

## SAP Solution Brief

SAP Solutions for Governance, Risk, and Compliance

# MANAGING ENVIRONMENT, HEALTH, AND SAFETY COMPLIANCE

## TURN CORPORATE COMPLIANCE INTO A STRATEGIC ADVANTAGE

With software from SAP, you can integrate environment, health, and safety (EH&S) compliance functions into global business processes. This helps you address EH&S needs proactively, respond to unplanned events, reduce risk, improve performance, and meet shareholder demands for corporate accountability.

Traditionally, the effectiveness of an organization has been measured solely on the basis of financial results. This is no longer the case. Although profitability remains important, company stakeholders now demand that organizations meet guidelines for corporate accountability and responsibility as well.

For many companies, however, complex IT and business processes make it difficult to demonstrate corporate accountability. Manual approaches to compliance, for example, simply cannot keep pace with the sheer volume of global and local regulations. And where compliance solutions exist, they are often designed to address specific regulations at the plant or local level – without integration into business operations and without the ability to meet the larger needs of the organization at the enterprise level. Overall, a persistent lack of IT integration and poor visibility into business operations make the cost of achieving safety and compliance prohibitive.

SAP can help – with a range of applications that help you manage environment, health, and safety (EH&S) compliance more effectively. These applications are designed to help your business achieve the level of comprehensive corporate accountability that lets you meet the concerns of your stakeholders in a manner that reduces risk as well as regulatory burdens and complexity.

### Integration: The Key to Corporate Sustainability

SAP offers integrated EH&S compliance management applications that work with your existing SAP® software landscape, integrating all your compliance needs into the way you do business. Unlike applications that focus narrowly on specific regulations, these applications support an end-to-end EH&S compliance management process. As part of the SAP solutions for governance, risk, and compliance, they also provide evidence of ethical business conduct. And because they are integrated into the SAP ERP application, they support operational transparency. This helps you establish a strong reputation for corporate accountability and responsibility.

As shown in Figure 1, SAP offers applications that provide comprehensive process support across the three fundamental pillars of EH&S compliance management: health and safety compliance, environmental compliance, and chemical compliance and product stewardship.

### Employee Health and Safety Compliance

Your people are your most valuable resource, and ensuring their health and safety is both a business imperative and a moral obligation. The SAP Environment, Health & Safety (SAP EH&S) application not only helps your business comply with all health and safety regulations that affect your workers, it also helps ensure your workers' safety and performance on the job.



THE BEST-RUN BUSINESSES RUN SAP™



As part of SAP ERP, SAP EH&S can integrate with SAP or non-SAP software, helping you streamline EH&S operations across your company and supporting processes such as risk assessment, incident management, and health surveillance. For example, drawing on information supplied by the asset life-cycle management functions in SAP ERP, you can arrange, follow up, and assess plant maintenance tasks. And tight integration with human resources (HR) and other business processes allows SAP EH&S to track the healthcare of employees and monitor results and diagnoses.

Ultimately, SAP EH&S reduces costs and saves time by keeping all of your occupational health information up to date – and by automating all medically and legally mandated reporting. It also enables you to streamline collaboration

among all the key actors involved in worker health and safety, including industrial health and safety professionals, HR professionals, medical personnel, and external authorities.

#### Environmental Compliance

The SAP Environmental Compliance application is best-of-breed software that helps you run operations, factories, and plants in an environmentally responsible manner and comply with all regulations affecting air, water, and land. You can monitor facility emissions and simultaneously maintain emissions accounting so that your business can leverage maximum benefits in the carbon trading and tax arenas. The software also supports full permit management of air, water, and waste emissions, enabling you to fulfill all regulatory obligations – whether local, national, or international.

SAP EH&S further augments your environmental compliance functionality by automatically generating product safety documentation, bills of material, and safety data sheets, saving you significant time and resources. In addition, SAP EH&S allows you to fully integrate your waste management processes with your other business software to better track activities related to materials, compliance, manifests, transportation, and disposal.

Because SAP EH&S also integrates with key applications such as plant maintenance and manufacturing execution systems, all of your compliance-related business processes are aligned, auditable, and transparent. This enables automated reporting, early identification of deviations, and comprehensive site-data reporting for enterprise planning and risk management. The software also reduces your workload via standardized best practices that make compliance easier and more efficient.

#### Chemical Compliance and Product Stewardship

Adopting regional and global standards for product and chemical handling and disposal poses significant compliance and safety challenges. To remain competitive, companies need responsible product design and manufacturing processes as well as a transparent supply chain to ensure safe and compliant sales and distribution. Again, SAP applications can help.

The **SAP REACH Compliance** application, for example, is the only software that takes a uniform and integrated approach to complying with the

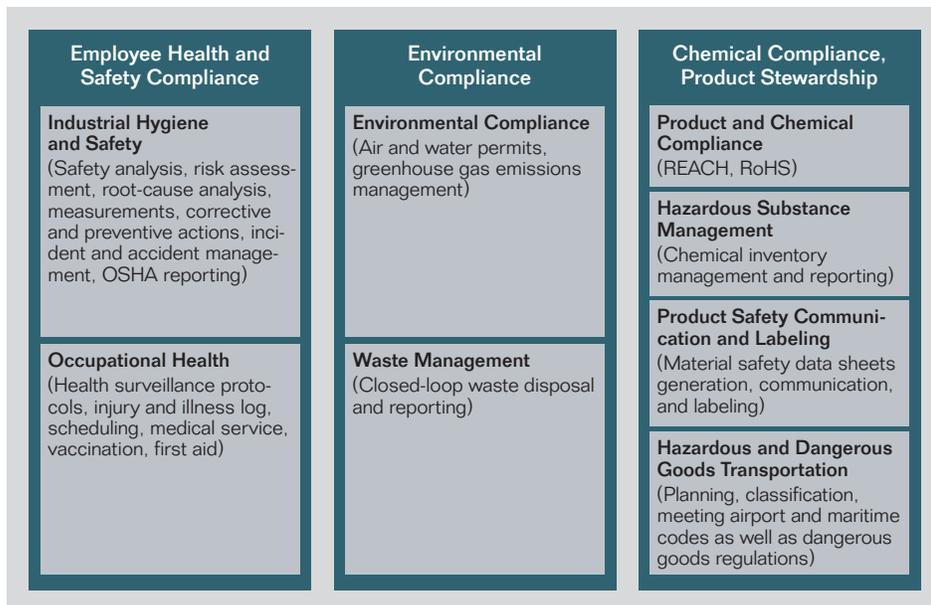


Figure 1: The Three Pillars of Environment, Health, and Safety Compliance Management

mandates that regulate the registration, evaluation, and authorization of chemicals (REACH). By enabling collaboration among all your supply chain partners, the software allows you to track and document all substances used in your products. You can quickly classify reportable and nonreportable substances; automate preregistration and registration processes for the European Chemicals Agency; and provide comprehensive substance inventory support, usage and exposure management, and volume tracking.

For meeting regulatory mandates such as the restriction of hazardous substances directive (RoHS) or the waste in electrical and electronic equipment directive (WEEE), TechniData – a long-term SAP partner – provides the **TechniData Compliance for Products application**. This application helps your business ensure safe handling and disposal of electronic waste, for example, and simplifies your compliance efforts by integrating new and existing local and global product regulations. Regulatory content management, combined with full integration with your supply chain, allows you to streamline the collection, organization, and dissemination of data as well as automate processes to support compliance activities across your supply chain.

SAP EH&S helps you meet global, federal, and regional standards for product safety and hazardous substance management with functions such as automatic composition calculation and safety data sheet authoring, management, and shipping. It also helps you manage the logistics related to such

materials with global label management and easy generation of inventory reports for hazardous substances – such as the labeling and reports required to comply with the U.S. Superfund Amendments and Reauthorization Act (SARA). In addition, it supports the purchasing process for hazardous materials while helping you meet the mandates posed by global and local regulations such as section 12(b) of the Toxic Substances Control Act.

### **Compliance and Sustainability Yield Real Business Value**

By implementing complementary SAP applications to help you streamline EH&S compliance management, your business can achieve the following important benefits:

- **Lower risk** – Increased transparency of compliance processes across the enterprise and easy implementation of changes in the regulatory landscape greatly reduce the risk of noncompliance.
- **Increased safety** – Complete support of industrial hygiene, safety, and occupational health functions enhances health and safety.
- **Reduced cost** – With SAP applications that focus on EH&S compliance management, you can lower your total cost of ownership by leveraging your existing SAP software landscape and reducing the complexity of implementation.
- **Improved compliance management** – With the visibility to take appropriate corrective actions, reduce errors, and streamline compliance processing and reporting, you can manage your EH&S responsibilities far more effectively.

- **Increased competitive advantage** – Thanks to full integration of your compliance software with your existing business processes, you can quickly and effectively achieve comprehensive compliance with all regulations affecting worker health and safety, the environment, chemicals, and product stewardship.

To learn more about how SAP applications can help you streamline EH&S compliance management, contact your SAP representative today or visit us online at [www.sap.com/solutions/grc/ehscompliance/index.epx](http://www.sap.com/solutions/grc/ehscompliance/index.epx).

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## Summary

SAP offers integrated applications that help your company achieve comprehensive and sustainable regulatory compliance in the areas of health, safety, and the environment as well as in chemical and product stewardship. By leveraging your existing SAP® software environment, these applications can integrate your compliance and safety activities with current business processes, reducing the costs and risks associated with noncompliance and achieving competitive advantage.

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## Challenges

- Avoid the negative impact on brand and shareholder value caused by inadequate response to stakeholder concerns
- Mitigate risks associated with noncompliance to health and safety, environment, product, and chemical regulations
- Reduce the complexity of meeting local, national, and international regulations and implementing changes in regulations
- Integrate compliance and safety activities with existing business processes

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## Supported Business Processes and Software Functions

- Employee health and safety compliance – Ensure safety in the workplace and comply with all health and safety regulations that affect workers
- Environmental compliance – Provide best-of-breed solutions for running operations, factories, and plants in a sustainable way and comply with regulations affecting air, water, and land
- Chemical compliance and product stewardship – Ensure safe handling and disposal of regulated products and full compliance with regulations; meet all local, national, and global regulations regarding chemical substances

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## Business Benefits

- **Increase competitive advantage** through quick and effective integration of compliance regulations with current business processes
- **Lower risk** by improving transparency of compliance processes across the enterprise and quickly implementing changes in the regulatory landscape
- **Reduce cost** by leveraging SAP applications to reduce complexity
- **Improve compliance management** with greater visibility so that you can take corrective actions, reduce errors, and streamline compliance processing and required reporting

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## For More Information

Call your SAP representative or visit us online at [www.sap.com/solutions/grc/ehscompliance/index.epx](http://www.sap.com/solutions/grc/ehscompliance/index.epx).

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