WP2 - (ZERS, ZUNB, ZHIB) Brazilian Scope

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1. Objective and Scope

1.1 Objective of this Procedure

This document will explain how Material Master Records should be managed by Data Controllers, responsible for LAM and NAM Scope. It will define the main rules and best practices that should be applied to have the highest level of compliance with Syensqo Group rules and attend to our internal customer needs. It includes Master Records creation and modification.

1.2 Scope

This procedure applies to all Industrial Supplies Material in LAM and/or NAM Region. It also specifies the role of the Data Controller, inside the process of Material Master Data for Industrial supplies (ZERS), Stocked and not valuated (ZUNB), and General Supplies (ZHIB). Concerning all NAM and LAM regions. Using the SAP System WP2_400 (RCS).

2. Reference Documents

N/A

3. Definitions

Abbreviation	Description
SBS	Syensqo Business Services
LAM	Latin America
NAM	North America
PO	Purchase Orders
PIR	Price Info Record
CFOP	CÓDIGO FISCAL DE OPERAÇÕES E PRESTAÇÕES
NCM	Nomenclatura Comum do MERCOSUL

4. Roles & responsibilities

Requester	The requesters are responsible for collecting all necessary information from third parties to request creations or changes. These requests should be sent by the Self-Service Tool to access the Freshdesk Tool. Before submitting a new request, it is the requester's responsibility to ensure the material does not exist in SAP already, so no duplicates are created in the system. If the material was not found, the ZERS form must be filled and submitted for the Buyer's review and approval. Once the authorization is obtained, the form and approval must be sent to the Data Operations team. Requests for material creation can be performed by the Stockroom Coordinator or the Buyer, in this case, the request is auto-approved, as the Buyer is responsible for reviewing and approving the requests.
Data Controller	The Data Team is responsible for double-checking the requests received to grant data compliance. The process regarding the Material Master Data process should be managed in the WP2 system. Requests are received by the team, who will check if the form was filled correctly and if the required approval was obtained. A second search in the system is performed by the team, to ensure no duplicates are created. It is under Data's responsibility to check whether all the required information to set up a material account was provided. Once the request is completely processed, the Master Data Team has to inform the requester (authorized agent) of the completion of their request by email.

5. General Operational Procedure

5.1 Description of transactions

5.1.1 Transaction MM01

This is the transaction for material creation, where we can create a new Material code.
More information on section 5.3.
blocked URL
01 – **Select Views:** Click on this to select the views to be created.
02 – **Org. Levels**: Click on this to select the Organizational levels to be created, such as plant, storeroom, etc.
03 – **Data:** Click on this to start creating the items without selecting additional information (Basic Data only) select the views to be created.
04 – **Material:** If you already have a material code and you need to create it for other plants you need to add the code here to avoid material duplication
05 – **Industry sector:** We need to choose the industry sector related to the material, in our case, it will always be the Chemical Industry.
06 – **Material Type:** We need to select here the material type of our creation. In our case we will choose the options below:

- Industrial Supplies (ZERS)
- Stocked and not valuated (ZUNB)
- General Supplies (ZHIB)

07 – **Material:** In this field, we can select a material to copy the information.

5.1.2 Transaction MM02 and MM03

Both transactions are very similar. The main difference between them is that MM02 is used to modify data and MM03 is used only to display data.
blocked URL
08 – **Select View(s):** Click on this to select the views to be checked/changed.
09 – **Org. Levels:** Click on this to select the Organizational levels to check/change.
10 – **Data:** Click on this to check/change general data.
11 – **Material:** code that you want to work on.

5.1.3 Transaction MM06

This transaction is used to flag a material for deletion in a general view or a specific view.For more information, check section 5.7.
blocked URL
12 – **Material:** Fill in the Material number you want to flag or unflag for deletion.
13 – **Plant / Stor. Location:** Fill with the location info you want to flag or unflag for deletion.
14 – **Valuation Type:** Fill with the Valuation Type you want to flag or unflag for deletion.
15 – **Sales Org:** Fill with the Sales Organization you want to flag or unflag for deletion.
16 – **Distr. Channel/ Warehouse No./ Storage Type:** Fill with the storage info you want to flag or unflag for deletion.
17 **– Change Number:** Fill with a Material code you want to copy the information from

5.2 Requirements for material creation

All mandatory information in the form, approval, and documentation must be provided by the requester. D&A Team will perform some quality checks to insert the most accurate data in the SAP system.
The Data Controller will double-check for duplicates before completing the request and communicate with the requester if any data is missing, confused, or duplicated.
Requests for material creation can be performed by the Stockroom Coordinator or the Buyer, in this case, the request is auto-approved, as the Buyer is responsible for reviewing and approving the requests. For the LAM region, we don't need the buyer's approval.
The standard form used for material creation and modification is called the ZERS form and contains all the information necessary to create the material and also add the MRP, storage, purchasing, and accounting views; the recent version is based on a google sheet document (LAM e NAM).

5.2.1 Searching for an existing material in RCS

You can search for existing material by using transaction MM03.
blocked URL
21 – On material, just select the field by clicking on it and the "matchbox" will appear, click on it or just press the shortcut button "F4".
In the next window, we will be able to perform our checks. To search for an existing material we normally perform searches in the tab Material by Material type, plant, and long text (you can choose different parameters, depending on the information you have).
blocked URL
22 – **Material type:** you need to add here the material type that you are creating i.e. ZERS.
23 – **Plant:** Normally this is filled just if you want to restrict your search to a plant. We left this field blank to search for all items available to all plants
24 – **Material Description:** add the main part of material names with Use * between words to search a range of words. For example, V*LV will bring as result from the words VALVE and abbreviation VLV
25 – **Material Long text:** here you can perform the check-in of the long texts created for materials
26 – **Language key:** add the language you want to search. As standard we use EN
If the material has been found, it means the request may be duplicated, so contact the requester for verification. Inform the RCS material number and description for reference. If the material was not found, continue the material creation.

5.3 Material Creation (ZERS, ZUNB, and ZHIB)

Remove special characters like, and so on from the short description of the materials in the file.
Go to SAP transaction MM01
blocked URL
27 – **Material:** If you already have a material code and you need to create it for other plants you need to add the code here to avoid material duplication, for new materials leave it blank;
28 – **Industry sector:** By default, "Chemical Industry";
29 – **Material Type**: We need to select here the material type of our creation; in our case, we will choose one of the options below, informed on the original form:

- Industrial Supplies (ZERS)
- Stocked and not valuated (ZUNB)
- General Supplies (ZHIB)

30 – **Material:** In this field, we can select a material to copy the information from
To continue you can press enter or select field "Select View(s)"
blocked URL
29 - Select the following fields:

- Basic Data 1
- Basic data 2
- Purchasing
- Foreign trade: Import data **(LAM materials only)**
- Purchase Order text **(LAM materials only)**
- MRP 1
- MRP 2
- MRP 3
- MRP 4
- General Plant Data / Storage 1
- General Plant Data / Storage 2
- Accounting 1
- Accounting 2

Note! You can choose to add these views as default by clicking on **31 (default setting)**. Every time you enter again it will be selected
30 - Press enter again or click to proceed and choose the plant and storage location
blocked URL
32 – **Plant:** add the plant requested
33 – **Sort. Location:** add the storage location requested
34 – **Copy from:** if you are copying one material, you can add the information in those fields to copy the information to the new record
35 – Press enter again or click the checkmark to proceed with the material creation

5.3.1 View 'Basic Data 1'

blocked URL
36 – **Material:** Alphanumeric key uniquely identifying the material. – information created automatically
37 – **Material Description** - Text containing up to 40 characters that describe the material in more detail.
38 – **Base Unit of measure** - Unit of measure in which stocks of the material are managed. The system converts all the quantities you enter in other units of measure (alternative units of measure) to the base unit of measure. – The base UOM should be the smallest unit possible. For example, if the material is requested by case, the base UOM should be each and the alternate UOM should be the case.
Check this file for the corresponding conversion from Portuguese to English the unit of measure in tab "Unidades de Medida" Data Operations - MASTER FILE LAM
39 – **Material Group:** Key that you use to group several materials or services with the same attributes, and to assign them to a particular material group. (DSF in the form)
40 – **Division:** A way of grouping materials, products, or services. The system uses divisions to determine the sales areas and the business areas for a material, product, or service. As default the information needs to be filled as:

- ZERS: Always "WA"
- ZUNB: Always "XJ"

ZHIB: Always "WB"
41 – Click on Additional Data to create a material name in different languages:
This will allow other people who are logged in a different language search for this material
blocked URL
42 – Copy descriptions to 12 languages: EN, Z9, ZH, KO, DE, FR, IT, JA, PL, PT SK, ES. You can copy the same information or translate the material name is specified on the request;
If specified on the request, go to the tab 'Units of measure' to set different conversions of measure:
blocked URL
43 – Unit of measure in which quantities can be entered alternatively to the base unit of measure/stock-keeping unit - If one Alternative Unit of measure is provided, you can add the information here with the respective quantities;
IF LAM
44 - Go back to 'Main data' and skip step **45**. Then go to section 5.3.3.
IF NAM
45 – If the request is for NAM click on 'Basic data Text'
blocked URL
46 – Here you can add the long text for this material. If no long text is informed, just copy the material description.
47 – Return to main data.

5.3.2 View 'Basic Data 2' - NAM only

blocked URL
NAM ONLY
66 – **DG indicator profile:** Alphanumeric key that uniquely identifies the dangerous goods profile. - Depending on the material group, the code "ZHS" is added for NAM requests according to the information provided on the ZERS form or in the table below.

0088	0124	0150	0178	0315	0333	0458
0091	0125	0151	0179	0316	0334	0459
0097	0126	0152	0180	0317	0335	0460
0100	0127	0153	0181	0318	0336	0461
0102	0128	0154	0182	0319	0337	0462
0103	0129	0155	0183	0321	0338	0463
0105	0130	0156	0184	0322	0339	0464
0106	0131	0157	0185	0323	0340	0465
0110	0132	0158	0186	0324	0349	0466
0111	0133	0159	0187	0325	0452	0467
0112	0134	0160	0188	0326	0453	0470
0116	0138	0161	0189	0327	0454	0471
0118	0139	0162	0190	0328	0454B	0472
0119	0141	0163	0193	0329	0455	0473
0120	0145	0164	0194	0330	0456	0474
0123	0149	0165	0195	0331	0457	0476

For LAM, leave it blank.

5.3.3 View 'Purchasing'

blocked URL
49 – **Base Unit of measure and Material Group:** Information copied from Basic data 1
50 – **Purchasing Group:**

IF NAM

	Purchasing Group Code	Plant name	Plant code
	FZM	Houston	0254
	FWY	Baton Rouge	0242
	GAH	Baytown	7916
	GAR	Hammond	0253
	GBC	Long Beach	0250
	GBM	Martinez	0256
	GBW	Portland	0260
	GCH	Baltimore	0241
	GCS	Blue Island	0246
	GDD	Charleston	0248
	FYO	Marcus Hook	0257
	GDO	Mississauga	7315
	FYX	Winder	0269
	GDZ	Spartanburg	0263
	GID	University Park	8056
	GEK	Vernon	0267
	GEY	Chicago Heights	0278
	GOC	Cincinnati	8081
	FUH	Freeport	0251

	GKD	Kingsport	0237
	GFN	Baton Rouge	0242
	GFY	Freeport	0251
	GJF	Mississauga	7315
	GGJ	Bristol	7919
	GHF	Cranbury	0249
	GLC	Dalton, GA	7977
	GMV	Cranbury (closed sites not set-up as a plant)	0249
	GLM	Gastonia, NC	7979
	GMQ	Glen Allen, VA (A&W Richmond)	7985
	GLH	Louisville, KY	7978
	GLR	Mount Pleasant, TN	7980
	GMB	New Brunswick, NJ	7982
	GLW	Newark, NJ	7981
	GML	Silver Bow, MT	7984
	GMG	Soda Springs, ID (Wooley Valley Mine)	7983
	GSB	Pasadena	8192

IF LAM:

	$06	**Plant name**
	$06	7515, 8788, 8789
	$06	8978, 8980, 8982
	$06	7525, 7528, 8184, 7606
	$06	8598, 8601

51 – **Plant-sp.matl status:** Indicates whether, for a specific plant, the material may be used in the following areas: materials management, production planning & control, plant maintenance, warehousing, costing.

- NAM: Always Z1
- LAM: blank

52 – **Autom. PO:** Defines that purchase orders are generated automatically when purchase requisitions are converted into purchase orders. - Needs to be flagged to allow the system to create POs automatically as default.

53 - **Purchasing Value Key:** Key defining the reminder days and tolerance limits valid, as well as the shipping instructions and order acknowledgment requirement of the material for Purchasing. Fill as below:

- NAM: Always 0004
- LAM: Always 0001

54 – **GR Processing Time:** Number of workdays required after receiving the material for inspection and placement into storage - As standard, we add 1 (insert another number only if the requester provides information different from 1).
55 – **Critical Part:** Specifies whether the material is a critical part, that is, a particularly important part - This needs to be flagged if the information is provided in the form.
56 – **Source list:** Specifies if the material needs a source list. If NAM, always flags it. If LAM, don't flag it.
57 – **Post to Insp Stock:** Specifies if the material needs to pass a quality inspection before entering the stock. It can be visual or more accurate. It is necessary to avoid stock divergences and delivering the wrong material. Only for Brazil.
blocked URL

IF NAM
Go to section 5.3.6 (MRP1)
IF LAM
Go to next section 5.3.4.

5.3.4 View 'Foreign trade import' - LAM only

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LAM ONLY
58 – **Control code:** for LAM, it's the NCM (Nomenclatura Comum do Mercosul), always informed by the requester. ~~When replying to the email, we need to inform the tax team about the NCM you have added, so please copy:~~

- ~~If material Syensqo creation send an email to:, marcia.alves@syensqo.com, and natalia.santos@syensqo.com to validate the NCM if the material origin is national or foreign.~~

59 – **Mat. CFOP category:** This is the CFOP category of material. - as Standard, we fill with 0
IF LAM
Go to next section 5.3.5 (Purchase Order text **(LAM only)**)
IF NAM
Go to section 5.3.6 (MRP1)

5.3.5 View 'Purchase order text' - LAM only

blocked URL
LAM ONLY
60 – Here you will add the information that will appear in the PO text (long text) including Inspection level and Lack/Risk;
61 – Click to create in additional languages: use **English, Portuguese and Brazillian Portuguese** – to add this information we need to click on the file button (For LAM vendors, this field should contain the inspection level and risk of lack of material - informed on the form).

5.3.6 View 'MRP 1'

blocked URL
62 – **Base Unit of Measure:** Information copied from General Data
63 – **MRP Type:** Key that determines whether and how the material is planned. Information provided in the ZERS Form.
64 – **Reorder Point:** If the stock falls below this quantity, the system flags the material for requirements planning by creating a planning file entry. (Note: depending on the MRP Type, this field becomes mandatory to proceed)

- NAM: Information provided in the ZERS Form.
- LAM: If MRP type is P3, it can be left blank, according to the information provided in the form; if MRP type is Z1, it can't be left blank, fill it with the information provided in the form.

65 – **Planning time fence:** The planning time fence specifies a period within which no automatic changes are to be made to the master plan.

- NAM: Always left it blank
- LAM: Always fill with 7

66 – **MRP Controller:** Specifies the number of the MRP controller or group of MRP controllers responsible for material planning for the material. Information provided in the ZERS Form.
67 – **Lot Size:** Key that determines which lot-sizing procedure the system uses within materials planning to calculate the quantity to be procured or produced.

- NAM: Information provided in the ZERS Form
- LAM: Always "EX"
  - Can be requested to edit according to plant needs

blocked URL
68 – **Maximum stock level:** Quantity of the material in this plant that may not be exceeded (Note: depending on Lot Size, this field becomes mandatory)

- NAM: Information Provided in the ZERS Form
- LAM: Information Provided in the ZERS Form (not mandatory)

5.3.7 View 'MRP 2'

blocked URL
69 – **Prod. stor. Location:** In the case of a material produced in-house, this is the key to the storage location that is copied to the planned order, production order, or run schedule quantity.

- NAM: Information provided in the ZERS form
- LAM: Leave it blank

70 – **Storage loc. for EP:** Key of the storage location that is proposed in the purchase requisition in materials planning for subsequent storage of the material. In the case of a material procured externally, this storage location is proposed in the planned order in materials planning
NAM: Information provided in the ZERS form
LAM: Information provided in the ZERS form
71 – **Planned Deliv. Time:** Number of calendar days needed to obtain the material or service if it is procured externally. Information provided in the ZERS form
72 – **GR Processing Time:** Information copied from "Purchasing"
73 – **SchedMargin key:** Key that the system uses to determine the floats required for scheduling an order. Always fill it with "000".
74 – **Safety Stock:** Specifies the quantity whose purpose is to satisfy the unexpectedly high demand in the coverage period. The risk of shortfalls is reduced by having a safety stock – Information provided in the ZERS Form, if not leave it blank;

5.3.8 View 'MRP 3'

blocked URL
75 – **Availability check:** This field is related to availability that the system will analyze to check the stock. Always fill it with "02".

5.3.9 View 'MRP 4'

No actions to be performed on this view, just pass through it to enable the fields.

5.3.10 View 'Plant Data / stor. 1'

blocked URL
76 – **Storage Bin:** Identifies the storage bin within a storage location where the material is stored.

- NAM: If any information was sent in the form add it accordingly, if not use"NEW ITEM"
- LAM: Leave if blank

5.3.11 View 'Plant data / Stor. 2'

blocked URL
77 – **Profit Center:** Key which together with the controlling area uniquely identifies a profit center.Information will always be informed in the ZERS Form

5.3.11 View 'Accounting 1'

For NAM
blocked URL
78 – **Valuation Class:** Default value for the valuation class for valuated stocks of this material. Always Z120.
79 – **Moving Price:** Material's price – add the price informed in the x1000
80 – **Price Unit:** Number of units to which the price refers. – Always 1000
81 – **Standard Price:** Standard price of the material – Same information as Moving Price
For LAM
blocked URL
82 – **Valuation Class:** Default value for the valuation class for valuated stocks of this material.
ZERS - Z120 for consumption items, Z160 for industrialization
ZHIB – Z170 for all materials, except if it's requested to use Z175
83 – **Per Unit Price:** Price of the material. – add the price informed in the x1000
84 – **Price unit:** Number of units to which the price refers. – Always 1000

5.3.12 View 'Accounting 2'

For NAM: no actions to be performed on this view, just pass through it to enable the fields.
For LAM:
blocked URL
85 – **Material usage:** This indicator shows the intended usage of a particular material in inventory. – use code **1 for Industrialization or 2 for Consumption** (the type of material provided on the form)
86 – **Material origin: T**his indicator shows whether the products were produced inside Brazil or were imported. If the goods were imported, it also indicates whether they were imported directly by the company or not. – information provided on the form with the codes below:
Origin of material:

- 0 - National - except indicated for codes 3, 4,5, or 8
- 1 - Foreign - imported directly
- 2 - Foreign - acquired nationally
- 3 - National - merchandise or asset with import content is over 40%
- 4 - National - when the production is according to Decree-law 288/67, and laws 8.248/91, 8.387/91, 10.176/01, and 11.484/07
- 5 - National - with import content less than or equal to 40%
- 6 - Foreign - imported directly, no similar national, listed in "Resolução CAMEX"
- 7 - Foreign - acquired nationally, no similar national, listed in "Resolução CAMEX"
- 8 - National - with import content over 70%

blocked URL
87 – When complete, save the material.

5.4 Creating additional accounting views - ZN/ZR

This procedure applies to LAM materials, in the Paulinia plant (Brazil). If the requester informs that the material is recoverable (this information should be placed on the form) we have to create the views ZN/ZR that are the split accounting view.

- ZN is related to prices for a new material
- ZR is related to prices for a recoverable material

5.4.1 Enabling different types of valuation.

Enter in transaction MM02, choose the 'Accounting 1' view.
blocked URL
88 – Enter with material number;
89 – Press enter, select 'Accounting 1';
90 – Click on the checkmark;
blocked URL
91 – Add Plant code (7525 if Paulinia);
92 –Click on the checkmark or press enter;
blocked URL
93 – **Valuation Category:** Determines whether stocks of the material are valuated together or separately. – We need to fill out this with a "Z" to allow us to create ZN/ZR views
Save it.

5.4.2 Creating 'ZN' view

Now go to transaction MM01, to create the new valuation types.
blocked URL
94 – Enter Material code you want to create the ZR/ZN;
95 – Material copy from: use the same material;
96 – Press enter and then select views 'Accounting 1' and 'Accounting 2';
97 – Click the checkmark;
blocked URL
98 – Plant: code 7525 in organizational levels;
99 – Copy from: use the same plant code;
100 – Valuation type: choose ZN (Price related to new item);
101 – Click the checkmark;
blocked URL
102 – **Price Unit:** Price of the material. – add the price informed in the x1000
103 – **Per Price unit:** Number of units to which the price refers. – Always 1000
As we copied the information from the material without the split view, the fields are already completed. For more information, check section 5.3.11.
On tab 'Accounting 2':
blocked URL
Fields 'Material usage' and 'Material origin' should be filled as the reference material, since we copied the information the fields should be already populated. If needed, check section 5.3.12 for more information.
Save it.

5.4.2 Creating 'ZR' view

blocked URL
104 – Enter Material code you want to create the ZR/ZN;
105 – Material copy from: use the same material;
106 – Press enter and then select views 'Accounting 1' and 'Accounting 2';
107 – Click the checkmark;
blocked URL
108 – Plant: code 7525 in organizational levels;
109 – Copy from: use the same plant code;
110 – Valuation type: choose ZR (Price related to recoverable);
111 – Click the checkmark;
blocked URL
112 – **Price Unit:** Price of the material: always 10.00
113 – **Per Price unit:** Number of units to which the price refers. – Always 1000
As we copied the information from the material without the split view, the fields are already completed, pay attention to change the price to 10,00
On tab accounting 2
blocked URL
Fields 'Material usage' and 'Material origin' should be filled as the reference material, since we copied the information the fields should be already populated. If needed, check section 5.3.12 for more information.

5.5 Who to inform? (LAM Only)

Apart from the requester, please inform the following colleagues on material creations/extensions for LAM region.

claudio.silva@syensqo.com
natalia.santos@syensqo.com
darlan.goinsky@syensqo.com

Please also recheck section '**58** – **Control code'.**

5.6 PIR Creation (NAM Only)

After creation of material, request for PIR creation to procurement team for NAM region.