ECOSCIENCE INTERNATIONAL BERHAD

(Registration No.: 202001024633 (1380953-M)) (Incorporated in Malaysia)

RISK MANAGEMENT FRAMEWORK FOR LOGISTIC DEPARTMENT POLICY

1. Purpose

a. This Policy is established to access the logistic risks that will potentially bring threat to the company business.

2. Scope

a. It covers all logistic risk which directly affect product or work quality.

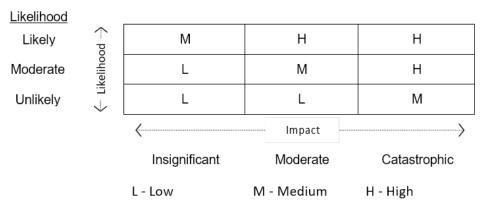
3. Responsibility

a. HOD of Logistic

4. Risk matrix

	Description	Extent and category of risk							
1.	Low	 Adverse impact of less than 10% of Group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest. Consequences can be absorbed under normal operating conditions. No material impact on market share and/or reputation of company. 							
2.	Medium	 Adverse impact of more than 10% but less than 30% of group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest. Potential impact on market share or reputation of company. 							
3.	High	 Adverse impact of more than 30% of group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest. Market share, reputation or value of company will be affected in the short-term. 							

Risk rating matrix



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5. Risk management framework

		Risk measurement and assessment			Risk reporting and	Risk	
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
1	High logistic cost Peak traffic in cargo	Medium Medium	Medium Medium	Medium	Optimisation of cargo size, logistic mapping and chartering capability Plan ahead the upcoming inbound and outbound logistic work to avoid last minute booking. Prioritization to be made in case there is too high demand in logistic arrangement.	For all the logistic services including forwarding, minimum of 2 quotations must be obtained prior to the order. Any delay in shipment due to poor planning must be reviewed and amended, and reported to management on quarterly basis.	Risk reduction Risk reduction
3	Accident during transportation	Low	High	Medium	Condition of the transportation are checked before leaving factory.	Any traffic incident report to be presented to management immediately. Safety action to be taken immediately to avoid the similar incident.	Risk reduction and avoidance

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No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
4	Wrong goods delivery / shipment	Low	High	Medium	Goods must be accompanied with packing list before loading to the truck, container etc, and must be physically check before signing off the acceptance of packing list	Any wrong shipment to be reported to management on monthly basis	Risk reduction and avoidance
5	Dangerous goods regulatory risk	Low	High	Medium	Logistic and purchasing team will monitor the type of goods to ensure the goods or shipment do not fall under this category	Any violation of dangerous goods regulatory risk must be reported to management immediately before taking any further action	Risk avoidance
6	Misalignment with the logistics by 3rd party	Low	Medium	Low	Logistic team to communicate closely with 3rd party logistic suppliers to ensure all information are shared and well communicated	In case of delay or wrong shipment due to communication breakdown, the HOD of logistic have to meet up with 3rd party to find the root cause and prevent the similar occurrence	Risk sharing

This Risk Management Framework for Logistic Department Policy is adopted on 1st July 2020.