SUPPLIERS PARTNERSHIP FOR THE ENVIRONMENT

Guidance Document: Global Product Chemical Compliance Process Management

June 2022

Introduction

The global expansion of chemical regulatory programs applicable to substances used by OEMs and their supply chains represents an increased risk. Due to the shifting regulatory landscape, more countries are implementing more stringent requirements related to compliance and data disclosure. Accuracy of data reported by suppliers in the International Material Data System (IMDS) is a critical tool for OEMs to mitigate risks posed by expanding regulations.

Automotive suppliers wishing to supply materials or items to OEMs are required to understand and enter chemical data in IMDS. OEMs have relied on such supplier IMDS data to develop information for consumers and to facilitate regulatory compliance. Accuracy of this data is important. Suppliers have the responsibility to establish their IMDS chemical management process. Supplier self-assessment of their quality processes and continuous improvement steps are expected to increase the overall quality of the industry's IMDS data.

A collaborative initiative across the automotive industry was organized to evaluate product chemical compliance management processes within the supply chain and to develop the following quality improvement guidelines for the reporting of vehicle assembly, component, material, and substance content vertically within the automotive supply base.

The desired goal is to further improve consistency and accuracy across the automotive industry in the data reported by suppliers in IMDS and enable OEMs to appropriately evaluate and mitigate chemical management risk for substances present in materials or parts that remain at point of sale.

A common industry-supported Global Product Chemical Compliance Process Management Questionnaire is being developed to accompany this guidance document to assess supplier processes to evaluate data integrity confidence of IMDS submissions being sent to OEMs. Information collected from the Questionnaire will assist with the development of supplier education and / or training materials to promote continuous improvement.

This guidance document was produced through a collaborative process by the Suppliers Partnership for the Environment (SP) Global Product Chemical Compliance Process Management Work Group, including the feedback and endorsement of: Ford Motor Company, General Motors, Honda Development & Manufacturing America, Stellantis, and Toyota Motor North America.

I. Purpose

The purpose of this document is to provide quality improvement guidelines for the reporting of vehicle assembly, component, material, and substance content vertically within the automotive supply base. It is critical that every level of the supply chain drive process improvement and cascade down the supply chain.

The following recommendations pertain to Company Product Chemical Compliance Management Processes for ALL suppliers to the automotive industry.

II. Product Chemical Compliance Policy Recommendations

i. It is recommended that each company has a documented policy for final product chemical management as defined by the Global Automotive Declarable Substance List (GADSL) and customer specific substance of concern (SoC) requirements.

It is further recommended that the company's product chemical substance management policy:

a. Will comply with all applicable global substance of concern regulations.

b. Will meet the requirements of their customers.

c. Will engage and educate suppliers so to ensure high quality data is reported throughout the supply chain.

d. Indicates that management is committed to ensuring that the product compliance program is properly managed/staffed.

e. Indicates a commitment to providing continuity in the product compliance program.

f. Indicates a commitment to training and continued education of product compliance staff.

III. Product Chemical Compliance Procedure Recommendations

i. It is recommended that each company utilize already existing quality processes that IMDS requirements can easily fit into.

It is strongly recommended, at a minimum, that the process include information on:

a. Who/which department is responsible for IMDS.

b. How SoC requirements are being tracked.
   - How are supplier data requests kicked off and who is responsible?
   - How are the requests tracked and managed?
   - Who is responsible for reviewing data against the customer's requirements?
   - Who is responsible for creating IMDS data and sending to customers?

It is strongly recommended, at a minimum, that the following departments be involved:

a. Purchasing – need to be in compliance with all contracts and communications from purchasing involving SoC.

b. Engineering/New Model/Program Management – design and design change need to consider the IMDS and SoC lists and any new or potential controls for substances (most review the SIN list).

c. Quality & Supply Quality – need to support IMDS efforts. It will look different at each company, but they are typically in charge of ensuring all departments meet the customer's requirements. IMDS = customer requirement AND they audit – IMDS should be audited to keep it honest and current.

d. Sales – they should know and ensure IMDS goes with all saleable OE goods.

e. Management – MUST prioritize IMDS efforts. They need to provide appropriate staff to do the work AND commitment to continued education of personnel in charge of IMDS as this is an ever-changing landscape.

ii. **It is recommended that each company incorporate its product chemical substance management system within its design and development procedures.**

It is further recommended that the company's design and development procedures include:

a. Validating the status of IMDS data, including customer specific SoC or standards.

b. Maintaining current chemical regulations applicable to the automotive industry.

c. Updating/maintaining current substances of concern in products.

d. Executive management review of SoCs in its products as part of chemical substance management procedures.

e. Periodic reviews of the product chemical substance management procedure.

f. A method to revise its procedures based on its internal review results.

g. Verification method that its suppliers are meeting its product chemical substance management requirements.

h. A process for tracking and enforcing data from suppliers.

IV. Quality Control / Quality Assurance Recommendations

i. It is recommended that each company include quality control/quality assurance for product chemical substance management.

It is further recommended that the company process for quality control/assurance includes:

a. Quality control/quality assurance for IMDS data.

b. Quality control/quality assurance for all Bills of Material (BOM) for all automotive products you supply.

c. Quality control/quality assurance for all the SoCs in the automotive products you supply.

d. Executive management review process on quality control/quality assurance for SoCs in the products you supply.

e. Quality control/quality assurance of the BOMs you report (up-to-date BOM MDS revisions).

f. Quality control/quality assurance of the SoCs you report (up-to-date BOM SoC reporting).

g. Roles to review its quality control/quality assurance expectations with suppliers.

h. Reviewing its quality control/quality assurance expectations with its suppliers.

V. Change Management Recommendations

i. It is recommended that each company have a documented procedure to provide part and material changes to customers.

It is further recommended that the company:

a. Follow the change management requirements in IMDS Recommendation 001.

b. Procedure for IMDS revisions to clients be reviewed on a periodic basis.

c. Employ a continuous improvement methodology (e.g., Plan/Do/Check/Act (PDCA)).

d. Document its continuous improvement efforts (e.g. Failure Mode and Effects Analysis (FMEA)).

e. Has a record retention company policy (e.g., Retention International Automotive Task Force (IATF)).

f. Periodically review its records retention at an established frequency based on company-specific requirements.

g. Has executive management put processes in place to ensure proper SoC oversight in the products it supplies.

h. Procedures include product change management of the BOMs you report (up-to-date BOM MDS revisions).

i. Procedures include product change management of the SoCs you report (up-to-date BOM SoC reporting).

j. Identifies roles to review with suppliers its product change management expectations (e.g. PPAP).

k. Reviews with suppliers its product change management expectations (up-to-date BOM MDS revisions).

VI. Training and Documentation Recommendations

i. It is recommended that each company has a defined organization chart for product chemical substance management.

It is further recommended that:

a. There be defined roles and responsibilities for product chemical substance management that includes executive management and IMDS personnel.

b. ONLY IMDS dedicated personnel be authorized to create, submit, and / or validate IMDS material datasheets.

c. Each company requires its IMDS personnel to have one or more of the following qualifications:
   - Bill of Material / Bill of substance training/experience
   - Chemical / Substance of Concern training/experience
   - Legal / Product compliance training/experience
   - Training in IMDS by a recognized IMDS training partner
   - Experience with IMDS for a minimum of 3 years
   - Technical Degree or certificate

d. Each company has a training program in place for new IMDS personnel that reviews the following topics and includes training documents
   - Legislative background (e.g. ELV, REACH, BPR, WFD)
   - IMDS Topics (e.g. Recyclate, Application Codes)
   - Current IMDS DXC information (e.g. IMDS Rel. 13.0 changes)
   - Internal Corporate IMDS requirements
   - Internal Chemical Management policies
   - Customer Corporate IMDS requirements

e. Each company has an annual refresher training program for all IMDS personnel with the following topics and includes training documents:
   - Legislative updates (e.g. ELV, REACH, BPR, WFD)
   - IMDS Topics (e.g. Recyclate, Application Codes)
   - Current IMDS DXC information (e.g. IMDS Rel. 13.0 changes)
   - Internal Corporate IMDS requirements
   - Internal Chemical Management policies
   - Customer Corporate IMDS requirements

References

- Global Automotive Declarable Substance List (GADSL), https://www.gadsl.org/
- OEM Specific Information, IMDS, https://public.mdsystem.com/en/web/imds-public-pages/oem-specific-info
- Frequently Asked Questions, IMDS, https://public.mdsystem.com/en/web/imds-public-pages/faq
- The SIN List, ChemSec, The International Chemical Secretariat, https://sinlist.chemsec.org/
- IMDS Efficiency & Effectiveness, R.Dues and H.Traiser, https://public.mdsystem.com/documents/10906/16811/imds_efficiency_and_effectiveness_v_1_2.pdf
- IMDS & Product Chemical Compliance Conference Acronym List, AIAG, https://www.aiag.org/docs/default-source/corporate-responsibility/chemical-management/imds-and-product-chemical-compliance-acronyms-list.pdf

Disclaimer

The purpose of this document is to provide quality improvement guidance for reporting of vehicle assembly, component, material, and substance content vertically within the automotive supply base. The guidance included in this document is based on the professional judgment of the individual authors and reviewers and may be used at a company's discretion. SP and its member companies make no warranty, expressed or implied, and assume no liability for any form of damage that may result from the application of the guidance contained in this document.

Contact

Please submit any feedback on this guidance or suggestions for future improvements to info@supplierspartnership.org.