



## COMPLIANCE AND SUSTAINABILITY PROGRAM FOR AN AUTO PARTS MANUFACTURER

ComplianceXL recently conducted a Gap Analysis and consulting engagement for a leading manufacturer of Automotive Systems and developed a comprehensive roadmap for meet RoHS, REACH, Conflict Minerals, CA Prop 65 and IMDS requirements.

## About the Client

The client is a global leader in the design and manufacture of automotive systems. The company has over 40 manufacturing units and works with thousands of suppliers and distributors across the globe.



## Business Need

A key concern for the client was compliance with global supply chain regulations, since business operations required sourcing and supply of parts across geographies. The risks associated with non-compliant products challenged their business in the European Union, as well as North America.

Below are a few business risks and challenges faced by the client:

- Fines and stop shipments while trying to enter the European Union and North America ports.
- Loss of revenue due to customers choosing suppliers that could demonstrate compliance
- Invalidated insurance coverage
- Lawsuits from consumers, particularly in the case of California Prop65, where any individual could sue a manufacturer for inadequate or missing label
- Excessive scrap and rework of non-compliant products
- Brand reputation issues

The Client had multiple internal challenges with their compliance program, such as lack of knowledge of policies & procedures, no system to monitor compliance requirements, missing supplier documentation platform and clear regulatory language in the Supplier Quality Assurance Manual (SQUAM). Further, the client was experiencing difficulty in collecting, analyzing and reporting material information as per accepted formats of IMDS (International Material Data System).



## The Solution

The client was looking for a competent compliance partner to develop a robust solution with reliable recommendations and to get end-to-end support to meet their compliance obligations.

The ComplianceXL team was led by a Senior Compliance Specialist, who was the primary interface with multiple client stakeholders, across global locations.



The initial task was to perform a Gap Analysis to identify gaps within internal processes and systems and identify areas needing changes or opportunities for improvement. Based on the outcome, a clear strategy was outlined in a comprehensive compliance framework, to assess risks, discover requirements, and implement the compliance program. Every level in the framework was supported by action plans associated with target milestones and timelines.

Key outcomes of the engagement:

- Developed a communication plan to bring internal teams to a common understanding of compliance responsibilities
- Designed a supplier engagement program to assess supplier compliance, identify risks of non-compliance and remediation plans
- Assigned management level roles and responsibilities to bring in accountability for risk analysis, compliance levels and program management
- Drafted contract changes to include regulatory requirements and compliance data from suppliers
- Initiated the compliance program within the product engineering team, to integrate compliance with the NPI process, to cover material and part selection processes
- Integrated with corporate PLM tools, for compliance data collection, management and reporting

To fulfill the need for enhancing compliance knowledge of all stakeholders, ComplianceXL also conducted a 3-day onsite training and orientation program for stakeholders from across different functional areas.

## Benefits to the client

The engagement with ComplianceXL helped the client complete risk analysis of all their product lines and establish an effective compliance program for all key regulations affecting their business. This was a crucial phase they needed to complete, before initiating compliance data collection from suppliers, data analytics and reporting.



The client also gained knowledge on:

- Ownership of the compliance process at global and regional levels
- Policies, procedures, reporting, and due diligence documentation
- Data collection, managing, and reporting of all declarations
- Integration with internal tools to make informed decisions pertaining to compliance
- Risk to revenue evaluation
- Integrated with corporate PLM tools, for compliance data collection, management and reporting

Further, in the second phase of the engagement with the client, ComplianceXL was given responsibility for the compliance data collection, supplier engagement platform implementation and on-going maintenance of PLM and Compliance systems with updated compliance data.



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