SAP Solution Brief
SAP for Chemicals and SAP Services

Compliance Assessment for Sustainability Regulations for the Chemicals Industry

Quick Facts

Summary

Ensuring compliance with environmental regulations is challenging – but it's essential to business sustainability. For instance, to conduct business in the European Union, you must comply with looming requirements for the 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 delivers a strategic plan for ensuring ongoing compliance.

Business Challenges

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

Key Features

- **Initialization** – Get an overview of 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 processes and an appropriate "to be" IT landscape; obtain a transformation road map
- **Summary** – Get an overview of assessment results in a documented management summary; review the transformation road map

Business Benefits

- **Understand the challenges associated with substance- and product-related regulations** while gaining a greater awareness of their business impact
- **Evaluate your compliance situation,** including the risks of noncompliance in processes and systems
- **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 help ensure market access
- **Turn compliance into a business opportunity** by serving new markets in a compliant manner that gives you competitive advantage

For More Information

For more information, contact your SAP sales representative or visit www.sapsustainabilitytoday.com.

The Best-Run Businesses Run SAP™

How is your business ensuring compliance with complex environmental regulations? The cost of compliance can be high, but the cost of noncompliance can be far greater – so you need a strategy and an execution plan that are optimized for your business. What if you could reduce business risk – and make your business more sustainable – by gaining expert insight and road maps for optimizing your compliance activities, processes, and IT investments?

Given the growing number of strict environmental regulations that chemical and pharmaceutical companies must comply with, facilitating ongoing compliance can be challenging – especially as new regulations such as the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) are signed into law. REACH deals with the tracking and registration of regulated substances and ensuring the safe handling of substances and preparations to protect workers and the environment. It requires that you establish sophisticated new processes by a series of deadlines in 2011, 2013, and 2018 for:

- Volume tracking of substances in preparations
- Assessing the obligations for notification and information of agencies, business partners, and end consumers
- Complying with safe usage conditions specified by exposure scenarios for products

As REACH is gradually rolled out throughout Europe, compliance will have a significant impact on your business, and the costs of noncompliance will be sizable. And you can expect more of the same globally; countries such as the United States, China, and Russia either have regulations with similar requirements in place or plan to have them in the near future. The primary question for chemical and pharmaceutical firms is how to achieve full transparency for all relevant regulations and facilitate ongoing compliance in an efficient way that helps, rather than hinders, business operations.

The good news is that compliance with REACH and other environmental regulations, when facilitated by the right processes and enabling technologies, can actually 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 these regulations.

DEVELOPING A WAY TO ENSURE AND MAINTAIN COMPLIANCE

SAP can help you accelerate along 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 updated IT landscape that integrates compliance requirements into day-to-day 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 implementation and 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 and services 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 REACH and other 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.

Product Safety and Product Compliance
Central to this compliance assessment 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 such as REACH:

- Collect and maintain product and chemical information provided by customers, suppliers, authorities, as well as regulatory content in the SAP Environment, Health, and Safety Management application
- Classify products in the most effective way
- Provide legally compliant, extended safety data sheets (eSDSs) for your complete target market, taking into account their primary languages and local legal requirements
- Update legally required information regularly and extend it to other business areas, if needed

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

- Create compliant labels for preparations based on regulations 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 using 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
- Adapt and update this data regularly according to regulatory requirements (usually twice a year)
- Classify products and provide information for the entire transport process (including aspects for chemical, packaging, and intermodal transport)
- Provide dangerous goods information for compliance checks, relevant documents, and electronic data transfers

Health and Safety Management
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 eSDSs for preparations handled and stored
- Maintain substance and workplace data needed for health and safety purposes
- Derive measures for safe operation and storage

Substance Volume Tracking
A key component of REACH regulatory compliance involves substance volume tracking. Our consultants will assess the effectiveness of your processes and systems for:

- Tracking imported quantities of preparations on chemical substance level
- Monitoring thresholds and notifying the authorities based on planned and predicted quantities
- Calculating regulatory data (for example, REACH three-year average volume)
- Registering with and notifying the European Chemicals Agency regarding volumes, if required

Use and Exposure Handling
In the area of use and exposure (U&E) handling – a critical compliance concern for chemical and pharmaceutical companies in particular – our consultants will examine your organization's ability to:

- Define uses for selling products and verify this with customers
- Determine required uses for purchased raw materials
- Check whether the supplier information (for example, eSDSs) meets the required U&E data for sales products
- Determine U&E data for product eSDSs

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

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Supply Chain Collaboration
To achieve and maintain REACH compliance, you have to work closely with your supply chain. During the assessment, we'll assess your readiness to:

- Create and manage communication campaigns to request product data from customers and suppliers
- Communicate via interactive forms based on e-mail or Web-based portals
- Perform all activities based on materials data from your ERP software and data provided by suppliers and customers

Registration Management
Our consultants will work with you to determine your ability to:

- Manage registration projects, including defining specific steps, tracking progress, and managing deadlines
- Track the completeness of required end-point data and the quality of studies using an interface to the International Uniform Chemical Information Database (IUCLID)
- Reuse data for affected legal entities

KEY BENEFITS

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

- Assess and evaluate your compliance situation – including the business risks of noncompliance in processes and systems
- Understand the challenges associated with substance- and product-related regulations while gaining a greater awareness of their business impacts
- Develop a sustainable, affordable compliance strategy, road map, and IT landscape that leverage your existing investments
- Minimize compliance costs – especially with regard to business processes and IT
- Safeguard your license to operate and help ensure market access
- Turn compliance into a business opportunity by serving new markets in a compliant manner that gives you a competitive advantage

FIND OUT MORE

With a sustainability assessment from SAP, you'll have a solid foundation for making fast, informed decisions on how to best manage REACH and other compliance requirements. For more information, contact your SAP representative or visit www.sapsustainabilitytoday.com.