ECOSCIENCE INTERNATIONAL BERHAD

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

RISK MANAGEMENT FRAMEWORK FOR STORE DEPARTMENT POLICY

1. Purpose

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

2. Scope

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

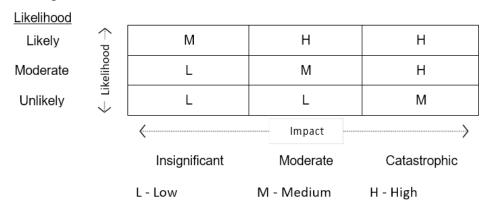
3. Responsibility

a. HOD of Store

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



RISK MANAGEMENT FRAMEWORK FOR STORE DEPARTMENT POLICY

5. Risk management framework

		Risk measurement and assessment				Risk reporting and	Risk
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
						Continuous	
						improvement on the	
					A proper inventory	inventory	
					system is available to	management system	
					ensure the management	to ensure a proper	
					of stock are in placed.	storage system for all	
	Bad inventory				Stock count management	materials and spare	Risk
1	management	Low	Medium	Low	is in placed.	movement	avoidance
						All missing spare part	
						that required for	
						fabrication or project	
						request must be	
						recorded and reported	
						to management in	
					The spare part only can	quarterly basis. Root	
					be issued by store	cause must be	
					personnel with proper	investigated in each	
					record and signature by	case, to avoid	Risk
2	Missing spare parts	Medium	Medium	Medium	the receiver	reoccurrences.	reduction

ECOSCIENCE INTERNATIONAL BERHAD (Registration No.: 202001024633 (1380953-M))

RISK MANAGEMENT FRAMEWORK FOR STORE DEPARTMENT POLICY

		Risk measurement and					
		assessment			Risk reporting and	Risk	
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
						Any spare part that	
					A proper spare part	are not in the good	
					preservation program is	condition can be sent	
					available and well-	for refurbishment if	
					practiced.	possible. HOD of the	
					The spare part which are	store to improve the	
					sensitive to high	preservation program	
	Spare part condition turns				temperature are not	to avoid the similar	Risk
3	bad	Medium	Low	Low	exposed to sun.	damage	avoidance
						In the case of short	
						fall of inventory,	
					The stock level is	HOD of the store to	
					frequently check, and the	review the minimum	
					reordering process in	stock level to increase	
	Inventory fall below				placed to replenish the	the availability of the	Risk
4	acceptance level	Low	Medium	Low	inventories	spare inventory	reduction
						Proper	
						communication must	
						be established	
						between logistic,	
						store, and purchasing	
						department to align	
					The purchaser will	the delivery the big	
					inform store personnel	size items to avoid	
					two days ahead in case of	unnecessary hiccup	
	Congested space during				big items delivery and	during unloading	Risk
5	unloading of spare part	Medium	Low	Low	unloading will take place	activities	avoidance

ECOSCIENCE INTERNATIONAL BERHAD (Registration No.: 202001024633 (1380953-M))

RISK MANAGEMENT FRAMEWORK FOR STORE DEPARTMENT POLICY

		Risk measurement and assessment				Risk reporting and	Risk
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
						Continuous	
					Proper racking system is	improvement to be	
					done, and well organised	implemented to	
					arrangement of over-	ensure a proper	
					sized materials to ensure	storage system and	Risk
6	Limited space for storage	Medium	Low	Low	space efficient utilization	space for all materials	acceptance

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