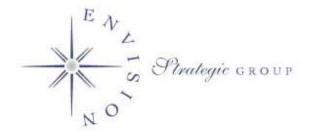
## EHS in China

## Fay Feeney, CSP, ARM Principal





 Provide an overview of China and their EHS practices

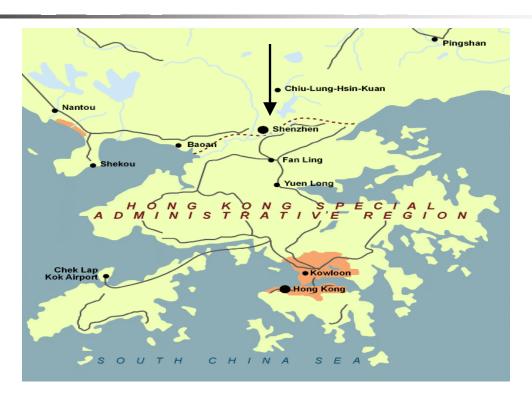
Introduce China's Regulatory Environment

 Impact of ISO 14001 and OHSAS 18001 on Safety Management in China

# Agenda

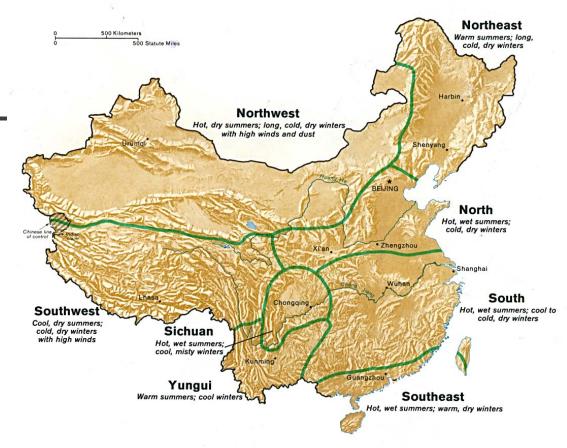
- Culture
- EHS
  - Regulations
  - Statistics
  - Practices/Standards
  - What's New
- Four Traits for Success

## Where Are We Going to Work?



When budgeting travel from Los Angeles to Shenzhen, expect to pay \$2233 USD per person and spend 15+ hours getting there

#### Clothing Recommendations for Travel in China



#### Winter

- North, Northeast, Northwest, and Southwest: heavy, warm clothing, coat, hat, gloves, boots
- South, Yungui, and Sichuan: mediumweight, warm clothing, light coat, rainwear in Sichuan
- Southeast: lightweight, warm clothing, sweater

#### Summer

- Northeast, Northwest, and Southwest: summer clothing, light coat or sweater in the evenings, rainwear in the Northeast for occasional rains
- North, South, Yungui, Sichuan, and Southeast: light, loose tropical clothing, sunglasses, rainwear

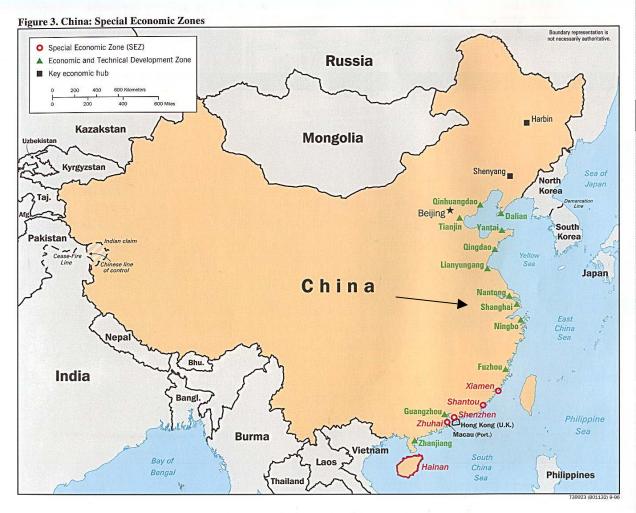
#### Spring/Autumn

- North, Northeast, Northwest, and Southwest: mediumweight clothing, light coat, hat
- South, Yungui, Sichuan, and Southeast: lightweight clothing, sweater, light coat, rainwear

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# Where Are We Going Now?



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# Shanghai

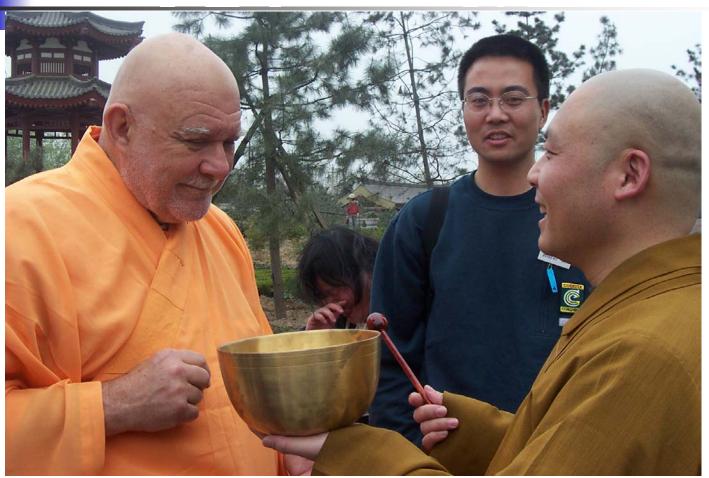




# China's Culture: The People

- Population 1,284,303,705 (2002)
- Nationality Chinese dominate by far
- Religious Composition:
  - Confucian, Tao, Buddhist = 96%
  - $\mathbf{Muslim} = 3\%$
  - Christian = 1%

## China's Culture



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# EHS – It Starts with Language



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# EHS – It Starts with Language



## China's Business

### Business – What Is Being Made in China for Export

- Produce 70% of world's toys
- Produce 70% of world's photocopiers
- Produces 40% of the world's microwaves, DVD equipment, cell phones, and most other technologically advanced products
- In 2002 China's exports reached \$322 billion, with an overall trade surplus of \$30 billion and growing
- China became the fifth largest trading nation in the world behind the United States, Japan, Germany, and France

### Business Workers

- Agriculture, forestry, and fishing = 50% of the workers
- Services and government = 27% of the workers

Mining and manufacturing = 23% of the workers fay@123s

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## Can You Spot the US Employees?





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# Kingston - Shanghai



# EHS – Workplace Statistics

- In 2001, workplace fatalities in China were 11.1 per 100,000 workers, compared with a rate of 4.4 fatalities per 100,000 workers in the U.S.
- Industrial accidents rose by 27% between 2000 and 2001.
- Occupational disease increased by 13% in the same period.
- Health and Safety agencies reported that 140,000 workers died on the job in 2002...that's a rate of 380 deaths / day.

# EHS - Regulatory

#### LABOUR LAW OF: THE PEOPLE'S REPUBLIC OF CHINA

(Adopted at the Eighth Meeting of the Standing Committee of the Eighth National People's Congress on July 5, 1994, promulgated by Order No. 28 of the President of the People's Republic of China, and effective as of January 1, 1995)

#### Contents

Chapter I Chapter II Chapter III Chapter IV	General Provisions Promotion of Employment Labour Contracts and Collective Contracts Working Hours Rest and Vacations
Chapter V	Wages
Chapter VI	Occupational Safety and Health
Chapter VII	Special Protection for Female and Juvenile Workers
Chapter VIII	Vocational Training
Chapter IX	Social Insurance and Welfare
Chapter X	Labour Disputes
Chapter XI	Supervision and Inspection
Chapter XII	Legal Responsibility
Chapter XIII	Supplementary Provisions



### State Environmental Protection Administration

### 国家环境保护总局

Environment

## EHS — Standards

Water Quality	Ambient Air Quality	Solid Waste
Basic Standard	Basic Standard	Basic Standard
Quality Standard	Quality Standard	<u>Discharge Standard</u>
Discharge Standard	Emission Standard	Method Standard
Method Standard	Method Standard	
Ref-material Standard	Ref-material Standard	
Soil	Physical Parameters	Radioactivity
Quality Standard	Basic Standard	Basic Standard
 Method Standard	Quality Standard	Emission Standard
Ref-aterial Standard	Discharge Standard	Method Standard
	Method Standard	
Ecological Quality	<u>Others</u>	Other related standards

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- Companies in China without an EHS Department use their General Manager, Field Engineering and Quality Assurance to perform these duties.
- Companies without ISO 14001 and OHSAS 18001 will most likely not have a management system.
- Some U.S. companies sent their obsolete manufacturing equipment to China. Often this equipment is lacking the proper safeguarding.

## EHS - What's New

- On-The-Job Injury Insurance is now required (Jan 2004).
   This insurance covers medical cost for workers who have sustained on-the-job injuries or contracted occupational illnesses.
- US and Chinese government signed four "Letters of Understanding" (Jun 2004) covering:
  - 1. Wage & Hour regulations and enforcement
  - Workplace safety and health, including hazardous chemicals, emergency response procedures and insurance programs
  - 3. Mine health and safety
  - 4. Pension administration, regulation and oversight

## EHS - Where To Go For Fun





## How to Succeed in China

According to the SHRM Global Forum, China is the third most common destination for international assignees, behind the UK and US.

Unfortunately, China also was cited as the country that produces the greatest challenges for expatriates. Most companies select people for China for the wrong reasons: their technical skills.

Better success in China comes when the candidate demonstrates a combination of personal traits and life experience.



## Four Traits For Success

### 1. Flexibility

You'll need to make numerous adjustments to the lifestyle, cuisine, transportation, language, time zones and other aspects of daily life.

Learn to deal with constant indirectness, formality and isolation.

### 2. Relationship Skills

The Chinese definition of oneself comes from one's relationship to others; not as an independent individual.

This collective mindset permeates both the personal and the professional dimension of life.

It's not what you know, it's who you know. If your plan does not involve the right local people, then nothing will happen.

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### Four Traits For Success

### 3. Patience

Negotiations in the West are often open forums with agendas for the direct exchange of information.

Negotiations in China use larger teams, slowing the process. Much of the decision making is happening behind the scenes, often prior to the formal meeting.

The Chinese business environment is still coming to terms with mass development and commercialization. Many workers live in rural areas.

### 4. Communication Skills

Chinese rely a lot on non-verbal behavior (body language). Their understanding is strongly influenced by the context of the situation.

Expect to conduct business meetings, appraisals, and conflict management in different ways. Getting feedback may be a challenge.

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## Thank You



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## Web Resources

### **China**

This site is mainly an informational website, which offers you the population, religion, cultural norms, economic trades, and business of China.

http://www.tradeport.org/countries/china/01grw.html www.ijoeh.com

This site below offers a way of seeing Safety Regulatory Agencies.

http://www.labour.gov.hk/eng/news/content.htm

http://www.zhb.gov.cn/english/ (state environmental protection administration)

This site offers you a way of seeing China's Health and Safety News - <a href="http://www.hkosha.org.hk/">http://www.hkosha.org.hk/</a>

www. ASSE.org

www.SHRM.org

http://www.naem.org

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