CASE STUDY

HEALTH & SAFETY DUE DILIGENCE REVIEW FOR M&A

H&S Due Diligence

CHALLENGE

A private equity firm engaged Quensh to conduct a comprehensive health and safety (H&S) due diligence review on a target acquisition.

The client aimed to uncover any potential “red flags” or regulatory liabilities that might be inherited through the transaction. In addition, they sought to understand potential post-acquisition costs related to H&S compliance and improvements.Recognising that overlooked health and safety issues can lead to significant legal, financial, and reputational consequences, the client wanted assurance that any risks were identified and addressed early in the acquisition process.

SOLUTION

Quensh supported the company by:

01. Uncovering any historical health and safety issues, such as unresolved incidents, long-term exposure risks (e.g. asbestos), which could surface post-acquisition, and have reputational and financial consequences for the business.

02. Reviewing H&S records which may be missing, outdated, or not maintained to regulatory standards (e.g. risk assessments, incident tracking), which may lead to potential non-conformities during inspections or a need for remedial work, post-acquisition.

03. Reviewing the state of the health and safety management system, assessing if it may be poorly implemented, and improving it to ensure it wouldn’t prove problematic when integrating into the company's own health & safety system.

04. Reviewing the company's Safety Culture and assessing whether the company have a complacent or negative attitude toward safety, which could lead to higher rates of injuries or near misses.

05. Assessing if current Health & Safety personnel are competent, or whether immediate recruitment and/or external support is required.

06. Uncovering if there are any high-risk operations or environments, which may require expensive safety upgrades post-acquisition.

07. Reviewing how third-party contractors and suppliers are managed, and if there is any liability for accidents involving contractors

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RESULTS & BENEFITS

Financial clarity through quantification of potential costs

Legal protection as due diligence ensured client met legal obligations

Risk mitigation for client, who will avoid inheriting unknown liabilities

Strategic decision-making easier for final negotiations

Stakeholder confidence bolstered through health & safety commitment

01. Provided a clear understanding of whether the target company is compliant with relevant legislation, regulations, and standards, and highlighted areas of non-compliance or pending enforcement actions.

02. Identified Health & Safety Risks, and assessed of risk of future incidents.

03. Uncovered historical or ongoing injury claims, prosecutions, or civil actions, and evaluated the likelihood and cost of future claims or regulatory penalties.

04. Assessed Safety Culture and Governance.

05. Evaluated Health and Safety Management Systems.

06. Helped prioritise remedial actions and investments post-acquisition.