



# GHS Compliance: Mitigating the Risks of Evolving Chemical Regulations





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## How are regulations evolving?

Chemical regulations are evolving at such a fast pace that many companies are struggling to keep pace. December 1<sup>st</sup> 2013 was the first compliance deadline for OSHA's Globally Harmonized System of Classification and Labeling of Chemicals (GHS).<sup>1</sup> If your organization hasn't met this compliance deadline you may be putting your company and employees at risk.

The GHS was incorporated into the revised Hazard Communication Standard (HCS) in March 2012. One of the most frequently cited OSHA violations are those associated with the HCS.<sup>3</sup> Given the frequency of HCS violations, it is not

unlikely that GHS violations will become just as common. In fact,

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the Safety and News

Alert speculates fines for noncompliance with GHS will be one of the top ten OSHA trends to watch in 2014.<sup>4</sup> While the total number of willful violations has increased over the last several years, willful violations still account for a small percentage of the total number of violations.<sup>5</sup> This

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<sup>1</sup> <https://www.osha.gov/dsg/hazcom/ghs.html#1.1>

<sup>3</sup> [https://www.osha.gov/dcsp/compliance\\_assistance/frequent\\_standards.html](https://www.osha.gov/dcsp/compliance_assistance/frequent_standards.html)

<sup>4</sup> <http://www.safetynewsalert.com/top-10-osh-trends-to-watch-in-2014/>

<sup>5</sup> [https://www.osha.gov/dep/2010\\_enforcement\\_summary.html](https://www.osha.gov/dep/2010_enforcement_summary.html), and <http://ogesdw.dol.gov/homePage.php>.



trend could suggest that many companies are non-compliant because they are simply unaware of applicable regulatory requirements.

## GHS – In Brief

The GHS system was created to establish a system for standardizing and harmonizing the classification and labeling of chemicals.<sup>6,7</sup>

As such, compliance with the GHS requirements is

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OSHA's HCS revisions in 2012 incorporated the GHS system which requires companies to reclassify their chemicals and provide Safety Data Sheets (SDS) (formerly known as Material Safety Data Sheets [MSDS]), and new GHS labels with pictograms, identification, hazards and precautionary statements for safe handling. GHS implementation is structured to rollout over a two and a half year period that involves an evolution of hazardous chemical management procedures.<sup>8</sup> This first of four GHS compliance stages required employers to train their employees on the new GHS label elements and

<sup>6</sup> [http://www.unece.org/trans/danger/publi/ghs/ghs\\_welcome\\_e.html](http://www.unece.org/trans/danger/publi/ghs/ghs_welcome_e.html)

<sup>7</sup> <https://www.osha.gov/dsg/hazcom/ghs.html#1.1>

<sup>8</sup> <https://www.osha.gov/dsg/hazcom/HCSFactsheet.html>

SDSs. This training was required if an employee uses or works with chemicals. Companies will also be required to update existing HCS programs to reflect these new requirements as the remaining GHS implementation timelines come to fruition.

## **When should you take action?**

**December 1, 2013**, marked the first compliance date for the initial GHS training requirement.<sup>9</sup> This new training standard required the employer to train its employees on

### **A compliant GHS label has six mandatory elements:**

- **Product Identifier**
- **Name, Address and Telephone Number of the chemical manufacturer, Importer or other responsible party**
- **Signal Word(s)**
- **Hazard Statement(s)**
- **Precautionary Information**
- **Pictogram(s)**

the new label elements (which include pictograms and precautionary statements) and the standardized SDS format.<sup>10</sup>

These elements are not only mandatory, but OSHA specifically prescribes the exact language and symbols that are required on the label based on the chemical

<sup>9</sup> <https://www.osha.gov/dsg/hazcom/effectivedates.html>

<sup>10</sup> <https://www.osha.gov/dsg/hazcom/ghs.html#1.1>

hazard classification.



The nine pictograms are unique and consist of black hazard symbols on white backgrounds with red diamond borders. Some of these symbols will be new to your employees, so it will be important they receive the required training in order to recognize and understand the meaning of the symbols and the potential hazards they represent.

The SDSs in the GHS format have sixteen sections; a significant change because each section has been standardized. Under GHS classification of chemicals, certain dividing categories **The greater the severity, the lower the number** categories include hazards into sub-categories based on severity: the greater the severity, the lower the number. This classification system stands in contrast to systems such as NFPA and HMIS where a higher number equates greater severity. GHS classification also changes some hazard classes; combustible liquids, for example, are now reclassified as flammable liquids.

*June 1, 2015* is the next compliance date requiring chemical manufacturers and distributors to reclassify

**Distributors will no longer be allowed to ship containers labeled by the chemical manufacturer or importer unless it has a GHS label.**

their chemicals and produce SDSs and GHS labels.<sup>11</sup>

Compliance will be required with all modified provisions of this final rule, with a six-month delay for distributors.

*December 1, 2015* marks the end of the six-month extension that was provided to distributors to complete shipments of old inventory.<sup>12</sup> As of this date, distributors will no longer be allowed to ship containers labeled by the chemical manufacturer or importer unless it has a GHS label.

June 1, 2016 requires employers to update all workplace labeling and hazard communication programs.<sup>13</sup> These updates must be conducted based on the newly identified physical or health hazards as determined by GHS classification and to update your employee training accordingly.

Though it may seem you have time to meet the compliance

requirements in 2015 and 2016, the fact is that you should start early. The

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Preparing for these deadlines should be on your agenda now considering resources necessary for new labels, the

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<sup>12</sup> <https://www.osha.gov/dsg/hazcom/effectivedates.html>

<sup>13</sup> <https://www.osha.gov/dsg/hazcom/effectivedates.html>

management of SDS, and implementation of additional training will likely impact your budget.

## What is the risk of non-compliance?

An important driver for companies to begin compliance early is cost avoidance. Companies that do not comply can be subject to fines and large penalties. HCS violations span all industry sectors, from retail to manufacturing. In 2013, a major retailer was ordered to pay \$190,000 in civil penalties for two enforcement cases that included deficiencies with respect to chemical hazard communication, among others. Those violations also cited the employer for not providing information and training regarding chemicals at the time of employee initial assignment and whenever a new hazard was introduced into their work area, and for failing to ensure that MSDSs were readily accessible to employees in their work area during each work shift.

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A manufacturer was cited for health and safety violations last November, the proposed penalties which totaled \$51,800. The citation included the company's failure to provide training and develop and implement a written hazard communication program.

OSHA can site companies for violations and propose penalties of up to \$7,000 for each individual violation for



both “other than serious” and “serious” violations, and up to \$70,000 for willful and/or repeated violations.<sup>14</sup> That can quickly add up and become a significant financial burden.

Penalties of up to \$7,000 for each violation

Expending resources to better identify chemical risks in the workplace and train employees is not only necessary to ensure compliance; but isn't it also the right thing to do? It is important that workers be able to execute their day-to-day activities in a safe work environment. Safer employees mean less down time due to injury, which can

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equate to a more

productive work

environment. In order to

protect employees, they must be empowered to know how to recognize, understand and take the appropriate actions to avoid potential hazards in the workplace. The labels and documents that have provided this type of recognition in the past are changing with GHS. In some cases, the changes are significant. As such, you want to make sure your employees know how to recognize, read and comprehend these labels and documents.

## How can Source Intelligence help you respond?

The remaining GHS compliance dates are quickly

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<sup>14</sup> [www.osha.gov/doc/outreachtraining/htmlfiles/introsha.html](http://www.osha.gov/doc/outreachtraining/htmlfiles/introsha.html)



approaching and the consequences associated with non-compliance can

profoundly impact workplace safety and company budgets. Given that the HCS is one of the most commonly cited

violations, which GHS is now a part of, it would make sense to expend the resources necessary to ensure compliance sooner rather than later.

**Ensure  
compliance  
sooner rather  
than later.**

**You will need a  
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cost-effective**

Remember, just because you have knowledge of the requirement does not mean you are compliant. You must develop and implement compliance programs. Moving forward, you will need a strategy that ensures compliance and is cost-effective. Given the approaching 2015 deadline, employers should expect to see their MSDS library (for products currently in production) turn over in a relatively short time. A web-based solution that can quickly and efficiently process large amounts of data, and that is supported by a 24/7 accessible business operations center, such as the one Source Intelligence offers, can be a tremendous benefit and help keep you in compliance.

The advantage of a web-based platform is that the data can also be linked to other regulatory documents, such as labels, permits, reports and plans. Our goal is to help our customers ensure safety in the workplace and go beyond perfunctory compliance with regulations. Source

Intelligence offers a long term sustainable solution that will benefit your company for years to come and offer opportunities to boost success and productivity.

#### **Advantages of A Web-Based Platform**

- **Customized MSDS and SDS online platform**
- **Easy access to GHS-compliant labels and SDS**
- **Chemical inventory management**
- **Guidance on the safe handling of chemicals and spill mitigation information in the event of a chemical release**
- **Access to Poison Control assistance in the event of an exposure**
- **Online training programs for HCS and GHS**
- **Regulatory disclosures, permits and licenses**
- **Generating regulatory alerts that are linked to compliance calendar requirements**

Ours is not a short-term fix. We guarantee a long-term strategy that can also become part of a broader and more sustainable regulated substance compliance program. The final product will create a safer work environment and also help your company grow sustainably. The world is moving towards a safer, more sustainable planet, and it is in everyone's best interest to get on board now.