

Overcoming the challenges of EHS compliance in the chemical manufacturing industry

The chemical manufacturing industry plays a crucial role in the global economy, supplying essential products across a wide range of sectors, from agriculture to construction. Yet, managing Environmental, Health, and Safety (EHS) compliance data in such a diverse and highly regulated field is a significant challenge.

Internal & external challenges companies face

Internal challenges

✦ Aging workforce and employee turnover

Leaving employees can take their knowledge with them. Businesses need to build technology platforms and repositories to capture employee knowledge and make it available to all.

✦ Internalization and organic growth

Companies work with teams across the globe, in different languages and cultures. Gathering harmonized data can be tricky — and runs the risk of non-compliance.

✦ Mergers and acquisitions

Acquiring new companies brings a horde of legacy systems, tools, and methodologies. It takes time to collect compliance data from new technologies, running the risk of missing regulatory reporting obligations.

✦ Resource constraints

Employee turnover, conflicting cultures and misunderstandings, and the proliferation of new tools can strain existing resources.



✦ New and changing EHS requirements

Time, effort, and money is needed to gather data from regional silos — but disjointed reporting produces gaps in compliance. Companies need ensure a standardized flow of knowledge to act before regulations are mandates.

✦ Pressure to innovate

Companies in this sector are under constant pressure to innovate, and their compliance function must be able to keep up with this pace of change. Conversely, new regulations can also be drivers of innovation. Companies need an agile compliance program and integration between these functions to achieve peak performance.

✦ Emerging sustainability directives

Businesses need to be aware of reporting demands and emerging regulations from the CSRD, IFRS, and SEC, so they can adapt their processes ahead of time.

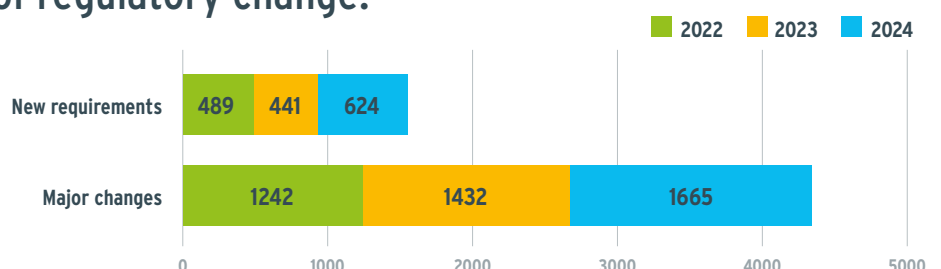
✦ Supply chain pressures

Chemical manufacturers face upstream and downstream supply chain pressures. Geopolitical factors and volatile raw material prices may impact supply chains, and stakeholder demands may also exceed regulatory standards. That means businesses need excellent visibility of their processes and a robust information management system to respond effectively.

External challenges

The ever-increasing pace of regulatory change:

EHS requirements for Chemical Management have increased steadily — with new requirements and major changes to existing requirements being added at an accelerated pace, year over year, since 2022:



How are chemical manufacturing companies solving these challenges?

Despite these challenges, there is an opportunity for innovative companies to translate EHS and sustainability best practices into a competitive advantage:



Regulations are constantly changing. In 2025, the EU's REACH regulations are expected to undergo a major revision, alongside new restrictions on PFAS and F-gases. The incoming US EPA administration has also signaled its intent to change its approach to regulation.



Continued consumer demand for sustainable, environmentally friendly products also makes it imperative for chemicals manufacturers to demonstrate a commitment to safety and sustainability to remain competitive.



With the right technologies and strategies, businesses can stay ahead of these regulatory changes and be well-positioned to innovate and meet any potential challenges with minimal operational disruption. A single, uniform view of global EHS requirements can help teams realize new efficiencies, align processes across sites, and improve their compliance strategy.

Five steps to manage EHS compliance risks for global chemical organizations

1. Know your regulations

Know the regulations you need to comply with based on where you operate. Consolidate, translate, centralize, and standardize them to make them accessible to more employees — make sure everyone knows the legal obligations, business impacts, and actions taken to track and maintain compliance.

2. Know your compliance status

Identify your current compliance status and actions to be taken. Make sure it's accurate, up-to-date, trackable, reportable, and visible across the company — enhancing collaboration with ESG and sustainability efforts at the same time.

3. Harmonize your process

Holistic reporting metrics, benchmarking, compliance processes, and data across sites ensures visibility for the corporate-level — where leadership needs transparency — while also providing up-to-the-minute, accurate information to actively mitigate non-compliance risk. Plus, it's way simpler than gathering and correlating data from disparate systems and processes.

4. Be proactive

Monitor worldwide regulations, stay notified of upcoming changes in relevant regulations, and plan ahead for new or evolving regulatory standards to minimize their time, course, and human resource impacts. Use active, dynamic lists of global regulatory requirements — both as they launch and well in advance.

5. Deliver information in advance

Once you can anticipate emerging and changing regulations in advance, deliver this information to teams in every global jurisdiction and at the corporate level so you can understand their impact and mitigate the risks of non-compliance ahead of time.

Avoid these common pitfalls

Internal resources, external consultants, and in-house and/or outside legal teams all trying to monitor for regulatory changes will be time-consuming, costly, and lack coordination.

The shift in recent years has been from aspirational, marketing-driven reports to investor-led reporting that can withstand scrutiny from stakeholders, regulators, and independent assurance bodies.

With many systems comes greater cost overhead and inconsistent tools to learn and datasets to manage. All of this results in unwanted process complexity.

Lack of consistency

Need for greater transparency

Proliferation of processes and system

Too many cooks in the kitchen



Everyone will have a different way of interpreting findings and transforming requirements into next steps.

Find the right tools



A global, standardized taxonomy - driven by expertise and delivered as plain-language requirements that anyone at the company can access, can help to streamline critical foreknowledge, interpretation, and delivery of regulatory requirements.

In addition to saving time and resources, the right tools build resilience. They help teams:



Keep up with new regulations efficiently



Get more proactive and strategic



Enable a more agile response as regulations change.

2/3
of companies surveyed agree that a compliance tracking tool is advantageous



"[Enhesa] is a tool that we use to help track what the regulations are and what we need to anticipate if something is on the horizon." - VP of EHS