MSDS Management 101

AHMP 2009

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3E Company

Who is 3E Company?

- Leading provider of EH&S compliance and risk information management solutions
- Most comprehensive global EH&S domain knowledgebase
  - MSDS images and product data
  - Global regulatory content
  - Hazardous substance databases
- Provider of Choice
  - Broadest range of services
  - Delivered in multiple formats and platforms
  - Across a multitude of industries
  - Global capabilities and presence

Agenda

- Identifying Compliance Requirements
- Defining the Current Situation
- Identifying Opportunities for Improvement
- Evaluating the Risks of Non-compliance
- Building the Right Program
- Solution Options – Vendor Selection
- Creating a Transition Plan

Compliance Today

The Evolution of EH&S Compliance

1900-1969 ---------- 1970-1995 ---------- Late 90's to Present

1. Do the Right Thing

2. What Could Go Wrong?

Reactive

Preventive

Progressive

Compliance Today

In addition to adhering to International, Federal, State and Local regulations, compliance today includes two progressive approaches that are being broadly accepted and implemented.

Corporate Social Responsibility: Assumption of responsibility for the impact of all corporate activities upon its employees, customers, community and the environment. Often carried out in the context of voluntary improvement commitments and performance reporting.

Industry Best Practices: Technique or methodology that, through experience and research, has proven to reliably lead to a desired result. A commitment to using the best practices is a commitment to using all the knowledge and technology at one's disposal to ensure safety and compliance.

Evolution of MSDS Content

Basic Requirements

Product Name/Identity

Chemical Names (haz ingredients)

Physical & Chemical Characteristics

Physical & Health Hazards

Primary Routes of Entry

OSHA PELs & ACGIH TLVs

Applicable Carcinogen Listings

Appropriate Control Measures

Emergency & First Aid Procedures

Complete Supplier Contact Info

Emergency Contact Info

Date of Issue/Revision Date

ANSI 16-Section Format

Basic Requirements, AND

Fire-fighting measures

Accidental release measures

Handling and storage

Exposure controls/personal protection

Stability and reactivity

Toxicological information

Ecological information

Disposal considerations

Transport information

Regulatory information

Other information

Regulatory Landscape

Hazardous chemical regulations cover the entire product life cycle.

R&D → Manufacture → Transport → Use → Disposal

REACH

OSHA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Workplace Hazardous Materials Information System (WHMIS)

DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA

Transport Canada

HazMat Requirements

HazMat Life Cycle

Data Flow

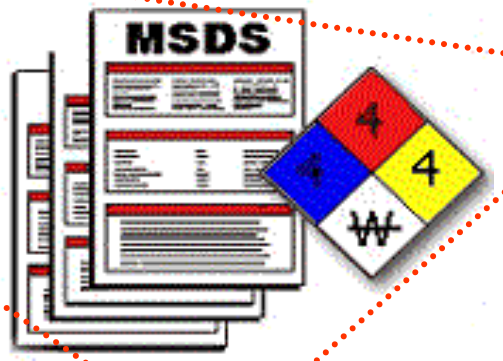
Chemical Manufacturers

Chemical Distributors

End Users

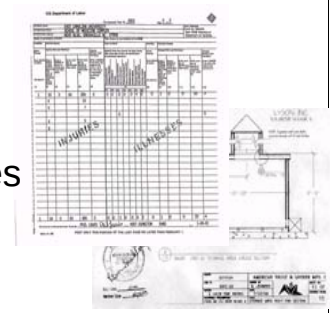
Disposer or Recycler

Chemical Inventory Management



Recurring Compliance Requirements

Permits
Disclosures
Manifests



Programs
Record Keeping
Process & Protocols
Regional Data

Training
Education
Access to Info

Current State

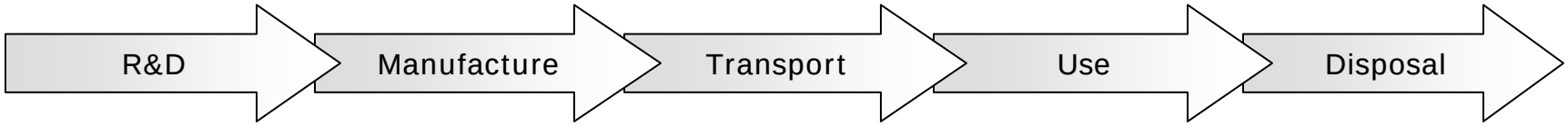
- Chemical inventory management processes & tools
- MSDS obtainment and renewal
- Access to data and documents
  - Employee level
  - EH&S professional level
- Access to substance level data
- Access to regulatory content
- Access to transportation data
- Regulatory impact and analysis processes
  - Import/Export
  - Chemical approval processes
- Resource requirements

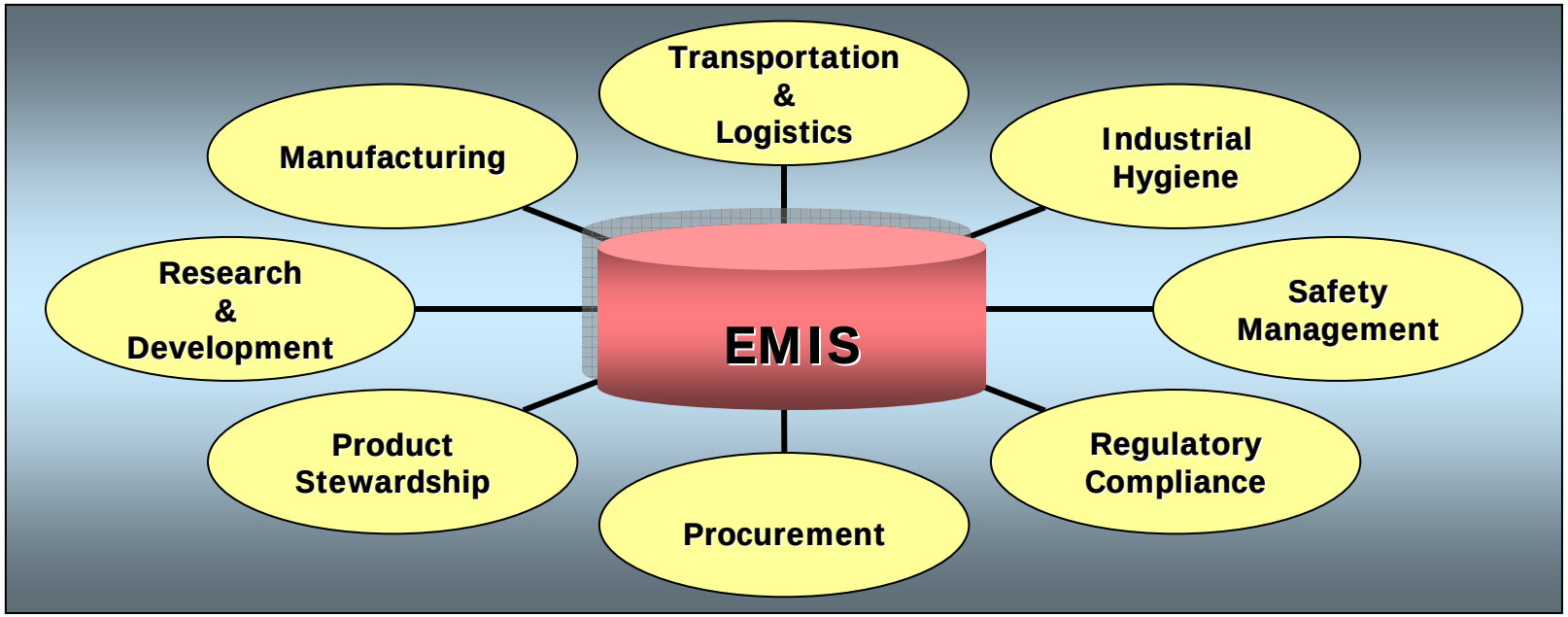
Checkpoint #1

- ☑ Should your MSDS management system be a part of a broader EMIS that can be leveraged across the Supply Chain?

Supply Chain

Stakeholders





MSDS Management Considerations

- Number of sites
- Inventory of hazardous materials
  - Pure chemicals
  - Raw materials
  - Intermediates
  - Use chemicals
  - Finished products
- Applicable agency requirements
  - Workplace Safety
  - Environmental & Community Safety
  - Transportation
  - Waste Management
- Global capabilities
- Multi-lingual capabilities

Checkpoint #2

Does your online MSDS management system need to provide access to

- ☑ Information indexed directly from MSDS
- ☑ Interpretive storage, transportation or waste classifications
- ☑ Expanded search capabilities
- ☑ List generation of SARA reportable products
- ☑ Expanded regulatory content
- ☑ Other regulatory or internal documentation
- ☑ Data from your internal systems

Risks of Non-Compliance

Level of Importance?

1. Industrial accidents impacting employees, the community and environment
2. Negative impact on the corporate brand
3. Personal injury litigation
4. Forced suspension of activities
5. Regulatory fines and citations
6. Employee morale

Chemical Inventory Management Impact

If even 10% of your inventory is inaccurate

- MSDS may not be available when needed
- Critical safety data might be unavailable or incorrect
  - Med / Tox data
  - Exposure data
  - PPE
- Unable to provide proper support documents to ER
- Waste profiles may be incorrect and manifests prepared improperly
- Improper classification may be listed on shipping documents and labels & load weights miscalculated
- Sensitive chemicals (EHS) may go undetected/unreported
- Reporting thresholds can be incorrect
- Acquire and maintain MSDS unnecessarily

Rate Your Priorities

Opportunities for Improvement?

1. Save $$$
2. Increase compliance
3. Mitigate risk
4. Improve access to data
5. Consistency of process
6. Leverage data across the organization
7. Enable EH&S resources to focus on technical and regulatory issues vs. admin tasks

Checkpoint #3

What does <u>your</u> desired chemical inventory management program look like?

- ☑ Centralized system
- ☑ Simple easy access to MSDS and related data
- ☑ Back office program and admin support
- ☑ Tiered access based on EH&S responsibilities
- ☑ Multi-lingual capabilities
- ☑ Integrated regulatory content
- ☑ Storage, transportation and/or waste data
- ☑ 24-7-365 live assistance and backup

Solution Options

Vendor Selection Recommendations

- Do your homework
  - Internally – analyze your needs
  - Externally – determine vendor capabilities
- Understand your role and resource requirement in the partnership
- Get what you need today, avoid what you don't need right now, add what you need, when you need it
- Ask for SoWs, KPIs and implementation timelines
- Find out if your outsource provider sub-contracts their services
- Determine if you are billed annually, transactionally or both
- Check references
- Take advantage of structured bidding processes

Common Misconceptions

- One Size Fits All
- Cheaper is Better
  - If you've seen one outsource solution, you've seen 'em all
  - The only difference in outsource providers is their price
- Solution components must be purchased and activated simultaneously
- Outsource solutions eliminate the need for
  - IT Support (critical to the vendor approval process and during many implementation phases)
  - Back Office & Administrative Support
    - Included in outsource solution OR
    - Pay as you go
  - Decision Making (not no, but Heck NO)

Program Performance

Full-Service Program vs. Do-it-Yourself

There are many vendors out there offering what appears on the surface to be less expensive alternatives. Reducing expenses is extremely attractive, especially in this economy.

Low Cost Providers (LCP) can offer substantially lower per MSDS pricing to clients but often offer little more than a user-interface to a disorganized collection of out-dated MSDS. Consequently, LCPs do not staff to provide back office and day-to-day support.

Though not advertised, LCPs offer a business model that is long on do-it-yourself options and monthly transaction fees (usually not included with the published per MSDS costs) but short on providing current documents, indexed and searchable data, access to critical chemical and regulatory content, 24-7-365 customer support and quality assurance.

Program Performance

Full-Service Program vs. Low Cost Provider

Shrouded in an attractively priced package, LCP programs can

Cost More – Incremental service charges apply after a client agrees to significantly reduced per MSDS fee (invoiced annually). Transaction-based billing accrues each month for operational support that is standard with full-service programs.

Do Less – A few transaction-based invoices, will likely provide incentive allocate additional internal resources to hold down costs or let important work go undone, compromising safety and compliance.

Leverage the Work of Others – LCPs build their leverageable MSDS databases with client labor vs. their own internal resources.

LCPs claims to be FASTER, BETTER, CHEAPER – The fact of the matter is, their client's are fortunate to get one out of three and may likely wind up zero for three. The client ends up paying more and getting far less, while doing much of the vendor's work for them while compromising safety and compliance.

Program Performance

Menu of Transactional Fees

Service Type	FSP	DIY Options
Cross-referencing	Included	D-I-Y or Pay More $
MSDS Obtainment	Included	D-I-Y or Pay More $
Document Upload & Scanning	Included	Pay More $
Revision Verification	Included	D-I-Y or Pay More $
MSDS Indexing	Included	D-I-Y or Pay More $
Facility Tree Maintenance	Included	D-I-Y or Pay More $
Inventory Management	Included	D-I-Y or Pay More $
Administrators/Users	Included	Additional
Training	Included	Additional

Service Type	FSP	DIY Options
Regulatory Analysis	Included	Additional
Multi-Lingual Interface	Included	Additional or Not Available
Chemical Analysis	Included	Additional or Not Available
Service Implementation	Included	Not Available or Limited
Dedicated Account Management	Included	Not Available or Limited
24-7-365 Product Support	Included	Not Available or Limited
Quality Assurance	Included	Rarely Implemented
MSDS Requests	Included	Not Available or Limited
Global MSDS Management	Available	Not Available or Limited

Checkpoint #4

- ☑ Are resources available to fill the operational gaps that can result in the transition from a full-service program to a Do-it-yourself?

If not, is your organization prepared to

- ☑ Pay additional transactional fees to do the work?
- ☑ Risk compliance levels until labor can be allocated?

- ☑ If currently with an FSP, have you engaged your Account Rep to discuss cost saving options?

Transition Plan

Likely the most arduous part of transition from one chemical inventory management program to another is transferring site specific inventories from one system to the other. If current lists have not been updated in the last 12 months, this may be a good time to take accurate inventory.

Full-service providers should be able to ease this pain, as it is probably a standard element of their implementation plan. They may even offer on-site inventory assessment services.

Tiered training should be available and scheduled as implementation comes to a close. Time commitments from all high-level users (inventory managers) will get the rollout started on the right foot.

Internal procedures (work instructions) should be revised to reflect the change in process that will be affected by the new solution.

Questions?

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Thank You