidies for housing and food and social welfare payments. Workers are entitled to minimum wage even during their probation period, and even if they are working through recruitment agencies or on a piece-rate basis. Part-time workers are likewise entitled to a minimum hourly wage set by the local government. Similarly, wages negotiated through collective contracts must abide by the local minimum wage standards.

Even though minimum wage is a matter determined by local authorities, employers are obligated by law to consult with workers or workers' representatives and negotiate with the trade union on important issues such as remuneration. Employers are required to announce the local minimum wage standard to workers whenever the authorities publish new standards. Furthermore, minimum wage standards must be adjusted at least once every two years to reflect changing circumstances. Trade unions have the role of supervising employers' implementation of the minimum wage standards. Employers who fail to pay minimum wage or overtime wages may be liable to compensate the worker for losses or damages on top of paying out the arrears.

Overall, the Chinese national criteria for establishing minimum wage approximate the international standards on calculating living wage. However, since the process of setting minimum wage standards in China is not nationally uniform and allows room for local discretion, companies should conduct their own investigation in order to assess whether the local minimum wage level actually complies with the national criteria and whether the company's minimum wage level complies with the international living wage standard. Where the minimum wage standard set by Chinese authorities does not meet the criteria of a living wage, the company should ensure that all of its workers, including those on probation period, dispatched by a recruitment agency or working on a part-time or piece-rate basis, are paid a living wage.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company consults with the relevant local authority on the minimum wage applicable in the area of operation and complies at the minimum with this standard.					
2	The company conducts its own investigation to assess the appropriate living wage in the area of operation.					
3	The company applies the living wage standard if the minimum wage stated in local law is lower or does not meet all the requirements of a living wage					
4	The company consults with workers and their representatives to obtain their approval on whether the level of living wage identified by the company's assessment meets the needs of the workers.					
5	The company has procedures to re-evaluate and update the living wage level at least once a year to ensure that the living wage is adequate given changes in conditions affecting the living wage, such as inflation.					
6	Workers and their representatives confirm that the living wage system of the company is transparent and fair.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ICESCR (1966), Articles 7 (a) and 11 (1); Convention on the Elimination of All Forms of Discrimination Against Women (1979), Article 11; ILO Protection of Wages Convention (C95, 1949), Article 8; ILO Minimum Wage Fixing Convention (C131, 1970), Article 3; ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Article 5; ILO Protection of Wages Recommendation (R85, 1949), Article I, 2; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Article 34; UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Articles 8 and 12.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Elimination of all Forms of Discrimination Against Women (1979).

China has not ratified any ILO conventions relating to this issue. But China is a member of the ILO.

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Art. 42
 - Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 4, 11, 20, 55, 58, 61, 72, 85
 - Labour Law of the PRC (NPC, no. 28, 1995), Articles 5, 44, 46-49, 91
 - Regulation on the Implementation of the Employment Contract Law of the PRC (Order of the State Council, no. 535, 2008), Articles 14-15
 - Notice on Further Establishing a Sound Minimum Wage System (Ministry of Labour and Social Security, no. 20, 2007), No. 2-3
 - Provisions on Minimum Wages (Ministry of Labour and Social Security, no. 21, 2004), Articles 2-13, Attachment (no. 2)
 - Opinion on Some Questions on Implementing the Labour Law of the PRC (Ministry of Labour, no. 309, 1995), No. 53-64
 - Clarification of Certain Provisions of the Labour Law of the PRC (Ministry of Labour, no. 289, 1994), Articles 44, 48-49
 - Measures for Economic Compensations due to Violation or Rescission of Labour Contracts (Ministry of Labour, no. 481, 1994), Article 4

No. 3: Procedures on Salary and Other Payments

Are the procedures around the payment of salary and extra remuneration transparent for the workers and properly authorised?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international standards, prior to being hired by a company or before being moved into a new position, workers must be clearly informed of all essential wage information regarding their employment, including the calculation of wages, bonuses, commissions and any authorised deductions. Workers must be provided with a pay stub each pay period summarising all relevant wage information accurately and transparently. Deductions can, in certain cases, be taken from workers’ wages for damage to company property or breaches of disciplinary rules. Although deductions are allowed, however, they should be fair and transparent, and workers should be able to challenge the deduction in an internal grievance mechanism. In no case should such deductions encroach upon the worker’s core salary required by living wage standards. Question no. 15 on ‘Labour Discipline’ also addresses the issue of deductions.

Chinese legislation requires wages to be paid in currency form on a monthly basis. Wages must be paid in full amount. If the pay day falls on a holiday or rest day, wages should be paid in the immediately preceding working day. Wages should be paid by the employer or the employer’s bank directly to the worker, although the worker may also designate a family member or other person to receive the wages on her behalf. The employer should provide to the worker a pay stub (工资条, *gongzitia*) that details the activities for which remuneration is paid. Furthermore, the employer must keep written records for at least two years describing the amount and time of payment and the name and signature of the person picking up the pay stub. Upon termination of the labour relationship, the employer should pay all wages to which the worker is entitled in a one-time lump sum.

According to Chinese law, the labour contract must specify conditions surrounding remuneration, and may include provisions on employment welfare and benefits. In any case, the company has a duty to inform the worker about remuneration conditions (e.g. how wages, bonuses, benefits, subsidies, commissions and deductions are calculated). Moreover, China’s Labour Contract Law specifies the rate of remuneration if the worker and employer do not have a labour contract or if there is no collective contract.

Wages may not be deducted or delayed without reason. Under the law, the employer may deduct only certain items from wages: taxes; social security fees; court-ordered alimony or other payments; items clearly specified in the labour contract; disciplinary sanctions pursuant to clear disciplinary rules approved by the workers’ representatives; and other fees sanctioned by law. Upon hiring, the company may not require the worker to provide a financial guaranty or other property. Similarly, the law specifically prohibits employers from imposing a penalty on workers who breach the labour contract. On the other hand, the employer may deduct damages from a worker’s wages if the worker causes economic damage to the employer by his own fault or negligence, though such deductions may not exceed 20 percent of the monthly wage or violate the local minimum wage standard. For part-time workers, remuneration should be settled and paid every 15 days.

Chinese law provides that disputes surrounding remuneration and working conditions should be resolved first by negotiation between the employer and the worker. Failing negotiation, the relevant provisions of the collective contract would apply, or the principle of equal pay for equal work should be observed. Where the employer fails to pay the full remuneration or defers payment, the worker may apply to the labour dispute arbitration commission or to the local court for an order of payment. The worker is also entitled to rescind the labour contract. The central government encourages speedy resolution of wage disputes and the setting up of effective reporting systems to channel and resolve such disputes through mediation and legal mechanisms.

Companies that unlawfully deduct or delay payment of wages are liable for back wages, economic losses suffered by the worker and an additional compensation amount (which can range from 25 percent of back wages or up to five times the amount of back wages). Similarly, companies that demand a financial guaranty from workers will be fined and may be liable for damages.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a clear, fair and transparent policy to determine payment of salary and extra remuneration, and the company maintains an exhaustive list of the authorised deductions from workers' wages					
2	The company ensures that workers are aware of the company's policy regarding wages and deductions before being hired and throughout their employment.					
3	Wage deductions do not exceed the true amount of loss and never encroach upon the worker's living wage.					
4	The company ensures that workers are paid every month in currency at the designated times, and that every pay stub contains details on how the worker's wage was calculated, including the gross and net amount of wages as well as any deductions and the reasons for such deductions					
5	The company keeps records of calculations of all wages, bonuses, subsidies, authorised deductions, benefits and commissions.					
6	A management representative and a worker or workers' representative ensure that company records on remuneration are accurate, up to date and available at each pay period for workers to review.					
7	The company has an internal grievance mechanism for workers to easily contest and resolve disputes about wage, bonuses, subsidies and deductions.					
8	Workers and their representatives confirm that wages are paid on a regular and timely basis in compliance with the above indicators					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 23 and 25; ICESCR (1966), Article 7; ILO Protection of Wages Convention (C95, 1949), Articles 8 and 14; ILO Protection of Wages Recommendation (R85, 1949), Part I, Articles 1 and 2 and Part III, Article 6.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966).

- *The above question is based on the following principles in Chinese legislation:*
- Labour Contract Law of the PRC (NPC, no.65, 2008), Articles 8-9, 11, 17-18, 25, 30, 38, 60, 72, 84-85

- Labour Law of the PRC (NPC, no. 28, 1995), Articles 46, 50-51, 91
- Notice on Further Measures to Prevent and Resolve Delay or Failure to Pay Wages by Enterprises (Ministries of Human Resources and Social Security, Public Security, Finance, Land and Resources, etc., no. 5, 2009), No. 1-3
- Opinion on Some Questions on Implementing the Labour Law of the PRC (Ministry of Labour, no. 309, 1995), No. 63
- Measure on Administrative Sanctions for Violating the Labour Law of the PRC (Ministry of Labour and Social Security, 1995), Article 6
- Provisional Regulations on Payment of Wages (Ministry of Labour and Social Security, no. 489, 1994), Articles 3-9, 11, 15-16, 18-19
- Clarification of Certain Provisions of the Labour Law of the PRC (Ministry of Labour, no. 289, 1994), Articles 50-51
- Measures for Economic Compensations due to Violation or Rescission of Labour Contracts (Ministry of Labour, no. 481, 1994), Article 3

No. 4: Leave and Holiday

Does the company grant workers customary and public holidays, sick leave, at least three weeks of annual paid leave and at least 14 weeks of maternity leave for the care of a newborn child?	Yes	No	F/A	N/A	No Info

Narrative description:

Under Chinese law, workers have the right to take rest, holiday and leave. Workers are entitled to annual leave with pay (带薪年休假, *daixin nianxiujia*) after one year of continuous work, whether or not the worker has worked for the same or different employers, or is employed through a recruitment agency. The length of the annual leave varies depending on the worker's accumulated length of service: Five days for those who have worked one to ten years, ten days for those who have worked ten to 20 years and 15 days for those who have worked 20 years or more. This does not comply with ILO standards, which call for at least three weeks of paid leave per year for all workers. Under ILO standards, although the company may impose a minimum work period before the worker is entitled to annual leave, this period may not exceed six months. In general, on the issue of annual paid leave, companies should be aware of the gap between Chinese law and international standards in order to comply with the highest standard. Chinese law also provides that annual leave may be taken together at once or spread out over the year, but it generally may not be transferred to the next year. Workers in the public sector may be entitled to more days off around public holidays according to the relevant annual directives.

In addition, Chinese law recognises leaves taken in connection with marriage (婚假, *hunjia*), funerals of immediate family members (丧假, *sangjia*) and state-mandated social activities. Workers are entitled to such family leaves, but employers have the discretion to limit such leaves to reasonable lengths—usually one to three days, with additional days if travel over long distance is necessary. In line with China's family planning policy, the law also encourages citizens to marry and have children later in life. Thus, men who marry at age 25 or later and women who marry at age 23 or later are entitled to extra days off during marriage leave (晚婚奖励假, *wanahun jianglijia*)—generally seven to 20 days depending on local regulation. Furthermore, in general, workers in the public sector may take special annual leave of 20 to 30 days in order to visit spouses or parents (探亲假, *tanqinjia*) with whom they do not live together and whom they cannot visit during normal rest days.

Annual paid leave is in addition to public holidays, weekly rest days, marriage or funeral leave, maternity leave, family visit leave and leave due to occupational injury. However, under Chinese law, the worker is not permitted to take annual leave if he/she has taken leave for personal reasons for 20 days or more at full pay during that year; if he already enjoys summer and winter vacation by law (e.g. teachers) and such vacation exceeds the length of the annual leave; or if he has taken sick leave for two to four months (depending on his length of employment). Again, this is in contravention to international standards, which provide that annual paid leave may not be reduced by periods of absence from work due to illness, injury, maternity or parental leave, or other reasons beyond the worker's control. Thus, companies must guarantee the worker's right to three weeks of annual paid leave, even if the worker has already taken sick leave in the same year.

During annual leave, Chinese law provides that workers are entitled to the same pay as during normal working days. If the company plans to ask workers to forgo the annual leave due to work needs, according to Chinese legislation, the company must obtain the worker's consent. Workers who do not take their annual leave are entitled to compensation three times her daily wage for each annual leave day due but not taken. However, if a worker is able to take her annual leave but for personal reasons decides not to take the leave and notifies the employer of such in writing, the employer is obliged to pay the worker only normal wages for the annual leave days not taken. Upon rescission or termination of a labour contract, the employer must reimburse the worker for days of annual leave due but not taken that year.

In China there are 11 public holidays (法定节日, *fading jieri*) applicable to all citizens. In addition, certain half-day holidays apply to special groups: women, youth, children and soldiers. The law also permits local governments to designate additional holidays for the officially recognised national minorities in accordance

with their customs. If a public holiday that applies to all citizens falls on a Saturday or Sunday, a compensatory rest day should be scheduled on a working day, whereas such reimbursement does not apply for holidays targeted at special groups.

Chinese law provides women 90 days of maternity leave (产假, *chanjia*). This includes 15 days of leave that must be taken immediately before the due date. Moreover, a female worker is entitled to extra 15 days of leave in case of difficult birth, and an extra 15-day leave for each additional baby born in case of multiple births. Female workers who suffer a miscarriage before four months' pregnancy are generally entitled to 15 to 30 days of maternity leave, and 42 days of leave if the miscarriage occurs after the fourth month. Maternity leave usually encompasses public holidays and weekly rest days, but no clear regulation exists whether maternity leave can be combined additionally with annual paid leave or family-related leaves. Moreover, as stated before, men and women are rewarded with extra paid leave for having children later in life (晚育假, *wanyujia*)—for women this means having a child at age 24 or later. In practice this means the normal maternity leave is extended for 15 to 30 days in some localities, and 45 to 90 days in other localities, depending on local regulation. Some localities offer extra leave to reward couples who adhere to the one-child policy. The national law also provides special leave in connection with family planning-related medical operations. Additionally, in some areas fathers are rewarded for late births by being granted paid paternal leave (护理假, *hulijia*), usually lasting seven to ten days. But there is no uniform, national regulation recognising leave for new fathers, or leave to care for a newly adopted child.

As can be seen, Chinese law in the area of maternity and parental leave is complex and substantially determined by local regulations. In any case, companies should follow the international standard of granting a minimum of 14 weeks of maternity leave.

Finally, under Chinese law workers are entitled to sick leave and leave due to occupational injury. The length of sick leave (医疗期, *yiliaoqi*) depends on i) the number of years the worker has worked in total over his/her working life and ii) the number of years the worker has worked for the particular employer. Sick leave ranges from three to 24 months for workers who have worked over 20 years. In addition, workers with long-term illnesses that cannot be cured within 24 months (e.g. cancer, psychiatric disorders, paralysis) may petition for a longer sick leave. The pay the worker is entitled to during sick leave also varies depending on the length of service. In general, sick leave pay ranges from 40-100 percent of the normal wage, and in any case may not be lower than 80 percent of the local minimum wage.

Workers who need to take leave for medical treatment due to occupational disease or injury (停工留薪期, *tinggong liuxinqi*) may take up to 12 months leave at full pay and benefits. The leave may be extended for up to another 12 months after assessment by the local work capability assessment committee. Chinese standards regarding sick leave are in compliance with international law, but companies must ensure that sick leave does not encroach on the annual leave with pay to which all workers are entitled.

According to China's Labour Contract Law, a worker's right to leave and holiday should be clearly specified in the labour contract, and employers are free to stipulate standards higher than the minimum required by Chinese law. Moreover, when a company formulates or amends policies concerning leave and holiday, the company must discuss the matter with all workers or the workers' representatives. Furthermore, the company has the duty to negotiate with the trade union in order to reach an agreement on this issue, and the trade union is responsible for safeguarding the workers' right to annual paid leave. Disputes over annual leave are handled like other labour disputes.

As a general advice, in formulating policies on leave and holiday, in addition to taking account of international and national Chinese standards, companies should consult the relevant local regulations, which may provide standards higher than national law or cover areas that are not clearly regulated by national law (e.g. in the areas of sick leave, marriage leave, maternity and paternal leave). It should also be noted that special regulations may apply in Special Economic Zones and Export Processing Zones, which provide exceptions to national requirements and possibly lower standards. However, under international law, entitlement to leave and holiday should be uniform for all workers, regardless of the place of work. In all cases, the company should conduct thorough due diligence on this issue and always adhere to the highest standards.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a comprehensive policy on leave and holiday that complies with the highest standards of Chinese and international law on the issues of paid annual leave, public and customary holidays, sick and injury leave, maternity and family leave and any other leave required by Chinese law (e.g. leave for marriage, funeral, family planning).					
2	The company ensures that workers are informed of all applicable conditions relating to leave and holiday before and upon hiring and that these details are clearly specified in the labour contract.					
3	The company ensures that workers may freely access information about the amount of pay earned for any leave or holiday due but not taken.					
4	The company grants its workers all customary and public holidays provided in Chinese law as well as any local or group-specific regulations. In no case does the company count such public holidays as part of a worker's annual paid leave, even in cases where a public holiday falls during the worker's annual leave.					
5	The company gives at least three weeks of annual paid leave to all workers in compliance with international standards.					
6	The company provides paid leave for sickness, family planning procedures and occupational disease or injury in accordance with Chinese law; sick leave does not encroach on the workers' annual paid leave.					
7	The company allows female workers no fewer than 14 consecutive weeks of maternity leave, as well as any leave to reward late births and paid leave for new fathers, as provided in local Chinese regulations.					
8	Workers and their representatives confirm that the company's policies and procedures for leave and holiday are implemented in a transparent, accountable and fair manner, from prior to the start of employment until termination.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 16, 23 and 24; ICESCR (1966), Article 7 (d) and 10 (d); Convention on the Elimination of All Forms of Discrimination Against Women (1979), Article 11 (1e, 2b and 2c); Convention on the Rights of the Child (1989), Article 5; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Article 25 (1a); ILO Holidays with Pay (Revised) Convention (C132, 1970), Articles 3 (3), 5 (1), 6 and 11; ILO Maternity Protection Convention (C183, 2000), Article 4; ILO Workers with Family Responsibilities Conventions (C156, 1981) Articles 1 and 3; ILO Workers with Family Recommendation (R165, 1981), Article 22.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Elimination of All Forms of Discrimination Against Women (1979); Convention on the Rights of the Child (1989).

China has not ratified any ILO conventions regarding this issue. But China is a member of the ILO.

- *The above question is based on the following principles in Chinese legislation:*
 - Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 4, 17
 - Law of the PRC on Population and Family Planning (NPC, no. 63, 2002), Articles 25-26
 - Labour Law of the PRC (NPC, no. 28, 1995), Articles 3, 40, 45, 51, 62, 73
 - Notice by the State Council on Arrangement of Certain Holidays in 2009 (State Council, no. 42, 2008)
 - Decision of the State Council on Amending the Regulation on Public Holidays for National Annual Festivals and Memorial Days (State Council, no. 513, 2008), Article 2
 - Regulation on Public Holidays for National Annual Festivals and Memorial Days (Order of the State Council, no. 270, amended 1999, re-amended in 2007), Articles 3-6
 - Regulation on Paid Annual Leave for Workers (Order of the State Council, no.514, 2007), Articles 2-8
 - Regulation on Work-Related Injury Insurance (Order of the State Council, no. 375, 2004), Article 31
 - Regulations Concerning the Labour Protection of Female Staff and Workers (Order of the State Council, no. 9, 1988), Article 8
 - Guidance on Further Improving Family Planning (Central Government, State Council, 1982), No. 2-3
 - Implementation Measures for the Paid Annual Leave for Workers of Enterprises (Order of the Ministry of Human Resources and Social Security, no. 1, 2008), Articles 3-14, 16
 - Opinion on Some Questions on Implementing the Labour Law of the PRC (Ministry of Labour, no. 309, 1995), No. 59
 - Notice by the Ministry of Labour on Implementing the Regulations on Sick Leave for Enterprise Workers (Ministry of Labour and Social Security, no. 236, 1995), No. 1-2
 - Regulations on Sick Leave for Enterprise Workers (Ministry of Labour and Social Security, no. 479, 1994), Articles 3, 5
 - Notice on Some Questions on Treatment of Female Workers During Birth (Ministry of Labour, no. 2, 1988)

No. 5: Workplace Health and Safety Standards

Does the company ensure that its workers are afforded safe, suitable and sanitary work facilities?	Yes	No	F/A	N/A	No Info

Narrative description:

A range of international conventions address the issue of health and safety standards. The company must provide safe and healthy working facilities and take appropriate precautionary measures to protect workers from anticipated dangers in the workplace. The actual type and number of safety precautions necessary will differ depending on the industry of operation and the unique concerns of the company, as well as the location of operation and the particular needs of vulnerable workers, such as pregnant women. Responses to work-related hazards may include increasing lighting, installing video cameras or property fencing, increasing the number of unarmed security guards or even suspending operations—in the most extreme cases—for as long as necessary to remedy a problem. If an unanticipated danger is identified, the company must act swiftly to remedy the defect and formulate a prevention plan to avert future incidents. The company must also have a pre-established action plan designed to respond effectively to workplace accidents and health hazards in the event that all precautions fail.

Under Chinese law, workers are entitled to a safe and healthy working environment. This section focuses on national laws and general principles applicable to most industries. However, companies should note that China has many local and industry-specific regulations governing occupational health and safety. We advise companies to further consult the laws and standards relevant to their industry in order to adequately assess their duties.

Chinese law imposes a wide range of duties on employers to prevent occupational injuries, accidents and disease. First, companies must establish a system of rules of procedures to protect workers' health and safety, prevent accidents and reduce occupational hazards (职业危害, *zhiye weihai*). A responsibility system should clarify the line of responsibility for production safety as well as prevention and treatment of occupational disease (职业病, *zhiyebing*). In particular, companies that engage in mining or construction activities, that work with hazardous substances or that employ more than 300 workers are required to establish an administrative body or allocate full-time personnel to managing occupational safety. Such personnel must have completed state-mandated training and examination on occupational safety. Companies with fewer than 300 workers should have at least part-time personnel to administer safe practices at work. Moreover, all companies should have full- or part-time personnel in charge of occupational health issues. Companies that engage in mining or construction or work with hazardous substances must create an administrative body that oversees emergency rescue.

Second, companies have the duty to monitor and maintain occupational safety and sanitation facilities and equipment. Such facilities and equipment must comply with national and industry standards, and companies whose facilities do not meet the relevant standards may not be in operation. Such facilities and equipment must be regularly inspected and maintained to ensure their normal operation, and records of inspection and maintenance results, including signatures of persons who perform the maintenance and any problems encountered, should be kept. Similarly, companies must monitor, document and periodically evaluate harmful factors that may contribute to occupational diseases (e.g. powder and dust, chemicals, radioactive materials toxic substances), and report the results to the local authorities. When a company works with hazardous substances or uses high-risk equipment (e.g. boilers, pressure vessels, cranes, elevators), it must undertake extra safety measures and maintain files on the substances or equipment documenting their use, monitoring, maintenance and control. High-risk equipment should be inspected at least once a month. Furthermore, the company must ensure that its facilities comply with fire prevention and control regulations, that exits of its facilities and worker dormitories are kept free of obstruction, and that the work areas are well lit and ventilated.

Employers have the duty to inform workers of occupational risks and hazards as well as the company's preventive measures and emergency plans. Working conditions and measures taken to protect or prevent against occupational hazards and disease, including the employer's participation in occupational injury insurance, must be included in the labour contract. The labour contract may not exempt or mitigate the employer's liability for occupational injury. Moreover, workers must receive training about occupational health and safety. Question no. 6 on 'Training and Protective Gear' further elaborates on this issue.

In addition, companies must post clearly visible warning signs or explanations at appropriate locations in a language the workers understand (i.e. Chinese, not English, explanations on equipment labels). Companies should be aware that special restrictions regulate engaging female or young workers under difficult or dangerous conditions. Please refer to Question no. 11 on 'Young Workers and Worst Forms of Child Labour' for protective measures for young workers.

Companies also have the obligation to carry out health exams for workers who are exposed to occupational hazards and for all young workers. Workers who are assigned to posts that pose heightened risk for occupational disease should receive free health exams before, during and after the assignment, and all workers should be examined before undertaking operations posing the risk of occupational disease. Additionally, the company must set up health files for its workers containing information such as occupational history, personal health information, health exam results and history of diagnosis and treatment for occupational disease. However, measures should be taken to protect the confidentiality of such files in order to safeguard the workers' right to privacy. If a worker is suspected to be suffering from an occupational disease, the company has the duty to immediately arrange for a diagnosis at no cost to the worker. For workers who have been diagnosed as suffering from occupational disease, the company has the responsibility to arrange for medical treatment and regular health check-ups.

The company has the duty to formulate a plan to handle accidents and emergencies. In addition, the company has the obligation to organise relief and rescue in case of accidents, and should install alarm devices, provide first-aid equipment and designate evacuation routes. The company must also report such accidents and emergencies to the local authorities in an accurate and timely manner.

Chinese law assigns trade unions the important role of supervising health and safety conditions at the workplace, and of defending the workers' rights to a safe and healthy working environment. The trade union has the right to monitor the company's conduct, demand the company make corrections or improvements to comply with health and safety regulations and participate in accident investigations.

Chinese law also gives workers the right to raise concerns and recommendations regarding occupational health and safety. They are entitled to criticise, accuse and report the employer regarding working conditions that endanger their health and life. Thus, we recommend that companies establish an internal mechanism to receive workers' complaints and address their grievances, for example designating an occupational health and safety representative or committee. Workers who are forced to work in life-threatening conditions because the employer violates safety regulations have the right to rescind their labour contract with immediate effect.

Chinese law requires companies to purchase occupational injury insurance (工伤保险, *gongshang baoxian*) and pay insurance premiums for all of its workers. Upon occurrence of occupational injury or diagnosis of an occupational disease, the company should file an application to the local labour administrative department within 30 days. If the company fails to file the application within this time limit, it is liable for shouldering the worker's medical expenses during this first 30 days. If the company fails to sign up for insurance, it is liable for the worker's medical and living expenses. In addition to insurance payments, workers may have the right to claim compensation from the company for occupational injury or disease under relevant civil law provisions.

The company is liable for administrative punishment, economic compensation and criminal liability if it violates safety regulations, illegally forces workers to perform life-endangering operations or harms the workers' physical or mental health as a result of poor working conditions or severely polluted environment. In general, failure to comply with the various laws on occupational health and safety may subject the company to large fines, suspension or shut-down of business, or criminal liability.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has effective policies and procedures in place regarding occupational health and safety prevention and remediation that comply with industry, national and international standards.					
2	The company has a specific health and safety policy applying to pregnant women and young workers that complies with Chinese law.					
3	The company consistently informs its workers of occupational risks and hazards as well as the company's preventive measures and emergency plans, and such information is included in the labour contract.					
4	The company routinely monitors its production processes and inspects and maintains its machinery and equipment to ensure that they are safe and in good working order.					
5	Records are maintained on monitoring and inspection of health and safety facilities and equipment, and the company documents the measures taken in response to problems.					
6	All work premises are well lit and ventilated and comply with national regulations on fire prevention and control.					
7	The company routinely carries out health exams of its workers, maintains health files on its workers, and arranges for diagnosis and treatment of occupational disease in compliance with Chinese law.					
8	The company has purchased adequate occupational injury insurance, pays premiums on all of its workers, and makes compensation to workers who suffer occupational injury or disease when required by Chinese law.					
9	The company has an internal mechanism for receiving and responding to concerns and complaints about occupational health and safety.					
10	Health and safety inspections, as well as workers and their representatives, confirm that the workplace is safe, clean, comfortable and healthy.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948) Article 25; ICESCR (1966) Articles 7 (b) and 12 (2b and c); Convention on the Elimination of All Forms of Discrimination against Women (1979) Article 11 (1f); Protection against Accidents (Dockers) Convention (Revised) (C32, 1932) Articles 2 (1) and 5; Underground Work (Women) Convention (C45, 1935); ILO Hygiene (Commerce and Office) Convention (C120, 1964); ILO Occupational Safety and Health Convention (C155, 1981) Articles 4 and 5; ILO Occupational Health and Services Convention (C161, 1985) Article 5 (b); Safety and Health in Construction Convention (C167, 1988) Articles 6, 8(1a) and 8 (2), 9 and 10; Convention Concerning Safety in the Use of Chemicals at Work Convention (C170, 1990) Articles 1 (2b), 4, 5, and 7 (2); Tripartite Declaration on the Responsibilities of Transnational Corporations (1977) Article 38 and UN Norms on the Responsibility of Transnational Corporations and other Business Enterprises with

regard to Human Rights (2003) Article 7; Convention on the Rights of Persons with Disabilities (2006), Article 27 (1)(a).

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Elimination of All Forms of Discrimination against Women (1979); Protection against Accidents (Dockers) Convention (Revised) (C32, 1932); Underground Work (Women) Convention (C45, 1935); ILO Occupational Safety and Health Convention (C155, 1981) [See Decision of the Standing Committee of the National People's Congress on Ratifying the Convention Concerning Occupational Safety and Health and the Working Environment (1981)]; Safety and Health in Construction Convention (C167, 1988); and the Convention Concerning Safety in the Use of Chemicals at Work Convention (C170, 1990).

China has not ratified two key ILO conventions relevant to this question: ILO Hygiene (Commerce and Office) Convention (C120, 1964) and ILO Occupational Health and Services Convention (C161, 1985).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Article 42
- Fire Protection Law of the PRC (NPC, no. 6, 2009), Article 16
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 17, 32, 38, 88
- Production Safety Law of the PRC (NPC, no. 70, 2002), Articles 4, 6-7, 10, 16-17, 19-25, 27-29, 32-34, 36-39, 42-52, 57, 69-70, 80-83, 85, 88-91, 93, 95
- Law of the PRC on the Prevention and Treatment of Occupational Diseases (NPC, no. 60, 2002), Articles 2, 4-6, 12-16, 19-25, 30-37, 46, 49-53
- Labour Law of the PRC (NPC, no. 28, 1995), Article 3-4, 52-56, 59-61, 63-65, 70, 73, 75
- Notice on Further Strengthening Production Safety (State Council, no. 23, 2008), No. 7
- Regulation on Work-Related Injury Insurances (Order of the State Council, no. 375, 2004), Articles 2-4, 10, 17, 29, 31, 37, 51-52, 60
- Decision of the State Council on Further Enhancing Work Safety (Order of the State Council, no. 2, 2004), No. 10, 12, 14
- Regulations on Safety Supervision over Special Equipment (Order of the State Council, no.373, 2003), Articles 2, 5, 26-27, 31, 39-41, 77-78
- Clarification of Certain Provisions of the Labour Law of the PRC (Ministry of Labour, no. 289, 1994), Articles 52-55
- Notice on Strengthening Work Safety at Foreign-Invested and Private Enterprises (ACFTU & State Economic Commercial Commission, no. 10, 1999), No. 1

No. 6: Training and Protective Gear

Does the company supply its workers with the protective equipment and training necessary to perform their tasks safely?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international law, all workers must be provided health and safety training on all tasks for which they are responsible prior to beginning a new assignment. The company must also ensure that workers are fully updated and capable of carrying out their work tasks safely throughout their tenure with the company. In general, workers should not be exposed to harmful processes, chemicals, substances or techniques. Sometimes exposure is unavoidable, however, when it is impossible to modify the work environment and still perform the work tasks. If there is no way to modify the work environment to avoid exposure, then all workers who are exposed to hazardous substances or conditions must be provided with all protective equipment necessary, at no cost to themselves. The type of protective equipment necessary will vary depending on the nature of the work, but may include specialised suits, gloves, helmets, goggles, steel-toed boots, safety harnesses or ropes. Undue burden or expense to the company must not be used as a justification for failing to provide workers with the appropriate safety equipment.

Chinese law requires employers to educate and train their workers on occupational health and safety. The company must ensure that its workers have the necessary knowledge about production safety and prevention of occupational disease, understand the relevant rules and regulations and master the skills to safely perform their work assignments. The government has specified the content of the training and the number of training hours workers must undergo, depending on their post and the nature of their work. A worker must pass the relevant training programs before he/she can commence work. Furthermore, training on occupational health should be scheduled regularly during the period of employment, and new training should be provided whenever the company adopts new techniques, technology, material or equipment in its operations. The company should also set up files documenting the type of training and qualifications each worker has received.

In particular, companies should take special care to ensure that migrant workers and other vulnerable groups receive proper training before beginning work. Moreover, managers in charge of occupational health and safety issues should undergo longer training and pass examinations conducted by local authorities. Similarly, workers engaged in operations involving high-risk equipment (e.g. electricity, boilers, pressure vessels, loading machines, explosives) must receive specialised and additional training and obtain proper certification for operating such equipment.

Employers also have the duty to supply, free of charge to workers, protective equipment that meet national and industry standards. The employer must educate workers about how to wear or use the equipment. In addition, the employer must regularly inspect and maintain the protective equipment to ensure that it functions properly.

Chinese law obligates workers to follow occupational health and safety rules, attend training, use protective equipment and report accidents and risks. Workers who fail to abide by safety rules may be subject to internal disciplinary sanctions established by the company.

A company that violates laws and regulations concerning occupational training and protective equipment may be liable for fines, suspension of business operations and even criminal liability.

Suggested Indicators:		True	False	F/A	N/A	No info
1	Company policy and procedure dictate that all workers are provided with the relevant training and protective equipment necessary to safely perform their work duties.					

2	All workers are adequately protected against processes, substances and techniques that are dangerous, unhealthy, toxic or harmful.					
3	In order to ensure full protection against processes, substances and techniques that are dangerous, unhealthy, toxic, or harmful, the company provides functioning safety equipment in a wide range of sizes, including sizes to fit persons such as children, the physically disabled or pregnant women.					
4	Before assuming their positions or starting a new task, workers receive training appropriate to their position and duties on occupational risks, the company's occupational health and safety rules and emergency plans, and how to operate dangerous equipment and use protective gear.					
5	The company has a disciplinary procedure that applies to all violations of the company's health and safety standards.					
6	If an accident occurs, the company provides an internal educational campaign to highlight the risks associated with the injury-causing activity.					
7	Workers do not show injuries or illnesses that are a result of improper exposure to occupational hazards or lack of protective gear.					
8	Health and safety inspections, as well as workers and their representatives, confirm that workers are adequately trained and provided with the necessary protective equipment to carry out all their tasks.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ICESCR (1966), Articles 7 (b) and 12 (2b and c); Protection against Accidents (Dockers) Convention (Revised) (C32, 1932) Articles 8 and 9; Prevention of Accidents (Seafarers) Convention (C134, 1970) Article 5 (2); ILO Occupational Safety and Health Convention (C155, 1981), Articles 16 (3) and 21; Safety and Health in Construction Convention (C167, 1988) Articles 1 (e), 10, 16 (1d) and (2), 30 (1); Convention Concerning Safety in the Use of Chemicals at Work Convention (C170, 1990), Articles 13 (1f) and 18 (3.a); Convention on the Rights of Persons with Disabilities (2006), Article 27 (1)(a).

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Protection against Accidents (Dockers) Convention (Revised) (C32, 1932); ILO Occupational Safety and Health Convention (C155, 1981) [See Decision of the Standing Committee of the National People's Congress on Ratifying the Convention Concerning Occupational Safety and Health and the Working Environment (1981)]; Safety and Health in Construction Convention (C167, 1988); and the Convention Concerning Safety in the Use of Chemicals at Work Convention (C170, 1990).

- *The above question is based on the following principles in Chinese legislation:*

- Labour Law of the PRC (NPC, no. 28, 1995), Articles 52, 54-56
- Production Safety Law of the PRC (NPC, no. 70, 2002), Articles 6, 20, 21-23, 36-37, 39, 49, 82-83
- Law of the PRC on the Prevention and Treatment of Occupational Diseases (NPC, no. 60, 2002), Articles 20, 22-23, 31, 36
- Notice on Further Strengthening Production Safety (State Council, no. 23, 2008), No. 7

- Decision of the State Council on Further Enhancing Work Safety (Order of the State Council, no. 2, 2004), No. 12
- Regulations on Safety Supervision over Special Equipment (Order of the State Council, no.373, 2003), Articles 39-40
- Provisions on Safety Training and Production and Operation Entities (Order of the State Administration of Work Safety, no. 3, 2006), Articles 2-4, 6-9, 13-19, 22-24
- Notice on Strengthening Work Safety at Foreign-Invested and Private Enterprises (ACFTU & State Economic Commercial Commission, no. 10, 1999), No. 3-6
- Regulations on Administering Education on Work Safety and Health for Enterprise Workers (Ministry of Labour and Social Security, 1995), Articles 3, 5, 9-16, 18-19, 23
- Clarification of Certain Provisions of the Labour Law of the PRC (Ministry of Labour, no. 289, 1994), Articles 52-55

No. 7: Labour Contracts

Do all workers have a contract with the company which outlines in a transparent manner the rights and obligations of each party, in full compliance with China's Labour Contract Law?	Yes	No	F/A	N/A	No Info

Narrative description:

The absence of official employment status can lead to substandard or insecure working conditions and rights violations, especially for migrant workers, young workers and other vulnerable groups. Therefore, the company should establish labour contracts with all of its workers upon hiring, and devote special attention to ensuring that vulnerable groups have official employment status. Upon hiring, the company has the duty to inform worker of all employment-related information. It should also ensure that the workers know and understand the rights and obligations of both parties under the contract, and that the worker has the opportunity to consult with the trade union when executing labour contracts. Whereas the ILO does not define binding norms on this issue, China's Labour Contract Law is a relatively complete national law that provides companies with legal obligations when carrying out operations in China.

Under Chinese law, all workers are entitled to a written contract (劳动合同, *laodong hetong*) with the company for which they work. A written labour contract must be signed whenever a labour relationship is established, i.e. whenever employment begins. Thus, the company should ensure that every worker signs a contract upon hiring, including migrant workers, young workers and workers hired with a probationary (试用期, *shiyongqi*), adjustment (适应期, *shiyingqi*) or internship (实习期, *shixiqi*) period.

The labour contract must be concluded on the basis of fairness, impartiality, equality, free will, unanimity and good faith. Chinese law specifies that the contract must include the following items: the parties' names, the type and term of the contract (fixed, indefinite or project-based), work content and location, wages, working hours, rest and leave, social insurance, working conditions, labour protection, occupational hazards, disciplinary rules, grounds for contract termination and liability for breach of contract. In particular, the law emphasises the employer's duty to truthfully inform the worker of the work content, work location, working conditions, occupational hazards, wages and any other information the worker requests. Besides the mandatory clauses, the employer and worker may agree to specify in the contract other issues such as probationary period, training, confidentiality and non-disclosure, as well as supplementary social insurance or other benefits. A non-competition clause may also be included in contracts with senior managerial or technical personnel, but the non-competition period may not exceed two years.

It should be noted in particular that to discourage employer abuse of the probationary period, the Labour Contract Law specifies the period of probation permissible depending on the length of the contract period (up to a maximum of six months). For example, if the term of the labour contract is less than three months, no probationary period may be stipulated. Moreover, the probationary period must be agreed upon by mutual agreement of the employer and the worker, and the employer may impose only one probationary period on a worker.

Chinese law permits the conclusion of collective contracts between the employer and the workers as a whole, as represented by the trade union or by democratically elected workers' representatives. The collective contract can cover all issues required in a labour contract or refer only to specific issues. Chinese law specifies in detail the scope, procedure and supervision of negotiating a collective contract between representatives of the employer and the workers. The employer is obligated to enter into collective consultation with the trade union or workers' representatives on an equal basis and in good faith. The draft collective contract must be discussed and approved by the workers' representatives assembly (职工代表大会, *zhigong daibiao dahui*) or by all workers before being submitted to the local labour administrative department for approval.

If employment begins without signing a written contract, such a contract must be concluded within one month after the start of employment; otherwise the employer must pay double the wages for each month the

contract remains unsigned, up to 12 months. On the other hand, if the worker fails to sign the contract within one month of employment after being notified to do so by the employer, the employer may upon written notice terminate the labour relationship. If the employer fails to conclude a contract after one year of employment, the worker is assumed to have concluded an indefinite term contract. Contracts may be modified by unanimous agreement of the employer and worker, and the modifications must be in writing.

Chinese law does not require employers to sign written labour contracts with part-time workers (defined as those who work fewer than four hours every day or 24 hours per week). Instead, the parties may conclude oral agreements, and the part-time labour relationship may be terminated by either party at any time. Such exemption does not comply with international law, which provides that contracts should be signed with all workers upon hiring, regardless of the type of employment relationship. The company should thus ensure that its policies and practices on the conclusion of labour contracts extend to part-time workers.

The trade union has the task of assisting workers to sign and perform labour contracts and of supervising the employer's performance of the labour or collective contract. Labour contracts are invalid if signed under duress or deception, violate relevant laws or regulations, or exempt the employer from liabilities or exclude the rights of the workers. Employers who fail to conclude labour contracts or include mandatory clauses in the contract are liable to compensate the worker for any damages sustained.

Besides concluding written contracts, the law requires employers to keep records documenting the employment relationship. The employer must keep a roster of all of its workers, recording the workers' names, gender, ID number, contact information, household registration (户口, *hukou*), type of employment, employment start date and contract term. Contracts that have been rescinded or terminated should be kept by the employer for at least two years for reference. The company must ensure that these procedures do not imply violations of workers' right to privacy. For details on this issue, please refer to Question no. 13 on 'Worker Privacy'.

Labour contracts may be rescinded upon unanimous agreement between the employer and worker. In addition, the worker may rescind the contract by giving 30 days advance notice to the employer (three days if during probationary period). The worker may also rescind the contract without notice when the employer violates the contract or the law. On the other hand, the employer may rescind the contract by giving the worker 30 days advanced written notice or one-month advanced wages if the worker is incompetent to perform the work assigned or the objective circumstances on which the contract was based has changed materially. In most cases where the employer is the party rescinding the contract, or a worker rescinds the contract because the employer is violating his labour rights, the employer is obligated to pay the worker a severance pay based on the worker's length of employment and monthly wage.

Chinese law provides the worker some protection from dismissal in relation to occupational injury, medical treatment, pregnancy or breastfeeding, as well as long-term workers who are close to retirement. However, under Chinese law the employer may dismiss the worker immediately if the worker proves unqualified during the probationary period, seriously violates disciplinary rules, causes serious damage to the employer through negligence or malpractice or is investigated for or subject to criminal liability. Notably, the employer may not rescind a labour contract during the worker's probationary period unless the worker proves unqualified for the position. In such case, the employer must furnish evidence demonstrating the worker's unsuitability, and it must provide an explanation for the dismissal.

On the issue of dismissal, the company should note that under international law, workers must be given some form of notice explaining why they are dismissed. Moreover, the worker must have the opportunity to challenge the decision and appeal against it, and under Chinese law the employer typically bears the burden of proof in cases of firing, removal, dismissal or labour contract rescission. In all cases where the employer intends to rescind the labour contract unilaterally, Chinese law requires the employer to give prior notice to the trade union, which may challenge the employer's decision. If the employer rescinds the labour contract in violation of law, it is liable to pay any damages sustained by the worker.

For details concerning mechanisms for processing disputes and grievances related to the conclusion and rescission of labour contracts, please refer to Question no. 17 on 'Internal Grievance Mechanisms'.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy prescribing that all workers, including migrant and young workers, sign a written labour contract with the company as soon as they are hired, or at least within one month of the start of employment, in compliance with China's Labour Law and Labour Contract Law.					
2	The company has a policy that in addition to the mandatory standard terms and provisions, all labour contracts are tailored to individual workers so that employment terms applicable to specific individual workers are adequately specified in the respective contracts.					
3	The company has a procedure to ensure that any probationary period is within the legally permissible lengths and is negotiated and agreed voluntarily by the worker.					
4	The company has a procedure to ensure that workers are dismissed with adequate notice and explanation or proof of the reasons for dismissal, and with the opportunity of challenging the dismissal.					
5	The company has a procedure to ensure that workers are given the opportunity to consult the trade union or workers' representatives on issues relating to the signing and performance of the labour contract.					
6	The company has a procedure to ensure that all employment-related information is conveyed systematically to all workers and that the information is updated when necessary.					
7	The company maintains updated records documenting the official employment status of all workers, including copies of all labour contracts (including any modified or rescinded contracts).					
8	Workers and their representatives confirm that the company has signed contracts with all workers within one month of the start of employment at the latest and that the contracts are handled according to adequate procedures.					
9	Workers and their representatives confirm that they receive and understand all employment-related information.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 2, 4 and 23; International Covenant on Civil and Political Rights (ICCPR) (1966), Article 8.

- *China's international obligations:*

We base this question mainly on China's Labour Contract Law and Labour Law.

- *The above question is based on the following principles in Chinese legislation:*

- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 3-4, 6-8, 10-19, 21, 23-26, 34-37, 39-40, 42-43, 46-48, 50-52, 56, 68-69, 71, 77-78, 81-83, 89
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 16-17, 19-22, 24-26, 30-31, 33, 96, 98
- Regulations on Implementation of the Labour Contract Law of the PRC (Order of the State Council, no. 535, 2008), Articles 5, 7-8, 13, 18-19, 22-23, 27, 33
- Provisions on Collective Contracts (Order of the Ministry of Labour and Social Security, no. 22, 2004), Articles 3, 8, 32, 36, 41, 48, 55-56

No. 8: Equal Treatment

Does the company ensure that its hiring practice and policies, employment conditions and benefits and general operational practices are non-discriminatory and based on objective criteria such as the nature of the work tasks and the skills, experience and qualifications of the workers?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international law, discrimination includes any “distinction, exclusion or preference” made on the basis of a distinguishing personal characteristic such as gender, age, nationality, ethnicity, race, colour, religious belief, language, organisational affiliation, political orientation, opinion, mental or physical disability, health status (e.g. HIV/AIDS and Hepatitis B), marital status, sexual orientation, social origins, birth, or civic characteristics that negatively impacts employment opportunities or otherwise results in unequal treatment in the workplace.

Discriminatory practices can occur at any stage of employment, including hiring, placement, remuneration, benefits, training, advancement, evaluation, discipline, retirement and termination. Thus, companies should monitor discriminatory practices not only in hiring procedures but throughout all stages of employment.

Discrimination can be direct or indirect. Direct discrimination occurs when a company policy, practice or procedure specifically targets a particular group because of a distinguishing personal characteristic and singles the group out for poorer treatment. To avoid direct discrimination, the company must treat workers equally and fairly with respect to all policies, conditions and benefits of employment.

Indirect discrimination occurs when *the practical application* of a company policy, procedure or practice negatively impacts a group of people—even if the policies, procedures or practices appear neutral. For example, if a position requires the applicant to be of a certain height, this requirement is discriminatory against women and persons belonging to certain ethnic groups. To avoid indirect discrimination, the company must ensure that employment decisions are based on relevant and objective factors (merit, experience, tasks, skills, etc.), and that consistent procedures are followed in decision-making processes.

In general, to comply with international and national law on anti-discrimination, the company should adhere to the following:

- Install policies and procedures to promote non-discrimination and equal treatment, as well as monitoring mechanisms to ensure such policies and procedures are adequately implemented.
- Remuneration must be based on the concept of equal work for equal pay, and differences in rates of remuneration between workers must correlate specifically to objective job criteria or qualifications.
- The recruitment, training, benefits, advancement, discipline and dismissal of workers are all carried out in a non-discriminatory manner based only on relevant and objective criteria. For example, job advertisements should not contain criteria that directly or indirectly discriminate against women, migrant workers, ethnic minorities, the disabled, people with Hepatitis B or HIV/AIDS, or people with certain physical appearances.

Beyond a duty to not discriminate, the company should also ensure that its workers and suppliers are aware of its policy on non-discrimination and equal treatment in order to promote a culture of respect and zero-tolerance for discrimination.

The company should ensure that adequate mechanisms are in place for workers to report on workplace discrimination, bullying or sexual harassment. These mechanisms should be able to promptly investigate all complaints and take appropriate preventive or disciplinary action. All workers must be informed of their rights and encouraged to use the mechanism without fear of reprisal. The company should designate specific staff (e.g. a workers’ representative) to act as the workers’ focal point on employment discrimination issues.

Workers should be able to report discriminatory incidents to the focal point on a confidential basis. At the same time, the focal point should possess adequate knowledge to advise workers on national laws and company policies regarding non-discrimination as well as the various remedies available.

In China, the most common grounds of discrimination include gender (against women), social origins (against migrant workers), race and ethnicity (against national ethnic minorities), disability, health status (against carriers of Hepatitis B or HIV/AIDS), physical appearance (height, cleft lip, pigmentation moles, skin damage, irregular facial features) and organisational affiliation.

The Chinese constitution states that all citizens are equal before the law and entitled to the same rights. The constitution prohibits discrimination against women and national ethnic minorities, and provides special protection to the disabled. According to Chinese labour legislation, workers are entitled to be employed on an equal basis and should not be discriminated against on the basis of nationality, ethnicity, race, sex or religious belief (劳动、就业歧视, *laodong jiuye qishi*). Job advertisements and employment brochures may not contain discriminatory content. Workers are entitled to equal pay for equal work and equal benefits. Workers are also entitled to join trade unions without regard to race, ethnicity, sex, occupation, religious belief or education level.

With regard to women, the law prohibits employers from inserting restrictions on marriage and child-bearing in labour contracts with female workers. The law also prohibits employers from reducing wages or rescinding labour contracts when female workers get married, become pregnant, go on maternity leave or are breastfeeding. Although Chinese law allows the exclusion of women from dangerous or physically intense work, companies are reminded that under international law, women may not be excluded from certain employment sectors merely by reference to their gender. Chinese law bans sexual harassment against women and gives victims the right to lodge complaints with the relevant government bodies. The law also prohibits discrimination against women when making decisions about retirement, although the mandatory retirement age is set differently for men and women.

With regard to national ethnic minorities, the law requires enterprises situated in the autonomous regions to give preference to ethnic minorities in recruitment.

Chinese law requires employers to maintain a quota of at least 15 percent disabled workers, sometimes more according to local provincial regulation. Employers who fill the quota are given tax and other preferences. If the quota is not reached, the employer must contribute to an employment fund for the disabled. Companies that employ disabled persons should make accommodations to provide them with appropriate working conditions, such as installing special equipment or facilities.

The new Employment Promotion Law adds that employers may not refuse to hire persons who carry infectious diseases if there is little risk of contagion. More generally, the law on infectious diseases prohibits discrimination against those who suffer or are suspected to suffer from infectious diseases. Specific regulations prohibit employment discrimination against people with Hepatitis B or HIV/AIDS as well as their family members. Furthermore, employers may not test workers for Hepatitis B when the worker's liver functions are not relevant to the job position and the position is not closed off to Hepatitis B carriers according to the relevant regulations.

In recognition of the plight of China's migrant workers, new legislation specifically guarantees migrant workers' equal right to employment as urban residents. Question 9 focuses specifically on the company's non-discrimination obligations regarding migrant workers.

Under Chinese law, employers have an obligation to establish a system for professional training and to set aside funds for workers' vocational training. As with other employment conditions and benefits, the employer should ensure that all workers have access to training opportunities without discrimination.

According to Chinese law, workers may report acts of discrimination to the local labour administrative department and petition for arbitration. Workers also have the right to bring a lawsuit for discrimination. In particular, women and disabled persons may file a complaint with a women's organisation or organisation for the disabled, which are empowered to require the relevant departments or entities to investigate the matter. Companies can be subject to fines and other civil, administrative and criminal sanctions for violating anti-discrimination provisions.

In addition, most administrative regions have incorporated anti-discrimination provisions into their local labour regulations. Companies are advised to consult the relevant local regulation in order to adequately assess their non-discrimination obligations.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has policies in place to ensure that hiring, placement, remuneration, advancement, training, discipline, retirement and termination decisions are based only on objective factors (i.e. the skills, qualifications and experience required for the position). Such policies and decisions are not based on criteria such as gender, age, nationality, ethnicity, race, colour, belief, language, mental or physical disability, organisational affiliation, political orientation, opinion, health status, marital status, sexual orientation, social origins, birth or civic characteristics.					
2	The company has a procedure to ensure that workers are hired only on the basis of the skills, qualifications and experience required for the position.					
3	Job advertisements and descriptions do not make reference to irrelevant characteristics or impose irrelevant requirements, unless it is with the purpose of implementing a policy on affirmative action towards ethnic minorities and disabled persons as provided in Chinese law.					
4	The company does not ask job applicants or current workers questions or require them to sign agreements regarding their marital status or intent to have children in the process of recruitment, evaluation or advancement.					
5	The company does not require or pressure job applicants or current workers to take a Hepatitis B or HIV/AIDS test or any other health test not related to the nature of their employment.					
6	The company has a procedure to ensure that remuneration and remuneration-related items (bonuses, wage deductions, promotions, commissions) are based on objective factors and are implemented in a non-discriminatory manner among all workers.					
7	The company has a procedure to ensure that company benefits and services, such as sick leave, leave and holiday, health care, transportation, housing and dining facilities (if applicable) are provided in a non-discriminatory manner to all workers.					
8	The company has a procedure to ensure that workers are evaluated, disciplined or dismissed on the basis of objective factors and in a non-discriminatory way.					
9	The company offers training programmes to all workers on a non-discriminatory basis to help workers achieve the qualifications necessary to acquire positions at all levels within the company.					

10	The company provides anti-discrimination education and training to all of its workers, security guards, and managers to ensure they are aware of the company's policies and procedures on non-discrimination.					
11	The company distributes a prevention policy on workplace harassment, including sexual harassment, which notifies workers and managers of their obligations to refrain from harassing or demonstrating abusive conduct and instructs them how to report such incidents or seek help.					
12	An individual or department in the company is responsible for monitoring company compliance with non-discrimination and equal opportunity standards and policies at all stages of employment.					
13	The company has set up an adequate grievance mechanism to handle discrimination issues, and a workers' representative acts as the workers' focal point on employment discrimination issues.					
14	An external audit reveals that there is no indirect discrimination at any stage of hiring, placement, remuneration, advancement, training, discipline, retirement or termination decisions in the company. If the audit reveals discrimination against one or many groups, the company takes measures to correct its discriminatory practice.					
15	Workers and their representatives confirm that the company's employment practices are non-discriminatory and that discrimination issues are handled in a transparent and fair manner.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 1, 2, and 23; ICCPR (1966), Article 26; ICESCR (1966), Article 7(a); Convention on the Elimination of All Forms of Racial Discrimination (1965), Article 5 (e) (i); Convention on the Elimination of All Forms of Discrimination Against Women (1979), Articles 1 and 11(1); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Article 7; Convention on the Rights of Persons with Disabilities (2006), Articles 8 (1), 9 (1) (a) and 27; ILO Right to Organise and Collective Bargaining (C98, 1949), Article 1; ILO Equal Remuneration Convention (C100, 1951), Articles 1 and 2; ILO Discrimination (Employment and Occupation) Convention (C111, 1958) Article 1, 2 and 3; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 21, 22 and 41; UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Article 2.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Elimination of All Forms of Discrimination Against Women (1979); Convention on the Elimination of All Forms of Racial Discrimination (1965); Convention on the Rights of Persons with Disabilities (2006); ILO Equal Remuneration Convention (C100, 1951); and ILO Discrimination (Employment and Occupation) Convention (C111, 1958). China's ratification of the disability convention in 2008 represents a big step forward for the rights of disabled persons because of the convention's comprehensive Article 27 on disabled persons' rights in work and employment.

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Articles 4, 33, 45, 48
 - Employment Promotion Law of the PRC (NPC, no. 70, 2008), Articles 3, 25-31, 47, 55, 60, 62, 67-68
 - Labour Contract Law of the PRC (NPC, no. 65, 2008), Article 42
 - Law of the People's Republic of China on the Protection of Disabled Persons (NPC, no. 3, amended 2008), Articles 2-3, 30, 33, 36, 38-39, 59-60, 64
 - Law of the PRC on the Protection of Women's Rights and Interests (NPC, 1992, amended 2005), Articles 2, 4, 22-27, 40, 52-53, 57-58
 - Law of the PRC on Prevention and Treatment of Infectious Diseases (NPC, no. 17, 1989, amended 2004), Article 16
 - Trade Union Law of the PRC (NPC, 2001), Article 3
 - Law of the PRC on Regional National Autonomy (NPC, 1984, amended 2001), Articles 9, 11, 23
 - Labour Law of the PRC (NPC, no. 28, 1995), Articles 3, 12-14, 46, 67-68
 - Advertising Law of the PRC (NPC, no. 34, 1995), Articles 7-8
 - Regulation on the Employment of the Disabled (Order of the State Council, no. 488, 2007), Articles 3, 8-9, 11-14, 17, 27
 - Regulation on the Prevention and Treatment of HIV/AIDS (Order of the State Council, no. 457, 2006), Articles 3, 10
 - Regulation Concerning the Labour Protection of Female Staff and Workers (Order of the State Council, no. 9, 1988), Articles 3-4, 12-13
 - Provisions on Employment Services and Employment Management (Ministry of Labour and Social Security, no. 28, 2008), Articles 4-5, 9, 16-20, 58, 68
 - Opinion on Safeguarding the Right to Employment of Hepatitis B Surface Antigen Carriers (Ministry of Labour and Social Security, no. 17, 2007), No. 2-3
 - Provisions on the Administration of Human Resource Markets (Ministry of Personnel & State Administration for Industry and Commerce, no. 4, 2005), Articles 3, 39
 - Opinion on Administering HIV Carriers and AIDS Patients (Ministry of Health, no. 164, 1999), No. 3(2)

No. 9: Migrant Workers

Does the company ensure that the employment policies, procedures and practices applied to migrant workers are not less beneficial than those applied to other workers; and does it take measures to adequately address the needs of migrant workers and their dependants?	Yes	No	F/A	N/A	No Info

Narrative description:

In China, more than 150 million members of the work force are natives of rural areas who have migrated to the cities to find work, primarily in low-skilled, labour-intensive, export-oriented sectors. Because of the Chinese household registration system (户口, *hukou*), these internal migrants are more vulnerable than other workers, as this system prevents them from enjoying the same rights as urban Chinese citizens. *Hukou* refers to the Chinese system of residency permits. It consists of an official household registration record that identifies each Chinese citizen as a resident of an area and includes identifying information such as name, date of birth and names of parents and spouse. Chinese citizens have to be registered with the local public security bureau, and they can have only one place of permanent registration. Thus, those seeking employment in urban areas away from their place of permanent registration must obtain temporary registration or a residency permit, which is the legal basis for residence and the key basis of legal identity. This permit is necessary in order to work, rent housing, open a bank account, enter public buildings (e.g. libraries) and receive registered mail, and also serves as personal identification. Migrant workers (农民工, *nongmingong*) and their accompanying dependents who lack adequate residency status cannot access health care, education or other social benefits because they are not registered in the area where they work.

By implication, the situation of Chinese migrant workers corresponds to the definition, as stated in relevant UN documents and ILO conventions, of an international migrant worker in terms of vulnerability to discrimination in employment, inadequate or lack of legal status and denial of social services to which they and their accompanying dependents are entitled.

The company should ensure that migrant workers are treated equally compared to non-migrant workers. This applies not only to working conditions such as hiring, remuneration, promotion, working hours, rest periods, minimum age, health and safety standards and termination, but also to employment status such as labour contracts. All migrant workers, even those who have been hired via a recruitment agency, must have a labour contract that grants them employment conditions and benefits equal to those of other workers. The company should also ensure that migrant workers have equal access to information and representation concerning their labour rights.

The central government encourages local authorities to simplify the process of registration for migrant workers and to loosen the requirements allowing more migrant workers to relocate their *hukou* to their place of work and residence. The company should ensure that hired migrant workers have obtained or are in the process of obtaining an adequate residency status that will give them a legal status in the area where they work. This includes providing migrant workers with documents and other support needed for them to obtain a residence permit. The company should also take measures to address migrant workers' special needs. This includes providing appropriate assistance to migrant workers' accompanying dependents to facilitate their access to education, housing (through company-provided housing facilities) and food (through company-provided dining facilities); accommodations for holidays (e.g. longer leave or transportation in order to travel home around Chinese New Year); and other needed adjustments.

The Chinese constitution guarantees that all citizens are equal before the law. In recent years the Chinese government has passed numerous laws, regulations and directives that attempt to address the acute need to improve the protection of migrant workers' rights and reduce inequalities.

The Employment Promotion Law as well as directives issued by the State Council clearly state that migrant workers have the same rights as urban workers to seek employment in the cities, and that no discriminatory restrictions may be placed on them. Companies may not discriminate against migrant workers in hiring (including minimum age requirements), remuneration, bonuses and deductions, probationary period,

working hours, overtime pay, leave and holiday, job training, occupational health and safety, promotion, termination, or union membership.

Companies may not raise recruitment requirements for migrant workers. Upon the establishment of an employment relationship, the employer must sign labour contracts with all migrant workers on equal terms as all other workers according to the Labour Contract Law. The contract should be signed directly by the employing unit and the worker on an equal and voluntary basis. Contracts with migrant workers must clearly specify wage standards, wage items, form of wage payment and time of payment. Migrant workers should be informed of the company's disciplinary rules before signing the labour contract. In addition, companies must adhere to the normal cap on probationary period when they employ migrant workers. During the period of employment, migrant workers are entitled to all the protections offered under the Labour Law. Similarly, like other workers, migrant workers are entitled to refer labour disputes to the national labour dispute mediation and arbitration system.

Migrant workers are entitled to democratic management of the companies they work for, like other workers. Thus, workers' representatives assembly should have migrant worker representatives. Migrant workers also have the right to join trade unions, and trade unions have the duty to defend migrant workers' rights, especially in the problem areas of labour contracts, wages, working conditions and occupational health and safety. The ACFTU has instructed trade unions to provide consultation and legal advice to migrant workers and assist them in labour disputes. Similarly, trade unions are urged to use their networks to help facilitate migrant workers' travel arrangements during holiday season and when they need to return home.

Chinese law seeks to address the common problem of companies not paying migrant workers their wages on time or at all. Employers must comply with the relevant regulations on wage payment and may be required by local authorities to set aside a deposit to ensure migrant workers are guaranteed their wages on time. Migrant workers must be paid in currency, not in-kind contributions of goods or foodstuffs. In addition, migrant workers are entitled to equal wages for equal work, and to the local minimum wage, even if they work according to a piece-rate system. The local minimum wage standard must be adjusted at least once every two years in consideration of migrant workers' conditions. Migrant workers are also entitled to leave and holiday and overtime pay on the same basis as other workers. Companies who fail to pay wages on time to migrant workers may be ordered to stop production or have their business license revoked.

Safeguarding migrant workers' right to occupational health and safety is also high on the government agenda. Companies must inform and train new migrant workers on production safety, occupational hazards, emergency plans, their rights and obligations and the relevant laws and regulations. Companies should maintain files for each migrant worker detailing the worker's participation in health and safety training and relevant certifications. Companies must also supply protective equipment to migrant workers and periodically provide them with health exams. Migrant workers who operate high-risk equipment or engage in high-risk tasks must undergo specialised training and obtain the proper certifications. Moreover, companies should enrol their migrant workers in the national occupational injury insurance scheme and pay the premiums. If a migrant worker is not covered by insurance and suffers an injury on the job, the company should pay all expenses according to the Regulation on Work-Related Injury Insurance.

The government also encourages skills training of migrant workers in order to enhance their employment and entrepreneurial capabilities. The company should provide migrant workers with the appropriate job training for their position, or it may be required to contribute to a public worker training fund.

Since migrant workers often experience difficulty in securing adequate housing in the local area, the Chinese government gives companies the responsibility of assisting migrant workers to secure housing and gradually improve their living conditions. Companies that employ many migrant workers should build dormitories or arrange other types of free or low-cost housing for them. More discussion about this question can be found in Question no. 19 on 'Company-provided Housing Facilities'.

In principle, the company should contribute premiums to health insurance for its migrant workers and include them in a basic health insurance scheme. But this obligation may vary according to local regulations.

Overall, companies should help create a beneficial working and living environment for their migrant workers, in view of the fact that they have often travelled far from home and do not enjoy the same rights and services as local residents. Companies should also keep in mind that although Chinese laws and regulations

generally do not make provisions for migrant workers' dependent family members, international standards usually seek to safeguard the rights of both migrant workers and their family members.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company's policy on non-discrimination covers the equal treatment of migrant workers.					
2	The company provides education and training to all of its workers, security guards and managers to ensure they are aware of the company's policies and procedures on non-discrimination against migrant workers.					
3	The company has procedures to ensure that migrant workers, whether hired directly by the company or through recruitment agencies, are paid their wages equally (equal wage for equal work), in full and on time according to the local minimum wage standard.					
4	The company has procedures to ensure that its migrant workers have obtained or are in the process of obtaining adequate residency status; the company provides all necessary support and documents to the migrant worker in order to facilitate registration.					
5	The company has procedures to ensure that all of its migrant workers, including those hired via a recruitment agency, have signed a labour contract within one month of the start of employment, as per Chinese law.					
6	The company has procedures to ensure that its migrant workers have access to information about their rights and obligations, whether through the company's human resource department, the trade union or the local authorities.					
7	The company's migrant workers are proportionally represented by workers' representatives.					
8	The company makes adjustments to accommodate the special needs of migrant workers (e.g. providing housing and dining facilities, and facilitating transportation home around holidays such as Chinese New Year).					
9	Migrant workers, workers' representatives, and the trade union confirm that the treatment and working conditions of migrant workers are of the same quality as those applied to other workers.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 13, 23, 24 and 25; ICCPR (1966), Articles 7 and 12 (1); ICESCR (1966), Articles 2 (1), 2 (2) and 7; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Articles 7, 25, 26, 27 and 54; ILO Migration for Employment (Revised) Convention (C97, 1949), Article 6 (1); ILO Equal Remuneration Convention (C100, 1951), Article 2; ILO Plantations Convention (C110, 1958); ILO Discrimination (Employment and Occupation) Convention (C111, 1958) Article 1, 2 and 3; ILO Migrant Workers (Supplementary Provisions) Convention (C143, 1975), Articles 8 (2),

9, 10 and 12; ILO Declaration on Fundamental Principles and Rights at Work (1998), Article 2 (d); Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 22 and 33; UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Article 2.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966). For reference on this issue the Committee on Economic, Social and Cultural Rights has issued Conclusions and Recommendations for the People's Republic of China in 2005 (U.N. Doc. E/C.12/1Add.107 (2005)), see paras. 15, 24, 37 and 53 relating to migrant workers. In addition, China is a member of the ILO and has ratified four of the eight ILO core conventions, namely Conventions No. 100 and No. 111 related to non-discrimination in employment and occupation and No. 138 and No. 182 relating to child labour.

However, China has not ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990). Nor has it ratified the ILO Migration for Employment (Revised) Convention (C97, 1949) or the ILO Migrant Workers (Supplementary Provisions) Convention (C143, 1975).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Article 33
- Employment Promotion Law of the PRC (NPC, no. 70, 2008), Articles 3, 31, 50
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 7-8, 10, 19-21, 83
- Law of the PRC on Labour Dispute Mediation and Arbitration (NPC, no. 80, 2008), Articles 2-5, 9
- Notice by the State Council on Carrying Out Current Work on Migrant Workers (State Council, no. 130, 2008), No. 1-2, 4-5
- Opinion of the State Council on Solving the Migrant Worker Problem (State Council, no. 5, 2006), No. 2, 5-14, 17-18, 20-21, 24-26, 28, 30
- Notice by the State Council on Further Improving the Employment Environment of Migrant Workers in Cities (State Council, no. 92, 2004), No. 1-2
- Notice by the State Council on Employment Management and Service for Migrant Workers in Cities (State Council, no. 1, 2003), No. 2-6
- Guiding Opinion on Further Strengthening Production Safety for Migrant Workers (State Administration of Work Safety, no. 19, 2009), No. 1-2
- Notice on Using Industry and Commerce Administrative Capabilities to Implement Work on Migrant Workers (State Administration for Industry and Commerce, no. 14, 2009), No. 2, 6
- Provisions on Employment Services and Employment Management (Ministry of Labour and Social Security, no. 28, 2008), Articles 4-5
- Notice on Further Strengthening Occupational Injury Insurance at State-owned Enterprises (Ministry of Labour and Social Security, no. 36, 2007), No. 2
- Guiding Opinion on Improving Migrant Workers' Living Conditions (Ministry of Construction, etc., no. 276, 2007), No. 2(3)-(6), No. 3(10)-(11), No. 4(12)
- Opinion on Strengthening the Learning and Using of Law by Peasants (Ministry of Justice, etc., 2007), No. 4(4)
- Opinion on Strengthening Safety Training for Migrant Workers (State Administration of Work Safety, etc., no. 228, 2006), No. 3-5
- Opinion on Implementing the State Council Opinion on Solving the Migrant Worker Problem (Ministry of Labour and Social Security, no. 15, 2006), No. 1-3, 7-9
- Notice on Further Improving the Working and Living Environment of Migrant Workers in the Construction Industry in order to Safeguard their Occupational Health (Ministry of Construction & ACFTU, no. 58, 2006)
- Notice on Strengthening the Management of Labour Contracts with Migrant Workers in the Construction and Other Industries (Ministry of Labour and Social Security, etc., no. 9, 2005), No. 2-3, 6
- Notice on Legal Education and Training for Migrant Workers in the Construction Area (Ministry of Construction, no. 102, 2005)
- Notice by the ACFTU on Protecting Migrant Workers' Legal Rights and Interests (ACFTU, 2009), No. 3-7

- Notice on Campaign for Migrant Workers to Safely Return Home (ACFTU, no. 56, 2006)

No. 10: Minimum Age Standards

Does the company comply with minimum age standards, and does it take immediate action when it becomes aware that it has hired underage workers?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international law, children are entitled to the basic right to education and must not be hired to work before completing their compulsory education. If the company becomes aware that it has hired underage workers, it must take immediate action to remedy the situation. Since poverty and lack of social services are the main causes of child labour, simply dismissing underage workers may be harmful and disruptive to their lives, forcing them into more dangerous work, prostitution, homelessness or starvation. Instead, the company should make efforts to enrol the children in an educational programme and assist them in making the transition from work to school. The company might also consider collaborating with other companies operating in the same location to collectively address the problem.

Children have the right to receive education under the Chinese constitution, and employers may not recruit school-age children who should be receiving their nine-year compulsory education. According to Chinese legislation, the minimum age for entry into employment is 16 years, which is higher than the ILO's minimum age standard of 15 years. Although certain employers from the field of arts, crafts and sports may employ children under 16 (童工, *tonggong*) as professional athletes or artistic workers, they must obtain special approval, including parental consent, and must guarantee the child's health and right to compulsory education. To ensure that they do not illegally employ children, employers must verify the ID cards of potential workers and maintain employment registration and verification files on their workers. If the company discovers that it is using child labour, it must arrange for and bear the expense of sending the child back to his/her place of residence and family. Illegal recruitment and employment of children under 16 can result in fines, administrative sanctions, revocation of business license and criminal liability. Children between 16 and 18 (未成年工, *weichengniangong*) may work, but employers that hire such workers must register with the local labour administrative bureau and obtain a young worker registration certificate. Young workers also enjoy additional protection under the law, as described in Question no. 11.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy regarding the minimum age for employment that complies with Chinese law.					
2	The company requires job applicants to provide copies of birth certificates or other official forms of identification to verify their age before being hired by the company.					
3	In relation to young migrant workers from regions or countries where birth certificates are not common or frequently falsified, the company has a procedure for determining the age of young job applicants.					
4	Company hiring managers are aware of the forms of ID forgery commonly used in China and are able to spot such forgeries.					
5	Records on workers from the past year confirm that the company does not employ child workers.					
6	If the company becomes aware that it is employing children of school age, the company arranges for and pays the expense of sending the child back to his/her place of residence and family.					
7	Workers' representatives and local NGOs confirm that the					

company follows clear policies and procedures regarding the minimum age for employment in compliance with Chinese law.					
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Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 24 and 26; ICESCR (1966), Articles 7 and 13 (1); Convention on the Rights of the Child (1989), Articles 28 (1) and 32; ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Article 15; ILO Minimum Age Convention (C138, 1973), Article 3.

There are also industry-specific ILO conventions on minimum age:

ILO Minimum Age (Industry) Convention (Revised) (C5,1919); ILO Minimum Age (Sea) Convention (Revised) (C7,1920) ; ILO Minimum Age (Agriculture) Convention (Revised) (C10, 1921); ILO Minimum Age (Trimmers and Stokers) Convention (Revised) (C15, 1921) ; ILO Minimum Age (Non-Industrial Employment) Convention (Revised) (C33, 1932); ILO Minimum Age (Sea) Convention (Revised) (C58, 1936); ILO Minimum Age (Industry) Convention (Revised) (C59, 1937); ILO Minimum Age (Non-Industrial Employment) Convention (Revised) (C60, 1937); ILO Minimum Age (Fishermen) Convention (Revised) (C112, 1959) ; ILO Minimum Age (Underground Work) Convention (Revised) (C123, 1965).

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Rights of the Child (1989); ILO Minimum Age Convention (C138, 1973); ILO the Minimum Age (Sea) Convention (Revised) (C7,1920); and ILO Minimum Age (Industry) Convention (Revised) (C59, 1937).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Article 46
- Law of the PRC on the Protection of Minors (NPC, no. 50, 1992, amended 2007), Articles 5, 28, 49
- Compulsory Education Law of the PRC (NPC, no. 52, 2006), Articles 2, 5, 14, 59
- 4th Amendment of the Criminal Code of the PRC (NPC, no. 83, 2002), Article 4
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 15, 94
- Provisions on the Prohibition of Using Child Labour (Order of the State Council, no. 364, 2002), Articles 2, 4, 6-9, 11, 13
- Regulation on Work-Related Injury Insurance (Order of the State Council, no. 375, 2004), Article 63
- Provisional Regulations of the PRC on Private Enterprises (Order of the State Council, no. 4, 1988, amended 1998), Articles 32, 42
- Regulations on Special Protection of Young Workers (Ministry of Labour, no. 498, 1995), Article 9

No. 11: Young Workers and Worst Forms of Child Labour

Does the company ensure that it does not hire minors (below 18 years of age) to perform work that is hazardous or harmful to their physical and mental health and safety, educational or moral development?	Yes	No	F/A	N/A	No Info

Narrative description:

The prohibition of the worst forms of child labour is one of the core labour rights of the ILO. While this core labour right applies with regard to any worker under the age of 18, Chinese legislation sets the minimum age for entry into employment at 16 years, as described in Question no. 10 on 'Minimum Age Standards'. The present question focuses on the special protection of young workers age 16 to 18 (未成年工, *weichengniangong*). Overall, Chinese legislation is in compliance with international standards with the exception of two areas specified in the description below as well as in the indicators.

Under Chinese legislation, young workers may not engage in work that is strenuous, dangerous or otherwise harmful to their health. Thus, the law prohibits hiring young workers to engage in work with Grade IV physical labour intensity and work that poses the harm of occupational disease. Moreover, young workers may not work underground, in mine pits, underwater, at high altitudes, in confined spaces, in extreme temperatures or in contact with toxic, radioactive, inflammable or explosive substances. They are also restricted from carrying heavy loads, repetitive work and operating dangerous machinery. It should be noted that Chinese law tends to focus on protecting young workers from physical dangers, whereas ILO standards are more comprehensive and require young workers to be protected from work that compromises their health, safety or morals, including work that would expose them to psychological, emotional or physical abuse.

In principle, working hours for young workers should be less than those stipulated by law for adult workers. Thus, young workers should not work more than eight hours a day and should not work overtime or night shifts. When appropriate, employers should extend young workers' rest times and annual holidays. International standards establish that young workers may not work at night, which means that they must have a break between shifts of at least 12 consecutive hours.

Chinese legislation also requires employers to provide and pay for a health examination of young workers before they begin work and regularly throughout employment. Employers should assign suitable work to the young worker based on the results of the health examination. Additionally, before commencing work, young workers should receive relevant education and training regarding occupational health and safety.

Employers that violate the law regarding young workers may incur fines or even criminal liability. Should young workers become ill or injured at work, employers are responsible for transporting the child to a medical facility and for bearing all medical and living expenses during the period of medical treatment.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has guidelines defining which work tasks at the company compromise young workers' health, safety or morals, including work that would expose them to psychological, emotional or physical abuse, and the company has a policy against assigning young workers to these tasks.					
2	The company does not hire or contract young workers to work underground, underwater, at dangerous heights or in confined spaces.					
3	The company does not hire or contract young workers to work with dangerous machinery, equipment, or tools, or to					

	manhandle or transport heavy loads.					
4	The company does not hire or contract young workers to perform work in an environment that exposes them to hazardous substances, agents or processes or to temperatures, noise levels or vibrations damaging to their health.					
5	The company does not hire or contract young workers to perform tasks that would expose them to psychological or emotional abuse.					
6	The company does not hire or contract young workers to work at night and allows them a rest period of at least 12 consecutive hours per day.					
7	The company arranges and pays for the medical examination of young workers before they begin work as well as regularly during employment to ensure their physical and mental ability to perform the assigned tasks.					
8	Human resource staff and line managers are trained in and demonstrate awareness of the importance and implications of providing special protection to young workers.					
9	Workers' representatives and medical examinations confirm that the company does not hire workers under the age of 18 to perform work that may be hazardous or harmful to their physical and mental health and safety and to their educational or moral development.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 4, 23, 24 and 25; ICESCR (1966), Article 7; Convention on the Rights of the Child (1989), Article 32; ILO Night Work of Young Persons (Non-Industrial Occupations) Convention (C79, 1946), Articles 2, 3 and 4; ILO Night Work of Young Persons (Industry) Convention (Revised) (C90, 1948), Articles 2 and 3; ILO Minimum Age Convention (C138, 1973), Articles 3, 5 and 7; ILO Worst Forms of Child Labour Convention (C182, 1999), Article 3; ILO Night Work of Young Persons (Non-Industrial Occupations) Recommendation (R80, 1946); ILO Worst Forms of Child Labour Recommendation (R190, 1999); ILO Minimum Age for Admission to Employment Recommendation (R146, 1973), Part IV; ILO Night Work of Children and Young Persons (Agriculture) Recommendation (R14, 1921).

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Rights of the Child (1989); ILO Minimum Age Convention (C138, 1973); ILO Worst Forms of Child Labour Convention (C182, 1999).

- *The above question is based on the following principles in Chinese legislation:*

- Law of the PRC on the Protection of Minors (NPC, no. 50, 1992, amended 2007), Article 28
- Law of the PRC on Prevention and Treatment of Occupational Diseases (NPC, no. 60, 2002), Articles 35, 68
- 4th Amendment of the Criminal Code of the PRC (NPC, no. 83, 2002), Article 4
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 64-65, 95
- Law of the PRC on Safety in Mines (NPC, no. 65, 1993), Article 29

- Provisions on the Prohibition of Using Child Labour (Order of the State Council, no. 364, 2002), Article 10
- Regulations on Labour Protection in Use of Toxic Substances at Work (Order of the State Council, no.352, 2002), Article 7
- Regulations on Working Hours (State Council, no. 146, 1994, amended by no. 174, 1995), Articles 3-4
- Implementation of State Council Regulations on Working Hours (Ministry of Labour, 1995), Articles 3-4
- Regulations on Special Protection of Young Workers (Ministry of Labour, no. 498, 1995)

No. 12: Freedom of Movement and Choice in Work

Does the company ensure that workers' employment does not imply restrictions on their freedom of movement, right to and choice to work or employment opportunities?	Yes	No	F/A	N/A	No Info

Narrative description:

This question relates to three fundamental rights protected under international law: freedom of movement (ICCPR, Article 12), prohibition of debt bondage and forced labour (ICCPR Article 8) and the right to work (ICESCR Article 6(1): "the right to work...includes the right of everyone to the opportunity to gain his/her living by work which he/she freely chooses or accepts").

These three rights are intrinsically linked in the business environment because company practices may lead to restrictions on workers' freedom of movement and choice to work and employment opportunities. Such practices may cause restrictions either directly or indirectly. Practices directly causing restrictions include restricting workers' movement during or even after working hours by threat or use of force. Companies can limit workers' ability to use the toilet, eat, drink, and take breaks. Workers could also be locked inside the workplace or company-provided housing facilities. Moreover, workplaces could at times be monitored by security guards carrying handcuffs and electric batons, creating an atmosphere of intimidation and harassment. Even after working hours, workers could be restricted in going in and out of the factory premises.

Besides direct restrictions, there are three key areas of practices that indirectly restrict workers' freedom of movement and choice in work. Firstly, companies or recruitment agencies sometimes retain workers' ID cards or travel documents. This puts the worker in a situation where he/she is unable to leave the company and work elsewhere until the company or the recruitment agency decides to return the personal documents. For migrant workers, the retention of their personal documents can render it impossible for them to travel back to their home town, which restricts their right to family life.

Secondly, companies or recruitment agencies sometimes retain workers' wages, bonuses, or compensation owed to the worker, or they impose various fines to restrict workers' freedom. In cases of wage retention (工资克扣、拖欠, *gongzi kekou tuoqian*), which could last for many months, the worker becomes financially dependent to the company, which restricts his/her freedom to choose or accept other employment opportunities. Additionally, the retention of wages can have consequences on the worker's right to food, housing, education, etc., especially if the retained wages encroach upon the worker's living wage and when the worker's wage is the main income for the worker and his/her dependants. Furthermore, workers are often compelled to work overtime by factory management with threats of wage deductions, fines, or other disciplinary penalties if they refuse. Workers may also be required to pay a fine when he/she dissolves the employment relationship.

The third area concerns various kinds of debt construction of the worker towards the company or recruitment agency. This occurs when workers are required to pay a lump sum deposit or a hiring fee as a prerequisite for employment. In some cases a company or the recruitment agency will pay on behalf of the worker and may then force the worker to work until the debt is paid off. Workers may also be pressured to lodge a monetary deposit with the company upon the start of employment, ostensibly as a way to offset deductions taken for damages to company property or disciplinary fines. The procedures for calculating how and when the debt is compensated through labour are not transparent. Migrant workers are at particularly high risk for being caught in such debt constructions because they are often required to pay various fees related to their residency permit and hiring.

The company must avoid any practices that may infringe upon workers' freedom of movement and choice to work and employment opportunities. Moreover, it should conduct proper due diligence to minimise the risk of being complicit in violations by third parties, including in particular recruitment agencies.

The Chinese Constitution safeguards the freedom of the person of its citizens. Chinese labour law is premised on the principle of equality and voluntariness in the employment relationship. Workers have the right to choose jobs on their own. Thus, labour contracts concluded through fraud or duress are invalid. At the time of employment, the employer may not retain a worker's ID card or other papers. The employer also may not demand the worker to provide a guaranty or collect money or other property from the worker under any guise or excuse. Moreover, Chinese law provides that workers are free to leave their employment at any time by giving 30 days written notice (three days during the probationary period). Employers may not charge a penalty fee if the worker breaks the contract, except in very limited circumstances (i.e. when the employer subsidised special training expenses for the worker, or if the worker breaches a non-competition agreement).

For related issues with regard to overtime, please refer to Question no. 1 on 'Hours of Work'. For related issues with regard to wage payments, please refer to Question no. 2 on 'Living Wage' and Question no. 3 on 'Procedures on Salary and Other Payments'. For related issues with regard to security guards, please refer to Question no. 14 on 'Security Services'. For related issues with regard to recruitment agencies, please refer to Question no. 26 on 'Recruitment Agencies'.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy stating full commitment to respect workers' freedom of movement and choice to work and employment opportunities, including a zero-tolerance policy for any violations of such workers' freedom by the company's recruitment agencies.					
2	The company has a procedure to ensure that workers are not coerced to work by security guards or line managers and that workers are free to leave company premises or company-provided housing at the end of their shifts or during breaks without interference from security guards or any other staff.					
3	The company keeps only photocopies of workers' ID cards, residency permits, and travel documents and always returns the originals to the workers.					
4	The company pays its workers their wages in full and on a regular and timely basis; and the company does not withhold a portion of the worker's salary or benefits.					
5	The company has procedures to prevent arrangements that put workers in debt constructions of any kind (e.g. by charging hiring fees or deposits).					
6	All workers are allowed to leave the employ of the company after reasonable notice as provided in Chinese law, without fear of punishment or imposition of penalty fees.					
7	The company has implemented elaborate due diligence procedures to ensure that recruitment agencies do not infringe on workers' freedom of movement and choice to work and employment opportunities as specified in the above indicators.					
8	Workers and their representatives confirm that no direct or indirect factors in the recruitment process or the employment situation restricts them from working voluntarily, leaving company premises and company-provided housing at the end of their shifts or during breaks and leaving the employ of the company.					

9	Monitoring procedures performed by the company confirm that no recruitment agency used by the company infringes on workers' freedom of movement and choice to work and employment opportunities as specified in the above indicators.					
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Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 4, 12, 13 and 23; ICCPR (1966), Articles 8, 11 (2), 12 and 17; ICESCR (1966), Article 6; Convention on the Rights of the Child (1989), Articles 19(1), 28, 32 and 35; UN Slavery Convention (1926), Article 5; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Articles 8, 21 and 39; ILO Forced and Compulsory Labour Convention (C29, 1930), Articles 1, 2 and 5(1); ILO Abolition of Forced Labour Convention (C105, 1957), Article 2; ILO Forced Labour (Indirect Compulsion) Recommendation (R35, 1930), Article 3; Fact Sheet No.14 on Contemporary Forms of Slavery, UN Office of the High Commissioner for Human Rights (1991); ILO Code of Practice: Protection of Workers Personal Data (1997), Articles 5 (1), 5 (2), 5 (3), 5 (13), 6 (5), 8, 10 (1) and 10 (3); UN Guidelines for the Regulation of Computerized Personal Data Files (1990), Articles 1, 3 (a), 5 and 7; OECD Guidelines: On the Protection of Privacy and Transborder Flows of Personal Data (1980), Articles 9 and 11.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966), through which China recognises the right of every person to the opportunity to gain his/her living by work which he/she freely chooses or accepts, and ensures it will take appropriate steps to safeguard this right. China has also ratified the UN Slavery Convention (1926) and the Convention on the Rights of the Child (1989).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Articles 37-38
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 3, 9, 25-26, 30-31, 37-38, 46, 58, 60, 62, 65, 84-85, 88
- Employment Promotion Law of the PRC (NPC, no. 70, 2008), Articles 39, 41, 66
- Law of the PRC on Public Security Administration Punishments (NPC, no. 38, 2006), Article 40
- Law of the PRC on Resident Identity Cards (NPC, no. 4, 2004), Articles 15-16
- Criminal Law of the PRC (NPC, no. 83, 1997), Articles 234, 238, 241, 244
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 17-18, 31-32, 41, 50, 90-91, 96
- Provisions on Employment Services and Employment Management (Ministry of Labour and Social Security, no. 28, 2008), Articles 6, 14, 46, 58, 74
- Regulation 1 by the Supreme People's Procuratorate and the Ministry of Public Security on the Prosecution Standards for Criminal Cases under the Jurisdiction of Public Security Organs (no. 36, 2008), Article 31
- Regulations on Management of Security Services Companies (Ministry of Public Security, 2000), No. 13
- Opinion on Some Questions on Implementing the Labour Law of the PRC (Ministry of Labour and Social Security, no. 309, 1995), No. 16, 24, 71
- Regulations on Management of Security Services (*Draft*) (State Council, 2008, not in force), Article 24

No. 13: Worker Privacy

Does the company respect the privacy rights of its workers whenever it gathers private data or implements worker-monitoring practices?	Yes	No	F/A	N/A	No Info

Narrative description:

The company will almost certainly need to gather information about its workers for legitimate purposes such as determining tax liability, providing health insurance and complying with lawful government requests for information. However, these practices must comply with international standards aimed at safeguarding workers' right to privacy. Hence, when gathering and maintaining personal information, the company must ensure that the collection of data has a legitimate business purpose and that the worker is aware of the purpose for providing the information. Personal information about a worker must be collected directly from the worker unless he/she consents, in writing, to the third-party release of personal information.

Almost all businesses monitor the workplace conduct of workers. This can range from periodic performance appraisals to electronic monitoring of output production and computer usage. Again, international standards are established to ensure that such practices do not violate workers' right to privacy. Hence, regardless of how the company decides to monitor its workers, its monitoring practices must be reasonable, proportional and justifiable to the business need served. Company manuals must outline exactly how the organisation intends to audit its staff and detail whether there will be periodic or random checks, or whether monitoring will occur only when corporate officers have reasonable suspicion of inappropriate activity. The scope of the policy should also be defined. The policy should clarify whether monitoring applies anytime a worker is using company equipment, such as a company laptop at home, or only when a worker is at the workplace using the company system.

In China all public institutions, civil society organisations, enterprises and other entities have an archives department that is responsible for collecting and maintaining files (档案, *dang'an*) generated in the course of the organisation's operations. The *dang'an* includes individual dossiers on workers and CPC members, which contain information on a person's background, physical characteristics, employment record, professional credentials, appraisals by supervisors and peers, academic reports from primary school to university, any criminal convictions or administrative penalties, club or society memberships and political history. While the personal dossier system is particularly relevant to white-collar, high-skilled workers pursuing promotions in the public sector, it is also important in the private sector context.

All enterprises, including private enterprises receiving foreign investment, have the duty to establish a system for administering and safeguarding these files and restricting access to them. In particular, dossiers on management personnel and professional skilled workers as well as Chinese personnel working for foreign companies must be managed by designated government authorities, and such dossiers may not be kept on company premises. Typically, one copy of a worker's dossier is kept by the local labour bureau, and another copy is retained by the local public security bureau. Files generated by an enterprise must be regularly transferred to government repositories in accordance with relevant procedures. Moreover, an enterprise is legally obligated to provide dossiers to government authorities that request them in the course of carrying out their lawful public duties. When a labour contract is terminated, the employer must transfer the worker's dossier to the new employer within a certain period of time and may be sanctioned if it retains the dossier.

A recent regulation requires employers to keep the personal information of workers confidential; any disclosure of such information requires the worker's written consent. Furthermore, it is strictly prohibited for an individual to privately retain another person's dossier. The Ministries of Health and Labour have also issued regulations protecting the privacy of people with HIV/AIDS, whose personal dossiers should be kept strictly confidential, and Hepatitis B. Thus, companies that carry out health checks on workers should ensure that health information (especially from workers with HIV/AIDS or Hepatitis B) are handled confidentially and kept in a secure location.

Failure to comply with regulations governing the administration and transfer of files can lead to fines, administrative sanctions and criminal liability. Notably, the Chinese government is currently working on a draft law to give greater protection to the privacy of personal data. The proposed changes would prohibit public officials from selling or leaking personal information. Companies and other persons who illegally obtain personal information may also face criminal liability. Thus, companies should monitor legal changes in this area. Overall, by international standards, the *dangan* system inherently entails risks of violating workers' right to privacy. While observing relevant Chinese legislation, the company should establish policies and procedures to ensure its compliance with international standards.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a privacy policy outlining its data collection and monitoring practices, including provisions for the kind of personal data that is retained on workers, the reasons why such data is required, where such data is stored, who has access and provisions for the disposal of data that are unnecessary, invalid or outdated.					
2	The company has a policy that complies with international standards with regard to sharing of personal data with third parties, including government agencies.					
3	Workers are informed of all workplace monitoring, and the company informs workers if they are targeted for special monitoring.					
4	Workers have access to all personal data collected about them, including data obtained through monitoring.					
5	The company does not reveal, retain or misuse any personal data about a worker that has inadvertently been collected during the monitoring process.					
6	The company takes measures to protect the security and confidentiality of any personal data gathered about its workers.					
7	Workers confirm that the company's collection of personal data and use of monitoring are clearly explained, transparent and reasonable.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 12; ICCPR (1966), Article 17; Convention on the Rights of the Child (1989), Article 16; ILO Code of Practice: Protection of Workers' Personal Data (1997), Sections 5, 6 (14) and 12 (2b); UN Guidelines for the Regulation of Computerized Personal Data Files (1990), Article 3 (a); OECD Guidelines: On the Protection of Privacy and Transborder Flows of Personal Data (1980), Article 9.

- *China's international obligations:*

China has ratified the following convention relevant to the question: Convention on the Rights of the Child (1989). China has signed but not yet ratified the ICCPR.

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Articles 4, 37-40
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 50, 84
- Archives Law of the PRC (NPC, no. 71, 1996), Articles 3, 7, 11, 13, 19-20, 24
- Regulations on Archives for Institutions (State Council, 1983), Articles 6, 11, 14, 21

- Provisions on Employment Services and Employment Management (Ministry of Labour and Social Security, no. 28, 2008), Article 13
- Opinion on Safeguarding the Right to Employment of Hepatitis B Surface Antigen Carriers (Ministry of Labour and Social Security, no. 16, 2007), No. 2(2)
- Implementation Program for the Law on Archives (State Archives Administration, no. 5, 1999), Articles 5, 9, 13, 18,
- Notice on Management of HIV Carriers and AIDS Patients (Ministry of Health, no. 164, 1999), No. 3(1)(2), 3(1)(6), 3(3)
- Provisional Regulations on Managing the Dossiers of Mobile Personnel (Ministry of Personnel, 1996), Articles 2, 4, 11, 14, 17-18
- Provisional Regulations on the Archive Management of Foreign-Funded Enterprises (Ministry of Foreign Trade and Economic Cooperation & State Archives Administration, 1994), Articles 3, 5-7, 9, 11-12, 14
- Program on Principles and Layout of the Establishment of National Archives Repositories (State Archives Administration, 1992), No. 3
- Regulations on Management of Dossiers of Enterprise Workers (Ministry of Labour & State Archives Administration, no. 33, 1992), Articles 2, 4-5, 8-10, 15-19
- Regulations on Cadre Dossiers (State Archives Administration, no. 13, 1991), Articles 2, 9-10, 19, 22, 30, 33
- Personal Data Protection Law (*Draft*)

No. 14: Security Services

Are company security staff trained by appropriate certified standards to handle security-related situations in a professional, defensive, preventive and non-violent manner, and are company security measures legitimate?	Yes	No	F/A	N/A	No Info

The company is allowed to use security staff to protect its workers and property and to ensure compliance with disciplinary rules at the workplace as well as at company-provided housing and dining facilities. However, international standards stipulate that private security staff must have clearly delimited mandates preventing them from overstepping their authority and improperly interfering with national law enforcement functions. The company must conduct adequate investigations when hiring potential security staff or security providers. All hired guards must have completed training under appropriate certified standards. Generally speaking, private security staff should only behave in a defensive and preventive manner and attempt to address security-related situations with non-violent means. Guards may only employ such measures as defensive force and body searches in specific situations of heightened security threat.

Security cameras or other surveillance devices should be used according to clearly stated policies and with due respect for workers' privacy. The company must have procedures in place to monitor the conduct of its security staff and the legitimacy of security measures. Furthermore, the company must have an effective grievance mechanism through which workers and community members can lodge complaints, without fear of retribution, concerning coercion, intimidation or abuse by security staff or other company staff. Such a grievance mechanism should have the authority to take appropriate remedial action.

In recent years the Chinese government has stepped up efforts to regulate and professionalise the provision of private security services. In addition to existing national and ministerial regulations, the State Council has prepared a new draft regulation that may come into force in the near future. Under current law, private security services (保安服务组织, *baohan fuwu zuzhi*) are supervised by the public security organs and must follow national regulations regarding registration, education and training, certification, service provision and jurisdiction. For example, all security guards (保安员, *baoyuan*) must receive at a minimum one to three months of training on security skills and equipment, legal knowledge and professional ethics, and must pass a qualifying examination and obtain a certificate from the public security organs.

Chinese law requires companies to adopt suitable internal security rules (e.g. rules covering security training and rules on monitoring and reporting security cases) and address security risks in a timely manner. Security staff should be hired according to strict standards, and should be regularly monitored and reviewed. The law specifically provides that security staff may not infringe upon the lawful rights and interests of others. In other words, they may not i) restrict or deprive a citizen's personal freedom, ii) conduct body searches, seize or confiscate a person's lawful documents or property, iii) insult or assault a person or incite another to assault a person, iv) hinder state authorities from carrying out their public duties, or v) settle debts or labour disputes on behalf of their clients. When on duty, security guards may use equipment that does not cause deadly harm, as regulated by the Ministry of Public Security. Security staff should keep records related to their patrol and inspection. Security staff who neglect their duties, abuse security equipment, insult or assault others or violate contracts must be seriously sanctioned.

Notably, the draft regulation issued by the State Council prohibits security staff from violating citizens' right to privacy. It also provides that the installation of monitoring devices should not infringe upon the lawful rights and interests of others. Moreover, companies may be sanctioned for installing eavesdropping or secret video surveillance devices.

A company may be fined or incur criminal liability for failure to follow applicable regulations. If its security staff infringes upon a person's rights, the company is liable for damages and may seek indemnity from the responsible security staff. A company is also liable for administrative or criminal sanctions if it insults, corporally punishes, assaults or illegally searches or restrains its workers.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has policies clearly defining the required role, responsibility and qualifications of security staff and preventing them from engaging in or interfering with national law enforcement functions.					
2	The company conducts due diligence investigations when hiring security staff or security providers.					
3	All company security staff have completed training under appropriate certified standards to handle security-related situations in a professional, defensive, preventive and non-violent manner.					
4	Body searches are only allowed in specific situations of heightened security threat and only by authorised security staff, and guards of both genders are provided as appropriate. Searches are performed by non-intrusive means (i.e. metal detectors) and pat-downs are only performed in exceptional cases. Strip searches are not allowed except by appropriate public law enforcement officials.					
5	Security cameras or other surveillance devices are used according to clearly stated guidelines with due respect for the privacy of workers. Workers are clearly notified of the presence of such devices, and these devices are restricted to legitimate public areas and not used in private areas, such as lavatories, bathing facilities, and sleeping quarters of company-provided housing facilities.					
6	The company has procedures in place to monitor the conduct of its security staff and the legitimacy of security measures, and adequate records/reports are kept on all security incidents.					
7	Workers, local law enforcement officials and other relevant external parties confirm that company security staff use only the minimal force necessary to handle security-related situations and refrain from engaging in or interfering with national law enforcement functions.					
8	The company has an effective grievance mechanism, mandated to take appropriate remedial action, through which workers and community members can lodge complaints, without fear of retaliation, about coercion, intimidation, or abuse committed by security staff or any other company staff.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 3; ICCPR (1966), Articles 6 (1) and 9 (1); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Article 16; UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Article 4; UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (1990), Articles 1, 3, 4, 5, 7, 8, 9, 10, 18, 19, 20, 22, 23 and 25; The Voluntary Principles on Security and Human Rights (for companies operating in the extractive and energy sectors).

- *China's international obligations:*

China has signed but not yet ratified the ICCPR. China has not ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990).

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Articles 37-40
 - Labour Contract Law of the PRC (NPC, no. 65, 2008), Article 88
 - Labour Law of the PRC (NPC, no. 28, 1995), Article 96
 - Regulation on Internal Security and Safeguard for Enterprises and Public Institutions (Order of the State Council, no. 421, 2004), Articles 2-3, 6-12, 19-20
 - Regulations on Supervision by Public Security Organs of Internal Security at Enterprise Units (Ministry of Public Security, no. 93, 2007), Article 4
 - Notice Regarding Training of Security Services Staff at Vocational Schools (Ministries of Education, Public Security, Labour and Social Security, no. 3, 2007)
 - Measure to Manage Security Training Institutions (Order of the Ministry of Public Security, no. 85, 2006)
 - National Professional Standards for Security Staff (Trial Run) (Ministry of Public Security & Ministry of Labour and Social Security, 2006)
 - Regulations on Management of Security Services Companies (Ministry of Public Security, 2000), No. 2-3, 6, 12(5), 13
 - Notice Regarding Improving Security Services Work (Ministry of Public Security, no. 16, 1992), No. 1-3, 5
 - Regulations on Management of Security Services (*Draft*) (State Council, 2008, not in force), Articles 6-7, 13-16, 18-19, 21, 24-25, 27, 31-34

No. 15: Labour Discipline

Does the company ensure that disciplinary rules and procedures are formulated and operated in a fair, consistent, non-discriminatory and transparent manner?	Yes	No	F/A	N/A	No Info

Narrative description:

The company may establish disciplinary rules and procedures to promote orderly employment relations as well as fairness and consistency in the treatment of individuals. Management is responsible for maintaining discipline and setting standards of performance within the company. This includes ensuring that disciplinary rules and procedures cover issues of worker conduct and capability. However, disciplinary rules and procedures must comply with internationally recognised standards of fairness in terms of process and sanctions. Rules and procedures must be accepted as reasonable by those who apply them as well as those who follow them. To this end, management should negotiate with worker representatives on an equal basis to reach agreements on disciplinary rules and procedures. However, workers' representatives should not in any way be expected to enforce the rules, as this is the duty of management representatives such as security staff.

When drawing up disciplinary rules, the aim should be to clearly and concisely specify rules that are necessary for the efficient and safe performance of work as well as the maintenance of satisfactory relations within the workforce and between workers and management. It is unlikely that any set of disciplinary rules can cover all circumstances that may arise. Rules normally cover issues such as misconduct, substandard performance, harassment or victimisation, misuse of company facilities, failure to observe established health and safety procedures, poor timekeeping and unauthorised absences. In particular, there must be clear indication of what types of conduct are considered gross misconduct and what sanctions such conduct may warrant, including demotion, disciplinary suspension without pay, summary dismissal (i.e. dismissal without notice), or wage deductions. Deductions should concern bonuses and other types of increments only and never the core wage required by living wage standards. In particular, rules and procedures regarding wage deductions on disciplinary grounds should be stipulated in the labour contract and regularly amended when necessary.

It is also important that workers know the standards of conduct expected of them. A written policy manual specifying the rules and procedures should be issued and made readily available to all workers, for example when they sign the labour contract. The labour contract should also define what constitutes gross misconduct and the sanctions such conduct may warrant. In general, management representatives, including security staff and workers' representatives, should be fully conversant with the disciplinary rules and procedures and should assist workers in understanding them.

Finally, procedural fairness implies a number of elements. Workers should be informed in advance of any disciplinary hearing of the allegations that are being made against them, along with supporting evidence. Workers should have the opportunity to challenge allegations and evidence and put forth a defence before any decisions are reached. After a decision is taken, workers should have the right to appeal the case to a higher authority.

In sum, good disciplinary rules and procedures should encompass the following elements:

- Be in writing;
- Specify to whom they apply and be non-discriminatory;
- Provide for matters to be addressed in a timely manner;
- Indicate the range of disciplinary actions that may be taken;
- Specify the levels of management and security staff that have the authority to take the various forms of disciplinary actions;
- Ensure that workers are informed of complaints against them, including where possible all relevant evidence, before any hearing;

- Provide workers with the opportunity to defend their case before decisions are reached;
- Ensure that disciplinary action is not taken until the case has been carefully investigated;
- Ensure that workers are given an explanation for any sanction imposed;
- Ensure that, except for gross misconduct, no worker is dismissed for a first breach of discipline (i.e. progressive discipline);
- Protect the confidentiality of disciplinary proceedings, witness statements and records;
- Provide a right of appeal—normally to a more senior manager—and specify the appeals procedure to be followed.

Under Chinese law the company has legal obligation to establish a system of labour rules and procedures to safeguard workers' rights and ensure that workers fulfil their obligations. These rules and procedures should touch upon labour discipline (劳动纪律, *laodong jilv*) and other matters related to the workers' interests (e.g. wages, working hours, vacation, work safety, training, insurance, social security, personnel management). When formulating these rules and procedures, the company should consult the workers' representatives and/or convene a general meeting of all workers, and a decision should be reached by the company through negotiation on an equal basis with the trade union or the workers' representatives. At any time during the implementation of the rules, the trade union or the workers are entitled to propose amendments and renegotiate with the company to amend the rules.

These labour rules should be publicised and made known to the workers. Typically, the labour contract (which must be in writing) should include provisions on labour discipline, conditions for termination of the contract and liabilities for contract violation. Upon hiring, the company has the duty to inform the worker of the substance and conditions of employment. Providing a handbook to workers outlining the labour conditions is encouraged by the state as a means of codifying the corporate culture, laying down clear standards of good behaviour that workers can strive for, and establishing an efficient, uniform system to manage workers.

When a worker receives disciplinary sanctions, the trade union has the right to voice its objection and apply for arbitration or bring a lawsuit on behalf of the worker. Prior to terminating a labour contract, the company must notify the trade union, which may demand the company reinvestigate the case. In general, workers have the right to submit any labour dispute to the company's mediation committee or directly to an arbitration committee, and may ultimately appeal the case to a court of law. The employer typically bears the burden of proof in cases of firing, removal, dismissal, rescission of labour contract or reduction of wages. A 1982 State Council regulation, which was in force for 25 years before being repealed in 2008, establishes the following guidelines when taking disciplinary action against a worker: Before imposing disciplinary sanctions on a worker, the company should ascertain the truth, obtain evidence, seek the trade union's opinion, hold a meeting and allow the accused worker to defend himself. If the company decides to impose disciplinary measures, the worker should be notified in writing and allowed to appeal the matter to higher authorities.

If the company's disciplinary rules contravene any laws or regulations, a worker is entitled to rescind the labour contract. For example, although the employer may deduct workers' wages as a disciplinary or compensatory measure, the deductions within any month may not exceed 20 percent of the worker's monthly wage, and the worker's wages may not fall below the local minimum wage standard. Moreover, the employer may not force workers to work by violence, threat of violence or illegal confinement, and may not insult, corporally punish, beat or illegally search or restrain any worker. Companies that violate these regulations are subject to fines, compensation if the worker suffers damages, administrative sanctions and criminal liability.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy clearly and concisely stating the disciplinary rules, procedures and sanctions, and the policy is in writing and regularly updated and amended when necessary.					
2	The formulation of and amendments to the company's					

	disciplinary policy are based on agreements reached through equal negotiations between management and workers' representatives.					
3	The company's disciplinary policy is readily available to all workers and issued in writing to workers when signing the labour contract.					
4	The labour contract defines what constitutes gross misconduct and the sanctions such conduct may warrant.					
5	If wage deduction is stated as a possible disciplinary sanction, deductions affect only bonuses and other types of increments and never the core wage required by living wage standards.					
6	No worker is dismissed for a first breach of discipline, except for gross misconduct.					
7	Management representatives, including security staff, and workers' representatives are fully conversant with the company's disciplinary rules and procedures and they proactively assist workers to understand them.					
8	Disciplinary procedures comply with the requirements of procedural fairness, including advance notice of charges, opportunity to defend and right to appeal.					
9	Workers and their representatives confirm that disciplinary rules and procedures are formulated and applied in a fair, consistent, non-discriminatory and transparent manner.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 23 and 25; ICCPR (1966), Articles 7, 9, 14, 15 and 16; ICESCR (1966), Articles 7(a) and 11(1); Convention on the Elimination of All Forms of Discrimination Against Women (1979), Articles 11 and 15; Convention on the Rights of the Child (1990), Articles 37, 39 and 40; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Articles 10, 16, 17, 18, 19 and 24; ILO Protection of Wages Convention (C95, 1949), Article 8, 14; ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Article 5; ILO Minimum Wage Fixing Convention (C131, 1970), Article 3; ILO Protection of Wages Recommendation (R85, 1949), Part I, Articles 1 and 2 and Part III, Article 6; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Article 34; UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Articles 8 and 12.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); the Convention on the Elimination of All Forms of Discrimination Against Women (1979); and the Convention on the Rights of the Child (1990). China has signed but not yet ratified the ICCPR.

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Article 53
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 4, 8-9, 17, 25, 38-39, 43, 80, 84, 88
- Company Law of the PRC (NPC, No. 42, amended 2005), Article 18
- Trade Union Law of the People's Republic of China (NPC, amended 2001), Articles 21, 38
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 3-4, 8, 17, 19, 25, 32, 50, 79, 91, 96

- Regulation on the Implementation of the Employment Contract Law of the PRC (Order of the State Council, no. 535, 2008), Articles 18-19
- Notice on Recommending Model Capital Civilisation Units (State Council's State-Owned Assets Supervision and Administration Commission, no. 44, 2008), No. 3(4)-(5)
- Provisional Regulations of the PRC on Private Enterprises (Order of the State Council, no. 4, 1988, amended 1998), Article 28
- Regulations of the People's Republic on China on Settlement of Labour Disputes in Enterprises (Order of the State Council, no. 117, 1993), Article 6
- Notice on Preparing Internal Labour Regulations to New Start-Up Units (Ministry of Labour and Social Security, 1997), No. 2
- Provisional Regulations on Payment of Wages (Ministry of Labour and Social Security, no. 489, 1995), Articles 16, 18
- Supplementary Provisions on Questions Relating to Provisional Regulations on Payment of Wages (Ministry of Labour and Social Security, no. 226, 1995), No. 3-4
- The Interpretation of the Supreme People's Court on Several Issues about the Application of Laws for the Trial of Labour Dispute Cases (Supreme People's Court, 2001), Article 13
- Regulations on Reward and Discipline of Enterprise Workers (*repealed and replaced by the Labour Law of 1994 and the Labour Contract Law of 2008*) (State Council, no. 59, 1982), Articles 4, 19-21

No. 16: Facilitating Worker Representation

Does the company facilitate the establishment of a workplace committee representing the rights and interests of the workers?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international law, workers have the right to freely establish and join independent organisations to protect their own interests. These organisations have the right to formulate constitutions and rules, organise their administration and freely elect their representatives. Through these organisations, the workers may exercise their right to bargain collectively with employers or the employers' unions. Collective bargaining extends to all negotiations that take place between the employer, the workers or representatives thereof, on matters such as: determining working conditions or terms of employment, regulating relations between the employer and the workers, and regulating relations between the employer or its organisations and the workers' organisations. If the right to collective bargaining is not fully protected by state law in the manner described above, international law provides that collective bargaining should be extended progressively from determining working conditions and terms of employment, to regulating relations between the employer and the trade union. Moreover, workers have the right to strike, as long as the strike is exercised in conformity with domestic law.

China is still not a party to either of the two relevant fundamental ILO conventions on this issue, namely Convention 87 concerning Freedom of Association and Protection of the Right to Organise and Convention 98 concerning the Right to Organise and to Bargain Collectively. Moreover, China has made a reservation to the ICESCR, Article 8.1(a), concerning the right to free choice of unions.

Although the Chinese constitution guarantees the right to freedom of assembly and association, any trade union organisation must be affiliated with the ACFTU, a quasi-government entity, and be formed and registered according to trade union law and the ACFTU's Statutes of Trade Unions in order to gain legal status. China's trade union provides that the primary function and duty of trade unions are to represent and protect the rights and interests of workers. At the same time, unions must comply with and promote official CPC and government policies.

Under Chinese law, all workers who receive wages are entitled to join and form trade unions without discrimination or retaliation. Trade unions are formally mandated to represent and safeguard the workers' interests by helping workers sign labour contracts and by negotiating with the employer on an equal basis (集体协商, *jiti xieshang*) to conclude collective contracts (集体合同, *jiti hetong*). The trade union is empowered to negotiate a collective contract with the employer governing matters such as hours, wages, working conditions, leave and holiday, training, disciplinary rules, welfare, insurance and occupational health and safety. Chinese law protects the right to collective consultation and specifies in detail the scope, procedure and supervision of negotiating a collective contract between representatives of the employer and the workers. In the Shenzhen Special Economic Zone, local regulations go farther by urging employers to facilitate conditions for collective consultation and by encouraging employers and workers to adopt collective contracts, in particular with regard to wage adjustments.

The trade union's protective role extends to workers dispatched by a recruitment agency, and the ACFTU specifically encourages migrant workers to join trade unions. Trade unions are also tasked to monitor and investigate the employer's conduct and raise objections (including taking the dispute to arbitration or the courts) to ensure that the employer complies with the law and respects workers' rights. In addition, trade unions organise workers to manage and supervise the employer in a democratic manner through the workers' representatives assembly (职工代表大会, *zhigong daibiao dahui*) or other representative organisation (the workers' representatives assembly is elected by the workers' assembly (职工大会, *zhigong dahui*)). The trade union should maintain a close relationship to the workers, consult with them and reflect their views.

Moreover, under Chinese law, workers are not explicitly prohibited from going on strike. Chinese trade union law specifies that if a work stoppage or slowdown occurs, the trade union should represent the workers' views, negotiate with the employer and suggest solutions to bring about a prompt resumption of production. In effect, the role of the trade union is to mediate between the employer and the workers so that workers' reasonable demands are adequately addressed by the company and the company can quickly return to normal production. Moreover, the Production Safety Law authorises workers to leave the workplace if their personal safety is endangered. Nevertheless, parties to a collective consultation have the legal obligation to avoid 'extreme actions' (过激行为, *guoji xingwei*).

If a company has at least 25 union members, the trade union must establish, subject to approval by the trade union at the next highest level, a trade union committee (工会委员会, *gonghui weihuan hui*) to handle the daily affairs of the workers' representatives assembly. The trade union committee should be democratically elected by and accountable to all local trade union members (会员大会, *huiyuan dahui*) or their democratically elected representative assembly (会员代表大会, *huiyuan daibiao dahui*). The trade union members or their representatives also have the right to replace or dismiss the elected committee members. In addition, workers are entitled to establish, by democratic election, a trade union branch at the workshop or team level. If a company is relatively small, its trade union may also jointly establish a regional or industrial workers' representatives assembly and/or trade union in order to coordinate with each other to look after the workers' interests.

Furthermore, upon nomination by the trade union, the workers, through the workers' representatives assembly, may elect workers' representatives to sit on the company's board of directors (董事会, *dongshihui*), supervisory board (监事会, *jianshahui*) or management committee. Such worker representation is mandatory if the company is a state-invested limited liability company, a wholly state-owned company, a joint stock limited company or an industrial enterprise owned by the people who work for it. The function of the workers' representatives is to participate in and supervise the company management's decision-making, and workers' representatives are accountable to the workers' representatives assembly. The number of workers' representatives should equal at least one-fourth of the members of the board of directors and one-third of the members of the supervisory board. If the company's workers have not organised workers' representatives assemblies, the company should help the workers to set up such a representative system, and in any case it should organise the workers to elect workers' representatives to the board of directors and the supervisory board.

Given the situation in China, the company should focus its efforts on facilitating the establishment of a workplace committee to represent the rights and interests of the workers. This should be achieved by i) supporting efforts to raise awareness among workers of the principles, rights, responsibilities and function of such a committee; ii) supporting the formulation or amendment of a charter that adequately states the principles, rights, responsibilities and function of the committee; iii) supporting the process of electing representatives to the committee; and iv) supporting efforts to build the capacity of committee members to implement the function, procedures and organisation of the committee. In fulfilling its facilitative role, the company should refer to the following guidelines, which not only reflect international standards but also find support in Chinese law.

The company's role as a facilitator. While the company may not obstruct or restrict workers in their efforts to organise or join trade unions, the right to association also gives individuals the freedom to refrain from joining trade unions. Joining the trade union should be a voluntary act by the worker. Hence, the company should not take the lead in organising the workers or imposing a top-down structure that simply legitimises management perspectives. Similarly, the company should not exercise control over the trade union, and management should not be represented in the workers' organisations. Chinese law specifically prohibits close relatives of the company's major principals from serving on the trade union committee. Likewise, ACFTU rules stipulate that a company's chief manager or partner or their close relatives may not be nominated to the trade union committee. Instead, acting appropriately in the role as facilitator, the company should enable the workers to establish their own organisation by offering support throughout this process and by providing the necessary conditions for the trade union to carry out its mission. The ACFTU counsels companies to provide monthly funding equal to 2 percent of the total workers' wages to the trade union as well as to supply the necessary facilities for the union to implement its activities. The company is advised to do its utmost to ensure that this funding, or at least a major part thereof, is devoted directly to supporting efforts to establish and consolidate a sustainable workers' representative committee at the company.

The related role of trade unions: Since the establishment of a grassroots-level workplace committee is premised on the workers' own, free initiative, there is no presumed link between this committee to any external trade unions. Nevertheless, the company should not precondition its support for such a committee on a requirement that it function parallel to or as an alternative to trade unions. At the international level, labour rights advocates commonly challenge such parallel or alternative means of worker representation. At the national level, China's trade union law requires the committee to be affiliated with the ACFTU in order to legally perform union functions. Therefore, the company should coordinate its support activities with the local trade union federation and establish contact with higher levels of the ACFTU. In addition, the company should seek to engage the ILO branch office in China and/or a member of the International Trade Union Confederation (ITUC). Not only can these actors contribute to the company's awareness-raising and capacity-building activities, the ILO branch office and/or ITUC member should also be encouraged to advise on the process of forming workers' representative committees in general, and to evaluate the company's support of such process in particular.

Awareness-raising: The company should support awareness-raising activities that target the workers as well as management. The ACFTU advises companies to subsidise the education and training of workers. The key issue to be targeted by awareness-raising is the principles, rights, responsibilities and function of a workplace workers' representative committee. Workers should be apprised of their right to democratic management and supervision of the company through some kind of elected representative body, such as the workers' representatives assembly. Workers should also understand that participation in a workplace committee is encouraged by the company and will not lead to any adverse employment action or prejudice. The company can partner with representatives of the ACFTU, ITUC members or local NGOs to implement these activities.

Formulating the workers' representative committee: The company should support the formulation or amendment of a charter that adequately states the principles, rights, responsibilities and function of the committee. The charter should reflect international principles for the formation of organisations protecting workers' rights and interests. In this process, the company should enable genuine dialogue and cooperation among different groups of workers and between the workers and management to devise a structure that has the capacity to protect the workers' rights and interests. In order to ensure the committee's capacity to operate in China, the Chinese trade union law and the Statutes of Trade Unions promulgated by the ACFTU should serve as a point of reference in formulating the charter. Key areas to be addressed include:

- Procedures ensuring transparency and accountability of the committee: The charter should specify procedures for the democratic election and term of office of members of the workers' representative committee. The relationship between the committee and the workers' representatives assembly, the workers' assembly, and the trade union should be clarified. The charter should articulate the committee's responsibilities and working procedures, its reporting duty to the workers' representatives assembly, and its procedures for sourcing and spending funds. The committee should operate according to the principle of democratic centralism, meaning that important issues should be decided upon collective discussions, with the majority leading the minority. Provisions should also be made for how the committee enters into collective consultation with the company in order to conclude collective contracts or raise matters of concern.
- The composition and organisation of the committee: Special attention should be paid to ensuring proportional representation on the committee of all groups (especially vulnerable groups) and production functions of the workforce. For example, Chinese law states that the trade union committee should contain proportional representation of women, young workers, ethnic minorities and migrant workers. In addition, the committee should also contain proportional representation of production line workers from different production functions. Moreover, the committee should consider establishing specialised working groups to deal with key functions of the committee. For example, according to Chinese trade union law, the trade union should establish a 'labour and law supervision committee' in order to supervise the company's implementation of labour laws and regulations. Likewise, the trade union should set up a 'labour protection supervision committee' to oversee the inspection and documentation of occupational hazards and injuries. Each level of trade union should also set up a fund inspection

committee to supervise the union's budget and accounting. If the company has a relatively large number of female workers (ten or more), the law provides that a separate trade union committee for female workers can be created. In addition, the ACFTU calls on local trade unions to help organise a legal aid system for workers; thus a working body should be in charge of setting up such a system by partnering with local authorities, legal aid agencies or law firms.

Capacity building of members of the committee: The members of the workers' representative committee need to have the capacity to implement the function, procedures and organisation of the committee as stated in the committee charter. In addition to understanding the principles and responsibilities laid down in the charter, committee members should acquire the capacity to implement their specified functions (e.g. how to carry out their duties in the thematic working groups). For example, under Chinese law, the company should arrange for training of workers' representatives in the areas of law, enterprise management and democratic management to ensure that they can properly carry out the responsibilities of the workers' representatives assembly. Importantly, committee members should be able to implement all terms stated in the charter in coordination with or as an integrated part of the ACFTU system.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy specifying the company's role as a facilitator in the establishment of a workplace committee representing the rights and interests of the workers, as detailed in the description above.					
2	The company has a policy stating that it respects the workers' right to strike in accordance with national and international law.					
3	The company has a policy stating the company's commitment to enter into collective consultation with workers and their representatives in good faith as provided in Chinese law.					
4	The workplace workers' representative committee has a charter stating the principles, rights, responsibilities and function of the committee.					
5	The company supports activities to raise awareness among workers as well as management about the principles, rights, responsibilities and function of a workers' representative committee.					
6	Members of the workers' representative committee are elected according to procedures set down in the committee charter.					
7	The company supports training activities to build the capacity of members of the workers' representative committee to ensure they can adequately carry out the committee's functions.					
8	The company's activities are coordinated with the local trade union federation, and contact to higher levels of the ACFTU is established.					
9	The ILO branch office in China and/or a member of the International Trade Union Confederation (ITUC) are engaged in the company's support activities.					
10	Workers confirm that they understand the principles, rights, responsibilities and function of a workplace workers' representative committee, and they confirm that those who take part in the committee do not suffer prejudice or adverse employment action.					

11	The ILO branch office and/or an ITUC member confirm that the company's role as a facilitator and the principles, rights, responsibilities and function of the workplace workers' representative committee are adequate.					
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Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 20 and 23(4); ICCPR (1966), Articles 21 and 22; ICESCR (1966), Article 8; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Articles 26(a) and 40; ILO Freedom of Association and Protection of the Right to Organise Convention (C87, 1948) Articles 2, 3, 4 and 5; ILO Right to Organise and Collective Bargaining Convention (C98, 1949), Articles 1, 3 and 4; ILO Workers Representatives Convention (C135, 1973), Articles 1 and 2; ILO Collective Bargaining Convention (C154, 1981), Article 5 (2) and 8; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 41, 42, 43, 48, 49, 50, 51, 52 and 57.

- *China's international obligations:*

China has ratified the following convention relevant to the question: ICESCR (1966); however, it made a reservation to Article 8 (1) (a) of the ICESCR, which limits the right of choice of unions to what is permitted under Chinese law.

China has not ratified any of the relevant ILO conventions on this issue, such as ILO C87 (Freedom of Association and Protection of the Right to Organise) or C98 (Right to Organise and Collectively Bargain).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Articles 16-17, 35
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Article 64
- Company Law of the People's Republic of China (NPC, no. 42, 2006), Articles 18, 45, 52, 68, 71, 109, 118
- Production Safety Law of the PRC (NPC, no. 70, 2002), Article 47
- Trade Union Law of the PRC (NPC, amended 2001), Articles 2-6, 9-12, 20-21, 25, 27-30, 35-39, 42, 44, 50-51, 53,
- Labour Law of the PRC (NPC, no. 28, 1995), Article 88
- Law of the PRC of Industrial Enterprises Owned by the Whole People (NPC, no. 3, 1988), Articles 10-11, 46-47, 49, 51-54
- Regulation on Workers' Congress in Industrial Enterprises Owned by the Whole People (State Council, 1986), Articles 2-3, 7, 11-14, 16, 21-23, 25-26
- Guiding Opinion on Establishing a Workers' Congress System in Central Enterprises (State-owned Assets Supervision and Administration Commission, no. 120, 2007), No. 1-7
- Provisions on Collective Contracts (Order of the Ministry of Labour and Social Security, no. 22, 2004), Articles 3-6, 8, 20, 24-25, 30, 32, 35-36, 41-42, 44, 48-51, 55-56
- Shenzhen Special Economic Zone Regulations to Promote Harmonious Labour Relations (Shenzhen NPC, no. 83, 2008), Articles 26-27, 33
- Notice by the ACFTU on Protecting Migrant Workers' Legal Rights and Interests (ACFTU, 2009), No. 1, 7
- Statutes of Trade Unions (ACFTU, amended 2008), Preamble, Articles 1-2, 14-15, 25, 27, 30
- Measures for Legal Aid of Trade Unions (ACFTU, no. 52, 2008), Articles 2-3, 6, 9, 20
- Provisions on the Work of Enterprise Trade Unions (for Trial Implementation) (ACFTU, 2006), Articles 4-16, 18-19, 24-25, 28, 30-35, 37-39, 42, 46-48, 52, 54, 58
- Opinion on Further Implementing the System of Worker Representatives on the Board of Directors and the Supervisory Board (ACFTU, no. 32, 2006) , No. 1-3
- Measure for Registration of Legal Personality of Basic-Level Trade Unions (ACFTU, 1997), Articles 2-4

- Notice on Establishing and Starting Trade Unions in Private Enterprises (ACFTU, no. 15, 1995), No. 1-2

No. 17: Internal Grievance Mechanisms

Does the company have mechanisms for hearing, processing, and settling workers' grievances?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international standards, workers must have the right to submit grievances regarding workplace concerns without the threat of adverse employment action or prejudice. Complaints may range from dissatisfaction with work hours and rest periods to claims of coercion, intimidation or abuse. In order to facilitate the expression of these complaints, the company must work with workers' organisations or representatives to establish and maintain an effective grievance mechanism through which workers can lodge complaints.

The grievance mechanism should serve three key functions. First, it should serve as a focal point of communication across the organisation where workers can report and receive advice on their concerns and grievances and from which concerns and grievances are channelled to management. Second, the mechanism should be mandated to identify remedies to be implemented through internal procedures in the form of corrective action, mediation, settlement or dispute resolution. Third, the mechanism should have the capacity to direct complainants or hand over cases to appropriate external mechanisms, including state-based mechanisms, such as courts. The company's internal mechanism should not in any way prejudice the complainant's ability to seek recourse through external mechanisms. The company must examine all grievances pursuant to its pre-established grievance procedure. Any worker filing a grievance must receive notice of the company's findings regarding his particular complaint and whether corrective action will be taken.

In China, enterprise-level trade unions are charged with launching periodic campaigns to invite workers to give suggestions about workplace matters. Through this internal consultation mechanism, workers can make 'rational suggestions' (合理化建议, *helihua jianyi*) and raise complaints and matters of concern. Since the start of economic reforms in the late 1970s, the number and diversity of labour disputes have increased significantly, leading the Chinese government to devise a more formalised and comprehensive system to handle labour disputes.

The Chinese labour dispute settlement system emphasises prevention, mediation and equality of the parties before the law. When a dispute arises in the workplace, the first question is whether the dispute falls under the category of labour disputes according to law. A labour dispute must be one between the employer and the worker of the same enterprise and relate to one or more of the following issues: the confirmation of an employment relationship, the labour contract, employment termination or retirement, working conditions or wages or other types of economic compensation.

When a dispute can be classified as a labour dispute, Chinese law spells out how such disputes should be resolved. First, the worker should consult (协商, *xieshang*) directly with the employer, or request the trade union or a third party to jointly consult with the employer, with the aim of reaching a settlement. Second, if the worker or employer does not want consultation or the consultation fails, any party may submit the dispute to a mediation organisation (调解组织, *tiaojie zuzhi*), including the company's own mediation committee (企业调解委员会, *qiye tiaojie weihuanhui*). Third, if one of the parties does not want to pursue mediation or if mediation fails, any party may apply for arbitration by the local labour dispute arbitration commission (劳动争议仲裁委员会, *laodong zhengyi zhongcai weiyuanhui*) (staffed by representatives of the company, the trade union, and the local labour administrative department). Thus, consultation and mediation are both voluntary processes. Finally, if a party disagrees with or fails to implement the arbitral award, the dispute may be brought to the courts within 15 days. Usually disputes must undergo arbitration before the parties can file a lawsuit. But where the arbitration commission has failed to review or decided to reject a complaint, the complainant may bring the case to the court for de novo review. In addition, where the

employer fails to execute a mediation agreement on payment of back wages or other economic compensation, the worker may apply directly to the court for an order of payment.

If a labour dispute involves more than ten workers with the same claim, the workers may choose representatives to participate in the labour dispute settlement process. The employer has the duty to provide evidentiary material to workers who requests it to defend their claims. If the dispute is between the trade union and the company over a collective contract, the parties should attempt to negotiate to reach an agreement. Failing this, disputes about the conclusion of collective contracts can be mediated by the local labour administrative department, while disputes about the implementation of collective contracts should be directly submitted to the local arbitration commission. Collective contract disputes that cannot be resolved by consultation or arbitration may be lodged with the courts. Furthermore, the trade union may, on behalf of the workers, apply to the local government to resolve disputes about the employer's violation of the workers' rights.

Regarding mediation, workers have the choice of applying to the company's internal labour dispute mediation committee, a grassroots people's mediation organisation (usually the public people's mediation committee established by a village committee or urban residents' committee) or an organisation affiliated with the township or neighbourhood that has a labour dispute mediation function. Companies are encouraged to set up their own mediation committees in collaboration with the trade union. Generally, the mediation committee should be housed in the company's trade union and the company should pay for its expenses. If there are no trade unions in the company, the establishment and composition of the mediation committee should be negotiated by the workers' and employer's representatives. Companies that are larger in size and employ many workers should designate full-time, trained mediators. Among smaller private enterprises or in areas where there is a high concentration of foreign-invested enterprises, a local mediation organisation can be established based on locality or industry.

The company's mediation committee should be staffed equally by workers' representatives (who should be members of the trade union or persons recommended by all workers) and the employer's representatives (who are appointed by company management). If the company has significant numbers of female workers, the committee should include a female workers' representative. In addition, the committee should be chaired by a trade union member or someone recommended by mutual agreement of the employer and workers (historically the chairperson of the mediation committee is also the chairperson of the company's trade union).

Applications to the mediation organisation can be made verbally or in writing. The Ministry of Labour has issued detailed rules regarding the operating procedures of an enterprise mediation committee. For example, the committee's investigation should be documented, a hearing should be held where both parties may present their claims and a mediation agreement should be laid down on paper. If a mediation agreement is not reached within 15 days, a party may apply for arbitration within one year from the date when he/she knew or should have known of the rights violation. In any case, the company should bear in mind that mediation is a voluntary process and should in no way restrict or delay the complainant's ability to file for arbitration within the limited application period.

In carrying out its work, the company's mediation committee receives guidance from the local trade union and the local arbitration commission. Besides hearing and resolving labour disputes, the mediation committee is tasked to educate workers about labour laws and regulations, supervise the implementation of mediation agreements and help prevent labour disputes. Similarly, the trade union should be actively involved in negotiations over labour disputes between the worker and the employer, and it should advise and assist the worker in pursuing mediation, arbitration and ultimately litigation.

On the other hand, if a dispute does not fall under the labour law definition of a labour dispute, it should be handled by the company's internal people's mediation committee (人民调解委员会, *renmin tiaojie weiyuanhui*). Unlike the labour dispute mediation committee, the people's mediation committee mediates minor civil and petty criminal cases, can hear disputes involving workers from different companies and receives guidance from the local grassroots-level court.

Companies are encouraged to establish internal people's mediation committees in order to resolve all types of disputes involving the company's workers. The committee also serves as a focal point where workers can raise their concerns and suggestions. A committee can be set up at each level of the company

organisation—e.g., team, workshop, factory. The committee should be staffed by members elected once every two years by the workers’ representatives assembly (职工代表大会, *zhigong daibiao dahui*) or by the workers’ assembly (职工大会, *zhigong dahui*). Lower-level committees may be elected directly by the workers at that level. The members should consist of a balanced number of male and female workers, and if the company is located in an area with significant numbers of ethnic minorities, this diversity should be reflected among the committee’s membership.

In handling disputes, the people’s mediation committee must act in a timely manner, adhere to the relevant laws and regulations, and respect the parties’ right to privacy. Any mediation should proceed on the basis of voluntariness and equality between the parties, and the mediation should be free. The committee may invite relevant organisations or individuals to participate in the mediation process. The committee should keep records of disputes and the mediation process, and may draft a mediation agreement at a party’s suggestion. Furthermore, the committee must respect the complainant’s right to pursue judicial remedy and may not prevent the complainant from filing a claim with the court at any stage of the mediation process, even after the complainant has reached an agreement under the mediation.

Finally, it is interesting to note that the Shenzhen Special Economic Zone has recently promulgated a new regulation on labour relations that specifically calls on employers to establish a system of dialogue with workers and to hold face-to-face meetings to listen to the workers’ opinions, recommendations and reasonable demands.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy establishing the constitution, mandate, responsibilities, functions and procedures of an internal grievance mechanism.					
2	The company regularly conducts awareness-raising among workers on the mandate, responsibilities, functions and procedures of an internal grievance mechanism, including the fact that workers may actively participate in its procedures without fear of adverse employment action or prejudice.					
3	The company allows workers to engage in regular worker meetings, where they can freely discuss concerns regarding working conditions.					
4	The company’s management meets regularly with the workers’ representatives engaged in the company’s internal grievance mechanism to discuss work-related problems and any grievances the workers may wish to raise.					
5	The company provides the necessary support (financial and otherwise) to ensure the appropriate functioning of the internal grievance mechanism.					
6	The operation of the internal grievance mechanism is transparent, fair, timely and documented, and follows pre-established procedures to identify remedies.					
7	The company ensures that no workers’ representative or complainant is under the threat of adverse employment action or prejudice as a result of their taking active part in the procedures of the internal grievance mechanism.					
8	The company ensures that its internal grievance mechanism does not in any way negatively impact the complainant’s ability to seek recourse through external third-party mechanisms, including government-based mechanisms, such as arbitration					

	commissions and courts.					
9	Workers confirm that they understand the mandate, responsibilities, functions and procedures of the internal grievance mechanism, that it is operating effectively, and that they may take active part in its procedures without fear of suffering adverse employment action or prejudice.					
10	Workers' representatives confirm that they have the capacity to engage adequately in the mandate, responsibilities, functions and procedures of the grievance mechanism.					
11	The ILO branch office and/or an ITUC member confirm that the constitution, rights, responsibilities, functions and performance of the grievance mechanism are appropriate.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 23, 24 and 25; ICESCR (1966), Article 7 (b); ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 57 and 58; ILO Examination of Grievances Recommendation (R130, 1967), Article 2.

- *China's international obligations:*

China has ratified the following convention relevant to the question: ICESCR (1966).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Articles 41, 134
- Labour Contract Law of the PRC (NPC, no. 65, 2008), Article 56
- Law of the PRC on Labour Dispute Mediation and Arbitration (NPC, no. 80, 2008), Articles 2-7, 10, 12-16, 19, 22, 24, 26-29, 36, 38, 40-42, 47-48, 50, 53
- Trade Union Law of the PRC (NPC, amended 2001), Articles 20-22, 27-28
- Labour Law of the PRC (NPC, no. 28, 1995), Articles 77, 79-84, 88
- Regulations of the People's Republic of China on Settlement of Labour Disputes in Enterprises (Order of the State Council, no. 117, 1993), Articles 2, 4-5, 7-13, 16, 19, 21, 23, 25-28, 30-31, 34
- Regulations on Organisation of People's Mediation Committees (Order of the State Council, no. 37, 1989), Articles 3, 6-9, 11-12, 15
- Notice by the Ministry of Labour and Social Security on the Promotion Outline of the Law on Labour Dispute Mediation and Arbitration (Ministry of Labour and Social Security, no. 7, 2008), No. 3, 5-6, 9
- Rules on the Organisation and Work of Enterprise Labour Dispute Mediation Committees (Ministry of Labour and Social Security, no. 301, 1993), Articles 2-9, 12-19
- Certain Opinions on Establishing People's Mediation Organisations by Enterprises and Public Entities (Ministry of Justice, 1990), No. 1-4
- The Interpretation of the Supreme People's Court on Several Issues about the Application of Laws for the Trial of Labour Dispute Cases (2001), Articles 2-3
- Some Opinions on Further Strengthening Labour Dispute Mediation (ACFTU, no.23, 2007), No. 1(1)-(2), 2(3), 3(5)-(8), 4(9)-(10)
- Provisions on the Work of Enterprise Trade Unions (for Trial Implementation) (ACFTU, 2006), Articles 18, 27, 40
- Trial Measure for Participation by Trade Unions in Handling Labour Disputes (ACFTU, no. 12, 1995), Articles 2-4, 7-11, 13, 17, 19, 24, 26-30
- Shenzhen Special Economic Zone Regulations to Promote Harmonious Labour Relations (Shenzhen NPC, no. 83, 2008), Article 13

No. 18: Company-provided Dining Facilities

Does the company ensure that the dining facilities provided are sufficiently spacious, clean and secure; and that the food served is affordable and of adequate nutritious value, quality, and variety for the needs of the workers?	Yes	No	F/A	N/A	No Info

Narrative description:

According to international standards, companies that operate under conditions where workers' access to food and potable water is inadequate, limited or nonexistent have an obligation to provide either dining facilities—on or close to the worksite—or a sanitary area where workers can bring and consume their own food during scheduled breaks.

While Chinese legislation does not specifically state that companies must provide dining facilities for their workers (职工食堂, *zhigong shitang*), internal dining facilities are prevalent at SOEs and the private industrial sector. A range of detailed Chinese regulations require business operators that serve or deliver food to meet health and hygiene standards. The following summarises the major requirements.

Internal dining facilities for workers should be built with materials that meet requirements for hygiene, heating and cooling, environmental protection and fire prevention. Their layout is regulated in detail so as to prevent contamination between raw materials and cooked or ready-to-eat food, and between food and toxic or waste substances or pests. The food preparation area must be of sufficient size in relation to the facility's capacity. Moreover, areas for disinfection, garbage, changing rooms and toilets should be provided. The facilities should also comply with national standards on space, lighting, heating, ventilation, water drainage and waste disposal and be located away from garbage dumps and other pollution sources.

The transport, storage, preparation and serving of food must comply with hygiene requirements as laid down in state regulations. For example, the purchase of raw materials should follow a check and inspection record system; cooked food should be kept separate from raw or partially cooked food; food should be kept at safe temperatures; and clean water should be used in food preparation. Eating areas as well as places where food is stored, prepared or served must be kept clean. Likewise, tableware, kitchenware, as well as other tools and equipment used in the transport, storage and preparation of food must be regularly cleaned, disinfected, and maintained to ensure their proper functioning.

The dining facilities must receive a health permit and register with the local industry and commerce administrative department. In addition, the company has the duty to establish a system of food safety controls at dining facilities, and to appoint a part-time or full-time food safety manager to ensure that the food meets hygiene standards. Furthermore, dining facilities above a certain size should set up a record system for inspecting raw materials, food, and eating utensils. The company must also establish food safety rules and procedures for personnel at its dining facilities and ensure that they adhere to standards of personal hygiene. Dining facilities personnel must receive training on the relevant laws and regulations as well as hygiene standards and procedures. In addition, all personnel at dining facilities must undergo a health examination at least once a year.

Finally, Chinese law requires business operators that serve or deliver food (including internal dining facilities) to institute a system to manage complaints. Complaints made by users must be quickly and properly handled. Records must be kept of any problems that arise as well as the course of action taken. An internal grievance mechanism at the company could serve this function, and Question no. 17 on 'Internal Grievance Mechanisms' elaborates on this issue.

Companies that violate laws and regulations relating to food safety and hygiene may have their illegal gains and equipment confiscated. Additionally, they may be subject to fines, compensation for damages, revocation of business license or criminal liability.

In addition to observing relevant Chinese national legislation, the company should refer to the following international law and soft law standards not reflected in Chinese legislation:

- *Capacity*: The dining hall should be spacious enough to accommodate the diners according to the number of users during the dining breaks scheduled by the company. (international law)
- *Affordability*: The price for meals should be at or below market cost. (international law)
- *Water*: Workers should have access to potable water free of charge. (international law)
- *Quantity*: The food served should be in sufficient quantity. (international law)
- *Break time*: Sufficient time should be provided for dining breaks (including time to go to and return from the facilities). (soft law)

	Suggested Indicators:	True	False	F/A	N/A	No info
1	Company policy states that dining facilities and potable water are provided to all workers when company operations take place under conditions of nonexistent, limited or inadequate access to food and potable water.					
2	Company-provided dining facilities are designed, built, and maintained in compliance with relevant standards according to Chinese law, and have adequate capacity.					
3	The company's dining facilities have received a health permit and have registered with the local industry and commerce administrative department.					
4	The meals provided are sufficient in quantity and affordable (i.e. at or below market costs) and potable water is provided free of charge.					
5	Dining breaks are scheduled to allow workers sufficient time to reach the dining facility and return to the worksite without encroaching upon their legitimate break time.					
6	The transport, storage, preparation and serving of food comply with hygiene requirements as laid down in Chinese state regulations, and all such processes are monitored and inspected by a food safety manager and documented where necessary.					
7	Dining facilities personnel receive training on the relevant laws, regulations and hygiene standards and procedures, and undergo a health examination at least once a year.					
8	The company ensures that users of the company's dining facilities have access to a grievance mechanism to submit queries and complaints concerning the dining facilities.					
9	The company food safety manager and inspectors of the local industry and commerce administrative department confirm that the company's dining facilities comply with health and safety standards, and workers confirm that facilities are accessible and affordable.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ICESCR (1966), Articles 7 (b), 11 and 12(b); ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Article 5 (2); ILO Occupational Health Service Convention (C161, 1985), Article 5 (b); ILO Welfare Facilities Recommendation (R102, 1956), Articles 4, 9, 10, 11, 16 (2), 20, 25 (a) and 27; FAO/WHO Codex Alimentarius: Code of Ethics for International Trade in Food (1979).

- *China's international obligations:*

China has ratified the following convention relevant to the question: ICESCR (1966). In addition, China is a member of the WHO.

- *The above question is based on the following principles in Chinese legislation:*
 - Food Safety Law of the PRC (NPC, no. 9, 2009), Articles 27-28, 32, 34, 36, 39-41, 49, 61, 84-87, 96, 98
 - Food Hygiene Law of the PRC (NPC, no. 59, amended 1995), Articles 8, 18-19, 26-27, 38-39, 41, 47-48, 54
 - Emergency Notice on Strengthening Safety in Construction and Engineering During Summer and Flood Season (Ministry of Construction / State Safe Production Monitoring Bureau, no. 43, 2007), No. 5
 - Opinion on Strengthening Construction Safety During Flooding Season (Ministry of Construction, no. 200, 2006), No. 3(17)
 - Notice on Improving Working and Living Environments for Peasant Workers to Ensure Occupational Health (Ministry of Construction, no. 58, 2006), No. 4
 - Standards on Environment and Hygiene on Construction Sites (Ministry of Construction, no. 308, 2005), Articles 4.1.1, 4.1.9-11, 4.2.3-6
 - Health Regulations for the Food and Beverage Industry and Collective Meal Delivery Units (Ministry of Health, 2005), Articles 3, 5-17, 19-23, 25, 27-32, 36-40, Appendices 1-3, 5
 - Announcement on Attention to Food Poisoning at Collective Canteens at Schools, Work Sites, Institutions, and Enterprises (Ministry of Health, no. 18, 2003)
 - Emergency Notice on Strengthening Safety of Walls at Construction Sites (Ministry of Construction, no. 141, 2001), No. 2
 - Measures on Food Hygiene Control in the Food and Beverage Industry (Ministry of Health, no. 10, 2000), Articles 4-6, 8-9, 11-15, 17-20, 22, 24-25, 27, 30
 - Regulations on Hygiene Evaluation of Construction Projects by Industrial Enterprises (Ministry of Health, 1994), Article 3.5.1

No. 19: Company-provided Housing Facilities

Does the company ensure that housing facilities provided are safe, habitable, affordable, accessible and contractually secure, and that the utilities provided are available, affordable and adequate to the needs of the workers and their families?	Yes	No	F/A	N/A	No Info

Narrative description:

The company should comply with national and international standards for adequate housing when providing dormitories or similar housing facilities to workers. This is particularly important when workers are reliant on company housing, either because their residence status does not give them the option of choosing alternative housing facilities or because they work in isolated areas. Adequate housing should be understood in a broad sense where adequacy is determined by a range of factors such as social, economic, cultural, climatic and ecological conditions.

In 2008 the Human Rights and Business Project, in collaboration with IFU, developed *The Company Housing HRCA*. The first of its kind, the tool is specialised to support a full-scale assessment of company housing in reference to internationally recognised human rights standards as well as relevant voluntary guidelines and codes.

According to Chinese legislation, housing for workers (职工住房, *zhigong zhufang*) should meet basic requirements of size, safety, health, sanitation and bathroom facilities. While urban SOEs in China have a long tradition of providing housing for workers and their dependents, an issue of increasing concern in contemporary China is the prevalence of substandard living conditions, particularly in the private sector. However, no uniform national regulations exist, and the specific details vary depending on the nature, size and location of the company and the type of workers.

The assessment account below is based on a summary of *The Company Housing HRCA* as well as relevant Chinese national regulations. In order to conduct a full-scale assessment of housing facilities, the company is advised to refer to *The Company Housing HRCA* in combination with relevant Chinese national as well as local regulations on building and living standards for company-provided housing pertaining to the areas in which the housing facilities are located.

Chinese national regulations provide that housing for factory workers should be approximately 45 square meters per worker, and every housing unit should have a kitchen and bathroom. The average space for common facilities allotted to each worker should be 16 to 24 square meters, taking into account recreational and welfare facilities (i.e. housing, dormitories for singles, day-care centre, elementary and secondary school, health clinics, hospital, commercial areas, company canteen, bathing facilities, clubhouse or movie theatre, hosting suites for workers' guests and teaching rooms). Furthermore, every housing unit should install meters for electricity, water and gas, if available.

The state encourages enterprises that are located in remote areas or in areas where it is difficult to find housing to pool resources to invest in housing for workers. Such housing should comply with regulations on affordable housing for low-income families (经济适用住房, *jingji shiyong zhufang*), and should not charge tenants management fees or be profit-oriented. Affordable housing for low-income families must comply with national standards for residential buildings regarding building materials, fire prevention, earthquake resistance, ventilation, water drainage and sunlight. Each unit should have basic facilities such as a living room, bedroom, kitchen and bathroom. Moreover, residential buildings should be designed to facilitate use by the disabled, elderly and children.

The state discourages the building of housing or dormitories on construction sites. But if housing for workers must be built on construction sites, the construction areas, office areas and the workers' living areas should be clearly separated. The living area should include dormitories, canteen, toilet facilities, shower rooms, boiled water room (allowing workers to boil water or obtain hot, potable water), a place for workers to hang and dry their clothes and a cultural/fitness centre, all of which should comply with environmental and fire

prevention standards. Dormitories should have sufficient living space, individual beds, windows and an area selling household items. Each dormitory should house no more than 16 people. The cultural/fitness centre should provide a TV, reading materials and other recreational items and equipment. In addition to closed garbage areas, there should be functioning water drainage facilities and measures to keep out and exterminate pests. Appropriate medical equipment and facilities should also be maintained on site. The construction site should maintain full- or part-time cleaning personnel and toilet facilities must be regularly cleaned and disinfected.

Migrant workers are especially vulnerable to substandard conditions because they are often required to live on company premises and lack access to local welfare services. Therefore, companies should make sure that housing standards are equal for all workers, including migrants. Chinese legislation currently places primary responsibility for improving migrant workers' living conditions on the enterprises that employ them. Companies are encouraged to actively provide adequate housing for migrant workers, whether through building dormitories or arranging other types of free or low-cost housing.

The company should continuously strive to improve workers' living conditions. Company-provided housing should meet basic requirements of safety, fire prevention and sanitation and comply with construction regulations. If possible, the company should provide cultural and fitness facilities. Company housing for migrant workers should be free or low-cost, and a rent subsidy should be provided to migrant workers who find their own housing. When the company rents out housing comparable to affordable housing for low-income households, the rent should be reasonable and affordable for migrant workers. The labour contract can stipulate the conditions for company-provided housing, and we recommend that companies sign contracts with workers that clearly state the conditions for living in company housing.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a policy stating that company-provided housing is constructed in compliance with national and international standards and with regard to the workers' needs.					
2	Company-provided housing is constructed from suitable building materials and regularly maintained in order to protect its residents from natural hazards prevailing in the area (e.g. earthquakes, strong winds, flooding, fire or pests) and from the local climate (e.g. cold, damp, heat, rain, wind) or other climate-related threats to health.					
3	Sleeping rooms have a floor area of at least two square meters per resident and adequate additional space is provided for recreational and welfare facilities.					
4	The company housing is provided with basic facilities (toilet and washing facilities, eating and cooking facilities, ventilation, reasonable space per resident, site drainage, waste disposal) and utilities (safe drinking water, energy, heating, lighting) that meet the needs of the residents and their families and in accordance with international standards.					
5	The facilities and services provided are accessible and appropriate for women (including pregnant women), families, disabled persons, elderly, minors, ethnic minorities and other residents with special needs. This includes gender-separated bathing facilities.					
6	If company housing is located in a remote area with limited access to basic facilities such as health care, food or educational and recreational facilities, the company or landlord provides access to such facilities of adequate standard,					

	including transportation for workers to get to their workplace.					
7	All residents are given contracts clearly specifying the housing facilities and services offered by the company; the rules concerning payments, deposits, deductions and fines related to company-provided housing facilities; housing-related disciplinary rules and procedures; legitimate grounds for eviction (such as retirement, misconduct or gross negligence); and rules of notice.					
8	If the company charges a price for products and services (including rent, energy, water and use of cooking, bathing or laundry facilities), the prices are at or below market costs and are commensurate with the workers' income levels.					
9	Workers in company housing or workers' representatives confirm that the housing adequately serves their needs and that procedures in place for reporting and resolving residents' grievances on all matters concerning company housing are managed in a fair and transparent manner.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 2, 3, 4, 5, 9, 10, 12, 13, 16, 18, 19, 20, 25, 27 ; ICCPR (1966), Articles 2, 6, 7, 8, 9, 12, 14, 17, 18, 19 and 21; ICESCR (1966), Articles 2, 6, 10, 11, 12, 15 and Committee on Economic, Social and Cultural Rights, General Comments nos. 4 and 7; Convention on the Elimination of All Forms of Racial Discrimination (1965) Article 5; Convention on the Elimination of All Forms of Discrimination Against Women (1979), Articles 11 and 14 (2h); International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (1990), Articles 43 and 44; Convention on the Rights of the Child (1990) Article 20; ILO Protection of Wages Convention (C95, 1949), Article 7(2); ILO Hygiene Convention (Commerce and Offices) (C120, 1964); ILO Accommodation of Crews (Fishermen) Convention (C126, 1996); ILO Accommodation of Crews Convention (C133, 1970) Articles 5 and 8; ILO Occupational Healths and Services Convention (C161, 1985); ILO Safeties and Health Convention (C184, 2001); ILO Workers' Housing Recommendation (R115, 1961), Article 12 (1) and *Suggestions Concerning Methods of Application* Articles 15, 17; Fact Sheet No. 21, The Right to Adequate Housing, UN Office of the High Commissioner for Human Rights.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966); Convention on the Elimination of All Forms of Racial Discrimination (1965); Convention on the Elimination of All Forms of Discrimination Against Women (1979); and Convention on the Rights of the Child (1990).

- *The above question is based on the following principles in Chinese legislation:*

- Some Opinions on Solving the Problem of Housing of Urban Low-income Households (State Council, no. 24, 2007), No. 3(12), 4(15)
- Guiding Opinion on Improving Migrant Workers' Living Conditions (Ministry of Construction, etc., no. 276, 2007), No. 2(3)-(6), 2(8), 3(10)-(12), 3(14)
- Regulations on Management of Affordable Housing (Ministry of Construction, Commission on Development and Reform, Ministry of Finance, Ministry of Audits, Ministry of Land and Resources, the People's Bank, and the Tax Bureau, no. 258, 2007), Articles 34-35, 40
- Notice on Further Improving the Working and Living Environment of Migrant Workers in the Construction Industry in order to Safeguard their Occupational Health (Ministry of Construction & ACFTU, no. 58, 2006)

- Regulations on Construction of Residential Buildings (Ministry of Construction, no. 385, 2006)
- Standards on Environment and Hygiene at Construction Sites (Ministry of Construction, no. 308, 2005), No. 2.0.1, 2.0.7, 3.1.8, 3.2.1, 3.2.5, 3.3.2, 4.1.1, 4.1.3, 4.1.5-8, 4.1.15-20, 4.2.1-2
- Regulations on Management of Construction Projects (Ministry of Construction, no. 23, 2002), No. 11.5.1
- Supplementary Regulations on Design Standards for Worker Housing (State Construction Commission, no. 384, 1981), No. 1-3

B. Community Impact

No. 20: Consulting Legal and Customary Owners of Land

Before purchasing land and while using the land, does the company consult with all affected parties, including both legal and customary owners, in order to seek their informed consent on issues relating to their livelihood?	Yes	No	F/A	N/A	No Info

Narrative description:

In all land transactions, the company should investigate land ownership and consult with all individuals whose livelihoods will be affected by the company's use of land, including both persons holding contractual rights to the land and customary or traditional users of the land. The company should seek local communities' prior, voluntary and informed consent by explaining the business operations planned to be carried out on the land and by settling claims or disputes over the land. At no point should coercive measures be used against communities living on the land to compel them to give up their legal or traditional rights over the land.

A significant issue requiring the company's attention is the land and cultural rights of indigenous peoples. Because the 55 minority nationalities officially recognised in China are seen as indigenous peoples by international organisations, the company should consult with these international organisations as well as local NGOs and indigenous peoples groups to ensure that its verification and consultation over land ownership comply with international requirements regarding indigenous peoples' rights.

In spite of recent initiatives to increase the protection of private property, current Chinese legislation does not recognise private land ownership. All land is either owned by the state (mostly land in cities) (国有土地, *guoyou tudi*) or by state-controlled collectives (mostly land in rural areas, including privately farmed plots) (集体所有土地, *jiti suoyou tudi*). No individual or organisation may buy, sell or unlawfully transfer land. Instead, private parties lease from the government land use rights, also called usufructuary rights (用益物权, *yongyi wuquan*), which are limited to a specific use for a stated term. For example, rural land is 'collectively' owned but may be leased to farmers for farming on 30-year renewable contracts. State-owned land can be leased from 40 to 70 years, depending on whether the land is used for commercial, industrial or residential purposes. Contracts to land and buildings can be transferred by inheritance.

The system of land ownership and transfer in China is complex and in flux in response to evolving economic and development needs. Because the system is governed by a host of laws and regulations depending on the type of land and the intended use of the land, companies are advised to conduct thorough and comprehensive due diligence before entering into land-related transactions. The Chinese government has begun to establish a uniform national property registration system, and all creation, change, transfer or termination of real property rights must be registered (不动产登记, *budongchan dengji*) to have legal effect. Thus, as an initial matter, research into and verification of the national property registry form an essential part of the due diligence to be performed.

In general, companies may lease or subcontract the usufructuary right to possess, use or collect proceeds from land or natural resources owned by the state or local collectives. In rural areas, rights to land management contracts (农村土地承包经营权, *nongcun tudi chengbao jingyingquan*) can be purchased from the village committee, township collective or directly from existing leaseholders. Such contracts may be rented, exchanged, leased, subcontracted or transferred by leaseholders for a fee and for a term within the original contract period. Currently, most rural land management contracts may not be used as collateral, though experiments with mortgaging farmland use rights have proceeded in some localities with central government approval, and the practice may be legalised in the near future.

In addition, collective land use rights typically may not be leased, rented or transferred for non-agricultural purposes. Conversion of arable land to land for construction or other purposes is restricted and subject to special approval. Typically, it is not permitted to develop real estate on collective land unless official approval has been obtained at multiple levels, first for converting arable land to use for construction, then for expropriation of the land by the state and, finally, transfer of the land to developers. Thus, companies should be especially vigilant in transactions that convert arable land to non-agricultural uses, which may violate the law as well as infringe on the local community's access to food. In urban areas, companies may negotiate to lease rights to use state-owned land for a fee. Such contracts may be mortgaged or reassigned through sale, exchange or donation for a term not exceeding the original contract period. In general, changing the designated use of the land requires prior approval of local government authorities.

Even though local government authorities wield significant control over the use and assignment of land, Chinese law requires public hearings to be held to adequately solicit and address public opinion regarding matters such as overall planning of land use, use of arable land for non-agricultural purposes, use of state-owned land and other planning issues that directly affect the rights and interests of citizens and organisations. Moreover, Chinese law upholds the principles of equal negotiation, transparency, fairness and consent in land transactions.

Contracting out rural land, for example, requires an assembly of the village collective to discuss the proposed contract. Notably, under Chinese law the transfer of rural land management contracts must be carried out voluntarily with the farmers' consent. The village collective may provide intermediary services in the transaction, but may not compel farmers to transfer their contractual rights under other guises, and it may not seize, retain or deduct fees from the compensation rightfully due to the farmers. The autonomy of the farmer household must be respected. Similarly, transfers of rights to state-owned land must be carried out according to the principles of equality, consent, openness and compensation for use.

Under Chinese law, disputes over the operation of land contracts should be settled by consultation between the parties or by mediation of the local government. If these measures fail, the parties may seek arbitration and ultimately initiate a lawsuit in the court system. For details on such procedures, please refer to Question no. 24 on 'External Grievance Mechanisms'.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	In all land transactions, the company has a policy on properly investigating land ownership and consulting with all persons whose livelihood will be affected by the company's use of the land, whether these persons hold contractual rights to the land or use the land on a traditional or customary basis.					
2	Before purchasing or renting land, the company conducts due diligence to verify all existing parties holding contractual rights to the land as well as any other local inhabitants who may have rights to the land.					
3	Before purchasing or renting land, the company investigates to ensure it does not deprive the local community of agricultural land that is essential to its access to food.					
4	The company pursues and keeps a record of its consultations with all concerned parties to discuss and obtain their voluntary and informed consent on issues relating to the company's current and future business activities on the land.					
5	The company has a grievance mechanism, integrated into the land dispute settlement procedure as provided in Chinese law, whereby members of the local community can lodge complaints relating to the company's use of the land.					

6	The company has a procedure for notifying complainants of the company's findings and any corrective action taken regarding the particular land-related complaint, and for keeping records of the process and outcome of all grievances lodged.					
7	Company records of consultations with local community representatives and grievance proceedings confirm that the company has obtained the local community representatives' voluntary and informed consent on issues relating to the company's current and future business activities on the land, and that the company has responded adequately to any grievances lodged.					
8	Local community representatives confirm that the company has obtained their voluntary and informed consent on issues relating to the company's current and future business activities on the land, and that the company has responded adequately to any grievances lodged.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 17 and 25; Convention on the Elimination on All Forms of Discrimination Against Women (1979), Article 15 (2) and 16 (h); ILO Indigenous and Tribal Peoples Convention (C169, 1989) Article 14.

- *China's international obligations:*

China has ratified the following convention relevant to the question: Convention on the Elimination on All Forms of Discrimination Against Women (1979).

- *The above question is based on the following principles in Chinese legislation:*

- Constitution of the PRC (2004), Articles 4, 6, 8-9, 10, 12-13, 122, 134
- Property Law of the PRC (NPC, no. 62, 2007), Articles 4, 6, 9-10, 15-16, 20, 31, 39-41, 43, 45-49, 51, 53-56, 58-59-64, 66, 68, 70-71, 77, 97, 100-101, 106, 117-18, 120, 124-26, 128-29, 133, 135, 137-40, 142-44, 149, 151-53, 156-57, 161-65, 167, 180, 182-84
- Law of the PRC on Urban Real Estate Administration (NPC, no. 72, 1995, amended 2007), Articles 2, 8-9, 13, 22, 32, 48
- Land Administration Law of the PRC (NPC, 2004), Articles 2, 4, 8, 9-10, 14-16, 19, 22, 31, 34, 36, 40, 43, 55-56, 63
- Law of the PRC on the Contracting of Rural Land (NPC, no. 73, 2003), Articles 3-4, 7-8, 10, 16, 18-19, 31-36, 48, 51, 53, 55, 57-58
- Organic Law of the Villagers Committees of the PRC (NPC, no. 9, 1998), Articles 19
- The Guarantee Law of the PRC (NPC, no. 50, 1995), Article 37
- General Principles of the Civil Law of the PRC (NPC, no. 37, 1987), Articles 73-74, 79-82
- Notice of the State Council on Issuing the Outline of the National Overall Planning on Land Use (2006 - 2020) (State Council, no. 37, 2008), Chapter 7(5)
- Emergency Notice on Settling Disputes over Rural Land Contracts (State Council, no. 21, 2004), No. 5
- Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas (Order of the State Council, no. 55, 1990), Articles 2-4, 8-9, 11-12, 19, 23, 32-33, 41, 48
- Notice on Pre-Examination of Use of Land for Construction Projects (Ministry of Land and Resources, no. 42, 2009), No. 3

- Review Measures to Overall Planning of Land Use (Ministry of Land and Resources, no. 43, 2009), Article 13
- Measures for the Administration of Circulation of Rural Land Contracted Management Right (Order of the Ministry of Agriculture, no. 47, 2005), Articles 2, 6-8, 20, 33
- Provisions on Hearings in Respect of Land and Resources (Order of the Ministry of Land and Resources, no. 22, 2004), Articles 3-4, 11-14, 16, 18-19, 22, 34
- Provisions on the Agreement-based Assignment of the Right to Use State-Owned Land (Order of the Ministry of Land and Resources, no. 21, 2003), Articles 2-4
- Notice on Implementing the Central Directive on Transfer of Rural Land Management Contracts (Ministry of Agriculture, no. 5, 2002), No. 1, 3

No. 21: Relocations and Usage of Company Land

Does the company ensure that it does not participate in or benefit from improper forced relocations and adequately compensates inhabitants in voluntary relocations?	Yes	No	F/A	N/A	No Info

Narrative description:

Forced relocation may be conducted only by the government and only in accordance with domestic law and international human rights protections. It should be emphasised that forced relocation of non-consenting inhabitants is only allowed in limited circumstances for a public purpose when necessary to promote national security or economic development or to protect the health of the population. Thus, forced relocation may not be used for private sector development that does not have some public purpose. Once removed, those who have been displaced (whether willingly or not) must be provided with adequate compensation and may not be rendered homeless. The company must ensure that it is not complicit in forced relocations by third parties that do not fulfil the requirements set forth above.

Local people and ethnic minority groups must have usage rights to enter onto or use land and natural resources, even when the state has ceded control of that land to a private company. Individuals who resided on the land prior to the company's investment may have residence rights on portions of the land. Ethnic minority groups may have the right to pass through the land periodically or seasonally. Their rights may also be linked to certain natural resources, such as animals or plants. The company must make every effort to respect these entry rights and train its workers and security guards to respect them.

According to Chinese legislation, the government may expropriate (征收, *zhengshou*) land or other immovable property for the public interest. When collectively owned land (usually rural land) is expropriated for the public interest or for public use, the expropriated farmer leaseholders are entitled to full compensation consisting of compensation for land, fixtures on the land and crops; relocation subsidies; and social security fees. Moreover, the long-term livelihood of expropriated farmers should be secured and their rights and interests safeguarded. When expropriating immovable property owned by individuals or entities or expropriating other kinds of real property, compensation and relocation expenses must be paid. If private residences are expropriated, the tenants' living conditions must be guaranteed. If non-residential buildings are expropriated, appropriate compensation must be made for business suspension. When the government recalls construction land use rights prior to the expiry of the term, compensation must also be paid for any residences or other real property built on the land.

Standards of compensation (征地补偿, *zhengdi buchang*) for land, fixtures and crops vary in each province and municipality and depend on the type of land use involved. However, as a fundamental principle the original living standard enjoyed by the expropriated farmers should be maintained. In general, compensation for expropriated farmland is based on the average output value of the land in the last three years. When this amount is not sufficient to maintain the farmer's former living standard, relocation subsidies may be increased with the approval of the provincial-level government. For those who are relocated to make way for large- or medium-size water conservancy or hydroelectric projects, the government also offers various post-relocation support measures. Urban residents whose houses are expropriated and demolished are entitled to relocation expenses and compensation, which can be monetary (based on the property's market value) or by exchanging for rights to another house. People whose land use contracts to state-owned land are recalled prior to their expiry date are also entitled to compensation based on the land condition and the number of years of use.

The process of expropriation should be managed in a transparent manner in consultation with the expropriated individuals or entities and with their voluntary and informed consent, even if such consent is not required in Chinese law. In rural areas, after drawing up a plan of expropriation and compensation, local authorities are required to publicise the plan and solicit the opinions of the local farmers and rural collective. The plan should be publicised in a detailed and concrete manner so that the local inhabitants understand the impact of the proposed expropriation. The publication requirement aims to enhance the transparency of the

expropriation and obtain the local inhabitants' support. Significantly, the authorities have the duty to listen to and evaluate any opinions raised by the farmers or the collective and accept their reasonable recommendations, especially where relocation is necessary. When the local land administrative department applies for approval of the proposed land compensation and resettlement plan, it should include such public opinions in the application and detail the local government's response to these opinions. The local government may hold a hearing and must do so when requested by the public. The priority in rural expropriations is to ensure that expropriated farmers have farmland in order to continue agricultural production. Moreover, when relocations are necessitated by the building of hydroelectric projects, additional measures such as employment counselling and training, arrangement for alternative work and distribution of shares in new projects should be considered to safeguard the farmers' livelihood and sources of income.

In urban areas, the law states that the demolition of houses (房屋拆迁, *fangwu chaiqian*) should be carried out pursuant to a compensation and resettlement agreement signed by the evictee. If the evictee signs the agreement but then refuses to vacate the premises, the evictor must file for arbitration or initiate litigation and request for advanced enforcement of demolition before it can proceed to demolish the house. In addition, forced demolition may be conducted only after the evictee has been provided with monetary compensation or relocation housing, and after the house demolition administrative department has held a hearing on the matter. Only the local county or municipal government may order a forced demolition. If no agreement of compensation and resettlement is reached between the parties, the local house demolition administrative department or the local government at the corresponding level is empowered to decide the matter, and its decision may be appealed to a court.

Under Chinese law, disputes regarding eviction, compensation and resettlement may be referred to arbitration and brought to court, but this does not stop the process of expropriation and eviction while the lawsuit is in progress. By international standards, however, companies should wait until all disputes or claims over land have been solved in national courts before initiating any eviction or demolition.

Chinese law provides that compensation for land and relocation expenses should be made within three months of the approval of the plan for expropriation, and such compensation is usually made to the rural collective, which in turn shall publicise to its members how it has handled and distributed the compensation. On the other hand, compensation for loss of personal property (e.g. fixtures and crops) is usually made directly to the farmer households that own them.

Overall, companies operating in China should optimise due diligence procedures to avoid complicity in land expropriations that are enforced without notice or consultation with the local community or proper approval from higher authorities. Companies must also take measures to ensure that compensation for expropriated land is not too low or illegally pocketed by local government authorities and not distributed in full to the expropriated tenants. In short, the company should ensure that expropriation and relocation are conducted according to the legally mandated process with proper approval from the relevant authorities, and that all compensation reaches the intended parties. Moreover, the company should ensure that local inhabitants have been consulted regarding the expropriation, that they agree to the relocation, are satisfied with the amount of compensation (in kind or in cash if they so prefer, at equal or better value) and are given timely notice to find suitable housing elsewhere. An independent third party may be called in to facilitate this dialogue and to reach an agreement. In any case, international law requires that the company abstain from encouraging, supporting or providing financial incentives to state-imposed evictions, forced relocations or housing demolitions.

According to international law, indigenous peoples, including ethnic minority groups officially recognised in China, may have the right to pass through company land periodically or seasonally. Their rights may also be linked to certain natural resources, such as animals or plants, on the land. The company must make every effort to respect these entry rights and train its workers and security guards to respect them. In addition, any relocation of indigenous peoples or ethnic minorities must be carried out with their prior, informed consent, and the company should preserve the land in appropriate condition for their return. Notably, if relocations are planned to make way for large- or medium-size water conservancy or hydroelectric projects, Chinese law provides that the resettlement plan must respect the lifestyle, livelihood and customs of ethnic minorities.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has a policy against forced relocations, evictions, demolition or displacement unless carried out in conformity with international law and all alternative solutions have first been explored.					
2	The company has optimised due diligence procedures to ensure that it is not complicit in any forced relocations performed by third parties in violation of international or Chinese law.					
3	If the company's purchase of land will result in relocation of local inhabitants, the company ensures that local inhabitants have been consulted and agree to the relocation and are given timely notice to find alternative land or housing.					
4	The company has procedures to ensure that adequate compensation (housing, land or money) for expropriation is provided to all affected parties in full and within the time limit as provided in Chinese law.					
5	If operating in areas where indigenous peoples or traditional communities have rights to company-controlled land, the company has guidelines to consult with them and protect their passage, access and usage rights to the land.					
6	Company workers and security staff are trained to interact appropriately with ethnic minority groups or local rights holders, allowing safe and unimpeded use of the land and its resources without harassment or intimidation.					
7	The company investigates the rights of all communities with respect to access and usage rights to company-controlled land, and the company holds dialogues with all affected parties to find mutually acceptable solutions to land usage.					
8	Local community representatives and NGOs confirm that the company has done its utmost to avoid forced relocations, and if relocation has taken place, that all affected parties have been consulted and received adequate compensation in conformity with international law.					
9	International organisations and local NGOs representing indigenous peoples confirm that indigenous peoples may pass through the company-controlled land periodically or seasonally if necessary, and that the land transactions engaged by the company do not imply infringements of their land and cultural rights as established under international law.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 13, 17 and 25; ICCPR (1966), Article 12 (1); ICESCR (1966), Article 11; Convention on the Elimination of All Forms of Discrimination Against Women (1979), Article 14 (2) (h); ILO Indigenous and Tribal Peoples Convention (C169, 1989), Articles 14, 15 (2), 16 and 17.

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966), in which Article 11 protects the right to adequate housing; and the Convention on the Elimination of All Forms of Discrimination Against Women (1979), in which Article 14(2) (h) provides a special safeguard for rural women's right to adequate housing and other living conditions. China has signed but not yet ratified the ICCPR.

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC, Articles 4, 6, 8-10, 12-13, 122, 134
 - Property Law of the PRC (NPC, no. 62, 2007), Articles 42-44, 121, 132, 148
 - Law of the PRC on Urban Real Estate Administration (NPC, no. 72, 1995, amended 2007), Articles 6, 20
 - Land Administration Law of the PRC (NPC, 2004), Articles 2, 45-49, 51, 58, 65, 78-79
 - Law of the PRC on the Contracting of Rural Land (NPC, no. 73, 2003), Articles 16, 59
 - Notice of the General Office of the State Council on Regulating the Management of Incomes from and Expenses for the Assignment of the Right to Use State-owned Land (State Council, no. 100, 2006), No. III-IV
 - Circular of the State Council on Intensifying the Land Control (State Council, no. 31, 2006), No. II, VI
 - Regulation on Land Requisition Compensation and Resettlement of Migrants for Large and Medium Water Conservation and Power Construction Projects (State Council, no. 471, 2006), Articles 3-4, 7, 9, 11-13, 15-16, 22, 25, 29-34, 38, 40, 42, 44-45, 52-53, 55
 - Decision on Deep Reform in Strict Management of Land (State Council, no. 28, 2004), No. 12
 - Regulation on the Dismantlement of Urban Houses (Order of the State Council, no. 305, 2001), Articles 6, 8, 13, 15-17, 23-24, 27, 31, 33
 - Regulations on the Implementation of the Land Administration Law of the Peoples Republic of China (Order of the State Council, no. 256, 1999), Articles 25-26
 - Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas (Order of the State Council, no. 55, 1990), Article 42
 - Guiding Opinion on System of Compensation and Relocation in Land Expropriations (Ministry of Land and Resources, no. 238, 2004), No. 5-8, 11
 - Method for Publicising Land Expropriation (Ministry of Land and Resources, no. 10, 2002), Articles 4, 9-10, 13-14
 - Notice on Implementation of Work on Compensation and Relocation in Land Expropriations (Ministry of Land and Resources, no. 358, 2001), No. 2-3, 5

No. 22: Environmental Health

Does the company consult with local inhabitants and take measures to prevent and address any disruptive effects that its operations may have on company land, the local community or the natural resources in the area?	Yes	No	F/A	N/A	No Info

Narrative description:

The company should take all measures to minimise and repair environmental disruptions caused by its activities. It should maintain the highest level of environmental protection standards in order to secure the future use of the land. The company must conduct adequate due diligence to minimise any negative effects its operations may have on company land or the surrounding community. The company's measures should aim to ensure the health of the local inhabitants and their access to a clean and safe environment, including access to clean water and land suitable for food production. If at any stage the company becomes aware of a disruption to land or natural resources resulting from its business activities (e.g. higher levels of toxic or harmful substance in the water or the soil), it should take immediate action to mitigate the harmful effects and eliminate or contain the cause of the disruption. If public resources (e.g. water and electricity) are limited in an area, a company should ensure that its energy-consuming operations do not cause a shortage of public resources for local residents. Finally, when leaving the land, the company must take all measures to ensure that the land is made suitable for future habitation and agricultural use.

China has a huge body of law on environmental protection that is generally on par with international standards. This section will focus on national laws and general principles applicable to most industries. We advise companies to further consult the particular laws and standards relevant to their industry in order to adequately assess their duties.

In general, projects under construction, renovation or expansion must conduct environmental impact assessments (EIA, 环境影响评价, *huanjing yingxiang pingjia*). The EIA should analyse the use of raw materials, the consumption of resources and the generation of pollutants and solid wastes as well as their treatment and disposal. Chinese law emphasises use of clean and efficient production technologies to minimise pollution and the consumption of energy and resources. The EIA should stipulate measures to prevent or rehabilitate environmental degradation. When drafting the EIA, companies must obtain the opinions of local residents and units through public meetings and hearings, and the EIA should address why such opinions are accepted or rejected. The EIA must be approved by local environmental authorities and updated whenever changes occur.

When a company causes pollution or other public hazards, in addition to monitoring and reporting on the discharge of pollutants, it must adopt effective measures to prevent, control and minimise such pollution and harm. Facilities to treat pollutants and wastes must be reported to and inspected by the local environmental authority and properly maintained. When natural resources are developed or utilised, measures must be taken to protect the ecological environment. Companies have the obligation to protect soil and water resources and are responsible for taking rehabilitative measures against soil erosion and damage to vegetation. Besides monitoring the generation of pollutants and wastes, companies should also monitor their consumption of resources and seek to use energy-saving equipment and technology. In particular, due to the limited supply of fresh water in China, companies must ensure that the local community is not deprived of water as a result of company operations.

Sanctions against noncompliance with environmental laws and regulations typically include fines and suspension of business operations. Local environmental authorities may also publish the names of companies whose emission of pollutants exceed the prescribed limits. Moreover, companies are obligated to compensate those who suffer direct losses from pollution hazards.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has a policy on environmental protection, including due diligence measures such as conducting environmental impact assessments for certain projects as required by Chinese law.					
2	Before initiating new operations, or when changing or expanding operations, the company discusses its plans and activities with all affected parties and relevant experts to measure the environmental impact and to determine how to avoid or diminish any harmful environmental effects.					
3	The company continually monitors its pollution output and maintains the highest level of environmental safety standards related to its particular industry sector.					
4	The company takes immediate action to mitigate the effects and eliminate or contain the cause of any pollution found to be above the standards required by law.					
5	If community resources are limited, the company works with local authorities to develop a schedule defining the amount, location and timing of resources needed for its activities, so that the local authorities can anticipate and prepare for rising demand.					
6	The company continually monitors its use of local resources and, if necessary, arranges to import alternative resources from other areas to make sure that its activities do not deprive local inhabitants of basic resources such as water or electricity.					
7	When leaving land, the company has an action plan in place to ensure that there are no long-term harmful or disruptive effects on the land.					
8	Relevant NGOs and local inhabitants confirm that the company consults with them concerning all disruptive activities and addresses any concerns raised by them.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ICESCR (1966), Article 11 (1); ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Articles 1, 2 and 4 (c); ILO Indigenous and Tribal Peoples Convention (C169, 1989), Articles 14 and 15.

- *China's international obligations:*

China has ratified the following convention relevant to the question: ICESCR (1966). In addition, China has signed a number of international environmental agreements: Convention Concerning the Protection of the World Cultural and Natural Heritage (1972) in 1985; the UN Framework Convention on Climate Change (1992) in 1994; the Kyoto Protocol (1997) in 2005; the Convention on Biological Diversity (1993) in 2005; the Cartagena Protocol on Biodiversity (2000) in 2006; the Convention to Combat Desertification (1994) in 1997; the Convention on International Trade in Endangered Species of Wild Fauna and Flora (1963) in 1981; the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1989) in 1990; the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals

and Pesticides in International Trade (Rotterdam Convention) (1998) in 2005; the Antarctic Treaty (1961) in 1981; the Convention on the Law of the Sea (1994) in 1996; the Vienna Convention for the Protection of the Ozone Layer (1985) in 1989; the Montreal Protocol on Substances that Deplete the Ozone Layer (1987) in 1991; the International Convention of Prevention from Marine Oil Pollution (1954); the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage (1969); the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention) (1972); the Convention on the Interference of Pollution Made by Substance Except Oil in Public Ocean (1974); the International Convention for Prevention of Pollution from Ships (1973); the Ramsar Convention on Wetlands (1971) in 1992; and the International Convention for Regulation of Whaling (1946) in 1980.

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Articles 2, 9
 - Law of the PRC on the Prevention and Control of Water Pollution (NPC, no. 87, 1996, amended 2008), Articles 9-10, 13 (1996 version), 17, 21, 23, 40, 43, 57-60
 - Energy Conservation Law of the PRC (NPC, amended 2007), Articles 9, 13, 24
 - Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (NPC, no. 31, 2005), Articles 13, 16-17, 30-31, 35, 53, 60
 - Law of the PRC on the Protection of Wildlife (NPC, amended 2004), Article 12
 - Law of the PRC on Appraising of Environmental Impacts (NPC, no. 77, 2003), Articles 3, 5, 11, 15-16, 21, 24, 26, 31
 - Law of the PRC on Promoting Clean Production (NPC, no. 72, 2003), Articles 3, 6, 17-20, 23-26, 28-29, 31, 41
 - Law of the PRC on Prevention and Control of Radioactive Pollution (NPC, no. 6, 2003), Articles 12, 15, 20, 24, 27, 29, 34, 36, 38, 40
 - Law of the PRC on the Prevention and Control of Atmospheric Pollution (NPC, no. 32, 2000), Articles 5, 11-13, 19, 36, 40-41, 43
 - Marine Environment Protection Law of the PRC (NPC, no. 26, 2000), Articles 4, 12, 17-18, 32, 43, 46-47
 - Law of the PRC on Prevention and Control of Environmental Pollution from Noise (NPC, no. 77, 1997), Articles 7, 13, 17, 24-25, 28, 30, 42
 - Law of the PRC on Water and Soil Conservation (NPC, no. 49, 1991), Articles 3, 8, 18-19, 25, 27
 - Environmental Protection Law of the PRC (NPC, no. 22, 1989), Articles 6, 13, 19, 24, 28-29, 35-36, 41
 - Regulations on Environmental Protection in Construction Projects (Order of the State Council, no. 253, 1998), Articles 4, 15, 19
 - Regulations on Nature Preserves (Order of the State Council, no. 167, 1994), Article 7
 - Regulations on the Implementation of the Law on Soil and Water Conservation (Order of the State Council, no. 120, 1993), Articles 21, 24
 - Response by the State Environmental Protection Agency on Incorporation of Public Opinions in Environmental Impact Assessments for Construction Projects (SEPA, no. 171, 2002), No. 1-3
 - Regulations on Management of the Report and Registration of Release of Pollutants (SEPA, no. 10, 1992), Articles 2, 6-7, 11-12

No. 23: Environmental Safety

Does the company have emergency procedures in place to effectively prevent and address all health emergencies and industrial accidents affecting the surrounding community?	Yes	No	F/A	N/A	No Info

Narrative Description:

In emergency situations, the company has the duty to alert the local community and respond to concerns in an efficient and reasonable manner. The level of emergency preparedness required of a company depends on the nature of its operations and the magnitude of damage its operations could cause. It is not enough that the company have emergency procedures in place to respond to accidents as they occur. The company must also institute preventive methods.

An oil company, for example, is not only responsible for implementing efficient emergency procedures in the case of an oil spill, but it must also seek to implement preventive procedures to try to ensure that such a spill does not occur in the first place. The type and number of emergency response techniques will vary according to the requirements of the industry. The company must ensure that all its emergency procedures comply with the highest level of industry standard, and if the industry standard is insufficient to provide the appropriate level of protection, the company must seek to exceed and improve upon the industry standard.

The Chinese government regulates this issue through a number of sector-specific laws and regulations at the central and local levels. This section focuses on national laws and general principles applicable to most industries. We advise companies to further consult the laws and standards relevant to their industry in order to adequately assess their duties.

In general, under Chinese law, companies that are likely to cause pollution accidents or accidents that can affect public safety should establish a safety management system, adopt effective preventive measures, identify, monitor and minimise risks and regularly review the implementation of its safety measures. Companies whose operations could potentially cause accidents involving water pollution, hazardous wastes, dangerous substances (e.g. hazardous chemicals and flammable, explosive or radioactive substances), or places with a high population density (e.g. public places or transportation vehicles) should have in place an emergency plan to deal with such accidents. Emergency plans should be based on applicable laws and regulations and the company's operating needs and realities, and should be regularly examined and updated.

The company must properly train its workers on such safety and emergency procedures. It must also establish full- or part-time emergency response rescue teams made up of workers, and must maintain emergency rescue equipment on site. Companies have a duty to inform local residents of emergency procedures, and companies should help educate the public about how to respond to emergencies.

When a pollution or public safety accident may arise or has arisen, the responsible company must promptly i) take measures to prevent, control or eliminate the pollution hazards, ii) notify local units and residents who may be endangered, and iii) report the situation to local authorities and relevant administrative departments. When a natural disaster or public health incident occurs, the company should, in a timely manner, organise its emergency response rescue team and workers to rescue victims, evacuate victims, demarcate danger areas and take other measures to control and reduce damage and casualties.

Failure to comply with the relevant laws and regulations can lead to fines, administrative sanction of responsible personnel, suspension or shutdown of business operations and criminal liability.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has a policy detailing emergency procedures, prevention plans and training programmes to protect against industrial accidents and handle emergencies.					
2	The company has measures in place to contain industrial accidents (e.g. on-site fire crews, emergency rescue teams, airtight self-sealing blast-proof doors, etc.).					
3	The company has a clearly audible/visible alarm system that warns local communities of potential emergencies, if necessary.					
4	The company has developed emergency community evacuation plans with the appropriate local, regional and national authorities, if necessary. Community residents are clearly informed about these plans and familiar with the evacuation procedures.					
5	The company maintains close contact with nearby communities, the relevant authorities and external emergency services, and is able to notify them with minimal delays about potential emergencies.					
6	If the site is located far away from a hospital, the company has adequate medical resources and competent staff to provide preliminary relief and treatment to people who might suffer the consequences of an industrial accident.					
7	NGOs and community representatives confirm that they have been informed about the company's emergency community evacuation plans and the procedures contained therein.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ILO Prevention of Major Industrial Accidents Convention (C174, 1993), Articles 9 and 14 (2); Permanent Peoples' Tribunal Charter on Industrial Hazards and Human Rights (1994), Article 13.

- *China's international obligations:*

China has not ratified the relevant ILO Convention on this issue. However, China has signed the following international environmental agreements: the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1989) in 1990; the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention) (1998) in 2005; the International Convention of Prevention from Marine Oil Pollution (1954); the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage (1969); the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention) (1972); the Convention on the Interference of Pollution Made by Substance Except Oil in Public Ocean (1974); and the International Convention for Prevention of Pollution from Ships (1973).

- *The above question is based on the following principles in Chinese legislation:*

- Law of the PRC on the Prevention and Control of Water Pollution (NPC, no. 87, amended 2008), Articles 66-68, 82-83
- Emergency Response Law of the PRC (NPC, no. 69, 2007), Articles 11, 22-24, 26-27, 29, 38, 56, 64, 67-68

- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (NPC, no. 31, 2005), Articles 62-63, 75, 82-83
- Law of the PRC on Prevention and Control of Radioactive Pollution (NPC, no. 6, 2003), Article 13, 25, 33, 55
- Production Safety Law of the PRC (NPC, no. 70, 2002), Articles 3, 6, 10, 16, 21, 32-33, 36, 42, 69-70
- Law of the PRC on the Prevention and Control of Atmospheric Pollution (NPC, no. 32, 2000), Articles 20, 31, 40, 61-62
- Marine Environment Protection Law of the PRC (NPC, no. 26, 2000), Article 17
- Law of the PRC on Safety in Mines (NPC, no. 65, 1993), Articles 18-19, 26, 30-31, 36, 39
- Environmental Protection Law of the PRC (NPC, no. 22, 1989), Articles 31, 38, 43
- Regulations on the Safety Administration of Dangerous Chemicals (Order of the State Council, no. 344, 2002), Articles 4, 28, 50-51, 53, 58, 61, 69
- Regulations to Prevent Marine Pollution by Land Pollutants (Order of the State Council, no. 61, 1990), Articles 22, 24, 26, 30
- Notice on Reinforcing Management of Chemically Hazardous Materials (Ministry of Transportation, no. 296, 1999), No. 9-10
- Measure to Manage Electromagnetic Radiation (SEPA, no. 18, 1997), Articles 23, 28

No. 24: External Grievance Mechanisms

Does the company have mechanisms for hearing, processing and settling the grievances of communities living in the vicinity or affected by its business operations?	Yes	No	F/A	N/A	No Info

Narrative description:

Anyone affected by the company's activities must have access to a grievance mechanism where they can report any concerns about the company's activities without discrimination or fear of retaliation. The mechanism should handle complaints ranging from dissatisfaction with company operations resulting in noise or pollution to claims of intimidation or abuse by company security guards, or to any other issue relating to the company's human rights impact on the community. This grievance mechanism is 'external' because it deals with matters affecting local people living on the land or in the vicinity of the business operations. 'Internal' grievance mechanisms deal with matters affecting the company's workers, and are described in Question no. 17 on 'Internal Grievance Mechanisms'.

The external grievance mechanism should have the mandate and capacity to hear, process and settle complaints and disputes concerning the company's human rights impact on the community. Non-judicial in nature, such mechanisms should have the capacity to direct complainants or turn cases over to appropriate external third-party mechanisms, including state-based mechanisms, such as courts, where appropriate. Moreover, the external grievance mechanism should not in any way prejudice the complainant's ability to seek recourse through such third-party mechanisms.

The grievance mechanism should be established and function according to the following general principles:*

Legitimacy: The mechanism must have clear, transparent and sufficiently independent governance structures to ensure that no party to a particular grievance process can interfere with the fair conduct of that process;

Accessibility: The mechanism must be publicised to those who wish to access it and provide adequate assistance for aggrieved parties who may face barriers to access, including language, literacy, awareness, finance, distance or fear of reprisal;

Predictability: The mechanism must provide a clear and known procedure with a timeframe for each stage and clarity on the types of process and outcome it can (and cannot) offer, as well as a means of monitoring the implementation of any outcome;

Equitability: The mechanism must ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair and equitable terms;

Rights-compatibility: The mechanism must ensure that its outcomes and remedies accord with internationally recognised human rights standards;

Transparency: The mechanism must provide sufficient transparency of process and outcome to meet the public interest concerns at stake and should presume transparency wherever possible; non-state mechanisms in particular should be transparent about the receipt of complaints and the key elements of their outcomes.

In China, local government at the grassroots level (e.g. the village committee or urban residents' committee) is empowered to establish people's mediation committees (人民调解委员会, *renmin tiaojie weiyuanhui*),

* These principles derive from the Report of the Special Representative of the UN Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, entitled *Protect, Respect and Remedy: a Framework for Business and Human Rights*. A/HRC/8/5, 7 April 2008.

which provide a mechanism alternative to courts that can resolve many civil disputes. By law, enterprises may also establish internal people’s mediation committees in order to resolve disputes among workers or between workers and the community. In fact, the government encourages enterprises to set up such committees and integrate them into the company’s overall management as a way to timely resolve disputes and maintain social stability.

Under Chinese law, people’s mediation committees established by enterprises are staffed by members elected by the workers’ representative assembly (职工代表大会, *zhigong daibiao dahui*) or by the workers’ assembly (职工大会, *zhigong dahui*). The members should consist of a balanced number of male and female workers, and if the company is located in an area inhabited by different ethnic minorities, such diversity should be reflected among the committee’s membership.

In handling disputes, the people’s mediation committee must act in a timely manner, adhere to the relevant laws and regulations and respect the parties’ right to privacy. Any mediation should proceed on the basis of voluntariness and equality between the parties, and should be free of charge. The committee may invite relevant organisations or individuals to participate in the mediation process. The committee should keep records of disputes and the mediation process, and may draft a mediation agreement at a party’s suggestion. Furthermore, the committee must respect the complainant’s right to pursue judicial remedy and may not prevent the complainant from filing a claim with the court at any stage of the mediation process, even after the complainant has reached an agreement under the mediation.

Other Chinese laws and guidelines also point to the need for the company to establish an internal mechanism to receive external opinions and complaints. For example, the Law on Appraising of Environmental Impacts requires companies to obtain the opinions of the general public when drafting an environmental impact assessment. Chinese land regulations also provide for public hearings on issues involving planning or conversion of land use and expropriation of land.

At a more general level, the Company Law also requires companies to accept the supervision of the general public when conducting business operations. Furthermore, the government’s recently issued draft guidelines on CSR for foreign-invested enterprises call on companies to formulate programs and measures in order to establish a relationship with the local community. These CSR guidelines also encourage companies to establish channels of internal and external communication so that the company can effectively handle and investigate any queries. Furthermore, in certain localities the company may be advised by local regulation to establish an external grievance mechanism. The Shenzhen Stock Exchange, for example, requires its listed companies to give adequate consideration to the local communities’ interests, and encourages companies to set up special mechanisms to mediate between the company and the local community.

Companies should draw from the Chinese concept of people’s mediation committees, and on this basis, build an effective mechanism for handling grievances raised by the local community in line with the general principles summarised above.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has a policy prescribing the establishment of a legitimate, accessible and equitable external grievance mechanism responsible for hearing, processing and settling complaints and disputes raised by local people who are affected by the company’s business operations.					
2	The company has procedures in place to receive, hear, process and settle complaints from the local community in an accessible, predictable, equitable and transparent manner. The company provides an exhaustive and explanatory list of the steps of the grievance process, the time frame for each of these steps and all the possible outcomes of the process.					
3	Community members are informed about the company’s					

	grievance process and are able to anonymously file complaints if they prefer to do so, without fear of reprisal.					
4	All the possible outcomes of the grievance process comply with international human rights standards, and the mechanism does not prejudice the complainant's ability to seek recourse through external third-party mechanisms, including state-based mechanisms such as courts.					
5	The constitution and proceedings of the grievance mechanism are coordinated with people's mediation committees in the company and/or the community.					
6	The company systematically and objectively reviews all grievances pursuant to its pre-established grievance procedure, implements corrective action if necessary and keeps the complainant apprised of any findings, decisions or actions taken.					
7	The company ensures that the grievance mechanism is transparent in terms of its process and outcome. Records are kept showing any complaints filed and the actions taken.					
8	Community members and local NGOs confirm that the company's grievance mechanism is legitimate, accessible, predictable and equitable; and that its process and outcomes are fair and transparent.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Article 25; ICESCR (1966), Article 12 (b); ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 57 and 58.

- *China's international obligations:*

China has ratified the following convention relevant to the question: ICESCR (1966).

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Articles 41, 134
 - Company Law of the PRC (NPC, no. 42, 2006), Article 5
 - Law of the PRC on Appraising of Environmental Impacts (NPC, no. 77, 2003), Articles 5, 11
 - Regulations on Organisation of People's Mediation Committees (Order of the State Council, no. 37, 1989), Articles 3, 6-9, 11-12, 15
 - Certain Opinions on Establishing People's Mediation Organisations by Enterprises and Public Entities (Ministry of Justice, 1990), No. 1-4
 - Guidelines on Corporate Social Responsibility Compliance for Foreign Invested Enterprises (*Draft*) (Chinese Academy of International Trade and Economic Cooperation, MOFCOM subsidiary, 2008/2009), No. 3.2.4.1-3, 3.2.6.1
 - Shenzhen Stock Exchange Guidelines on Corporate Social Responsibility of Listed Companies (Shenzhen Stock Exchange, 2006), Articles 6, 32

C. Supplier, Customer and Government Relations

No. 25: Supply Chain Management

Does the company screen and monitor all major suppliers, contractors, sub-suppliers, joint-venture partners and other major business associates for commitment to human rights and social issues?	Yes	No	F/A	N/A	No Info

Narrative description:

Violations that are committed by business partners are commonly called indirect violations. Most companies maintain numerous business partners, and as a result risk being indirectly connected to a wide range of violations. Clearly companies cannot always be held responsible for the practices of their partners, as bad practices may not always be reasonably foreseeable or subject to the company's control. Ultimately what is expected is 'due diligence': Ensuring that all reasonable measures are undertaken to avoid complicity in violations. Of those rights which are at greatest risk in the particular context, companies are advised to inform local partners of their commitment to good human rights practices and reinforce the message with standard human rights clauses in contractual agreements, requests for information and on-site monitoring. THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK may be employed for these purposes.

Although CSR (企业社会责任, *qiye shehui zeren*) is a relatively new concept in China, businesses and the Chinese government are increasingly aware of the importance of responsible business conduct, including the promotion of ethical and responsible business practices with partners and suppliers. The 2005 revision of the Company Law inserted a requirement that companies comply with social morality and business ethics and bear social responsibility. In 2008, a research organ of the Ministry of Commerce issued draft guidelines on CSR compliance for all foreign-invested companies. Under these guidelines, companies should encourage upstream and downstream enterprises to improve CSR standards, prioritise partnerships with companies demonstrating good CSR records and refrain from working with companies that do not respect the law. Although these guidelines are voluntary, it is possible they will become law in the future. In any case, the guidelines suggest that the government may look favourably upon foreign companies that have demonstrated a commitment to CSR. Similarly, CSR guidelines have been issued for SOEs and call on such enterprises to implement CSR at every stage of their business operations.

CSR and responsible management of the supply chain (供应链管理, *gongyinglian guanli*) have also been addressed at the local level. Shenzhen, for example, recently promulgated a new regulation on labour relations that calls on companies to standardise and systematise the practice and reporting of CSR. In addition, the Shenzhen Stock Exchange has produced CSR guidelines for listed companies. These guidelines call on companies to encourage clients and suppliers to comply with business ethics and social morality and to refuse to work with those who are unwilling to improve on these issues. Moreover, the Shenzhen guidelines direct companies to establish procedures to monitor and prevent bribery and corruption with clients and suppliers.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company has a policy of screening and monitoring all major suppliers and business associates for commitment to human rights and social issues.					
2	The company has a procedure to evaluate and select suppliers and business associates based on human rights and social commitment and performance.					
3	The company inserts a clause in all contractual agreements					

	indicating that suppliers and other business associates are expected to respect human rights in all areas of operation.					
4	The company maintains records of the commitments made by suppliers and business associates to human rights and social issues.					
5	The company requires a written agreement from each supplier or business associate stating that it will inform the company of all relevant business with other suppliers, subcontractors and associates.					
6	The company requires a written agreement from each supplier or business associate stating it will promptly address issues of non-compliance if they arise.					
7	The company requires a written agreement from each supplier or business associate stating that it will participate in any human rights or social compliance monitoring activities organised by the company.					
8	The company monitors the human rights and social compliance of its suppliers and business associates through regular questionnaires and spot checks in the form of on-site visits/audits.					
9	NGOs confirm that the company screens and monitors all major suppliers, contractors, sub-suppliers, joint-venture partners and other major business associates for commitment to human rights and social issues.					

Formal law comments:

- *The above question is based on general principles of the following:*

Please refer to all the international principles stated in the other questions. In addition, the following are also relevant: OECD Guidelines for Multinational Enterprises (2000) (see also the OECD Roundtable on ‘Corporate Responsibility: Supply Chains and the OECD Guidelines for Multinational Enterprises’); the ICC Guide on Responsible Sourcing.

- *The above question is based on the following principles in Chinese legislation:*
 - Company Law of the PRC (NPC, no. 42, 2006), Article 5
 - Guiding Opinion on Carrying Out Corporate Social Responsibility by State-owned Enterprises (State-owned Assets Supervision and Administration Commission, no. 1, 2008), No. 17
 - Guidelines on Corporate Social Responsibility Compliance for Foreign Invested Enterprises (*Draft*) (Chinese Academy of International Trade and Economic Cooperation, MOFCOM subsidiary, 2008/2009), No. 3.2.3.1-2, 4.3-4.4
 - Shenzhen Special Economic Zone Regulations to Promote Harmonious Labour Relations (Shenzhen NPC, no. 83, 2008), Article 14
 - Shenzhen Stock Exchange Guidelines on Corporate Social Responsibility of Listed Companies (Shenzhen Stock Exchange, 2006), Articles 2-3, 5-6, 23-24, 35

No. 26: Recruitment Agencies

Does the company screen and monitor all recruitment agencies supplying labour to the company's operations for commitment to human rights and social issues?	Yes	No	F/A	N/A	No Info

Narrative description:

Many companies employ workers supplied by recruitment agencies and, as a result, risk being indirectly connected to violations of the rights of these workers. Issues related to discrimination, forced labour and minimum age requirements are particularly pertinent in this context. Moreover, if the recruitment agency is the formal employer of the worker, issues related to inappropriate fee requirements, labour contracts, remuneration, inappropriate retention of ID cards, inadequate social security arrangements, abuse of probationary period and labour dispute may arise. Clearly companies cannot always be held responsible for the practices of their partners, as bad practices may not always be reasonably foreseeable or subject to the company's control. Ultimately, what is expected is due diligence—ensuring that all reasonable measures are undertaken to avoid complicity in violations committed in the process of recruiting workers.

In some cases in China, agencies that dispatch workers to certain companies on a regular basis have proactively engaged in dialogue or negotiations with the companies with the aim to ensure appropriate conditions relating to remuneration (i.e. minimum wage and timely payment) and social security. In such cases, the company should engage constructively in such dialogues and negotiations.

In recent years the Chinese government has promulgated laws and regulations to control the formation and operation of recruitment agencies in order to raise their quality, ensure fair competition and protect workers' rights. Generally known as 'worker dispatch service providers' (劳务派遣单位, *laowu paiqian danwei*) or 'job intermediary agencies' (职业中介机构, *zhiye zhongjie jigou*), recruitment agencies organise job fairs, match workers to employers, consult on job search or human resource management and, if it is a worker dispatch unit, enter into formal agreements to dispatch its own workers to various companies.

Chinese law has detailed provisions regulating the formation and registration of recruitment agencies. Worker dispatch service providers must be established in accordance with the Company Law, whereas job intermediary agencies must register with and obtain a license from local authorities and meet basic criteria including capital, office space and number of full-time workers. Job intermediary agencies must operate in compliance with the law and observe principles of good faith, fairness and transparency. Job intermediary agencies may not provide false information, advertise job information with discriminatory content, offer services to employers lacking lawful license, introduce minors to jobs, retain workers' ID cards or other certificates or charge workers a deposit. Although job intermediary agencies may charge fees, such fees must be clearly publicised and recorded for each client.

In contrast to job intermediary agencies, worker dispatch service providers are the formal employers of the workers they dispatch to companies, and they have the same responsibility as employers under labour law. Thus, worker dispatch service providers must sign labour contracts with the workers in accordance with the Labour Contract Law. In addition to standard terms such as wages, working hours and working conditions, the contract must specify matters such as the company to which the worker will be dispatched, job position and term of dispatch. The labour contract must be fixed-term for a period of two years or more. During the contract period, the worker dispatch service providers must pay the worker's wages on a monthly basis and contribute to social insurance premiums and other social schemes. If a worker is dispatched to a company located in another region, the worker's remuneration and working condition should comply with the relevant standards of the place where the company is located. When a worker is not dispatched during the contract period, the worker dispatch service provider is responsible for continuing to pay the worker the local minimum wage (as set by the location of the worker dispatch service providers) on a monthly basis. The worker dispatch service provider must respect restrictions on the probationary period as well as provide severance pay to its workers according to the law.

Worker dispatch service providers must also sign dispatch agreements with the companies that accept workers under the dispatch arrangement. Such agreements should stipulate the dispatch positions, number of workers to be dispatched, the term of dispatch, the amount of remuneration and social security premiums and the liability for breach of agreement. The content of dispatch agreements must be disclosed to the workers by the worker dispatch service provider. Dispatched workers are also entitled to the same pay as the company's own workers for the same kind of work. In no case may the worker dispatch service provider retain any remuneration that the company pays directly to the workers pursuant to the dispatch agreement. Neither the worker dispatch unit nor the company may charge any fees against the dispatched worker. Like other workers, dispatched workers have the right to join the trade union of the worker dispatch service provider or the company they work at, and may organise such unions in order to protect their rights.

In general, worker dispatch service providers and job intermediary agencies must comply with anti-discrimination laws. Importantly, worker dispatch services should normally be used to fill temporary, auxiliary, or substitute positions. No organisation or individual may impair workers' rights and interests by taking advantage of recruitment agencies, and companies should not rely on worker dispatch services as a means to shirk their responsibility to respect workers' rights (e.g. bypassing restrictions on probationary period or avoiding the obligation to participate in the labour dispute settlement process with its workers). Companies should consult Question no. 12 on 'Freedom of Movement and Choice in Work', for further regulations on the conduct of recruitment agencies.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a procedure to evaluate and select recruitment agencies based on human rights and social commitment and performance.					
2	The company has a policy to use worker dispatch service providers mainly to fill temporary, auxiliary or substitute positions and not as a common source of labour supply.					
3	The company inserts a clause in all contractual agreements with recruitment agencies to the effect that the agencies are expected to respect human rights in all areas of operation.					
4	The company has a procedure to ensure that the recruitment agencies it uses are established, licensed and registered according to law.					
5	The company has a procedure to ensure that the recruitment agencies comply with non-discrimination and minimum age requirements.					
6	The company has a procedure to ensure that the recruitment agencies do not forge, retain or otherwise handle workers' ID cards inappropriately.					
7	If a recruitment agency is formally the employer of company workers, the company has a procedure to ensure that the workers' employment status is established in labour contracts signed with the agency and that the agency observes all employer duties according to law.					
8	The company has a procedure to ensure that dispatched workers have appropriate conditions with regard to remuneration (i.e. minimum wage and timely payment), social security and labour dispute resolution.					
9	The company engages in dialogue or negotiations with recruitment agencies with the aim to ensure appropriate					

	conditions with regard to remuneration (i.e. minimum wage and timely payment), social security and labour dispute resolution.					
10	Dispatched workers and their representatives confirm that their employment status is fair and adequate and that their conditions are equal to those of peer workers employed by the company.					

Formal law comments:

- *The above question is based on general principles of the following:*

Please refer to all the international principles stated in the other questions. In addition, the following are also relevant: OECD Guidelines for Multinational Enterprises (2000) (see also the OECD Roundtable on ‘Corporate Responsibility: Supply Chains and the OECD Guidelines for Multinational Enterprises’); the ICC Guide on Responsible Sourcing.

- *The above question is based on the following principles in Chinese legislation:*
 - Labour Contract Law of the PRC (NPC, no. 65, 2008), Articles 57-66, 67, 92
 - Employment Promotion Law of the PRC (no. 70, 2008), Articles 26, 33, 35-41, 64-66, 68
 - Provisions on Employment Services and Employment Management (Ministry of Labour and Social Security, no. 28, 2008), Articles 45-48, 52-55, 58, 60, 70, 72-74
 - Provisions on the Administration of Human Resource Markets (Ministry of Personnel & State Administration for Industry and Commerce, no. 4, amended 2005), Articles 5-7, 11-15, 25, 35-36, 38, 41
 - Interim Provisions on the Administration of the Establishment of Sino-foreign Equity Joint and Sino-foreign Cooperative Job Intermediary Institutions (Ministry of Labour and Social Security, no. 14, 2001), Articles 2-5
 - Notice by the Ministry of Labour and Social Security on Strengthening the Administration of Job Intermediary Services in order to Reform the Labour Market Order (Ministry of Labour and Social Security, no. 23, 1998), No. 1

No. 27: Company Products and Consumer Protection

Does the company exercise due diligence when designing, manufacturing and marketing products to protect against defects which could harm the life, health or safety of consumers or others likely to be affected by the defective product?	Yes	No	F/A	N/A	No Info

Narrative description:

The company must exercise due diligence to protect against product defects in all stages of product development, including design, manufacturing and marketing. Design defects are inherent and occur before the product is manufactured, while manufacturing defects occur during production when the construction of the item fails to comply with the proper design. Defects in marketing occur when the product fails to include proper use instructions or warning labels regarding latent dangers associated with the product, as well as foreseeable risks to life, health or safety which could otherwise be avoided with proper guidance.

The company must take precautionary measures to protect against the unintentional misuse of its products caused by improper instructions or warning labels which could result in injury, health consequences or the loss of life. Cigarettes, alcohol and other products that may lead to long-term health damage and loss of life, must be adequately and clearly labelled so that the consumer is able to make an informed choice about likely consequences of using the products.

Consumer protection (消费者权益保护, *xiaofeizhe quanyi baohu*) and product quality (产品质量, *chanpin zhiliang*) control are both issues high on the Chinese government's agenda, and laws and industry-specific regulations (e.g. food, pharmaceuticals, medical equipment, cosmetics, tobacco, alcohol, agricultural products) regulate this area. We advise companies to further consult the particular regulations and standards relevant to their industry in order to adequately assess their duties.

The Law on Protection of Consumer Rights and Interests safeguards the consumer's right to personal and property safety when purchasing or using products and services. Business operators must guarantee that their products and services meet the requirements of personal and property safety. For hazardous products and services, companies must provide truthful explanations and clear warnings so that consumers understand how to correctly and safely use them. When serious defects are discovered that pose the risk of harm to personal or property safety, business operators must immediately report the problem to the relevant government authorities, inform consumers and adopt measures to prevent the harm. Consumers are entitled to complete and accurate information about the products and services they purchase, and they can demand compensation from the manufacturer, retailer or service supplier for injuries caused by these products or services.

In addition to protecting consumers, Chinese law also imposes obligations on companies to assure the quality of their products. Producers and sellers should establish effective internal quality control rules and systems to ensure that appropriate regulation, responsibility and monitoring are introduced at all stages of product development, from product design to after-sale services. Labels and marks on products must be genuine and conform to legal requirements. Hazardous products must bear warning signs or instructions. Specifically, sellers should implement a system for examining, verifying and maintaining the quality of the goods they sell. Industrial products that may pose a hazard to health and safety must conform to national and trade standards. Larger enterprises are also encouraged to look to advanced international standards and strive to achieve quality management that exceeds current national or industry standards. Managers and workers should receive training about quality control and the relevant laws and regulations.

Companies whose products or services cause personal injuries to consumers or other victims are liable to pay medical and other expenses, loss of income and other compensation, and may be investigated for criminal responsibility. Companies are also liable for repair or replacement costs if their products or services damage consumers' property. Failure to comply with the law can lead to confiscation, fines, suspension of business, revocation of business license or criminal sanctions.

Suggested Indicators:		True	False	F/A	N/A	No info
1	The company complies with all relevant national law, international guidelines and industry standards regarding product production, manufacturing, design and marketing.					
2	The company conducts a pre-development assessment of product risks.					
3	The company has a system or process meant to protect against product defects in the design, manufacturing and marketing stages of development.					
4	The company has a procedure to ensure that its products are safe for the uses intended, as well as for reasonably foreseeable uses.					
5	The company takes all measures to eliminate any ingredients, designs, defects or side effects that could harm or threaten human life and health.					
6	The company provides clear warnings about hazards associated with the product as well as proper use instructions on all packaging or products.					
7	If there are reported injuries or deaths associated with the proper use of a certain product, the company immediately makes the danger known to the consumers and recalls the item.					
8	Consumer organisations confirm that the company takes all measures to ensure that company products do not harm human life or health and the products comply with all relevant laws with regard to proper product information and labelling.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 3, 16 and 25; ICCPR (1966), Article 6(1); ICESCR (1966), Article 12(1); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Article 28; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Article 37; Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (2003), Article 13; OECD Guidelines for Multinational Enterprises (2000), Section 7; FAO/WHO Codex Alimentarius Commission (1979).

- *China's international obligations:*

China has ratified the following conventions relevant to the question: ICESCR (1966). China has signed but not ratified the ICCPR (1966). China is also a member of the ILO.

- *The above question is based on the following principles in Chinese legislation:*

- Product Quality Law of the PRC (NPC, no. 1993, no. 71, amended 2000), Articles 2-4, 13-14, 18-22, 24-29, 31, 34-35, 44, 49, 59, 61
- Law of the PRC on Protection of Consumer Rights and Interests (NPC, no. 11, 1994), Articles 7-8, 11-12, 15-16, 18-20, 22, 35-37, 39, 41-42, 44-45, 49-50
- General Principles of the Civil Law of the PRC (NPC, no. 37, 1987), Chapter 6, Section 3, Article 122

- Decision of the State Council Concerning Several Issues on Further Strengthening Product Quality Work (State Council, no. 24, 1999), No. 3-4, 6, 8-9, 11
- Outline on Revitalizing Quality 1996-2010 (State Council, no. 51, 1996), No. 25-27
- Notice on Printing and Distributing the Provisions on Product Identification (State Administration of Quality and Technical Supervision, no. 172, 1997), Articles 15-17, 24
- Opinions of the Supreme People's Court on Certain Issues Concerning the Implementation of the 'General Principles of the Civil Law of the People's Republic of China' (Trial Run) (Supreme People's Court, no. 6, 1988)
- Examples of industry-specific regulations on product-labelling:
 - o Food
 - 食品标识管理规定 (2007)
 - 进出口食品标签管理办法 (2000)
 - 卫生部关于食品旧标签使用问题的通知 (1998)
 - 国家技术监督局、卫生检疫局关于进口预包装食品标签有关问题的通知 (1997)
 - 保健食品标识规定 (1996)
 - o Agriculture
 - 农产品包装和标识管理办法 (2006)
 - 农药标签和说明书管理办法 (2007)
 - o Pharmaceuticals
 - 药品说明书和标签管理规定 (2006)
 - o Medical Equipment
 - 医疗器械说明书、标签和包装标识管理规定 (2004)
 - 医疗器械产品标签和使用说明书内容有关规定 (1996)
 - o Cosmetics
 - 化妆品标识管理规定 (2007)
 - o Tobacco
 - 国家烟草专卖局办公室关于烟用香精香料产品标识标注检查情况的通报 (2006)
 - 国家烟草专卖局印发《国家烟草专卖局关于规范境内销售卷烟包装标识的规定》的通知 (2006)
 - 国家烟草专卖局关于规范卷烟包装体上有关警句标注的通知 (2001)
 - o Alcohol
 - 国家工商行政管理局商标局关于使用酒原料名称问题的复函 (1989)
 - 国家工商行政管理局商标局关于整顿酒类商标工作中几个问题的通知 (1989)
 - 国家工商行政管理局商标局关于清理酒类《商标注册证》有关事宜的通知 (1989)
 - 国家工商行政管理局商标局对酒类、卷烟等商品使用商标问题的复函 (1987)
 - 国家工商行政管理局商标局关于清理酒类商品《商标注册证》的通知 (1986)

No. 28: Corruption and Bribery

Does the company refrain from bribing or using any other method to unjustly influence government officials or the judiciary; does it observe adequate due diligence to minimise the risk of being complicit in any manner in corrupt practices?	Yes	No	F/A	N/A	No Info

Narrative Description:

Companies frequently engage in discussions with government officials in an effort to establish or maintain operations. Discussions may involve disagreement, attempts to explain a viewpoint or attempts to persuade a governmental actor to agree with a company position, proposal or policy. Discussions of this nature are an inevitable part of the process of business, and do not generally constitute a violation of the right to take part in government or the right to a fair trial. However, companies routinely encounter bribery issues when they operate in states where bribery is a common business practice.

Companies operating in such states often recognise that bribery is illegal and disruptive to the process of ensuring democracy and transparency. But companies nevertheless feel compelled to participate in bribery in order to remain competitive. The company must consider these obstacles before deciding whether to operate in such an environment. The company should discourage such practices whenever feasible, as corruption may impede individuals' right to a fair trial and undermine the right to take part and influence the governance and politics of the country.

The type of influence that a company must avoid is that which could unjustly influence government officials or the political and judicial process itself. Unjust actions are those undertaken i) without the public's awareness that would deny citizens the opportunity to participate in shaping the decisions of public officials or the political process; or ii) with the intent to influence (through bribery, threats, promises, or other means) judges, judicial workers or other jury members to affect the process or outcome of legal matters in the law enforcement system.

Facilitation payments—that is, small payments or gifts made to secure or expedite the performance of a routine action to which the company is entitled—are considered a form of bribery, and the company should work to eliminate them. By making facilitation payments, the company perpetuates corruption at the social level and makes itself more vulnerable to extortion. In situations where facilitation payments cannot be avoided, the company should record the amount and attach an explanation of the incident.

The Chinese government has promulgated various laws to curb bribery (贿赂, *huilu*) and corruption (贪污, *tanwu*) at the civil, criminal and administrative levels. To address the risk of involvement in corruption and bribery, the company should develop a programme for countering corruption and bribery in all activities under its effective control. The programme should include clear policies and procedures on preventing and handling corruption and bribery, training of staff and adequate due diligence and monitoring.

The legal obligation to refrain from bribery is imposed on public servants, institutions and private individuals and enterprises. Members of the CPC are also obligated to observe the Party's code of conduct and comply with disciplinary measures. For companies, bribery can result in civil fines or criminal sentences. The Anti-Unfair Competition Law prohibits companies from committing bribery in order to sell or purchase commodities. Violation of this law can lead to fines of up to RMB 200,000. Bribery includes bribing by cash, property in kind, property benefits whose value can be calculated in monetary terms or unofficial rebates. Offering a discount explicitly or paying commission to a middleman does not constitute bribery if the transaction is truthfully recorded in company's records. The law also permits companies to present small advertising gifts according to business practices.

Commercial bribery is also outlawed by the Company Law (which prohibits directors, supervisors, or senior management personnel from taking bribes or other illegal gains) and in business activities relating to foreign trade. Anyone who has received a criminal sentence for corruption, bribery, embezzlement or misappropriation of property may not assume the post of director, supervisor or senior management personnel of a company.

As a matter of policy, the central government's most recent working plan against corruption targets reform of financial and state-owned enterprises. It also encourages measures to combat bribery in construction projects, land transfer, property transactions, pharmaceuticals, government procurement, development of natural resources, bank credit, securities and futures and commercial insurance. In particular, the Insurance Regulatory Commission has called on insurance companies to control and eliminate commercial bribery by assessing risk areas, improving companies' internal controls, establishing a workers' code of conduct and strengthening the monitoring of personnel.

In the criminal realm, China has legislated against bribery by or to individuals (e.g. workers of a company or SOE or any other entity, current and former public officials, relatives of current and former public officials) as well as organisations (e.g. government organs, public institutions, SOEs, companies, civil organisations). Bribery in the criminal definition involves demanding or receiving financial property, which includes offering or receiving rebates, discounts or processing fees on an individual account. Criminal liability typically consists of imprisonment of three to ten years, though life sentence is possible in severe cases.

It has been noted that Chinese law has not yet fully implemented the UN Convention Against Corruption. For example, the Chinese crime of commercial bribery encompasses only property measured in financial terms and does not encompass "assets of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments evidencing title to or interest in such assets," as provided in the Convention. Moreover, the Chinese crime of commercial bribery does not currently encompass bribing foreign public officials or officials of public international organisations.

	Suggested Indicators:	True	False	F/A	N/A	No info
1	The company has a written policy against unjustly influencing and bribing public officials or engaging in any other methods that subvert the representative process of government.					
2	The company has developed and adopted guidelines instructing workers on identifying bribery or corruption as well as complicity with a third party practicing corruption and bribery.					
3	The company conducts a risk assessment of corruption and bribery practices at national and local levels and takes extra precautions to ensure that workers are aware of these risks.					
4	The company rolls out anti-corruption, ethics and compliance programmes to its workers and subsidiaries in its global operations, including providing trainings to staff who are responsible for negotiating in corruption-prone areas.					
5	The company is transparent about facilitation payments and actively works to eliminate them.					
6	The company develops and adopts adequate internal company controls systems that discourage bribery and corrupt practices, including standards of conduct with regard to corruption (e.g. from the OECD).					
7	Relevant NGOs and other external parties confirm that the company is not involved in the bribery and corruption of government officials.					

Formal law comments:

- *The above question is based on general principles of the following:*

UDHR (1948), Articles 6, 7, 8, 9, 10, 11 and 21; ICCPR (1966), Article 25; OECD Convention on the Combating of Bribery of Foreign Public Officials in International Business Transactions (1997), Article 1; OECD Guidelines for Multinational Enterprises (2000), Section 6; UN Convention Against Corruption (2003), Article 12.

- *China's international obligations:*

China has ratified the following convention relevant to the question: UN Convention Against Corruption (2003). China has signed but not yet ratified the ICCPR (1966). China has not ratified the OECD convention against bribery and is not party to the OECD Guidelines for Multinational Enterprises. However, China is a member of the Asia-Pacific Economic Cooperation (APEC), which endorsed the Santiago Commitment to Fight Corruption and Ensure Transparency as well as the APEC Anticorruption and Transparency Course of Action (endorsed by the Ministers in 2004).

- *The above question is based on the following principles in Chinese legislation:*
 - Constitution of the PRC (2004), Articles 2, 4-5, 15, 27, 33, 41, 53
 - Criminal Law of the PRC (NPC, no. 83, 1997; amendment 6, no. 51, 2006; amendment 7, no. 10, 2009), Articles 163, 164, 385, 387-92, 396
 - Company Law of the PRC (NPC, no. 42, 2006), Articles 147-49, 190
 - Foreign Trade Law of the PRC (NPC, no. 15, amended 2004), Article 33
 - Law of the PRC on Administrative Supervision (NPC, no. 85, 1997), Articles 2, 6, 15, 18
 - Anti-Unfair Competition Law of the PRC (NPC, no. 10, 1993), Articles 8, 22
 - China Insurance Regulatory Commission's Notice Concerning Opinion on Implementing Control of Commercial Bribery in the Insurance Industry (Insurance Regulatory Commission, no. 26, 2006), No. 2, 5
 - Implementing Regulation for the Law of the PRC on Administrative Supervision (Order of the State Council, no. 419, 2004), Article 2
 - Interim Provisions on Prohibition of Commercial Bribery (State Administration for Industry and Commerce, no. 60, 1996), Articles 2-8
 - Notice of the Supreme Peoples Court and the Supreme Peoples Procuratorate on Issuing the Opinions on Issues Concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies (2008), No. 7, 9
 - Central Government's 2008-2012 Working Plan to Establish Sound System for Punishing and Preventing Corruption, No. 4(2), 5(3)-(5), 7(2)

Annexes

Annex 1: Acknowledgements, Disclaimer and Property Rights

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The User's guide to THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is based on the Users' guide developed by the Human Rights & Business Project South Africa and *Aim for human rights*.

Disclaimer

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK is intended as a general guide to assist companies in respecting international human rights standards. It is not intended to serve as legal advice and must not be considered a substitute for legal counsel. While every effort has been made to ensure the accuracy of all information contained in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, errors can occur. Law, treaties and regulations cited in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK will change over time and questions regarding their interpretation and application to particular factual circumstances should be directed to the appropriate legal counsel. Any actions taken or omissions or alterations made to policies, practices or procedures on the basis of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK are carried out at your own risk. The Danish Institute for Human Rights is neither responsible nor liable for any direct, indirect, consequential, special, exemplary, punitive or other damages arising out of or in any way related to the application or use of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK.

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Annex 2: Research Methodology

The development of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK was based on a comprehensive process including consultations, interviews, testing and publicity events. A range of Chinese and non-Chinese companies, research institutions and civil society organisations were engaged throughout the process of developing and testing THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK. Key steps in the process can be summarised as follows:

- The HRCA Quick Check was launched at the UN Global Compact Summit in Shanghai on 2 December 2005 by the Human Rights and Business Project of the Danish Institute for Human Rights (DIHR) and the Confederation of Danish Industries.
- In spring 2006, DIHR produced a draft Chinese translation of the HRCA Quick Check.
- In June 2006, DIHR organised a workshop concerning the HRCA Quick Check in collaboration with the mainland Chinese Institute of Contemporary Observation (ICO), among the leading Chinese NGOs in the field. Attended by a range of Chinese company representatives, the workshop pursued two aims: i) Further development of a China-specific version of the HRCA Quick Check; ii) Training of Chinese participants on how to use the tool to monitor factories and improve working conditions in factories.
- In September 2006, the Chinese civil society organisation SynTao contributed an in-depth evaluation of the translation and content of the HRCA Quick Check.
- In November 2006, the official Chinese translation of the HRCA Quick Check was finalised and launched at the website of the Human Rights and Business Project: www.humanrightsbusiness.org.
- In 2007, the Chinese translation of the HRCA Quick Check was presented at international conferences in Europe and China and consultations were conducted with European companies.
- In May 2008, interviews were conducted with a representative selection of experts on CSR in China, and a workshop on the Chinese translation of the HRCA Quick Check was held in Beijing.
- From summer 2008 to spring 2009, the draft of THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK was developed on the basis of the input derived from the above-mentioned activities. The 28 topics addressed in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK questions were identified, the narrative descriptions were edited, the sets of suggested indicators were designed and in-depth desk research was conducted to analyse international law and Chinese law in reference to the 28 topics. The methodology employed in these analyses is described below.

Desk research on International law in reference to THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK

The international law and standards referenced in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK are drawn from two earlier diagnostic tools developed by DIHR: The HRCA and the HRCA Quick Check. These tools were based on the Universal Declaration of Human Rights, the 1966 Dual Covenants (ICCPR and ICESCR) and more than 80 other international human rights instruments and recommendations. In THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK, both binding instruments and non-binding documents are being referred to. Binding instruments such as international conventions, covenants and treaties are quoted in THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK as primary sources of international law. However where international law lacks precision or standards on a particular human rights issue, non-binding international documents are also being referred to, such as ILO recommendations, UN declarations, summit outcomes, conferences, codes etc. Such documents are guidance for actors such as states and companies, but do not create binding obligations as such: it is soft

law, whereas international conventions and treaties are binding instruments which create obligations. Since the international legal texts cited by THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK apply specifically to states, the cited provisions have been modified to apply to companies.

THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK also cites guidelines and best practices developed by international organisations, human rights organisations and other independent bodies whenever such guidelines serve as useful human rights reference points for companies.

Desk research on Chinese law in reference to THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK

The research of Chinese laws was conducted in reference to the international standards and indicators in relevant portions of the HRCA and the HRCA Quick Check. Using the international human rights framework as the point of departure, research on Chinese law was conducted on various areas of primarily 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: i) national laws passed or adopted by the National People’s Congress or its Standing Committee; ii) regulations, opinions and directives promulgated by the State Council; and iii) 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. For example, the question on worker representation and trade unions refers to rules and guidelines issued by the ACFTU, a quasi-government mass organisation. The following table illustrates the categories of Chinese legal sources we relied on when researching into Chinese law.

Category	Term for legal source in English	Term for legal source in Chinese
1	State law (issued by: National People’s Congress and its Standing Committee, President)	国家法律（由全国人大及其常委会制定）
	Constitution of the People’s Republic of China	中华人民共和国宪法（由全国人大制定）
	Amendments to the Constitution (by the National People’s Congress)	中华人民共和国宪法修正案（由全国人大制定）
	Other Laws (e.g. Orders of the President of the People’s Republic of China adopted by the Standing Committee of the NPC)	其他法律（由全国人大及其常委会制定）
2	Administrative regulations (issued by: State Council)	行政法规（由国务院制定）
	Including administrative ‘regulations’, ‘provisions’, or ‘measures’; and orders, measures, special provisions, etc. issued by the State Council	
3	Ministry regulations (issued by: Ministries, Commissions, State Administrations)	部门规章（由国务院各部委局制定）
	All regulations, measures and provisions issued by the relevant ministries as well as other executive organs under the State Council	
4	Interpretation of the laws	法律解释
	Judicial Interpretation (issued by: Supreme People’s Court and Supreme People’s	司法解释（由最高人民法院和最高人民检察院制定）

	Procuratorate)	
5	Local rules and regulations (issued by: people's congresses or their standing committees of the provinces, autonomous regions, and municipalities)	地方性法规（由地方人大或其常委会制定）
	Local regulations, Regulations of National Autonomous Areas and Regulations of Special Economic Zones	
6	Group- or industry-specific rules, regulations and policy statements (issued by: central-level group- or industry-specific organisations)	团体规定，行业规定（由中央其他机构制定）
	Rules, guidelines, agendas, working plans	

For each question, THE CHINA BUSINESS AND SOCIAL SUSTAINABILITY CHECK aims to summarise the main Chinese legal standards and relevant requirements for companies, including the types of liability or sanctions a company may be exposed to for failing to comply with Chinese law. The specific laws and regulations that give support to the description of Chinese legal standards are listed as references at the end of each question. It should be noted that the dates cited for the laws and regulations listed at the end of each question refer to the date the law or regulation went into effect.

In certain questions, especially where national Chinese law has delegated more precise regulation to local governments or industry-specific organisations, we point out that only the main national legal standards are highlighted. However, we advise companies to consult the specific laws and regulations relevant to their industry or locality of operation in order to more accurately assess their Chinese legal obligations.

It should be emphasised that the Chinese legal standards summarised in each question in no way seeks to provide companies a definitive legal opinion on the matter. Rather, the summaries were intended to be descriptive and general and to highlight areas to which the companies should draw their attention. In all cases, companies should consult qualified Chinese lawyers to ascertain the nature and scope of their actual legal obligations within their specific context.

Annex 3: Glossary of Chinese-English Terms

China QC Question	English	Chinese	Pinyin
1. Hours of Work	Unfixed working hours system	不定时工作制	<i>budingshi gongzuozhi</i>
1. Hours of Work	Composite working hours system	综合计算工时工作制	<i>zonghe jisuan gongshi gongzuozhi</i>
1. Hours of Work	Overtime	加班加点	<i>jiaban jiadian</i>
2. Living Wage	Minimum wage standard	最低工资标准	<i>gongzi biao zhun</i>
3. Procedures on Salary and Other Payments	Pay stub	工资条	<i>gongzitia</i>
4. Leave and Holiday	Annual leave with pay	带薪年休假	<i>daixin nianxiujia</i>
4. Leave and Holiday	Marriage leave	婚假	<i>hunjia</i>
4. Leave and Holiday	Funeral leave	丧假	<i>sangjia</i>
4. Leave and Holiday	Late marriage award leave	晚婚奖励假	<i>wanhun jianglijia</i>
4. Leave and Holiday	Family visit leave	探亲假	<i>tanqinjia</i>
4. Leave and Holiday	Public holiday	法定节日	<i>fading jieri</i>
4. Leave and Holiday	Maternity leave	产假	<i>chanjia</i>
4. Leave and Holiday	Late birth leave	晚育假	<i>wanyujia</i>
4. Leave and Holiday	Paternal leave	护理假	<i>hulijia</i>
4. Leave and Holiday	Sick leave	医疗期	<i>yiliaoqi</i>
4. Leave and Holiday	Work injury leave	停工留薪期	<i>tinggong liuxinqi</i>
5. Workplace Health and Safety Standards	Occupational hazard	职业危害	<i>zhiye weihai</i>
5. Workplace Health and Safety Standards	Occupational disease	职业病	<i>zhiyebing</i>
5. Workplace Health and Safety Standards	Occupational injury insurance	工伤保险	<i>gongshang baoxian</i>
7. Labour Contracts	Labour contract	劳动合同	<i>laodong hetong</i>
7. Labour Contracts	Probationary period	试用期	<i>shiyongqi</i>
7. Labour Contracts	Adjustment period	适应期	<i>shiyingqi</i>
7. Labour Contracts	Internship period	实习期	<i>shixiqi</i>
7. Labour Contracts 9. Migrant Workers	Household registration	户口	<i>hukou</i>

China QC Question	English	Chinese	Pinyin
7. Labour Contracts 16. Facilitating Worker Representation 24. External Grievance Mechanisms	Workers' representatives assembly	职工代表大会	<i>zhigong daibiao dahui</i>
8. Equal Treatment	Employment discrimination	劳动、就业歧视	<i>laodong jiuye qishi</i>
9. Migrant Workers	Migrant workers	农民工	<i>nongmingong</i>
10. Minimum Age Standards	Child labour	童工	<i>tonggong</i>
10. Minimum Age Standards 11. Young Workers and Worst Forms of Child Labour	Young workers	未成年工	<i>weichengniangong</i>
12. Freedom of Movement and Choice in Work	Deduction or retention of wages or delay in wage payment	工资克扣、拖欠	<i>gongzi kekou tuoqian</i>
13. Worker Privacy	File, dossier	档案	<i>dangan</i>
14. Security Services	Security service provider/organisation	保安服务组织	<i>baoan fuwu zuzhi</i>
14. Security Services	Security guard	保安员	<i>baoanyuan</i>
15. Labour Discipline	Labour discipline	劳动纪律	<i>laodong jilv</i>
16. Facilitating Worker Representation	Collective negotiation/consultation	集体协商	<i>jiti xieshang</i>
16. Facilitating Worker Representation	Collective contract	集体合同	<i>jiti hetong</i>
16. Facilitating Worker Representation	Extreme action (in the context of collective consultation)	过激行为	<i>guoji xingwei</i>
16. Facilitating Worker Representation	trade union committee	工会委员会	<i>gonghui weihuan hui</i>
16. Facilitating Worker Representation	Trade union members assembly	会员大会	<i>huiyuan dahui</i>
16. Facilitating Worker Representation	Trade union members' representatives assembly	会员代表大会	<i>huiyuan daibiao dahui</i>
16. Facilitating Worker Representation	Board of directors	董事会	<i>dongshihui</i>

China QC Question	English	Chinese	Pinyin
16. Facilitating Worker Representation	Supervisory board	监事会	<i>jianshahui</i>
16. Facilitating Worker Representation 24. External Grievance Mechanisms	Workers' assembly	职工大会	<i>zhigong dahui</i>
17. Internal Grievance Mechanisms	Rational suggestion	合理化建议	<i>helihua jianyi</i>
17. Internal Grievance Mechanisms	Consultation	协商	<i>xieshang</i>
17. Internal Grievance Mechanisms	Mediation organisation	调解组织	<i>tiaojie zuzhi</i>
17. Internal Grievance Mechanisms	Enterprise mediation committee	企业调解委员会	<i>qiye tiaojie weihuanhui</i>
17. Internal Grievance Mechanisms	Labour dispute arbitration commission	劳动争议仲裁委员会	<i>laodong zhengyi zhongcai weiyuanhui</i>
17. Internal Grievance Mechanisms 24. External Grievance Mechanisms	People's mediation committee	人民调解委员会	<i>renmin tiaojie weiyuanhui</i>
18. Company-provided Dining Facilities	Workers' canteen	职工食堂	<i>zhigong shitang</i>
19. Company-provided Housing Facilities	Affordable housing for low-income families	经济适用住房	<i>jingji shiyong zhufang</i>
19. Company-provided Housing	Housing for workers	职工住房	<i>zhigong zhufang</i>
20. Consulting with Legal and Customary Owners of Land	State-owned land	国有土地	<i>guoyou tudi</i>
20. Consulting with Legal and Customary Owners of Land	Collectively owned land	集体所有土地	<i>jiti suoyou tudi</i>
20. Consulting with Legal and Customary Owners of Land	Usufructuary right / land use right	用益物权	<i>yongyi wuquan</i>
20. Consulting with Legal and Customary Owners of Land	Registration of immovable/real property	不动产登记	<i>budongchan dengji</i>

China QC Question	English	Chinese	Pinyin
20. Consulting with Legal and Customary Owners of Land	Right to rural land management contract	农村土地承包经营权	<i>nongcun tudi chengbao jingyingquan</i>
21. Relocations and Usage of Company Land	Expropriate	征收	<i>zhengyong</i>
21. Relocations and Usage of Company Land	Compensation for land expropriation	征地补偿	<i>zhengdi buchang</i>
21. Relocations and Usage of Company Land	Demolition of houses	房屋拆迁	<i>fangwu chaiqian</i>
22 Environmental Health	Environmental impact assessment	环境影响评价	<i>huanjing yingxiang pingjia</i>
25. Supply Chain Management	Corporate social responsibility	企业社会责任	<i>qiye shehui zeren</i>
25. Supply Chain Management	Supply chain management	供应链管理	<i>gongyinglian guanli</i>
26. Recruitment Agencies	Worker dispatch service providers	劳务派遣单位	<i>laowu paiqian danwei</i>
26. Recruitment Agencies	Job intermediary agencies	职业中介机构	<i>zhiye zhongjie jigou</i>
27. Company Products and Consumer Protection	Consumer rights protection	消费者权益保护	<i>xiaofeizhe quanyi baohu</i>
27. Company Products and Consumer Protection	Product quality	产品质量	<i>chanpin zhiliang</i>
28. Corruption and Bribery	Bribery	贿赂	<i>huilu</i>
28. Corruption and Bribery	Corruption	贪污	<i>tanwu</i>

Annex 4: Complete List of Relevant Chinese Laws

* Text in italics represents our non-official English translation of Chinese laws and regulations for which there is no English translation on China Law Info

CATEGORY 1: State law (issued by: NPC and its Standing Committee, or the President) 国家法律（由全国人大及其常委会制定）		
1. Hours of Work 2. Living Wage 3. Procedures on Salary and Other Payments 4. Leave and Holiday 5. Workplace Health and Safety Standards 6. Training and Protective Gear 7. Labour Contracts 8. Equal Treatment 9. Migrant Workers 10. Minimum Age Standards 11. Young Workers and Worst Forms of Child Labour 12. Freedom of Movement and Choice in Work 15. Labour Discipline 16. Facilitating Worker Representation 17. Internal Grievance Mechanisms	Labour Law of the People's Republic of China	中华人民共和国劳动法
1. Hours of Work 2. Living Wage 3. Procedures on Salary and Other Payments 4. Leave and Holiday 5. Workplace Health and Safety Standards 6. Training and Protective Gear 7. Labour Contracts 8. Equal Treatment 9. Migrant Workers 12. Freedom of Movement and Choice in Work 13. Worker Privacy 15. Labour Discipline 17. Internal Grievance Mechanisms 26. Recruitment Agencies	Labour Contract Law of the People's Republic of China	中华人民共和国劳动合同法
4. Leave and Holiday	Law of the People's Republic of China on Population and Family Planning	中华人民共和国人口与计划生育法

5. Workplace Health and Safety Standards	Fire Protection Law of the People's Republic of China	中华人民共和国消防法
5. Workplace Health and Safety Standards 6. Training and Protective Gear 11. Young Workers and Worst Forms of Child Labour	Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases	中华人民共和国职业病防治法
5. Workplace Health and Safety Standards 6. Training and Protective Gear 16. Facilitating Worker Representation 23. Environmental Safety	Production Safety Law of the People's Republic of China	中华人民共和国安全生产法
8. Equal Treatment	Law of the People's Republic of China on the Protection of Women's Rights and Interests	中华人民共和国妇女权益保障法
8. Equal Treatment	Law of the People's Republic of China on the Protection of Disabled Persons	中华人民共和国残疾人保障法
8. Equal Treatment	Advertising Law of the People's Republic of China	中华人民共和国广告法
8. Equal Treatment	Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases	中华人民共和国传染病防治法
8. Equal Treatment	Law of the People's Republic of China on Regional National Autonomy	中华人民共和国民族区域自治法
8. Equal Treatment 9. Migrant Workers 12. Freedom of Movement and Choice in Work 26. Recruitment Agencies	Employment Promotion Law of the People's Republic of China	中华人民共和国就业促进法
8. Equal Treatment 15. Labour Discipline 16. Facilitating Worker Representation 17. Internal Grievance Mechanisms	Trade Union Law of the People's Republic of China	中华人民共和国工会法
9. Migrant Workers 17. Internal Grievance Mechanisms	Law of the People's Republic of China on Labour Dispute Mediation and Arbitration	中华人民共和国劳动争议调解仲裁法
10. Minimum Age Standards	Compulsory Education Law of the People's Republic of China	中华人民共和国义务教育法
10. Minimum Age Standards	Amendment to the Criminal Law of the People's Republic of China (IV)	中华人民共和国刑法修正案（四）
10. Minimum Age Standards 11. Young Workers and Worst Forms of Child Labour	Law of the People's Republic of China on the Protection of Minors	中华人民共和国未成年人保护法
11. Young Workers and Worst Forms of Child Labour	Law of the People's Republic of China on Safety in Mines	中华人民共和国矿山安全法

Labour 23. Environmental Safety		
12. Freedom of Movement and Choice in Work	Law of the People's Republic of China on Resident Identity Cards	中华人民共和国居民身份证法
12. Freedom of Movement and Choice in Work	Law of the People's Republic of China on Public Security Administration Punishments	中华人民共和国治安管理处罚法
12. Freedom of Movement and Choice in Work 28. Corruption and Bribery,	Criminal Law of the People's Republic of China	中华人民共和国刑法(97 修订)
13. Worker Privacy	Archives Law of the People's Republic of China	中华人民共和国档案法
15. Labour Discipline 16. Facilitating Worker Representation 24. External Grievance Mechanisms 25. Supply Chain Management 28. Corruption and Bribery	Company Law of the People's Republic of China	中华人民共和国公司法
16. Facilitating Worker Representation	Law of the People's Republic of China of Industrial Enterprises Owned by the Whole People	中华人民共和国全民所有制工业企业法
18. Company-provided Dining Facilities	Food Hygiene Law of the People's Republic of China	中华人民共和国食品卫生法
18. Company-provided Dining Facilities	Food Safety Law of the People's Republic of China	中华人民共和国食品安全法
20.Consulting Legal and Customary Owners of Land	Organic Law of the Villagers Committees of the People's Republic of China	中华人民共和国村民委员会组织法
20.Consulting Legal and Customary Owners of Land	The Guarantee Law of the People's Republic of China	中华人民共和国担保法
20.Consulting Legal and Customary Owners of Land 21. Relocations and Usage of Company Land	Property Law of the People's Republic of China	中华人民共和国物权法
20.Consulting Legal and Customary Owners of Land 21. Relocations and Usage of Company Land	Land Administration Law of the People's Republic of China	中华人民共和国土地管理法
20.Consulting Legal and Customary Owners of Land 21. Relocations and Usage of Company Land	Law of the People's Republic of China on the Contracting of Rural Land	中华人民共和国农村土地承包法
20.Consulting Legal and	Law of the People's Republic of China	中华人民共和国城市房地产管理法

Customary Owners of Land 21. Relocations and Usage of Company Land	on Urban Real Estate Administration	
20. Consulting Legal and Customary Owners of Land 27. Company Products and Consumer Protection	General Principles of the Civil Law of the People's Republic of China	中华人民共和国民法通则
22. Environmental Health	Law of the People's Republic of China on Promoting Clean Production	中华人民共和国清洁生产促进法
22. Environmental Health	Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution	中华人民共和国环境噪声污染防治法
22. Environmental Health	Energy Conservation Law of the People's Republic of China	中华人民共和国节约能源法
22. Environmental Health	Law of the People's Republic of China on Water and Soil Conservation	中华人民共和国水土保持法
22. Environmental Health	Law of the People's Republic of China on the Protection of Wildlife	中华人民共和国野生动物保护法
22. Environmental Health 23. Environmental Safety	Environmental Protection Law of the People's Republic of China	中华人民共和国环境保护法
22. Environmental Health 23. Environmental Safety	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	中华人民共和国固体废物污染环境防治法
22. Environmental Health 23. Environmental Safety	Law of the People's Republic of China on the Prevention and Control of Water Pollution	中华人民共和国水污染防治法
22. Environmental Health 23. Environmental Safety	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	中华人民共和国大气污染防治法
22. Environmental Health 23. Environmental Safety	Marine Environment Protection Law of the People's Republic of China	中华人民共和国海洋环境保护法
22. Environmental Health 23. Environmental Safety	Law of the People's Republic of China on Prevention and Control of Radioactive Pollution	中华人民共和国放射性污染防治法
22. Environmental Health 23. Environmental Safety 24. External Grievance Mechanisms	Law of the People's Republic of China on Appraising Environmental Impacts	中华人民共和国环境影响评价法
23. Environmental Safety	Emergency Response Law of the People's Republic of China	中华人民共和国突发事件应对法
27. Company Products and Consumer Protection	Law of the People's Republic of China on Protection of Consumer Rights and Interests	中华人民共和国消费者权益保护法
27. Company Products and Consumer Protection	Product Quality Law of the People's Republic of China	中华人民共和国产品质量法
28. Corruption and Bribery	Anti-Unfair Competition Law of the People's Republic of China	中华人民共和国反不正当竞争法
28. Corruption and Bribery	Foreign Trade Law of the People's Republic of China	中华人民共和国对外贸易法

28. Corruption and Bribery	Amendment to the Criminal Law of the People's Republic of China (VI)	中华人民共和国刑法修正案(六)
28. Corruption and Bribery	Amendment to the Criminal Law of the People's Republic of China (VII)	中华人民共和国刑法修正案(七)
28. Corruption and Bribery	Law of the People's Republic of China on Administrative Supervision	中华人民共和国行政监察法
CATEGORY 2: Administrative regulations (issued by: State Council) 行政法规 (由国务院制定)		
1. Hours of Work	<i>State Council Regulation on Workers' Working Hours</i>	国务院关于职工工作时间的规定
2. Living Wage 15. Labour Discipline	Regulation on the Implementation of the Employment Contract Law of the People's Republic of China	中华人民共和国劳动合同法实施条例
4. Leave and Holiday	Regulation on Paid Annual Leave for Workers	职工带薪年休假条例
4. Leave and Holiday	<i>Notice by the State Council on Arrangement of Certain Holidays in 2009</i>	国务院办公厅关于 2009 年部分节假日安排的通知
4. Leave and Holiday	Decision of the State Council on Amending the Regulation on Public Holidays for National Annual Festivals and Memorial Days	国务院关于修改《全国年节及纪念日放假办法》的决定
4. Leave and Holiday	Guidance on Further Improving Family Planning	中共中央、国务院关于进一步做好计划生育工作的指示
4. Leave and Holiday 5. Workplace Health and Safety Standards 10. Minimum Age Standards	Regulation on Work-Related Injury Insurance	工伤保险条例
4. Leave and Holiday 8. Equal Treatment	Regulations Concerning the Labour Protection of Female Staff and Workers	女职工劳动保护规定
5. Workplace Health and Safety Standards 6. Training and Protective Gear	Decision of the State Council on Further Enhancing Work Safety	国务院关于进一步加强安全生产工作的决定
5. Workplace Health and Safety Standards 6. Training and Protective Gear	<i>Notice on Further Strengthening Production Safety</i>	于进一步加强安全生产工作的通知
5. Workplace Health and Safety Standards 6. Training and Protective Gear 2	<i>Regulations on Safety Supervision over Special Equipment</i>	特种设备安全监察条例
7. Labour Contracts	Regulations on Implementation of the Labour Contract Law of the People's Republic of China	中华人民共和国劳动合同法实施条例

10. Minimum Age Standards	Provisions on the Prohibition of Using Child Labour	禁止使用童工规定
8. Equal Treatment	Regulation on the Employment of the Disabled	残疾人就业条例
8. Equal Treatment	Regulation on the Prevention and Treatment of HIV/AIDS	艾滋病防治条例
9. Migrant Workers	<i>Opinion of the State Council on Solving the Migrant Worker Problem</i>	国务院关于解决农民工问题的若干意见
9. Migrant Workers	<i>Notice by the State Council on Carrying Out Current Work on Migrant Workers</i>	国务院办公厅关于切实做好当前农民工工作的通知
9. Migrant Workers	<i>Notice by the State Council on Further Improving the Employment Environment of Migrant Workers in Cities</i>	国务院办公厅关于进一步做好改善农民进城就业环境工作的通知
9. Migrant Workers	<i>Notice by the State Council on Employment Management and Service for Migrant Workers in Cities</i>	国务院办公厅关于做好农民进城务工就业管理和服务工作的通知
10. Minimum Age Standards 15. Labour Discipline	Provisional Regulations of the People's Republic of China on Private Enterprises	中华人民共和国私营企业暂行条例
11. Young Workers and Worst Forms of Child Labour	<i>Regulations on Labour Protection in Use of Toxic Substances at Work</i>	使用有毒物品作业场所劳动保护条例
11. Young Workers and Worst Forms of Child Labour	<i>Regulations on Working Hours</i>	国务院关于职工工作时间的规定
12. Freedom of Movement and Choice in Work 14. Security Services	<i>Regulations on Management of Security Services (Draft)</i>	保安服务管理条例（草案）
13. Worker Privacy	<i>Regulations on Archives for Institutions</i>	机关档案工作条例
14. Security Services	Regulation on Internal Security and Safeguard for Enterprises and Public Institutions	企业事业单位内部治安保卫条例
15. Labour Discipline	Regulations of The People's Republic of China on Settlement of Labour Disputes in Enterprises	中华人民共和国企业劳动争议处理条例
15. Labour Discipline	<i>Regulations on Reward and Discipline of Enterprise Workers (repealed)</i>	企业职工奖惩条例[失效]
16. Facilitating Worker Representation	<i>Regulation on Workers' Congress in Industrial Enterprises Owned by the Whole People</i>	全民所有制工业企业职工代表大会条例
17. Internal Grievance Mechanisms	Regulations of the People's Republic of China on Settlement of Labour Disputes in Enterprises	中华人民共和国企业劳动争议处理条例
17. Internal Grievance Mechanisms 24. External	<i>Regulations on Organisation of People's Mediation Committees</i>	人民调解委员会组织条例

Grievance Mechanisms		
19. Company-provided Housing Facilities	<i>Some Opinions on Solving the Problem of Housing of Urban Low-income Households</i>	国务院关于解决城市低收入家庭住房困难的若干意见
20. Consulting Legal and Customary Owners of Land	<i>Emergency Notice on Settling Disputes over Rural Land Contracts</i>	国务院办公厅关于妥善解决当前农村土地承包纠纷的紧急通知
20. Consulting Legal and Customary Owners of Land	Notice of the State Council on Issuing the Outline of the National Overall Planning on Land Use (2006 - 2020)	国务院关于印发全国土地利用总体规划纲要（2006—2020年）的通知
20. Consulting Legal and Customary Owners of Land 21. Relocations and Usage of Company Land	Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas	中华人民共和国城镇国有土地使用权出让和转让暂行条例
21. Relocations and Usage of Company Land	Regulations on the Implementation of the Land Administration Law of the Peoples Republic of China	中华人民共和国土地管理法实施条例
21. Relocations and Usage of Company Land	Notice of the General Office of the State Council on Regulating the Management of Incomes from and Expenses for the Assignment of the Right to Use State-owned Land	国务院办公厅关于规范国有土地使用权出让收支管理的通知
21. Relocations and Usage of Company Land	Regulation on Land Requisition Compensation and Resettlement of Migrants for Large and Medium Water Conservation and Power Construction Projects	大中型水利水电工程建设征地补偿和移民安置条例
21. Relocations and Usage of Company Land	Regulation on the Dismantlement of Urban Houses	城市房屋拆迁管理条例
21. Relocations and Usage of Company Land	<i>Decision on Deep Reform in Strict Management of Land</i>	国务院关于深化改革严格土地管理的决定
21. Relocations and Usage of Company Land	Circular of the State Council on Intensifying the Land Control	国务院关于加强土地调控有关问题的通知
22. Environmental Health	<i>Regulations on Environmental Protection in Construction Projects</i>	建设项目环境保护管理条例
22. Environmental Health	<i>Regulations on the Implementation of the Law on Soil and Water Conservation</i>	中华人民共和国水土保持法实施条例
22. Environmental Health	<i>Regulations on Nature Preserves</i>	中华人民共和国自然保护区条例
23. Environmental Safety	Regulations on the Safety Administration of Dangerous Chemicals	危险化学品安全管理条例
23. Environmental Safety	<i>Regulations to Prevent Marine Pollution by Land Pollutants</i>	中华人民共和国防治陆源污染物污染损害海洋环境管理条例
27. Company	Decision of the State Council Concerning	关于进一步加强产品质量工作若干问题的

Products and Consumer Protection	Several Issues on Further Strengthening Product Quality Work	决定
28. Corruption and Bribery	Implementing Regulation for the Law of the People's Republic of China on Administrative Supervision	中华人民共和国行政监察法实施条例
CATEGORY 3: Ministry regulations (issued by: ministries, commissions, state administrations) 部门规章（由国务院各部委局制定）		
1. Hours of Work	<i>Measure on Administrative Sanctions for Violating the Labour Law of the People's Republic of China</i>	违反《中华人民共和国劳动法》行政处罚办法
1. Hours of Work	<i>Procedure for Examination and Approval for Enterprises with Unfixed and Composite Working Hours Systems</i>	劳动部关于企业实行不定时工作制度和综合计算工时工作制的审批办法
1. Hours of Work	<i>Notice on Calculating Annual and Monthly Average Working Hours and Wages of Workers</i>	关于职工全年月平均工作时间和工资折算问题的通知
1. Hours of Work	<i>Implementation Measure of the State Council Regulation on Workers' Working Hours</i>	《国务院关于职工工作时间的规定》的实施办法
1. Hours of Work	<i>Ministry of Labour Reply on Questions Regarding Worker Working Hours</i>	劳动部关于职工工作时间有关问题的复函
1. Hours of Work	<i>Implementation Measure of the Ministry of Labour on the State Council Regulation on Workers' Working Hours</i>	劳动部贯彻《国务院关于职工工作时间的规定》的实施办法
1. Hours of Work	<i>Ministry of Labour Notice on Questions Regarding the State Council Regulation on Workers' Working Hours</i>	劳动部关于印发《〈国务院关于职工工作时间的规定〉问题解答》的通知
1. Hours of Work	<i>Clarifications by Ministries of Labour and Personnel on the State Council Regulation on Workers' Working Hours</i>	劳动部、人事部就《国务院关于职工工作时间的规定》作出说明
1. Hours of Work 2. Living Wage 3. Procedures on Salary and Other Payments 4. Leave and Holiday 12. Freedom of Movement and Choice in Work	<i>Opinion on Some Questions on Implementing the Labour Law of the PRC</i>	关于贯彻执行《中华人民共和国劳动法》若干问题的意见
1. Hours of Work 2. Living Wage 3. Procedures on Salary and Other Payments 5. Workplace Health Safety Standards 6. Training and Protective Gear	<i>Clarification of Certain Provisions of the Labour Law of the PRC</i>	关于《劳动法》若干条文的说明
2. Living Wage	<i>Notice on Further Establishing a Sound</i>	关于进一步健全最低工资制度的通知

	<i>Minimum Wage System</i>	
2. Living Wage	Provisions on Minimum Wages	最低工资规定
3. Procedures on Salary and Other Payments	Measures for Economic Compensations due to Violation or Rescission of Labour Contracts	违反和解除劳动合同的经济补偿办法
3. Procedures on Salary and Other Payments	<i>Provisional Regulations on Payment of Wages</i>	工资支付暂行规定
3. Procedures on Salary and Other Payments	<i>Notice on Further Measures to Prevent and Resolve Delay or Failure to Pay Wages by Enterprises</i>	关于进一步做好预防和解决企业工资拖欠工作的通知
4. Leave and Holiday	Implementation Measures for the Paid Annual Leave for Workers of Enterprises	企业职工带薪年休假实施办法
4. Leave and Holiday	<i>Notice by Ministry of Labour on Implementing the Regulations on Sick Leave for Enterprise Workers</i>	劳动部关于贯彻《企业职工患病或非因工负伤医疗期规定》的通知
4. Leave and Holiday	<i>Regulations on Sick Leave for Enterprise Workers</i>	企业职工患病或非因工负伤医疗期规定
4. Leave and Holiday	<i>Notice on Some Questions on Treatment of Female Workers During Birth</i>	关于女职工生育待遇若干问题的通知
5. Workplace Health and Safety Standards 6. Training and Protective Gear	<i>Notice on Strengthening Work Safety at Foreign-Invested and Private Enterprises</i>	中华全国总工会、国家经济贸易委员会关于加强外商投资企业和私营企业劳动安全工作的通知
5. Workplace Health and Safety Standards 6. Training and Protective Gear	<i>Regulations on Administering Education on Work Safety and Health for Enterprise Workers</i>	企业职工劳动安全卫生教育管理规定
6. Training and Protective Gear	<i>Provisions on Safety Training of Production and Operation Entities</i>	生产经营单位安全培训规定
7. Labour Contracts 16. Facilitating Worker Representation	Provisions on Collective Contracts	集体合同规定
8. Equal Treatment	<i>Opinion by the Ministry of Health on Administering HIV Carriers and AIDS Patients</i>	卫生部关于对艾滋病病毒感染者和艾滋病病人管理意见
8. Equal Treatment 9. Migrant Workers 12. Freedom of Movement and Choice in Work 13. Worker Privacy 26. Recruitment Agencies	Provisions on Employment Services and Employment Management	就业服务与就业管理规定

8. Equal Treatment 13. Worker Privacy	<i>Opinion on Safeguarding the Right to Employment of Hepatitis B Surface Antigen Carriers</i>	劳动和社会保障部关于维护乙肝表面抗原携带者就业权利的意见
8. Equal Treatment 26. Recruitment Agencies	Provisions on the Administration of Human Resource Markets	人才市场管理规定
9. Migrant Workers	<i>Guiding Opinion on Further Strengthening Production Safety for Migrant Workers</i>	关于进一步加强农民工安全生产工作的指导意见
9. Migrant Workers	<i>Notice on Using Industry and Commerce Administrative Capabilities to Implement Work on Migrant Workers</i>	关于充分发挥工商行政管理职能作用切实做好当前农民工工作的通知
9. Migrant Workers	<i>Notice on Further Strengthening Occupational Injury Insurance at State-owned Enterprises</i>	关于进一步做好中央企业工伤保险工作有关问题的通知
9. Migrant Workers	<i>Guiding Opinion on Improving Migrant Workers' Living Conditions</i>	《关于改善农民工居住条件的指导意见》
9. Migrant Workers	<i>Opinion on Strengthening the Learning and Using of Law by Peasants</i>	《关于加强农民学法用法工作的意见》
9. Migrant Workers	<i>Opinion on Strengthening Safety Training for Migrant Workers</i>	关于加强农民工安全培训工作的意见
9. Migrant Workers	<i>Opinion on Implementing the State Council Opinion on Solving the Migrant Worker Problem</i>	关于贯彻落实国务院关于解决农民工问题的若干意见的实施意见
9. Migrant Workers	<i>Notice on Strengthening the Management of Labour Contracts with Migrant Workers in the Construction and Other Industries</i>	关于加强建设等行业农民工劳动合同管理的通知
9. Migrant Workers	<i>Notice on Legal Education and Training for Migrant Workers in the Construction Area</i>	关于做好建设领域农民工法律知识学习培训工作的通知
9. Migrant Workers 19. Company-provided Housing Facilities	<i>Guiding Opinion on Improving Migrant Workers' Living Conditions</i>	关于改善农民工居住条件的指导意见
9. Migrant Workers 19. Company-provided Housing Facilities	<i>Notice on Further Improving the Working and Living Environment of Migrant Workers in the Construction Industry in order to Safeguard their Occupational Health</i>	关于进一步改善建筑业农民工作业、生活环境切实保障农民工职业健康的通知
11. Young Workers and Worst Forms of Child Labour	<i>Regulations on Special Protection of Young Workers</i>	未成年工特殊保护规定
11. Young Workers and Worst Forms of Child Labour	<i>Implementation of State Council Regulations on Working Hours</i>	劳动部贯彻《国务院关于职工工作时间的规定》的实施办法
12. Freedom of Movement and Choice in work 14. Security Services	<i>Regulations on Management of Security Services Companies</i>	公安部关于保安服务公司规范管理的若干规定

13. Worker Privacy	<i>Implementation Program for the Law on Archives</i>	中华人民共和国档案法实施办法
13. Worker Privacy	<i>Program on Principles and Layout of the Establishment of National Archives Repositories</i>	全国档案馆设置原则和布局方案
13. Worker Privacy	<i>Provisional Regulations on Managing the Dossiers of Mobile Personnel</i>	流动人员人事档案管理暂行规定
13. Worker Privacy	<i>Regulations on Cadre Dossiers</i>	干部档案工作条例
13. Worker Privacy	<i>Provisional Regulations on the Archive Management of Foreign-Funded Enterprises</i>	外商投资企业档案管理暂行规定
13. Worker Privacy	<i>Notice on Management of HIV Carriers and AIDS Patients</i>	卫生部关于印发对艾滋病病毒感染者和艾滋病病人管理意见的通知
13. Worker Privacy	<i>Regulations on Management of Dossiers of Enterprise Workers</i>	企业职工档案管理工作规定
14. Security Services	<i>Notice Regarding Training of Security Services Staff at Vocational Schools</i>	教育部、公安部、劳动和社会保障部关于实施中等职业学校保安服务业紧缺人才培养培训工程的通知
14. Security Services	<i>National Professional Standards for Security Staff (Trial Run)</i>	保安员国家职业标准（试行）
14. Security Services	<i>Notice Regarding Improving Security Services Work</i>	公安部关于进一步做好保安服务业工作的通知
14. Security Services	<i>Measure to Manage Security Training Institutions</i>	<u>保安培训机构管理办法</u>
14. Security Services	<i>Regulations on Supervision by Public Security Organs of Internal Security at Enterprise Units</i>	<u>公安机关监督检查企业事业单位内部治安保卫工作规定</u>
15. Labour Discipline	<i>Measure on Administrative Sanction for Violating the Labour Law</i>	违反《中华人民共和国劳动法》行政处罚办法
15. Labour Discipline	<i>Measures for Economic Compensations due to Violation or Rescission of Labour Contracts</i>	违反和解除劳动合同的经济补偿办法
15. Labour Discipline	<i>Provisional Regulations on Payment of Wages</i>	工资支付暂行规定
15. Labour Discipline	<i>Supplementary Provisions on Questions Relating to Provisional Regulations on Payment of Wages</i>	对《工资支付暂行规定》有关问题的补充规定
15. Labour Discipline	<i>Notice on Preparing Internal Labour Regulations to New Start-Up Units</i>	劳动部关于对新开办用人单位实行劳动规章制度备案制度的通知
15. Labour Discipline	<i>Notice on Recommending Model Capital Civilisation Units</i>	国资委党委办公室关于推荐首都文明单位和首都文明单位标兵的通知
16. Facilitating Worker Representation	<i>Guiding Opinion on Establishing a Workers' Congress System at Central Enterprises</i>	关于建立和完善中央企业职工代表大会制度的指导意见
17. Internal Grievance Mechanisms	<i>Rules on the Organisation and Work of Enterprise Labour Dispute Mediation Committees</i>	企业劳动争议调解委员会组织及工作规则
17. Internal Grievance Mechanisms	<i>Notice by the Ministry of Labour and Social Security on the Promotion Outline of the Law on Labour Dispute Mediation</i>	劳动和社会保障部关于印发《中华人民共和国劳动争议调解仲裁法》宣传提纲的通知

	<i>and Arbitration</i>	
17. Internal Grievance Mechanisms 24. External Grievance Mechanisms	<i>Certain Opinions on Establishing People's Mediation Organisations by Enterprises and Public Entities</i>	关于企业、事业单位建立、健全人民调解组织的几点意见
18. Company-provided Dining Facilities	<i>Health Regulations for the Food and Beverage Industry and Collective Meal Delivery Units</i>	餐饮业和集体用餐配送单位卫生规范
18. Company-provided Dining Facilities	<i>Measures on Food Hygiene Control in the Food and Beverage Industry</i>	餐饮业食品卫生管理办法
18. Company-provided Dining Facilities	<i>Announcement on Attention to Food Poisoning at Collective Canteens at Schools, Work Sites, Institutions, and Enterprises</i>	中华人民共和国卫生部公告 2003 年第 18 号——学校、工地、机关、企事业单位集体食堂注意食物中毒的公告
18. Company-provided Dining Facilities	<i>Regulations on Hygiene Evaluation of Construction Projects by Industrial Enterprises</i>	工业企业建设项目卫生预评价规范
18. Company-provided Dining Facilities	<i>Emergency Notice on Strengthening Safety of Walls at Construction Sites</i>	建设部关于加强施工现场围墙安全深入开展安全生产专项治理的紧急通知
18. Company-provided Dining Facilities	<i>Opinion on Strengthening Construction Safety During Flooding Season</i>	关于加强汛期建筑施工安全生产工作的意见
18. Company-provided Dining Facilities	<i>Notice on Improving Working and Living Environments for Peasant Workers to Ensure Occupational Health</i>	建设部、中华全国总工会关于进一步改善建筑业农民工作业、生活环境切实保障农民工职业健康的通知
18. Company-provided Dining Facilities	<i>Emergency Notice on Strengthening Safety in Construction and Engineering During Summer and Flood Season</i>	建设部、国家安全监管总局关于进一步加强夏季和汛期建设工程安全生产工作的紧急通知
18. Company-provided Dining Facilities 19. Company-provided Housing Facilities	<i>Standards on Environment and Hygiene at Construction Sites</i>	建筑施工现场环境与卫生标准
19. Company-provided Housing Facilities	<i>Supplementary Regulations on Design Standards for Worker Housing</i>	国家建委关于印发《对职工住宅设计标准的几项补充规定》的通知
19. Company-provided Housing Facilities	<i>Regulations on Management of Affordable Housing</i>	经济适用住房管理办法
19. Company-provided Housing Facilities	<i>Regulations on Construction of Residential Buildings</i>	住宅建筑规范
19. Company-provided Housing Facilities	<i>Regulations on Management of Construction Projects</i>	建设工程项目管理规范
20. Consulting Legal and Customary	<i>Measures for the Administration of Circulation of Rural Land Contracted Management Right</i>	农村土地承包经营权流转管理办法

Owners of Land		
20. Consulting Legal and Customary Owners of Land	Provisions on the Agreement-based Assignment of the Right to Use State-Owned Land	协议出让国有土地使用权规定
20. Consulting Legal and Customary Owners of Land	<i>Notice on Implementing the Central Directive on Transfer of Rural Land Management Contracts</i>	农业部关于贯彻落实《中共中央关于做好农户承包地使用权流转工作的通知》的通知
20. Consulting Legal and Customary Owners of Land	<i>Notice on Pre-Examination of Use of Land for Construction Projects</i>	国土资源部办公厅关于做好报国务院批准建设用地审查报批有关工作的通知
20. Consulting Legal and Customary Owners of Land	<i>Review Measures to Overall Planning of Land Use</i>	土地利用总体规划编制审查办法
20. Consulting Legal and Customary Owners of Land 24. External Grievance Mechanisms	Provisions on Hearings in Respect of Land and Resources	国土资源听证规定
21. Relocations and Usage of Company Land	<i>Guiding Opinion on System of Compensation and Relocation in Land Expropriations</i>	关于完善征地补偿安置制度的指导意见
21. Relocations and Usage of Company Land	<i>Notice on Implementation of Work on Compensation and Relocation in Land Expropriations</i>	国土资源部关于切实做好征地补偿安置工作的通知
21. Relocations and Usage of Company Land	<i>Method for Publicising Land Expropriation</i>	征用土地公告方法
22. Environmental Health	<i>Regulations on Management of the Report and Registration of Release of Pollutants</i>	排放污染物申报登记管理规定
22. Environmental Health	<i>Response by the State Environmental Protection Agency on Incorporation of Public Opinions in Environmental Impact Assessments for Construction Projects</i>	国家环境保护总局关于建设项目环境影响评价征求公众意见法律适用问题的复函
23. Environmental Safety	<i>Notice on Reinforcing Management of Chemically Hazardous Materials</i>	交通部关于加强化学危险物品管理的通知
23. Environmental Safety	<i>Measure to Manage Electromagnetic Radiation</i>	电磁辐射环境保护管理办法
24. External Grievance Mechanisms 25. Supply Chain Management	Guidelines on Corporate Social Responsibility Compliance by Foreign Invested Enterprises (Draft)	<i>外资企业履行企业社会责任指引 [non-official Chinese translation]</i>
25. Supply Chain Management	<i>Guiding Opinion on Carrying Out Corporate Social Responsibility by State-owned Enterprises</i>	关于中央企业履行社会责任的指导意见
26. Recruitment Agencies	Interim Provisions on the Administration of the Establishment of Sino-foreign	中外合资中外合作职业介绍机构设立管理暂行规定

	Equity Joint and Sino-foreign Cooperative Job Intermediary Institutions	
26. Recruitment Agencies	<i>Notice by the Ministry of Labour and Social Security on Strengthening the Administration of Job Intermediary Services in order to Reform the Labour Market Order</i>	劳动和社会保障部办公厅关于加强职业中介管理整顿劳动力市场秩序的通知
27. Company Products and Consumer Protection	Notice on Printing and Distributing the Provisions on Product Identification	关于印发《产品标识标注规定》的通知
28. Corruption and Bribery	Interim Provisions on Prohibition of Commercial Bribery	关于禁止商业贿赂行为的暂行规定
28. Corruption and Bribery	China Insurance Regulatory Commission's Notice Concerning Opinion on Implementing Control of Commercial Bribery in the Insurance Industry	中国保险监督管理委员会关于印发《关于保险业开展治理商业贿赂专项工作的实施意见》的通知
CATEGORY 4: Interpretation of the laws (issued by: Supreme People's Court and Supreme People's Procuratorate) 法律解释（由最高人民法院和最高人民检察院制定）		
12. Freedom of Movement and Choice in Work	Regulation 1 by the Supreme People's Procuratorate and the Ministry of Public Security on the Prosecution Standards for Criminal Cases under the Jurisdiction of Public Security Organs	《最高人民检察院、公安部关于公安机关管辖的刑事案件立案追诉标准的规定（一）》
15. Labour Discipline 17. Internal Grievance Mechanisms	The Interpretation of the Supreme People's Court on Several Issues about the Application of Laws for the Trial of Labour Dispute Cases	最高人民法院关于审理劳动争议案件适用法律若干问题的解释
27. Company Products and Consumer Protection	Opinions of the Supreme People's Court on Certain Issues Concerning the Implementation of the 'General Principles of the Civil Law of the People's Republic of China' (Trial Run)	最高人民法院关于贯彻执行《中华人民共和国民法通则》若干问题的意见（试行）
28. Corruption and Bribery	Notice of the Supreme People's Court and the Supreme People's Procuratorate on Issuing the Opinions on Issues Concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies	最高人民法院、最高人民检察院关于印发《关于办理商业贿赂刑事案件适用法律若干问题的意见》的通知
28. Corruption and Bribery	<i>Standards on Prosecution of Economic Crimes</i>	最高人民检察院、公安部《关于经济犯罪案件追诉标准的标准》
CATEGORY 5: Local rules and regulations (issued by: people's congresses or their standing committees of the provinces, autonomous regions and municipalities) 地方性法规（由地方人大或其常委会制定）		
1. Hours of Work	<i>Beijing City Measure on Implementing Composite and Unfixed Working Hours Systems for Enterprises</i>	北京市企业实行综合计算工时工作制和不定工作制办法

17. Internal Grievance Mechanisms	<i>Shenzhen Special Economic Zone Regulations to Promote Harmonious Labour Relations</i>	深圳经济特区和谐劳动关系促进条例
CATEGORY 6: Group- or industry-specific rules, guidelines, agendas, working plans from government entities or quasi-government organisations at the central government level 团体规定，行业规定（由中央其他机构制定）		
9. Migrant Workers	<i>Notice on Campaign for Migrant Workers to Safely Return Home</i>	关于联合开展农民工平安返乡行动的通知
9. Migrant Workers 16. Facilitating Worker Representation	<i>Notice by the All China Federation of Trade Unions on Protecting Migrant Workers' Legal Rights and Interests</i>	中华全国总工会关于深入扎实做好当前维护农民工合法权益工作的通知
16. Facilitating Worker Representation	Measures for Legal Aid of Trade Unions	工会法律援助办法
16. Facilitating Worker Representation	<i>Opinion on Further Implementing the System of Worker Representatives on the Board of Directors and the Supervisory Board</i>	中华全国总工会关于进一步推行职工董事、职工监事制度的意见
16. Facilitating Worker Representation	Provisions on the Work of Enterprise Trade Unions (for Trial Implementation)	企业工会工作条例（试行）
16. Facilitating Worker Representation	<i>Notice on Establishing and Starting Trade Unions in Private Enterprises</i>	关于在私营企业组建工会和开展工会工作的通知
16. Facilitating Worker Representation	<i>Statutes of Trade Unions</i>	中国工会章程
16. Facilitating Worker Representation	<i>Measure for Registration of Legal Personality of Basic-Level Trade Unions</i>	基层工会法人资格登记办法
17. Internal Grievance Mechanisms	<i>Some Opinions on Further Strengthening Labour Dispute Mediation</i>	中华全国总工会关于进一步加强劳动争议调解工作的若干意见
17. Internal Grievance Mechanisms	<i>Trial Measure for Participation by Trade Unions in Handling Labour Disputes</i>	工会参与劳动争议处理试行办法
24. External Grievance Mechanisms 25. Supply Chain Management	<i>Shenzhen Stock Exchange Guidelines on Corporate Social Responsibility of Listed Companies</i>	深圳证券交易所上市公司社会责任指引
28. Corruption and Bribery	<i>Central Government's 2008-2012 Working Plan to Establish Sound System for Punishing and Preventing Corruption</i>	建立健全惩治和预防腐败体系 2008—2012 年工作规划

Annex 5: Acronyms & Abbreviations

ACFTU	All China Federation of Trade Unions
AIDS	Acquired Immunodeficiency Syndrome
APEC	Asia-Pacific Economic Cooperation
CPC	Communist Party of China
CRA	Country Risk Assessment
CSR	Corporate social responsibility
DIHR	The Danish Institute for Human Rights
EIA	Environmental Impact Assessment
FAO	Food and Agricultural Organization of the United Nations
HRCA	Human Rights Compliance Assessment
ICC	International Chamber of Commerce
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
ID	Identification
ILO	International Labour Organisation
IFU	The Industrialisation Fund for Developing Countries
ITUC	International Trade Union Confederation
NGO	Non-governmental organisation
NPC	National People's Congress
OECD	Organisation for Economic Cooperation and Development
PRC	People's Republic of China
RMB	Renminbi (the Chinese currency)
SEPA	State Environmental Protection Agency
SOE	State-owned enterprise
UDHR	Universal Declaration of Human Rights
UN	United Nations
WHO	World Health Organisation