SOLVAY

SAP® EHS MANAGEMENT ENABLES A STRATEGIC APPROACH TO REACH COMPLIANCE

"With SAP solutions, we've increased our agility in order to respond to changes. We can modify our processes easily and meet new reporting requirements."

Paul Vanhemelryck, REACH-IT Project Manager, Solvay S.A.

QUICK FACTS

Company
- Name: Solvay S.A.
- Location: Brussels, Belgium
- Industry: Chemicals
- Products and services: Chemicals and plastics
- Revenue: €8.5 billion (2009)
- Employees: 17,000 in 40 countries
- Web site: www.solvay.com
- Implementation partner: Trasys S.A.

Challenges and Opportunities
- Comply with REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) legislation governing the safe use of chemicals to ensure continuity of purchases and manufacturing
- Execute mass e-mail campaigns to gather data on how customers use products and what uses are covered by suppliers in their registration dossiers
- Meet deadlines for submitting data to regulators while lowering compliance costs

Objectives
- Deploy a solution that integrates with the existing IT landscape and helps ensure high data integrity
- Increase agility to respond to new and evolving regulations

SAP® Solutions and Services
SAP® software for product and REACH compliance – an upgrade to the SAP Environment, Health, and Safety Management (SAP EHS Management) application

Implementation Highlights
- Completed in less than 1 year
- Enabled continuous alignment of source and target systems for data
- Upgraded to the latest version of SAP EHS Management
- Integrated with other SAP applications

Why SAP
- Long-term relationship with SAP
- Volume of data in SAP software systems
- In-house knowledge and skills in SAP software
- Proven IT solution for REACH compliance for large organizations

Benefits
- Revenue protection by enabling access to European markets
- Transparency at all levels to facilitate successful REACH registrations
- Reduced risk of noncompliance – for example, by meeting REACH supply chain communication mandates in a timely, automated manner
- Fast, hassle-free auditing enabled by full traceability of communications
- Simplified language handling through Unicode support
- Ability to proactively detect supply chain disruptions and keep regulators informed in real time
- Reduced compliance costs and effort via automated processes and multisystem integration

Existing Environment
- SAP ERP application
- SAP EHS Management

SOLVAY

SAP®

When Solvay S.A., a Belgium chemical and plastics firm, needed to comply with new REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) legislation, it turned to SAP for help. To ensure the safe production, handling, and use of chemicals, REACH requires communication and reporting that leverages master data about customers, partners, and substances. For Solvay, SAP® software for product and REACH compliance – an upgrade to the SAP Environment, Health, and Safety Management (SAP EHS Management) application – was clearly the best choice.

Responding to New and Complex Regulations

REACH transfers most of the responsibility for the safe use of chemicals from government to industry. Companies now have to provide the government with information ranging from a substance's chemical abstracts service (CAS) number to its physiochemical, toxicological, and ecotoxicological properties. They also have to show that their use of any chemical – and the use of their products by customers – is safe and registered. As a manufacturer, importer, marketer, and downstream user of chemicals, this means that Solvay must prove that the chemicals it manufactures and sells in the EU do not adversely affect human health or the environment. Explains Paul Vanhemelryck, REACH-IT project manager at Solvay, "We have to document and submit for registration the uses of our products throughout our extended supply chain – right down to each individual customer."

Noncompliance isn't an option. If the product information doesn't satisfy REACH legislation, the business will be denied authorization, registration, and ultimately the right to manufacture, import, or sell that substance within the EU. In other words: no data, no market.

But facilitating the REACH-mandated communications for a large customer and supplier base and ensuring proper follow-up is an enormous task. States Vanhemelryck, "Despite the challenges, we see REACH as a strategic opportunity. By establishing a global, automated management process to meet our REACH obligations, we can help ensure that our company poses no danger to others while strengthening the image of the chemical industry. And with the right solution, we can also help ensure continuity of purchases."

Searching for the Best Solution

Prior to choosing the SAP solution, Solvay used the International Uniform Chemical Information Database (IUCLID5) and REACH-IT tools of the European Chemicals Agency (ECHA) to preregister 400 dossiers representing a total of 300 substances by December 2008. This was the company's first step toward compliance in a multiphase process extending through 2018. States Vanhemelryck, "We needed to get this step done early so we could communicate with customers and suppliers at least one year ahead of the next deadline, by which we need to collect and register uses of these substances by our customers."

Going forward, Solvay needed a comprehensive, automated REACH solution that would work with its existing IT landscape and integrate with systems provided by ECHA. The solution also had to support three key activities: substance registration; compliance with safe usage conditions specified by permits for products and imported substances; and documentation and registration of how Solvay uses raw materials from suppliers, as well as how customers use its products. In addition, the solution had to support the traceability of all communications and enable high data integrity.

SAP Offers an Integrated Solution

Given its extensive investment in SAP software for enterprise resource planning, product safety, and supply chain management, Solvay didn't have to look far for a solution. "In early 2008, it was clear that the SAP software for product and REACH compliance was the most appropriate solution for Solvay," says Vanhemelryck. "By using an integrated SAP solution rather than a point solution for REACH compliance, we could set up a very efficient system that ensures high data integrity."

"By using an integrated SAP solution rather than a point solution for REACH compliance, we could set up a very efficient system that ensures high data integrity."

Paul Vanhemelryck, REACH-IT Project Manager, Solvay S.A.

As an upgrade to the SAP EHS Management application, the SAP software for product and REACH compliance integrates all phases of the REACH compliance process with other critical processes supported by Solvay's legacy SAP solutions. For example, the software is linked to the procurement, order management, and sales and distribution functionality in the SAP ERP application, enabling the company to use its extensive master and transactional data to populate required REACH forms for each customer and supplier. All communication trails are linked to substances in the database associated with SAP EHS Management, allowing Solvay to monitor the status of use requests and trace them in audits. In addition, the software can be easily integrated with the online tools provided by ECHA.

"The close cooperation between Solvay, SAP, and Trasys helped us to meet our communication obligations towards suppliers and customers in time."

Paul Vanhemelryck, REACH-IT Project Manager, Solvay S.A.

A Smooth Implementation

The entire implementation was completed in less than one year – a rapid deployment given its complexity. As Vanhemelryck explains, "You have to be sure that you have the right data in the right place at the right moment, relate objects across databases and systems, and identify which customer and supplier contacts have the knowledge to answer the e-mailed questionnaires about uses. It's just not a straightforward project."

Given this complexity, Solvay leveraged the expertise of Trasys S.A. – an SAP partner involved in the actual development of the online tools used by the REACH regulatory agency – to help ensure the final solution would meet compliance requirements. Explains Vanhemelryck, "Trasys brought extensive knowledge about REACH and insight into what our real obligations are, so we could be confident that our final solution would meet our needs."

Solvay first upgraded its SAP EHS Management application to the latest version, which is required for the deployment and native integration of the SAP software for product and REACH compliance. The implementation team had to manually move data to the upgraded software due to customizations that had created differences between the old and new versions. At the same time, the team used application link-enabling (ALE) integration technology to allow the exchange of master data from SAP ERP to SAP EHS Management. Installing the SAP software for product and REACH compliance occurred almost in parallel with the upgrade activities. The result was the smooth deployment and timely availability of the supply chain communication functionality provided by the software.

The Benefits of an Integrated, Complete Solution

Solvay now has a task-driven, automated process for documenting and registering substances, complying with safe usage conditions, collecting uses of products by customers and suppliers, and communicating with authorities. Everything is synchronized and linked. For example, when customers and partners complete Solvay's questionnaire – an Adobe interactive form regarding uses of chemicals – they can send it back as an e-mail attachment, and the data is automatically uploaded to the SAP solution. In addition, every communication is traceable, as required by REACH.

Because the SAP software is integrated with other applications supporting production, purchasing, and sales, Solvay can identify substances used in preparations purchased from suppliers and products sold to customers. "Because we're ready to execute when it comes to managing all of the supply chain communications – in our case, over 4,000 e-mails – we can efficiently collect how these amounts are being used and submit data to the authorities in a timely manner," states Vanhemelryck. Moreover, integration with other core enterprise software helps ensure data integrity. "I can't imagine doing an e-mail campaign of this size and scope without having consistent, reliable data about our supply chain," adds Vanhemelryck.

By supplying Solvay with up-to-date, industry-specific information, the software enables the company to increase

transparency at all levels, which helps ensure the success of REACH registrations and allows proactive alerts regarding any disruption occurring in the supply chain. The company can also reduce the risk of noncompliance. Business users can process REACH compliance requirements efficiently, proactively detect compliance gaps, meet timelines, fulfill documentation requirements, and cope effectively with the impact REACH has within logistical operations. Additionally, Solvay can increase efficiency and lower costs, as the software automates processes and reduces the use of redundant data and manual compliance tasks.

Next Steps

"The close cooperation between Solvay, SAP, and Trasys helped us to meet our communication obligations towards suppliers and customers in time," concludes Vanhemelryck. Looking ahead, the company expects that global regulations for chemicals will continue to change and increase in complexity. "With SAP solutions, we've increased our agility in order to respond to changes," he adds. "We can modify our processes easily and meet new reporting requirements because SAP applications work together to enable a strategic approach to compliance."

www.sap.com/contactsap

TRASYS
WE GET IT DONE

50 102 443 (10/12)
©2010 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects Software Ltd. in the United States and in other countries.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.