



This article is an excerpt of the book “**Financial, Administrative and Trade Management in China: A crash course for executives for a successful and compliant business operation**”, available e.g. on [Amazon Kindle](#), [Google Play](#) and [Apple Books](#).

4.4.Environment, Health, Work & Fire Safety

The protection of your employees should take high priority—not only common sense but also legal reasons make this pretty obvious. At the same time, the enforcement of environmental protection regulations is increasing; not following up accordingly might lead to harsh punishments and penalties.

Most companies use a combination of implementing rules in the working contracts, in the employee and safety handbooks, job descriptions and other written proofs that might be helpful during audits to proof compliance. Additionally, some laws might require the formal definition of responsibilities for environment, health and safety depending on enterprise type and size.

Local authorities have the right and sometimes even the obligation to check your compliance with the laws and can punish the company financially or even key staff personally with criminal charges in severe cases.

Shared ideas in environment, health & safety laws

Most of the hereby mentioned laws share the same idea of:

- Safety first, focus on prevention;
- Pre-approvals of construction projects based on studies. If this pre-approval is not given, the construction project might lead to an unapproved and therefore illegal structure;
- Training of the employees is a necessity, and
- Warning and information signs in prominent places.

Be aware that for the high-level nation laws there might be additional local laws in place further specifying requirements.

Environment

China has been known for not really taking too much care about environmental protection in the past but focusing on economic development. This changed dramatically in the last years and nationwide laws but also local laws have been implemented or strengthened, e.g. the Environmental Impact Assessment Law and the Environmental Protection Law, as well as their enforcement. In general, a business should evaluate the following points as a minimum:

Air emissions and water pollution

Air pollution has been a big topic and the air quality has been increasing dramatically but also water protection should be ensured. Emissions have to be controlled and some products are outright forbidden. When purchasing equipment, ensure that they match the allowed emission levels.

Even for companies that do not have any harming emissions the local authorities can issue a production stop order if the air quality in the area reaches high levels.

Waste

Some production processes use materials that leave waste after the production. Ensure that this waste is in level with the required levels and handled properly.

Forbidden materials and gases

Some materials and gases are outright forbidden and therefore should not be used during production or in the final products.

Product raw materials

For some products there are quotas on the used materials concerning recyclability which either make products forbidden or classify them in different categories, e.g. depending on the used materials or by the electricity used or emissions they cause. Not only is a corresponding label required on the product but also customers increasingly care about these classifications.

Health

By Chinese law an employer is obligated to protect the employees against occupational diseases especially in production processes but also in the office environment as e.g. stated in the Law for Prevention and Control of Occupational Diseases. Some points to consider:

- Facilities must exist adequate to the occupational diseases.
- Production processes are arranged rationally and harmful and non-harmful processes shall be separated.
- Supporting health facilities, e.g. locker rooms, bathrooms and a lounge for pregnant female workers exist.
- Equipment, tools and other facilities meet the requirements for protecting the physiological and psychological health of the workers.
- A preliminary assessment report on hazards for approval shall be submitted prior to the start of construction projects. Failure to do so might lead to a non-approval of the construction project.



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- Responsibilities must be clearly defined and control and reporting systems must be implemented.
- Protection equipment must be provided to the employees.
- In eye-catching places, a bulletin board with rules and regulations for prevention and control of occupational diseases and related documents e.g. emergency rescue measures and monitoring results must be published.
- Workers must be informed and trained about occupational diseases and their prevention.
- The employer must arrange pre-service, in-service and job-leaving-occupational health check-ups for workers who are exposed to occupational disease hazards and must inform the workers of the results.
- When an accident of acute occupational disease hazard occurs, emergency rescue and control measures must be executed and the local health administration and any relevant department must be informed. The employees must be rescued, have their health checked and placed under medical observation at the cost of the employer.
- Workers can reject directions that are against regulations and can participate in the enterprise's democratic management of occupational health. The Trade Union shall assist.

Work safety

This is mostly based on the Production Safety Law and the Fire Protection Law. Some points to consider:

- Responsibilities for safety must be clearly defined and the possible responsibility assignments depend on the type and size of the enterprise.
- Protection against hazards: Depending on your operating, protection equipment like shoes and clothes might be required and these should be given to the staff for free and investment budget must be guaranteed for safety improvements.
- Clear warning signs have to be present in prominent spots.
- Relief after accidents: In case an accident happens, relief tools should be provided easily accessible, e.g. First Aid kits should be placed in easily reachable places or emergency showers if you are handling chemicals in your processes. The person in charge shall not leave until the relief has been finished up.
- Safety against theft: To ensure that no employees start to enrich themselves by stealing company resources, regulations should be in place. Video surveillance might be considered at least for critical areas and checks of leaving employees might be an additional measure to think about.

- Trainings: Employees shall receive regular trainings and after they signed up for the company shall receive information regarding dangerous existing elements and corresponding prevention and emergency measures in their workplace.
- Every company must buy employment injury insurance and pay premiums for the employees.
- Trade Unions shall have the right to participate in the organization of safety.

Local authorities also might require regular documentations about safety measures taken and can react with penalties if their requirements are not being followed.

Special equipment

The law on safety of special equipment and the catalogue published by the state mention some specific examples regarding what kind of equipment is considered special, e.g. elevators, pressure pipelines and vessels, but defines special equipment also as devices with a high risk relating to safety of human lives and properties in general. Specifics can be checked in the catalogue of special equipment published by the state. Enterprises producing, trading or using special equipment shall:

- Be staffed with qualified special equipment safety management personnel, inspectors and operators and shall provide them with safety education and skills training, and
- Carry out self-inspection and maintenance.

Enterprises producing special equipment must have professional staff, equipment, facilities and workplaces suitable for production and must have sound systems for quality assurance, safety management and job responsibilities.

If you are using special equipment, please refer to the law for more details.

Fire safety

Some points from the Fire Protection Law to consider is that each enterprise has to:

- Install fire protection facilities and apparatus, put up signs for fire safety and conduct regular inspection and maintenance;
- Conduct overall inspection of the buildings' facilities for fire protection at least once a year in order to make sure that they remain in good condition and functional, and to keep the records of inspection complete and accurate and have them filed for reference;



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- To keep the passageways for evacuation, safety exits and passageways for fire engines unblocked, and make sure that the division of areas for fire and smoke protection and the firebreaks meet the technological standards for fire protection;
- To arrange inspection of fire protection in order to remove in time any potential fire hazards;
- To organize fire-fighting drills with specific aims and
- Other duties for fire safety as specified by laws and administrative regulations. The principal leading person of a unit is the person who takes charge of fire safety for the unit;
- Use materials for furnishing and decoration that conform with fire-proof properties according to the national standards, and
- Do anything that might make fire equipment and fire safety-related installations unusable, e.g. blocking fire exits.

Please note that if your enterprise is defined as a priority unit for fire protection, additional obligations might apply.

Considerations for implementing the rules

- Local authorities might come to check your implementation of environmental, health and safety topics more often than you might wish for.
- The requirements can be different in every region. Be sure to have a localized strategy, also exchanging experience with companies in the same region might be beneficial.
- The requirements in the area of environment, health and safety are constantly changing and keeping up with them might require a considerable number of working hours.
- Defending yourself against possible fines in this area can sometimes be problematic. Are you willing to accept a penalty for a small issue or are you willing to fight against the penalty with the risk of a bigger revenge of the responsible authority by additional checks?
- Some local governments might even implement a policy that you have to report weekly about all of the safety measures that you set up, proven by signature. Signing this document might become an automatism for your management personnel—somehow disproving the actual point of making serious efforts.