

## Solution Brief

SAP Solutions for  
Governance, Risk, and Compliance



# REACH COMPLIANCE

## “NO DATA, NO MARKET” – NEW COMPLIANCE SOLUTION FOR EU CHEMICALS REGULATION

As a process manufacturer, you face a new regulation – REACH – dealing with registration of commercial use of chemicals and their exposure to humans and the environment. You must register applicable chemicals, ensure they are responsibly handled by your business, and inform business partners on the status of your compliance. By enhancing your enterprise resource planning software, the SAP® REACH Compliance application from SAP AG and TechniData AG helps you maintain REACH compliance efficiently.



### Shifting the Burden of Proof

In 2001 the EU Commission initiated an extensive reform of European chemicals policy under the acronym REACH – Registration, Evaluation, and Authorisation of Chemicals – which came into force June 1, 2007. The regulation shifts the burden for proving the safety of substances, products, and consumer use of those substances and products to the businesses that manufacture and import them. And businesses must work within the REACH process framework to establish that proof.

The proof rests on a business's ability to submit REACH-compliant product information about its substances and products and their intended commercial use. If the product information does not satisfy REACH legislation, the business will be denied authorisation, registration, and ultimately the right to trade in that substance within the EU. In other words: no data, no business.

### The REACH Impact on Your Business – Three Major Areas

Managing your REACH requirements involves engaging in three major activities: registering substances; complying with safe usage conditions specified by permits granted for products and imported substances; and registering how your products are used throughout your supply chain. But that's not the end of the story. REACH mandates that you keep REACH-compliant documentation available for 10 years after the release of your product.

This will prove to be a valuable asset if your company becomes involved in a merger or acquisition.

### Registering Substances

First of all, you have to register all manufactured and imported substances. On the average, the chemical industry expects that about 3,000 substances will have to be registered per manufacturer. In addition to that, REACH requires registration of substances per legal entity. That could involve an average chemical company in up to 15,000 REACH registration projects within the coming years. To manage this, manufacturers are advised to organise themselves into Substance Information Exchange Forums (SIEFs). The goal of a SIEF is to align all registration and testing activities concerning specific substances while still observing important aspects such as intellectual property exchange, antitrust regulations, and tax and financial accounting. Effective communication is a key component in this collaboration.

### Complying with Safe Usage Conditions

Once you have achieved registration of a substance, you have to comply with the safe usage conditions specified by the permit you receive for that substance. This means you must observe and ensure the safe usage conditions of the products and imported volumes. To manage this you need to enhance your existing logistics software with REACH-specific substance volume tracking functionality and create new use management capabilities within both your IT and business activities – and both must reflect your company structure.

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### **Ensuring Safe Usage Within the Supply Chain**

In addition to registering and obtaining authorisation for the substances used in your own company's products, you must document and submit for registration the uses of those products throughout your supply chain. This means that accountable communication with your customers and your suppliers will become a cornerstone of your business.

### **Partnering to Achieve REACH Compliance**

To meet the requirements REACH compliance poses, SAP AG and TechniData AG jointly developed the SAP® REACH Compliance application. Based on the SAP Environment, Health & Safety (SAP EH&S) application, it tracks regulated substances through the production, buying, and sales processes, showing in which materials and products a substance is used and in what quantity. The application provides a reliable and cost-effective means of implementing the REACH requirements for all industries. Its modular design means it can be adapted to the needs of the particular industry, thereby ensuring that your company is REACH compliant in all its processes.

Because it is seamlessly integrated into your logistic processes such as production, purchasing, and sales, the software can identify which substances are used in which preparations and products so you can monitor the required quantities. Additional functionality supports special REACH-related processes. The application also enables a task-driven registration

process – which is documented – and supports cooperation with the relevant authorities, business partners, and their IT systems.

SAP and TechniData offer additional services – including implementation, training, hosting, and business process out-tasking – to make your business REACH compliant faster and ensure it can respond flexibly to the increasing workloads that comprehensive substance registration requirements will impose.

### **Streamlining Your REACH Management, Simplifying a Complex World**

SAP REACH Compliance can be integrated as an extension of your existing enterprise resource planning (ERP) software. At the same time, it harmonises perfectly with existing SAP EH&S software. In this way the combination of SAP REACH Compliance and SAP EH&S gives you the most comprehensive support for all your REACH-related processes, regardless of whether they are mandated by regulatory bodies or are business driven.

To support and streamline your REACH management most efficiently, the application focuses on three major process areas: substance and usage management, supply chain collaboration, and legal process management for REACH.

#### **Substance and Usage Management**

Substance and usage management provides the functions necessary to maintain and manage all your REACH-



## The SAP REACH Compliance application extends your existing SAP EH&S application to integrate all phases of the REACH process.

relevant data for each substance registered – REACH substance properties, substance uses, and exposure scenarios for the substance, for example – and requisite documents, including chemical safety assessments, chemical safety reports, and enhanced material safety data sheets. The substance management functions also track which substances are used in which preparations and products.

With comprehensive monitoring tools like substance volume tracking, you can evaluate your current REACH status. For example, you will be able to track and monitor quantities of single substances for a single legal entity or monitor substances on a corporate level covering multiple legal entities. Based on the resulting evaluation, the functionality helps you detect gaps and initiate necessary follow-up activities.

### Supply Chain Collaboration

Supply chain collaboration functionality supports all processes involved in REACH-related communication and collaboration within the logistic supply chain. This includes upstream

communication and collaboration with suppliers as well as downstream collaboration with customers. Exchange processes use enhanced material safety data sheets and questionnaire-based communication to gather information about uses and exposure scenarios.

Interfaces and conversion services enable you and your company to exchange information electronically with your business partners within your extended supply chain to increase efficiency. The SAP Interactive Forms software by Adobe supports you in collecting specification data from your suppliers and getting information from your customers on how they use a product in order to draw up exposure scenarios for substances. Comprehensive monitoring tools help you track the status of supplier and customer communication and initiate follow-up activities based on deadlines and business partner responses.

### Legal Process Management for REACH

With process management functionality tailored to support REACH compliance, you can organise and monitor all authority-related processes including registration, notification, and authorisation. You have tools to manage and access documents and make them available for collaborative use, which expedites your registration management and the necessary collaboration with SIEFs and consortiums. This provides a vital basis for internal and external groups to work together, while giving you the tools you need to keep your business processes

transparent, streamlined, and reliable. With the integrated status tracking function, you have an overview of your current REACH registration status at all times.

REACH process management also provides project management functionality to help you control costs and coordinate activities and resources. You can perform planning on a detailed substance level as well as perform full substance portfolio management. The smooth flow of accurate, up-to-date information is key to successfully registering substances with REACH authorities and receiving authorisation.

Third-party software – with tools for authoring chemical safety assessments and chemical safety reports – can be integrated into your SAP REACH Compliance software. Standard EU REACH exchange formats such as the IUCLID 5 solution will be supported.

### Benefits of SAP REACH Compliance

The SAP REACH Compliance application extends your existing SAP EH&S application to integrate all phases of the REACH process. The software supplies you with up-to-date, industry-specific information, ensuring the following benefits for companies active in all industries affected by REACH:

- **Visibility into the impact of REACH and support for consistent, non-redundant data**

The use of an integrated REACH solution ensures that everyone has the same information on substances and products and on the REACH projects initiated to register them. You will benefit from increased transparency at all levels – from strategy to execution – without requiring redundant data. This helps ensure the success of your REACH registrations and alerts you to any disruption occurring in the supply chain early on.

- **Reduced risk of non-compliance and heightened diligence**

Key to a successful REACH approach is knowing how to comply and then doing so. Using the holistic and integrated SAP REACH Compliance application ensures that you process REACH compliance requirements efficiently. You will be able to detect compliance gaps in your portfolio, ensure timelines, fulfill the documentation requirements, and cope effectively with the impact REACH has within your logistical operations while lowering the risk for your corporation.

- **Increased efficiency and minimised costs**

Integrating SAP REACH Compliance into your existing ERP software landscape and automating your processes reduces the amount of redundant data used, the tasks that must be performed, and the number of sources of error. You perform your REACH tasks more effectively, including supply chain collaboration and volume tracking, which saves you time and money.

### Find Out More

Learn how the SAP REACH Compliance application, developed by SAP and TechniData, can help you meet the complex compliance demands imposed by REACH regulation while optimising your business processes. For more details contact an environmental compliance expert today at [www.sap.com/grc](http://www.sap.com/grc) or [www.technidata.de/eu](http://www.technidata.de/eu).

### Powered by SAP NetWeaver®

SAP solutions for governance, risk, and compliance are powered by the SAP NetWeaver® technology platform. SAP NetWeaver unifies technology components into a single platform, allowing organisations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organisations align IT with their business. With SAP NetWeaver, organisations can compose and enhance business applications rapidly using enterprise services. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organisations to evolve their current IT landscapes into a strategic environment that drives business change.

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