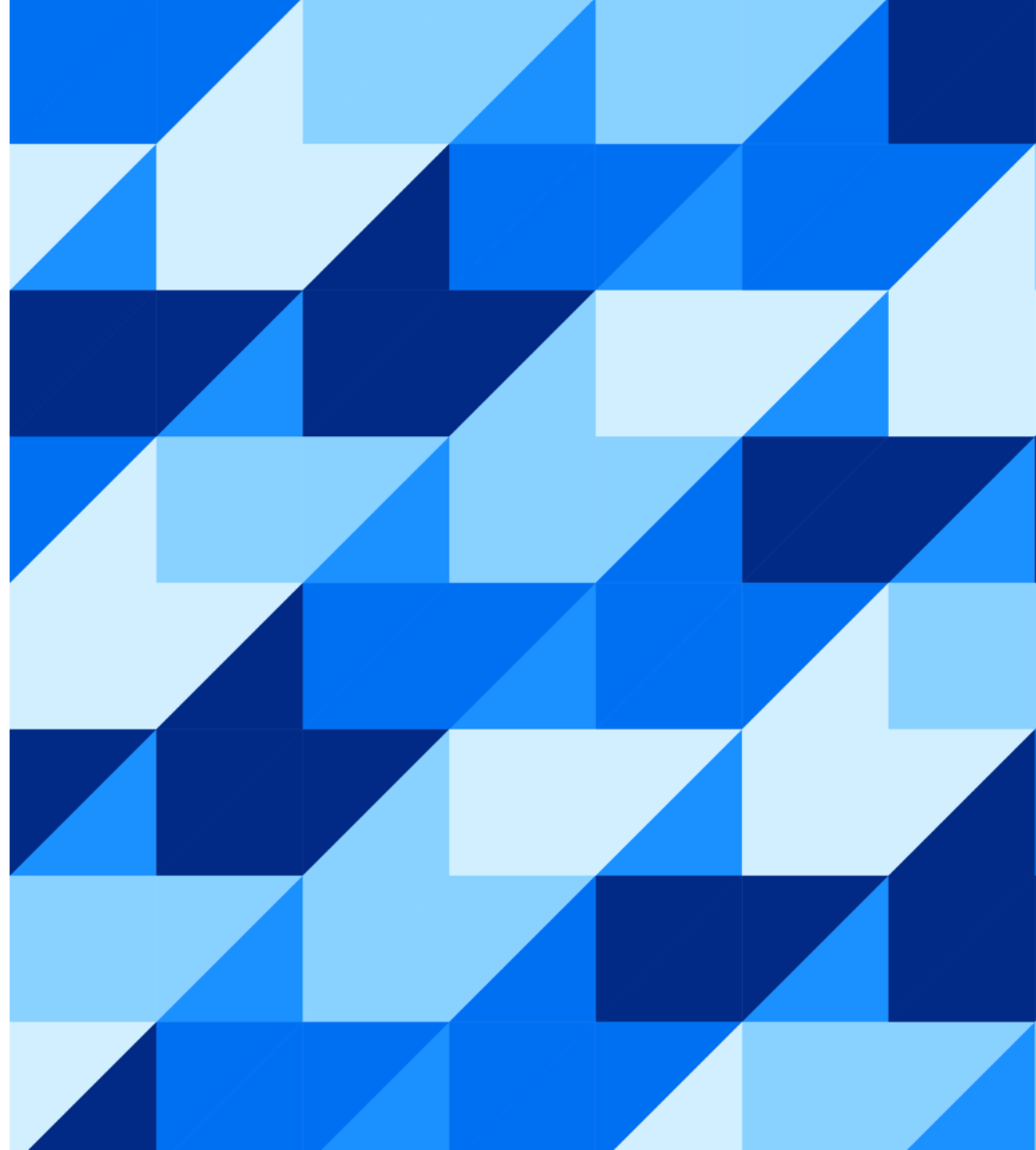




# SAP Product Compliance Strategy

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INTERNAL – SAP and Customers Only



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Introduction

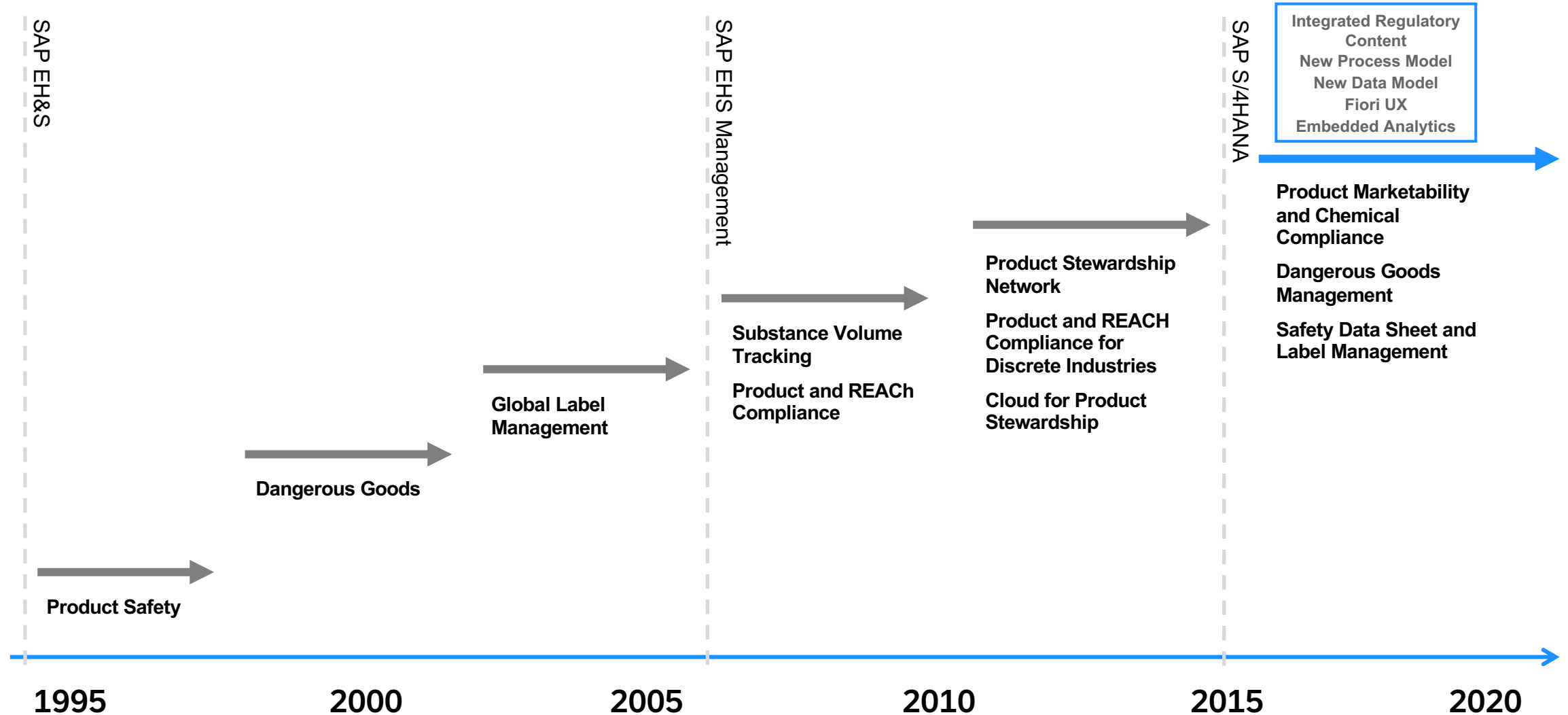
Strategy

Transition

# Introduction

# SAP Commitment to Product Safety and Stewardship / Product Compliance

28+ year of investment, innovation and market leadership in delivering SAP sustainability solutions



# What is EHS and **Product Compliance**

## Environment, Health, and Safety

### Workplace Safety

- Incident Management
- Chemical Management
- Industrial Hygiene
- Management of Change

### Environment Management

- Waste Management
- Emissions Management

## Product Compliance

### Product Marketability and Compliance

- Marketability compliance for products
- Raw material / Component compliance
- Substance volume tracking

### Dangerous Goods Management

### Safety Data Sheet and Label Management

# What is Product Compliance

## Capability

## Description

## Value Proposition

**Product marketability and compliance**

Ensure compliant products and the right to market / sell for any kind of product, esp. chemicals or products which contain chemicals, e.g. industrial chemicals, consumer products, food-related, cosmetics, components, electronics, cars, helicopters

Protect your brand, secure revenue, and reduce time to market with compliant products

**Dangerous goods management**

Ensure compliant transport for any hazardous product or product with hazardous ingredients / components, e.g. industrial chemicals, combustible liquids, paints, batteries, glue, cleaner, printer cartridges

Improve on-time delivery of your goods with compliant transport for any hazardous product or product with hazardous ingredients

**Safety data sheet and label management**

Ensure compliant hazard communication for any hazardous product or product with hazardous ingredients / components, e.g. industrial chemicals, combustible liquids, paints, glue, cleaner, batteries

Protect workers, people, and the environment with compliant hazard communication for any hazardous product or product with hazardous ingredients

# Product Compliance: Product Editions / Deployment Options



## On-Premise

SAP S/4HANA for product compliance

## Private Cloud

SAP S/4HANA Cloud for product compliance, private edition

## Public Cloud

SAP S/4HANA Cloud for product compliance, public edition

Also part of SAP Cloud for Sustainable Enterprises

**Strategy**

# Product Compliance: **Strategy**

Complete **renewal** of product compliance in SAP S/4HANA to best leverage platform capabilities

- Streamline processes with **automated** compliance assessment
- Stay up-to-date with **embedded regulatory content**
- Mitigate risk with compliance controls **integrated into end-to-end business processes**
- Increase efficiency with SAP Fiori based **user guidance**
- Make compliance information easily accessible with HANA-based **analytics**
- Choose your deployment favorite with the solution being available in the **on-premise** and **private** and **public cloud** options of SAP S/4HANA

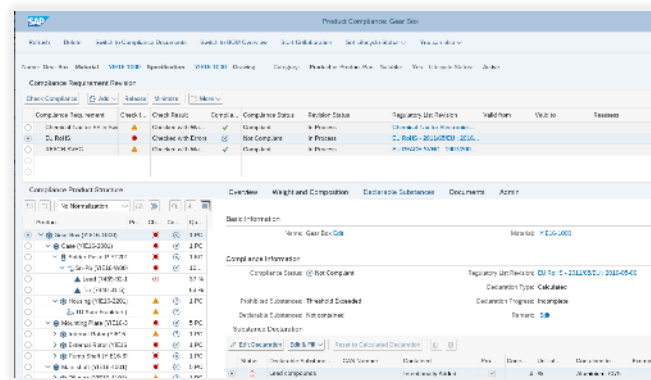
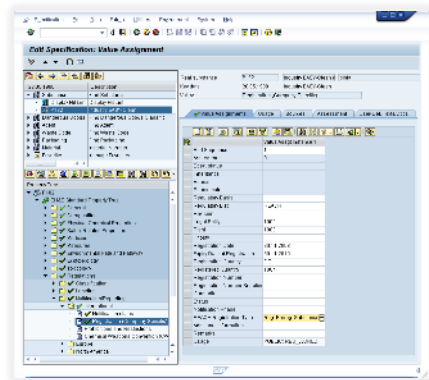
Since 2016



# Product Compliance: Classic and New Functionality

## Classic functionality<sup>1</sup>

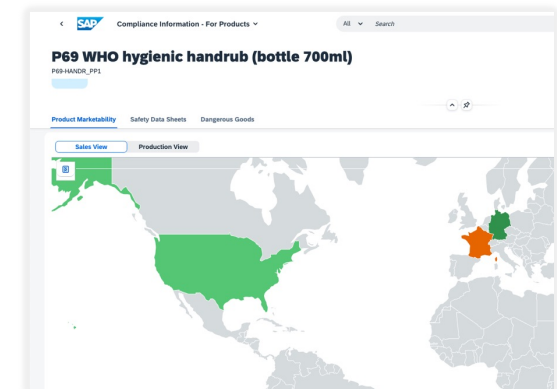
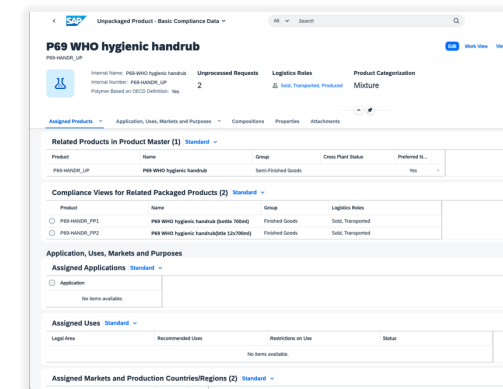
- (Almost) All features of “SAP Product Safety”<sup>2</sup> and “SAP Product and REACH Compliance”<sup>3</sup>
- SAP GUI and WebDynpro transactions
- Specification database, workbench approach
- Full scope, no functional enhancements



→ Customers have the choice today (in on-premise and private cloud edition only) between “Classic” and “New functionality”

## New functionality

- New process model, SAP Fiori apps
- New data model, CDS-based
- New integration into product master, sales, delivery, procurement, transportation
- No full scope yet, innovation roadmap



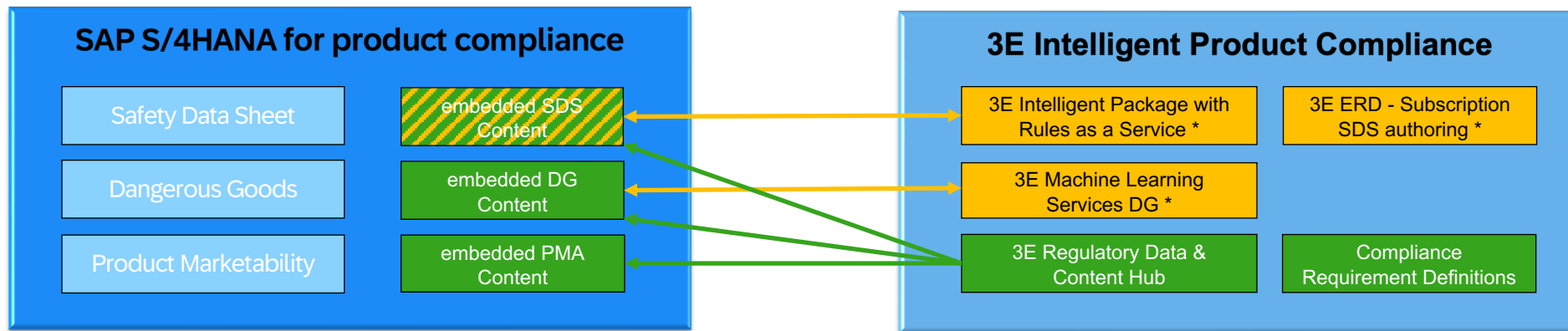
→ Once full scope of new functionality is available (and 3-4 years of transition period), classic functionality will no longer be supported<sup>4</sup>

1) On-premise and private cloud edition only 2) Formerly known as “SAP EHS Management Product Safety” 3) Formerly known as “SAP EHS Management Product and REACH Compliance for Discrete Industries” 4) Currently planned for OP2031

# SAP & 3E Development Partnership

Leveraging Core Strengths to Deliver Maximum Value to Customers

SAP and 3E are software development partners delivering Regulatory Content and Logic into SAP S/4HANA for product compliance



Compliance Requirements  
Listed Substances  
Standardized Texts / Phrases  
Regulatory Graphics

\*) Roadmap item; separate license / subscription required

# Product Compliance: Regulatory Content

Spring 2024

Capability	Functionality	
	Classic	New
Compliance data foundation	<ul style="list-style-type: none"> <li>Standard property tree</li> <li>Partner content<sup>1</sup> for phrases and field assignments</li> </ul>	<ul style="list-style-type: none"> <li>Standard data model                             <ul style="list-style-type: none"> <li>including phrases and field assignments</li> </ul> </li> </ul>
Product marketability and chemical compliance	<ul style="list-style-type: none"> <li>Partner content<sup>1</sup> for listed substances, regulatory lists, and rules</li> </ul>	<ul style="list-style-type: none"> <li>330 000+ listed substances                             <ul style="list-style-type: none"> <li>identifier, names, group assignments</li> </ul> </li> <li>150 Compliance requirements                             <ul style="list-style-type: none"> <li>including phrases and (some) logic</li> </ul> </li> </ul> <p>Focus: Industrial chemicals</p> <ul style="list-style-type: none"> <li>Planned: Additional packages<sup>1</sup> by 3E for other focus applications</li> </ul>
Dangerous goods management	<ul style="list-style-type: none"> <li>Partner content<sup>1</sup> for UN listed substances and rule</li> </ul>	<ul style="list-style-type: none"> <li>15 Compliance requirements                             <ul style="list-style-type: none"> <li>including phrases, graphics, and (some) logic</li> </ul> </li> <li>Planned: ML-based service<sup>1</sup> by 3E for automated classification</li> </ul>
Safety data sheet and label management	<ul style="list-style-type: none"> <li>Partner content<sup>1</sup> for listed substances, rules, and templates</li> </ul>	<ul style="list-style-type: none"> <li>400+ Compliance requirements                             <ul style="list-style-type: none"> <li>including phrases, graphics, and field assignments</li> </ul> </li> </ul> <p>Focus: Industrial chemicals</p> <ul style="list-style-type: none"> <li>Planned: "Intelligent SDS package"<sup>1</sup> by 3E for rules and templates</li> </ul>

1) e.g. 3E ERC; separate license required; please check with 3E or your content provider of choice for details

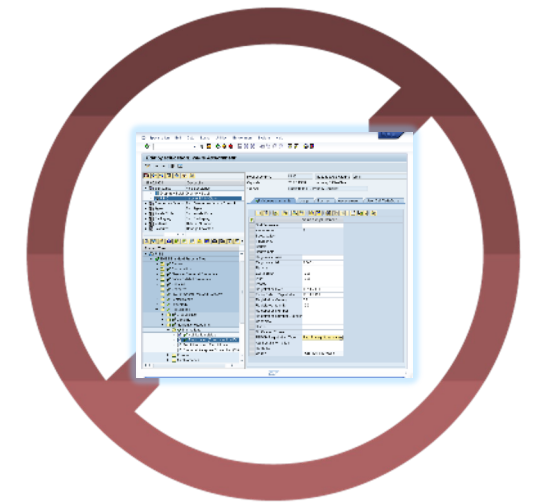
# Compliance Data Foundation: Future Direction & Vision

SAP Labs preview

What will happen to the Specification Database and the Property Tree?

- All compliance data is stored in new business object
  - Primary data, Material allocations, Compositions
  - Compliance requirement assignments
  - Compliance requirement data
    - Marketability assessment data and status
    - Dangerous goods data and transport allowance status
    - SDS data
- All data is stored in new database tables
- Logical data model is based on CDS views
  - Basis for OData services and Fiori apps
- Standard S/4HANA extensibility concept will apply

➔ Specification workbench and property tree are no longer utilized



For other use cases beyond product compliance please check SAP PLM / EPD Specification Management

# Compliance Data Foundation: Future Direction & Vision

SAP Labs preview

## What will happen to EHS Expert?

- Logic for data consistency checks is build into the data management apps
- Logic to determine secondary data is build into compliance requirements
  - e.g. for marketability by integrated “Substance list check” pattern
  - e.g. for SDS content via partner solution “Intelligent SDS authoring” by 3E<sup>1</sup>
- Logic to check marketability status or dangerous goods transport allowance of a product is either
  - Part of the compliance requirements, or
  - Part of the process integration
- Compliance requirements are processed
  - Directly within S/4HANA system → logic is programmed in ABAP
  - As a service → logic is hidden behind service interface, executed remotely, results are stored in S/4HANA
- Customers can define their own compliance requirements (based on existing patterns)

→ EHS Expert is no longer utilized



1) Separate license required

# SDS Authoring: Future Direction & Vision

SAP Labs preview

What will happen to Windows Word processor Integration (WWI)?

- Primary data is entered manually
- Secondary data is either
  - Entered manually, or
  - Calculated by compliance requirement's logic (e.g. as part of partner solution "Intelligent SDS authoring" by 3E<sup>1</sup>)
- Each SDS is represented by a compliance requirement
- All logic and decisions will be done within the compliance requirement
  - Goal: No logic during actual document generation
- All document data is available for review before document is generated
- Standard S/4HANA document generator is used to bring data into correct format / layout

➔ SAP WWI is no longer utilized



1) Separate license required

# Label Management: Future Direction & Vision

SAP Labs preview

What will happen to Global Label Management (GLM)?

- Label data management, label determination, and process integration will be done in S/4HANA
  - Label as compliance requirement, collector for label data
  - Logic for label determination is part of compliance requirement's logic or process integration
  - Trigger for integration into logistic process via Output Management
- Label design and printing will be done via partner solutions<sup>1</sup>
  - Interface between S/4HANA and partner solutions is being designed with partners Software and Eurosoft-Plus
  - Open interface, customer can choose labeling solution
  - For simple labels S/4HANA built-in capabilities might suffice



➔ SAP WWI is no longer utilized for label printing

1) Separate license required

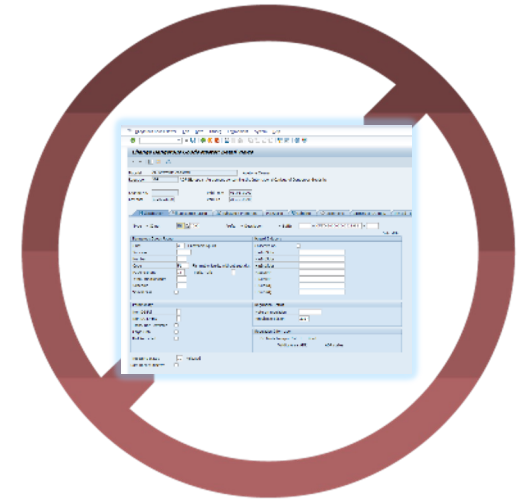
# Dangerous Goods Management: Future Direction & Vision

SAP Labs preview

## What will happen to the Dangerous Goods Master?

- All compliance data is stored in new business object
  - Primary data, Material allocations, Compositions
  - Compliance requirement assignments
  - Compliance requirement data
    - Marketability assessment data and status
    - Dangerous goods data and transport allowance status
    - SDS data
- All data is stored in new database tables
- Logical data model is based on CDS views
  - Basis for OData services and Fiori apps
- Standard S/4HANA extensibility concept will apply
- Integration is provided by the higher-level process (e.g. Sales, Delivery, Transportation)

➔ Dangerous goods master is no longer utilized



# PRC for Discrete Industry: Future Direction & Vision

SAP Labs preview

What will happen to the PRC Discrete Industry functionality?

- The new data model and processes will cater both: process industry and discrete industry
    - This will especially improve the situation for customers with a product portfolio in both industries
  - All compliance data is stored in new business objects
    - All data is stored in new database tables
    - Logical data model is based on CDS views
  - The regulatory content and the check logic will be modeled as Compliance Requirements
  - Standard S/4HANA extensibility concept will apply
  - Integration will be provided as part of the already developed new process integration
- ➔ New Discrete Industry functionality will in general replace the classic PRC functionality as part of the “Product Marketability” capability

# PRC for Discrete Industry: Future Direction & Vision

SAP Labs preview

What will happen to the IMDS interface functionality?

- Compliance-specific data needed for material compliance and marketability assessment is stored within S/4HANA
  - All data is stored in new compliance view object
  - Logical data model is based on CDS views
- Standard S/4HANA extensibility concept will apply
- Data collection from and collaboration with suppliers and customers, reporting to authorities will be done via interfaces to
  - SAP solutions<sup>1</sup> like SAP Business Network or SAP Sustainability Data Exchange
  - Partner solutions<sup>1</sup> like 3E Exchange or opesus PCC
    - opesus intends to include support for IMDS in their solution PCC

➔ IMDS interface will no longer be utilized but replaced by interfaces to partner solutions

1) Separate license might/will be required

# SAP S/4HANA for product compliance: Future Direction & Vision

SAP Labs preview

When and how will distributed systems be supported?

- SAP S/4HANA supports distributed systems in a similar way as SAP ECC
- Service oriented architecture distributes a process over multiple systems
  - Requires certain level of data distribution or data flow
  - Requires that systems availability is on same level
- Some general architecture principals
  - Consistency: Keep data only once, prefer remote access over distribution
  - Performance / Data protection: Access / Share only that data that is needed for process flow
- Starting with “SAP S/4HANA Cloud for product compliance” CE2408 we plan to provide some support for distributed processes in the area of Dangerous Goods Management
  - Support for further processes is planned for future releases

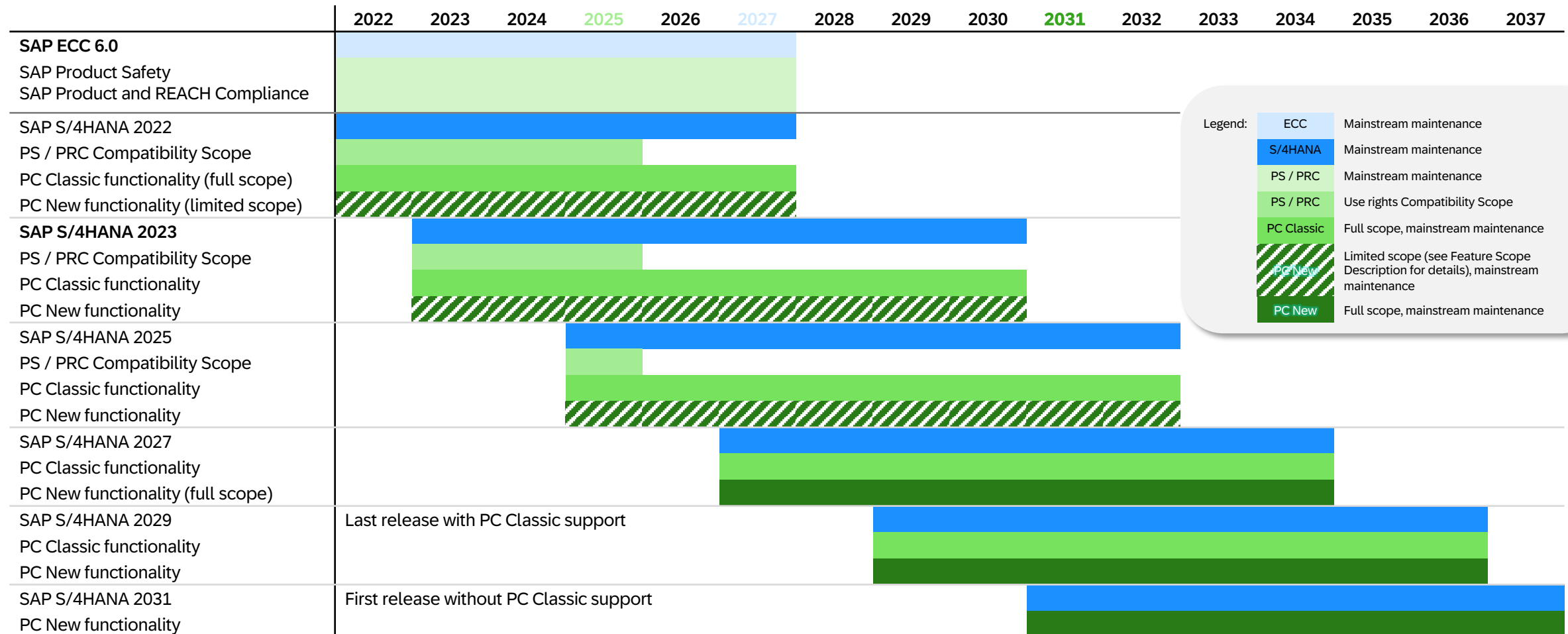
➔ Support for distributed system scenarios is planned

**Transition**

# Product Compliance: Transition from ECC to S/4HANA

Availability, Use rights, and Mainstream maintenance

SAP Labs preview



Legend:

- ECC: Mainstream maintenance
- S/4HANA: Mainstream maintenance
- PS / PRC: Mainstream maintenance
- PS / PRC: Use rights Compatibility Scope
- PC Classic: Full scope, mainstream maintenance
- PC New (hatched): Limited scope (see Feature Scope Description for details), mainstream maintenance
- PC New (solid): Full scope, mainstream maintenance

# Thank you.

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