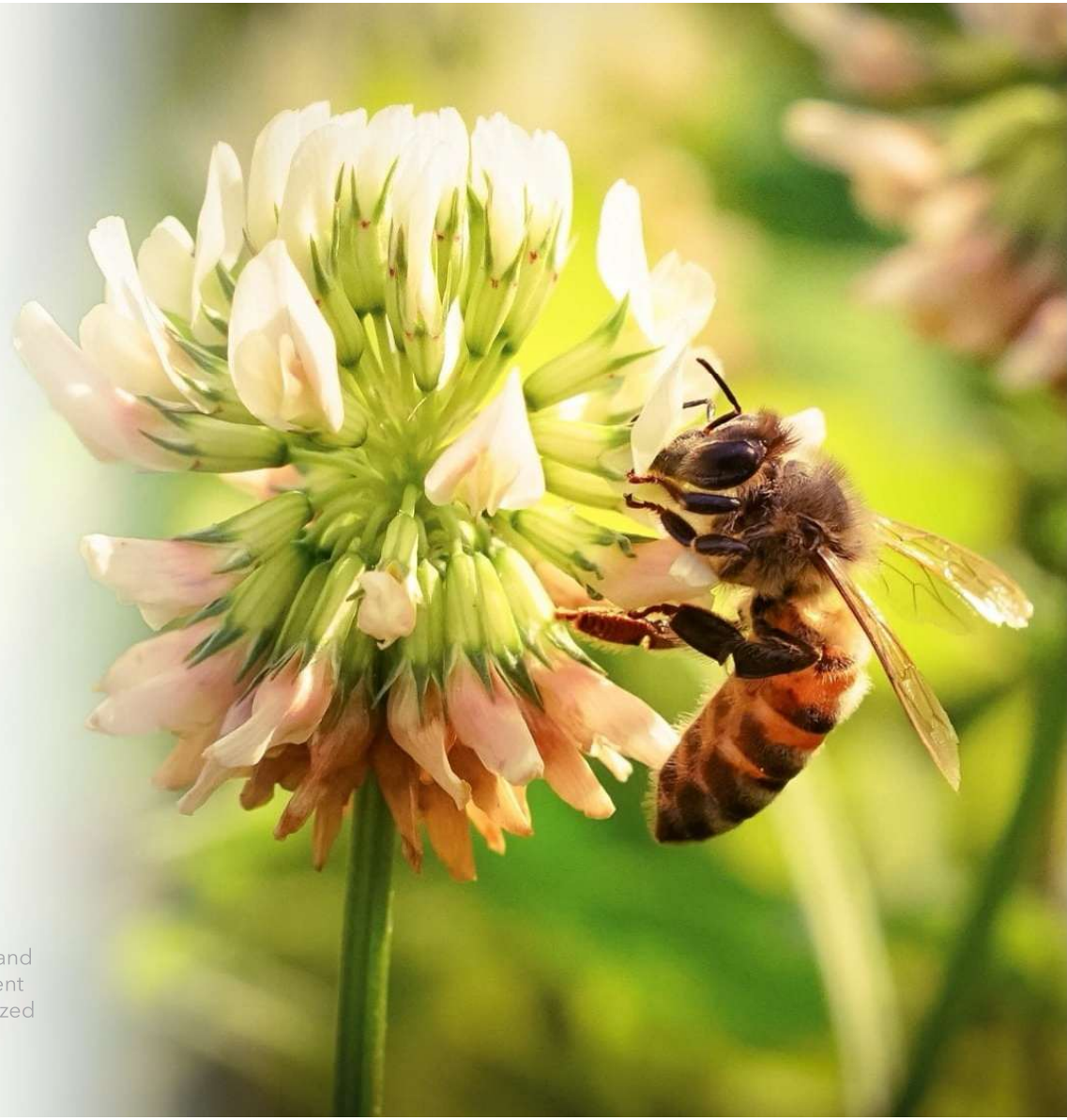
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The HazCom Hangover: Common Findings and Practical Solutions for Managing Gaps After the M&A Deal Closes.

Sonia Razzaque

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Sonia Razzaque

Sonia Razzaque (Ruh-zack) accidentally found Product Stewardship more than 25 years ago and has been enthusiastically talking about it ever since. Currently serving as the Vice President of Regulatory Compliance & Product Stewardship at Michelman, Sonia is a seven-time survivor of mergers and acquisitions (M&A)!

Thanks to her M&A experience, she has witnessed enough conflicting SDSs, mysterious classifications and other PTSD-inducing compliance surprises to write a support-group handbook for regulatory professionals. She firmly believes that Hazard Communication is easier when you can laugh a little, learn a lot, and avoid discovering 5,000 non-compliant SDSs on Day One of an integration project post-acquisition.

With career stops at Dow Chemical, Huntsman, Celanese, Univar Solutions, and Americas Styrenics, she is passionate about helping companies navigate complex regulatory challenges and avoiding the compliance headaches that often emerge after the celebratory "Deal Closed" email is sent.

A frequent speaker at regulatory conferences, she often describes Product Stewardship as a craft that is part science, part art, and part voodoo, and enjoys making regulatory topics accessible and engaging.

As Board President of the Product Stewardship Society (PSS), Sonia is dedicated to growing and mentoring the next generation of product stewardship professionals, proving that regulatory people can be both serious and highly compliant and occasionally funny.




THAT FEELING
ERS WILL BE TOWED
THE DAY AFTER

Agenda

During the post-closing phase, integration teams frequently uncover hidden discrepancies between the parent company standards and the acquired company's legacy practices.

- Identify the most common Hazard Communication (HazCom) compliance gaps discovered post-acquisition.
- Recognize risks associated with conflicting Safety Data Sheets (SDSs), inconsistent hazard classifications, labeling discrepancies, and chemical inventory management practices.
- Evaluate the potential regulatory, operational, and business impacts of unresolved HazCom issues post-integration.
- Develop a structured approach and practical strategies to assess, prioritize, and remediate HazCom compliance gaps post-acquisition.

The HazCom Hangover



Missing CBI substantiation

Vintage SDSs

Incomplete/ Inaccurate SDSs

Missing SDSs

Formulation and SDS mismatch

Label and SDS mismatch

Inconsistent classifications

Missing RM SDSs

Common HazCom Compliance Gaps

- Missing SDS
- Vintage/ Inaccurate SDS
- Multiple SDS for same product
- SDS and formulation mismatches
- Inconsistencies between SDS for products in same family
- Inconsistencies between RM supplier SDS and product SDS
- Mystery classifications
- SDS/ Label discrepancies
- SDSs that were never synchronized globally
- Missing country-specific SDSs
- Missing local language SDSs



High-Risk Hazcom Compliance gaps

- Missing SDS
- Missing reportable ingredients
- Missing carcinogen or reproductive toxicant disclosures Incorrect inventory status (TSCA, EU REACH, UK REACH, K-REACH, etc.)
- Incorrect transport classifications
- Composition on SDS not matching formulation records
- Different hazard classifications for identical products
- Outdated SDSs not reflecting current GHS/CLP requirements

Risks/Business Implications of Post-M&A HazCom Compliance Gaps

The main implication = delay in realizing M&A synergy and value erosion

- Unforeseen violations, penalties and cost to remediate gaps
  - Missing, incomplete, or outdated SDSs → top-cited OSHA violation.
- Unforeseen business interruption and shipping delays
  - Incorrect transport classifications
  - Incorrect inventory information
  - Product stuck at customs
  - Inaccurate content → risk of workplace accidents and chemical exposure
  - Unmaintained SDSs → confusion regarding safe handling and PPE requirements
- Reputational Damage
  - Unhappy customers
  - On regulatory authority's radar

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HCHRP
The HazCom Hangover Recovery Program

The HazCom Hangover Recovery Program

To avoid business interruption or risking fines across regions, establish a clear post-acquisition integration plan.

Phase 1: Discovery and Data Review

- **Product inventory**: List of products, trade names, production facilities in all regions;
- **Gather supporting documentation**: List of raw materials + RM SDS, product SDSs, formulations, toxicological information, test data, CBI substantiation, etc.
- **Understand supply chain:** suppliers**,** contract manufacturers, private labeling, ship-to countries, mode of transportation, etc.
- **Review SDS and labels**: Check for accuracy, consistency with formulation and RM data, SDS/ label consistency, etc.

Phase 2: Gap Closure and Data Integration

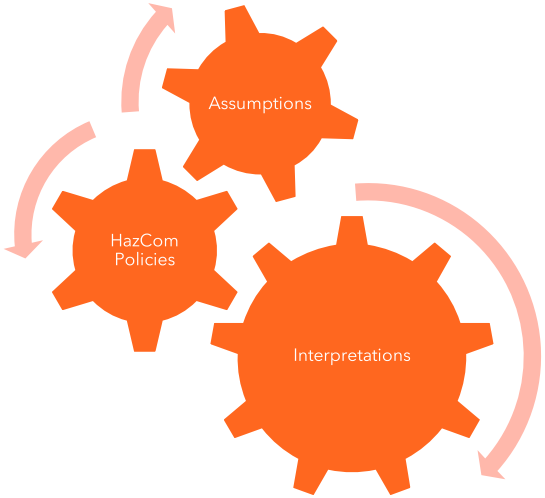
- **Gap Closure**: Create a gap closure plan; prioritize high risk gaps and business critical products.
- **Data Integration:** Migrate corrected SDS/ labels into the parent company's SDS management platform.
- **Archive Legacy Records**: Securely archive older versions of SDSs and inventory lists to maintain the required historical exposure records.

Phase 3: Training & Culture Alignment

- **Deliver Training**: Train key stakeholders from the acquired company on the parent company's HazCom processes and expectations (Procurement, R&D, EHS, etc.).

Elements of a HazCom Gap Closure Plan

- Product Inventory
- Formulation Verification
- Supplier Data Review
- Classification Review
- Regulatory Review
- Transport Review
- Global SDS Generation
- Audit
- Governance and Maintenance



Gaps Closure Workflow

Establish a Baseline Inventory

Collect

- All SDS versions globally
- Product formulations
- Raw material SDSs
- Supplier composition data
- Regulatory registrations
- Product specifications
- Transport classifications
- Existing classification rationale documents

Create a product cross-reference

Your Company	Acquired Company	Same Product?	Status
Product X	Product Y	Yes	Harmonize
Product Z	Product Z	No formula match	Investigate

This exercise alone often identifies:

- Duplicate products
- Orphaned SDSs
- Discontinued products still in commerce
- Private-label products lacking ownership

Gaps Closure Workflow

Verify Formulations

Compare formulations then harmonize.

Ask: Is the formulation truly identical?

Compare:

- Ingredients
- CAS numbers
- Concentrations
- Impurities
- Residual monomers
- Preservatives
- Additives

You may find:

Product Name	Your Company	Acquired Company
Product A	15% solvent	18% solvent

In this case they are not identical products and may require different SDSs.

Establish a "single source of truth"

The formulation database, not the SDS, should be the authority for:

- CAS numbers
- Concentrations
- Ingredient identities

Gaps Closure Workflow

Reclassify Products Using One Methodology

This is where most inconsistencies are resolved. Build a classification protocol.

Define:

- Applicable GHS revision
- OSHA HazCom approach
- CLP methodology
- Bridging principles
- Cutoff concentrations
- M-factor treatment
- ATE calculation methodology

When in doubt, reclassify from scratch

Avoid inheriting legacy classifications.

Instead:

1. Start with current formulation
2. Evaluate ingredient hazards
3. Apply current regulations
4. Document rationale

Many companies discover that 20–40% of classifications change after systematic review.

Gaps Closure Workflow

Apply Standardized Regulatory Rules

Develop global decision rules and document assumptions.

E.g., Ingredient disclosure

Define:

- Trade secret policy
- Disclosure thresholds
- Regional disclosure requirements

Inventory declarations

Standardize treatment of:

- TSCA
- CEPA DSL
- EU REACH
- UK REACH
- K-REACH
- AICS/AIIC
- NZIoC
- IECSC

Gaps Closure Workflow

Standardize SDS Authoring

One of the biggest sources of future divergence is multiple authoring systems.

Establish:

- One phrase library
- One hazard statement library
- Standard precautionary statement rules
- Standardized transport logic
- Standardized exposure control language

Harmonize Transport Classifications

Review all products for Classification consistency

- UN Number
- Proper Shipping Name
- Packing Group
- Marine Pollutant
- Limited Quantity eligibility

Validate against **actual** shipping practices. Example:

- SDS says UN1993
- Shipping department ships as “Nor Regulated”

This is a high-risk gap and the discrepancy must be resolved immediately!

Transport hazards ≠ GHS hazard classification. These two systems need to be separately maintained.

Gaps Closure Workflow

Address the Highest-Risk Gaps First; Risk-rank products

Tier 1

Prioritize:

- Carcinogens
- Reproductive toxicants
- Sensitizers
- Flammables
- Highly regulated products
- High-volume products

Tier 2

Products:

- Sold globally
- Sold to major customers
- Included in regulatory reporting

Tier 3

- Low-volume products
- Non-hazardous products
- Products nearing discontinuation.

Gaps Closure Workflow

Perform Regulatory Gap Assessments

Review SDSs for all applicable (global) regulations

- OSHA HazCom requirements
- Latest CLP ATPs
- REACH Candidate List substances
- Proposition 65 chemicals
- State right-to-know laws
- TSCA risk-management rules
- PFAS reporting obligations



M&As often reveal that the parent company had stronger regulatory monitoring processes than the acquired entity.

Gaps Closure Workflow

Jurisdiction Differences

- Post-acquisition, managing SDS compliance across different jurisdictions is a major challenge.
- While the core structure of SDSs is increasingly standardized, SDS are subject to local country rules and formatting.

Key Jurisdiction-Specific SDS Requirements

- **Language & Content**: Most jurisdictions require SDSs to be provided in their official local language(s).
- **Update Timelines:** Following an acquisition, you must re-evaluate product formulations to ensure they meet regional timelines. For instance, U.S. OSHA mandates SDS updates within 90 days of becoming aware of new hazard information, while the EU requires them "without delay".
- **In-Country Contacts**: Most international jurisdictions require an in-country emergency phone number (in Section 1) that operates 24/7 to field hazard questions.
- **Regional Regulatory Alignment:** Even if the acquired company used GHS, the SDS must align to distinct country-specific frameworks like EU CLP, or local national legislation.

Gaps Closure Workflow

Audit and Validate Before issuing SDSs

Perform technical reviews (and regional reviews if global)

Check:

- Composition accuracy
- Classification accuracy
- Phrases
- Regulatory declarations
- Transport sections
- Regional requirements

Check for Cross-Sectional Technical Contradictions

The Discrepancy: Data in one section directly contradicts data in another.

Example 1: Section 2 might classify a material as an acute hazard or flammable, while Section 14 (Transport Information) lists it as "Not Regulated".

Example 2: Section 8 may list exposure controls (like specific respirators) that are entirely absent from Section 7 (Handling and Storage) instructions.

Gaps Closure Workflow

Build Governance and Train: Especially employees from the acquired company

Stakeholders

- Product Stewardship
- Regulatory Affairs
- Toxicology
- EHS
- Procurement
- Supply Chain
- R&D

Change Control Processes

- Formulation change
- Production process change
- Production site
- Supplier change
- RM change
- Regulatory updates
- New toxicology data emerge
- Transport classifications change
- Regulatory change

Business Changes

- New products
- New manufacturing sites
- New ship-to countries
- Supply chain changes

Key Takeaways

- Integration efforts almost always uncover inconsistencies between the parent company and the acquired company's HazCom practices.
- The parent company inherits the acquired company's liabilities.
- Post-acquisition HazCom gap closure is a data governance and risk-reduction project, not just a document update exercise.
- A successful integration is driven by a methodical gap closure process and master-data strategy focused on creating a single source of truth for formulations, classifications, inventory status, and regulatory determinations, with the SDS becoming the controlled output of that system.
- Successful remediation of HazCom gaps post-integration prevents operational disruption, compliance failures, and value erosion.



"When a new entity fails to achieve synergy after a merge, the probability of its continuity is nil."

— Hendrith Vanlon Smith Jr., GAME CHANGR6: An Executives Guide to Dominating Change, by applying the R6 Resilience Change Management Framework

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Thank you!

Any questions?

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