SAP Solution Brief
SAP for Automotive Solutions And SAP Services

Compliance Assessment for Sustainability Regulations in the Automotive Industry

Quick Facts

Summary
Ensuring compliance with complex environmental regulations is challenging for automotive firms – but it's essential to business sustainability. For instance, how will you meet upcoming compliance deadlines for the European legislation Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)? SAP can help by performing a compliance assessment for sustainability regulations that evaluates your current level of compliance and helps you develop a strategic plan for the future.

Business Challenges
- Increasingly complex compliance regulations
- Rising compliance costs and risks
- IT landscapes and processes that aren't optimized for compliance

Key Features
- **Initialization** – Get an overview of the substance- and product-related regulations you must comply with
- **Analysis** – Assess the current state of your IT landscape and processes relative to compliance; identify issues
- **Conception** – Define optimal, regulatory-compliant processes and a "to be" IT landscape; obtain a transformation road map with detailed action items
- **Summary** – Produce a documented management summary based on overview assessment results; review the transformation road map

Business Benefits
- **Understand the challenges of regulations** while increasing awareness of their business impact
- **Assess and evaluate your compliance situation**, including the risks of noncompliance
- **Develop a sustainable, affordable compliance strategy, road map, and IT landscape** that leverage existing IT investments
- **Minimize compliance costs**, especially with regard to business processes and IT
- **Safeguard your license to operate and market access** through ongoing compliance
- **Turn compliance into an opportunity** by gaining the ability to safely serve new markets

For More Information
Contact your SAP sales representative, or visit us online at www.sapsustainabilitytoday.com .

The Best-Run Businesses Run SAP™

How is your automotive company ensuring compliance with complex environmental regulations? Do you have a full understanding of the requirements you have to meet – which are a function of the markets you serve – and the best way to approach compliance to reduce risk and increase competitiveness? Many companies are turning to SAP for a compliance assessment for sustainability regulations to get the insights and road maps needed to make informed decisions about compliance processes and IT investments.

Take the International Material Data System (IMDS) as an example. With "black" and "gray" lists of prohibited and declarable substances, it's quickly become a global de facto standard for reporting and managing chemicals in the automotive industry. And as a result, almost all global OEMs are obliged to work with IMDS to track and report affected substances. The question is, are you achieving and maintaining compliance with IMDS correctly and in the most efficient way for your company?

Similarly, if you work for an automotive company conducting business throughout Europe, your organization must comply with European legislation REACH – Registration, Evaluation, Authorization, and Restriction of Chemicals. This regulation shifts the burden of proof for the safety of substances, preparations, and articles and the usage conditions of those substances and preparations to the businesses that manufacture and import them. All businesses must work within the REACH process framework to establish that proof. To manage REACH compliance, you must establish complex new processes by deadlines set in 2011, 2013, and 2018 for:

- Volume tracking of substances in preparations and regulated substances (substances of very high concern, or SVHCs) in articles
- Assessing the obligations for notifying and informing agencies, business partners, and end consumers about substances and moves
- Complying with safe usage conditions specified by exposure scenarios for products

Going forward, you should expect more of the same. REACH is being used as a model for other economic and legal areas – for example, the United States and China want to implement similar regulations. The impact that these laws will have on your business will be significant – and involve serious risks for noncompliance.

But when facilitated by the right processes and enabling technologies, compliance can also lead to better business practices, improved performance, and a competitive advantage. Achieving this requires that you take the time to define the optimal and most cost-efficient approach to complying with regulations. The result is a standardized way of managing compliance that reduces risk and delivers unique value to the business.

DEVELOPING A WAY TO ACHIEVE AND MAINTAIN COMPLIANCE

SAP can help you accelerate the path to sustainable compliance by providing a comprehensive compliance assessment for sustainability regulations. After analyzing and documenting the product safety and REACH compliance requirements impacting your business, our consultants give you a clear view of your current compliance status, as well as the business risks associated with noncompliance. In addition, we suggest ways to safeguard your license to operate and propose a new or modified IT landscape that integrates compliance requirements into harmonized IT operations. We deliver these recommendations in:

- A transformation road map for creating a compliant business and IT landscape
- A concrete proposal for a high-level "to be" solution landscape that shows how to integrate key compliance software into your existing IT and process environment
- A management summary containing all the results of the compliance assessment for sustainability regulations

Based on the recommendations for your specific situation, SAP consultants can also deliver fixed-price, ready-to-use services that support optimized processes and reduce total cost of ownership. The processes SAP® software supports are based on proven best practices for product safety, REACH compliance, global label management, dangerous goods management, and health and safety management. Deploying the recommended SAP software according to the transformation road map developed by your consulting team gives you a ready-to-run solution

that typically covers over 80% of business requirements without customization. You can further optimize the solution via customization services, if required.

A COMPREHENSIVE ASSESSMENT

The compliance assessment for sustainability regulations from SAP covers every area of your business that's impacted by environmental regulations in the markets you serve. Conducted as a workshop using questionnaire-based consulting, an assessment is typically completed within two to three weeks, depending on circumstances.

Product Safety and Product Compliance
Central to every compliance assessment for sustainability regulations is an evaluation of your current level of product safety and product compliance. You'll understand your organization's ability to perform the following activities, which are essential to compliance with regulations:

- Gathering data for regulated substances from your suppliers
- Gathering substance and composition information for imported preparations from your suppliers
- Managing regulatory thresholds
- Tracking volumes and notifying authorities
- Providing information along the supply chain
- Tracking and reporting recycling data

Labeling
Our consultants will assess how your business currently handles labeling and identify compliance failures and risks as you:

- Create compliant labels for rebranded preparations based on regulations (for instance, the Globally Harmonized System of Classification and Labeling of Chemicals) and the languages used in each country (for example, when generating labels specifying shipment destinations)
- Determine necessary symbols, hazard phrases, and precautionary statements
- Print labels and apply them to packaging, taking into account requirements for specific colors, the ability to withstand saltwater, and more

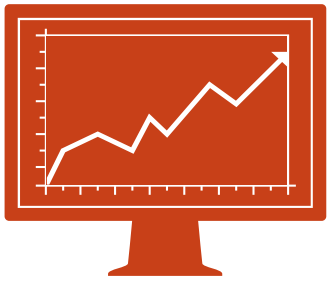
Dangerous Goods Management
In the area of dangerous goods management, SAP consultants will determine the degree to which your current compliance activities enable you to:

- Maintain and load into the appropriate IT systems all basic dangerous goods data for relevant regulated articles, such as coolants or lubricants. Data is based on local legislation (like TDG, the Canadian Dangerous Goods Regulations), regional regulations (such as ADR, the European road transport regulations for dangerous goods), or worldwide regulations (for example, IATA, which is enforced by the International Air Transport Association).
- Adapt and update this data regularly according to regulatory requirements
- Classify products and provide information for the whole transport process (including aspects for chemical, packaging, and intermodal transport)
- Provide dangerous goods information for compliance checks, relevant documents, and electronic data transfers (for example, using electronic data interchange)

Health and Safety Management
Optimizing health and safety management is essential to having sustainable business operations. If you can't operate a line of business safely, it's a line of business you shouldn't be in. Our consultants will help you determine your current level of compliance with health and safety regulations in the countries where you do business – for example, by analyzing how you:

- Assess, qualify, and manage vendor extended safety data sheets for preparations handled and stored
- Maintain substance and workplace data needed for health and safety information
- Derive measures for safe operation (for example, by examining standard operating procedures) and storage (taking into account regulations for storage conditions)

A compliance assessment for sustainability regulations from SAP can help you ensure business continuity and competitiveness – all while minimizing compliance risks and costs.



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KEY BENEFITS

A compliance assessment for sustainability regulations from SAP can help you ensure business continuity and competitiveness – all while minimizing compliance risks and costs. At the same time, you can:

- Evaluate and document your compliance situation – including the business risks of noncompliance in processes and IT systems
- Understand the challenges associated with substance- and product-related regulations while gaining a greater awareness of their business impacts on your company
- Develop a sustainable, affordable compliance strategy, road map, and IT landscape that leverage your existing IT investments
- Keep compliance costs at a minimum, especially with regard to business processes and IT
- Safeguard your license to operate and help ensure market access by achieving and maintaining compliance – even as regulations change over time
- Turn compliance into a business opportunity by gaining the ability to serve new markets in a compliant manner ahead of the competition

FOR MORE INFORMATION

With a compliance assessment for sustainability regulations from SAP, you'll have a solid foundation for making fast, informed decisions regarding how to best manage compliance requirements for your business. For more information, contact your SAP representative or visit us online at www.sapsustainabilitytoday.com.