GS1 Malaysia

The Global Language of Business

Annual Report 2015-2016

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2015 - 2016

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Introducing GS1 Malaysia

GS1 Malaysia, established in 1988, under the aegis of Federation of Malaysian Manufacturers is a member of GS1, the world's leading supply chain standards organisation. It promotes and supports the adoption of supply chain management best practices and enabling technologies, underpinned by GS1 standards, to increase the business efficiency and global-market competitiveness of local business community.

GS1 Malaysia is the only organisation in Malaysia authorised to issue the GS1 identification numbers, helping its more than 6,000 members of all sizes from over 10 sectors across Malaysia to become more efficient and more competitive by adopting supply chain best practices.

GS1 is the global organisation dedicated to the development and implementation of global standards and solutions for supply chain excellence.

Barcode integrity –
Safeguard Your Brand And Products

All over the world, manufacturers and retailers rely on the GS1 system. You can trust that GS1 barcode numbers issued by an authorised GS1 organisation are unique, accurate, and based on current global standards.

Here in Malaysia, GS1 Malaysia administers the GS1 system and is the only authorised source for GS1 barcode numbers and standards. For any company that is using unauthorised GS1 barcode numbers, it will suffer business losses when its products are rejected by resellers. It will also suffer monetary losses when the company needs to re-label or repackage the products.

Message from the Chairman

While the last 40 years have witnessed the importance of GS1 Standards in an ever-changing world, there remains enormous potential to go further. GS1 works to unlock the true power of smart, sharable, linkable data—the foundation of any customer interaction and the differentiator for organizations vying for consumers. We helped our members move at the speed of business, using GS1 Standards to not only keep pace with change, but also anticipate the ways in which their industries will evolve through a combination of consumer, technological, and regulatory transformations.

There is tremendous growth and innovation in the digital omni-channel world. Over decades of technological innovation and across diverse industries, everything we do points to one thing—the integrity and usability of data provided by GS1 Source. With GS1 Source and Standards powering omni-channel commerce, retailers and brands can grow their business, reduce costs, leverage consumer insights and manage risk.

In Malaysia, GS1 Malaysia continue to collaborate with companies, industry partners to expose the new way of conducting business and facilitate cross border trade through digital platforms.

I would like to take this opportunity to highlight some of the key initiatives and various programmes that have been implemented and carried out by GS1 Malaysia:

1. Outer Case Carton Code (OCC) Project with Tesco Stores

Tesco Stores (Malaysia) Sdn Bhd started a project to improve its logistics efficiency by implementing GS1 codes at its Distribution Centre. Suppliers were required to implement the OCC barcode for all the products delivered to Tesco's Distribution Centre. To assist GS1 members supplying to Tesco, GS1 Malaysia organized a series of briefings on GS1 identification and barcoding for OCC.

2. APEC - Global Data Standards (GDS) - Project on Durian Traceability

APEC Governments are now required to advance work on interoperable (Global Data Standards) GDS activities based on GSI standards.

GS1 Malaysia participated in the APEC GSD pilot project on the exportation of Musang King durians to Hong Kong/China. The scope of the project was to ensure the authenticity of the product across the supply chain and to comply with the traceability requirements between Malaysia and Hong Kong/China China using GS1 Standards.

3. GS1 Malaysia Member Product Databank

GS1 Malaysia launched its GS1 Malaysia Member Product Databank which provides a backup repository of registered product and logistic unit for members. It also provides assistance to new members on the assignment and allocation of barcode numbers.

In addition, the GS1 Malaysia Member Product Databank will serve as a trusted source of product information that retailers will refer to in order to check the validity of members' product barcodes. In case of dispute of product identification, GS1 Malaysia will be able to facilitate the brand owners in verifying product authenticity.

In addition to the above key initiatives, during the year under review, GS1 Malaysia has also launched a few new

services to assist members to meet their needs in the application of GS1 standards and solutions. As GS1 standards are the most widely used supply chain standards in the world, the GS1 system of standards can provide the efficiency and capabilities to address the needs of the supply chain in all industries.

Last but not least, we aim to capitalise on our worldwide network, global expertise, and local implementation experience to continue to add value to our members; drive the global standards, best practices and enabling technologies that will increase the business efficiency and stay competitive in the market.

In conclusion, I would like to thank our members and industry partners who have once again demonstrated active support to GS1 Malaysia. I would also like to thank our Board members, working committee members for their commitment and dedication to GS1 Malaysia. I would like to seek your continued support and we will continue to improve our services, achieve a sustainable competitive advantage.

**YBhg Tan Sri Datuk Yong Poh Kon
Chairman**

GS1 Malaysia Advisory Board

The GS1 Malaysia Advisory Board, chaired by YBhg Tan Sri Datuk Yong Poh Kon, FMM Immediate Past President, continues to provide leadership and strategies on the development and expansion of the GS1 System in Malaysia.

Chairman

YBhg Tan Sri Datuk Yong Poh Kon
Chairman, Royal Selangor International Sdn Bhd

Members

Mr Misnadi Mat Piah
Regional General Manager,
South Region,
Aeon Big (M) Sdn Bhd

YBhg Dato Dr Haminnuddin Abd Hamid
Chief Executive Officer,
Ideal Healthcare Sdn Bhd

YBhg Tan Sri Albert Cheng Yong Kim
Parkson Corporation Sdn Bhd

Encik Leonard Ariff bin Abdul Shatar
Chief Executive Officer,
Duopharma Malaysia
Sdn Bhd

Mr Allan Khong
Executive Director,
Lam Soon Edible Oils
Sdn Bhd

Mr Kenneth Chuah
Commercial Director,
Tesco Stores (Malaysia)
Sdn Bhd

Mr Lai Sia Ling
Executive Director,
Econsave Cash &
Carry Sdn Bhd

Ms Amy Liong
Operations Director,
L'oreal Malaysia Sdn Bhd

YBhg Tan Sri Dato Sri Lim Wee Chai
Chairman,
Top Glove Sdn Bhd

Mr Joseph Lawrence Dybell (Joe Dybell)
Retail Operations and
Supply Chain Director,
GCH Retail (Malaysia)
Sdn Bhd

Encik Ariffin Buranudeen
Managing Director,
Malaysian Agrifood
Corporation Berhad (MAFC)

Mr Francis Chok Yin Fatt, PMP
Group General Manager
(Finance & Investment)/
Executive Director
Yee Lee Trading Co Sdn Bhd

YBhg Tan Sri Saw Choo Boon
Chairman,
Heineken Malaysia Berhad

Mr Gavin Schwarzenbach
Executive Director, Supply
Chain Malaysia & Singapore,
Nestle Products Sdn Bhd

GS1 Malaysia Membership Overview

GS1 Malaysia continues to promote and facilitate the implementation of GS1 System of standards in multiple sectors and industries in Malaysia. The number of users of the GS1 System in Malaysia has steadily increased since the system was introduced into Malaysia in 1988. The GS1 System, although initially for the grocery retail trade, has expanded to other sectors such as healthcare, books and publications, music, furniture, textile apparels and many others. Currently about 7,000 companies subscribe to the GS1 System and 83% of those are small and medium sized companies. GS1 members include manufacturers, suppliers, distributors, wholesalers, service providers and retailers.

Membership by Industry

Industry	%
Food &Beverage	60%
Toiletries/Personal Care/Cosmetics	7%
Pharmaceutical Products	5%
Household Products	5%
Textile/Clothings	2%
Electrical/Electronics	2%
Stationery	1%
Others	18%

Membership by Location

Location	%
Selangor	34.3 %
Wilayah Persekutuan	15.0 %
Perak	7.0 %
Pahang, Kelantan and Terengganu	4.6 %
N. Sembilan	2.3 %
Johor	12.0 %
Kedah and Perlis	4.7 %
Melaka	3.5 %
Penang	10.4 %
Sabah	3.0 %
Sarawak	3.2 %

Global Initiatives

Retail

GS1 has a long history in retail and the ubiquitous beep of the GS1 barcode is heard at store checkouts 5 billion times a day. Today, there are many paths to purchase, but consumers are demanding one, seamless retail channel - the one that brings their product home. They are creating personal supply chains for food, clothing, electronics and more - and GS1 standards can help.

Omni-Channel Commerce

Today consumers expect to be able to seamlessly research, purchase and interact with the products they want to buy, no matter where they shop. The retail industry is quickly responding to the changing habits of consumers, who switch seamlessly between in-store and e-commerce channels while expecting a consistent shopping experience. GS1 standards are helping the retail sector integrate store operations, delivery and inventory management to meet the challenges of the new omni- channel marketplace and satisfy the expectations of consumers before, during and after their purchase.
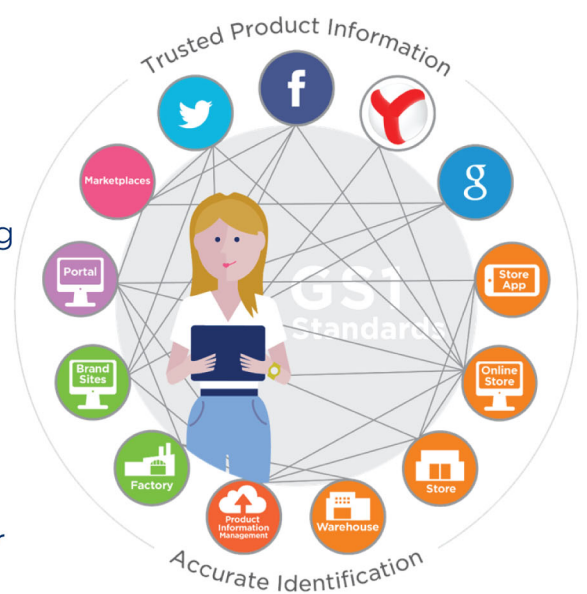
Healthcare - Raising the Bar on Patient Safety

Concerns about patient safety and rapidly escalating healthcare costs have called for authorities and all healthcare stakeholders to take action and address important challenges in the healthcare sector, such as increasing patient safety, reducing medical errors, fight counterfeiting and improving inventory control.

In view of that, many leading organisations worldwide have also endorsed GS1 Standards to enable effective and efficient supply chain solutions for the healthcare sector.

- ICCBBA, the standard for the identification, labelling and information processing of human blood, tissue and organ products, published a technical specification which recommends the use of GS1 Global Service Relation Number (GSRN) with a locally assigned number to identify Patient Identification (ID).

- ISQua, The International Society for Quality in Health Care, and GS1, have signed a Memorandum of Understanding (MoU) to promote and enhance quality of care and patient safety on a globalscale. The collaboration between ISQua and GS1 will support and encourage the link between hospital accreditation and implementation of harmonised standards for automatic identification of patients, caregivers and products in hospitals. Hospital accreditors around the world increasingly rely on the use of the ISQua accreditation standards, and the power of the GS1 standards to improve patient safety and address possible process inefficiencies.

- GS1 and the International Health Terminology Standards Development Organization (IHTSDO) announced the signing of a new collaborative agreement that supports interoperability in health information systems globally. GS1's global trade item numbers (GTIN) are global standards for automatic product identification used for patient safety and traceability. IHTSDO's SNOMED CT is a global standard that ensures semantically accurate clinical terminology for consistent use across health systems and services. Ensuring that these two standards can work together will facilitate the link between clinical information in the patient record and the correct product administered to the patient at point of care, enabled by barcode scanning.

Consumer Safety with GS1 Global Traceability Conformance

There is a trend towards more legislative and regulatory pressure all over the world for traceability requirements as well as increased cooperation between countries in order to better manage risk and recalls and for more efficient, harmonized border management processes.

Consumer awareness on food safety following a number of high-level food safety scares and incidents in countries like China, Taiwan, Vietnam and New Zealand, has many Asia-Pacific governments on high alert and taking actions.

China's new Food Safety Law has also triggered many local governments to establish traceability platforms. These platforms support GS1 standards. One example is the Shanghai Food Safety Traceability Platform where consumers can inquire about traceability information by inputting Global Trade Item Number (GTIN) and batch number.

The GS1 Global Traceability Conformance (GTC) programme enables companies to establish its actual traceability level and benchmark against best practices for traceability. It helps companies to comply with major international traceability regulations as well as traceability requirements used in the food industry. Companies can have their current system evaluated in compliance with regulations, best practices and global standards.

t Safety

Business Matching

rand Integrity

Authentication

d Product

Barcode

Compliance

tion Advisory Services

Food Safety

Mobile App

nti-Counterfeit

Briefing

ation

Consumer Safety

GS1 Malaysia Services

GS1 Malaysia Member Product Databank - GS1 Authentication/Validation

The industry has recognised that trusted product data is critical to drive customer buying decisions and experience. And in order to protect brand equity and for the trading partners and customers to verify product authenticity, the unique GS1 product identification is important across the supply chain.

The GS1 Malaysia Member Product Databank will support the authentication and validation of GS1 product identification. It serves as a trusted source of product information that retailers will refer to in order to check the validity of members & product barcodes. In case of dispute of product identification, GS1 Malaysia will be able to facilitate the brand owners in verifying product authenticity.

The GS1 Malaysia Member Product Databank also provides assistance to new members on the assignment and allocation of barcode numbers, thus reducing future issues with wrongly assigned barcode numbers.

This is also in line with the request from Tesco as they need a way to be able to verify the authenticity of the identification of the cartons under their Outer Case Carton Code Project.

Malaysia

GS1 Value-Add Pack for New Members

GS1 Malaysia launched its Value-Add Pack in March 2016 for all GS1 new members. The Value-Add Pack will facilitate the adoption and implementation of GS1 standards in member companies by providing free briefings on how to implement the GS1 bar codes, free verification, discount on GS1 workshops, backup repository and trusted source of registered products and logistic unit information for validation by retailers and consumers.

BRIEFING

AUTHENTICATION

DISCOUNT

VALIDATION

VERIFICATION

GEPIR

GTC

e-COMMERCE

MOBILE APP

PRODUCT CATALOGUE

REPOSITORY

ADVISORY

BENEFITS

GTIN Filing in China

The Chinese government has new regulations regarding GS1 bar codes not issued by GS1 China, on products that are made and sold in China. This Regulation is designed to support traceability to the Chinese Domestic Companies of every GTIN produced and sold in China.

To address this issue and to allow GS1 Members to leverage their GS1 bar coded numbers throughout the world without restraint, all products that are produced and distributed within China but with non-GS1 China Global Company Prefix will be required to submit to GS1 China a listing of their bar coded numbers with products description.

GS1 Malaysia provides a free service to help active GS1 Malaysia members comply with this regulation. GS1 Malaysia will issue a certificate to confirm the listing of the company's bar coded numbers with products description are valid in order for the company to use their barcodes assigned by GS1 Malaysia in China.

GS1 Strategic Partners Programme

GS1 Malaysia offers the GS1 Strategic Partners Programme to facilitate GS1 consulting and advisory services to GS1 members and industry. The strategic partners programme offers opportunities for solutions providers to showcase /introduce their products and services to members in GS1M conferences, briefings, website, newsletters and insertion of brochures in mailing, advertising opportunities on GS1 Malaysia website.

In-house Training Programmes to specific industries

GS1 Malaysia offers a wide range of training courses and industry-specific programmes to members on various aspects of the GS1 System, which will assist members in optimising the supply chain at every level by getting the barcodes right, improve inventory visibility and reliability, improve data quality and comply with the latest healthcare regulations.

Professional Consultative Services

GS1 Malaysia provides a numbers of cost effective professional consultative services to assist companies in different industries to achieve supply chain excellence in healthcare, retail, food safety.

Verification - Save time and money

Avoid having to re-design, re-print, or recall products due to ineffective or unscannable barcodes.

Verification is an important tool in quality control. When it comes to the movement of goods throughout the supply chain, especially during check- out at point of sale, a poorly printed barcode can cause huge delays and problems. In order to achieve optimum compliance with retailer and trading partner requirements, it is vital that the GS1 barcodes can always be successfully scanned. GS1 Malaysia provides verification on a range of factors - including compliance to global standards, size, colour, print quality, numbering and more.

Once verified, GS1 Malaysia will provide a Bar Code Verification Report, indicating the compliance of your barcode and if necessary, any changes you may need to make to ensure that the barcodes scans first time, every time.

At GS1, we understand that although verification is best performed on a sample of the final product (full verification), members would like the ability to also verify if their non-finished packaging/labels (interim artwork) is in line with the standards before proceeding with their bulk printing.

GS1 Malaysia now offers and encourages members to submit their non- finished packaging/labels for an interim verification to address any potential problems before printing.

Benefits of interim verification
1. Validate that the company is using the correct company prefix as assigned to them by GS1
2. That the check digit is accurately calculated
3. That the suitable GS1 barcode symbol is used
4. That the size of the GS1 barcode is within the limits and guidelines of the standard
5. That the height of the GS1 barcode is within the limits and guidelines of the standard
6. That the location of the GS1 barcode is conducive for scanning (only if the full artwork plan submitted)
7. That the correct colours are used for the barcode (only if coloured artwork)

The interim verification should be followed up with a test on a completed product when available (full verification).
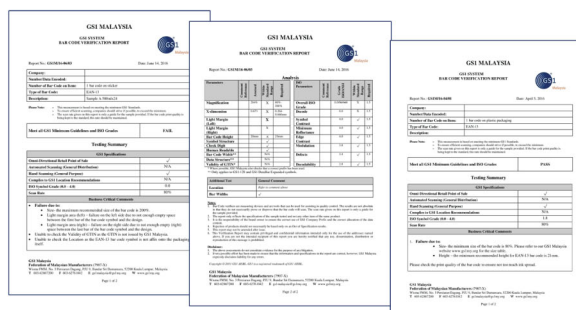
GS1 Malaysia Industry Engagement

Healthcare

- GS1 Malaysia received a letter from PharmaServ Alliances, a buying and negotiating house for KPJ Healthcare Bhd group of hospitals highlighting its support for the use of GS1 bar codes on medical products to decrease the time taken to re-label the products and reduce potential errors.

- GS1 Malaysia met and briefed the Pharmaceutical Services (PS) and National Pharmaceutical Control Bureau (NPCB) of the Ministry of Health (MOH) on the importance and benefits of the GS1 standards in the healthcare industry in Malaysia.

- Meetings were also held with the Malaysian Organisation of Pharmaceutical Industries (MOPI) and Pharmaceutical Association of Malaysia (PhAMA) to encourage the implementation of GS1 standards in the Malaysian healthcare industry.

- GS1 Malaysia encourages all pharmacies to adopt the GS1 standards to increase efficiency of receiving and dispensing medical products in their store.

Outer Case Carton Code (OCC) Project with Tesco Stores

Tesco Stores (Malaysia) Sdn Bhd started a project to improve its logistics efficiency by implementing GS1 codes at its Distribution Centre. Suppliers were required to implement the OCC barcode for all the products delivered to Tesco's Distribution Centre. GS1 Malaysia is part of the project to give professional consultative services and training to its suppliers nationwide. GS1 Malaysia is committed to support and ensure that our members comply with Tesco's requirement on barcode on outer case carton. GS1 Malaysia organised series of briefings on how to assign the GS1 identification number and implement barcode on outer case carton for Tesco Regional Distribution Program Team and GS1 members.

The Blue Number Project

At the United Nations General Assembly Sustainable Development Goals Summit in New York, GS1 CEO and President, Mr Miguel Lopera, shared ways that technology could be used by the public and private sectors to collaborate and promote sustainable farming practices within the agriculture industry. Developing safe and sustainable farming approaches to address food security is a top priority of the United Nations Sustainable Development Goals (SDG).

GS1 is part of a collective effort to map and harmonise hundreds of disparate standards and certifications related to sustainable farming. The effort, known as The Blue Number Initiative, A Global Registry for Sustainable Farmers, will leverage GS1's registry service. The registry will enable farmers, governments, businesses and communities to communicate with one another along the supply chain by establishing a common language and uniquely identifying farms globally.

Using GS1 Global Location Numbers (GLNs), the registry assigns one single identifier to each farm regardless of its size to define the individual farm location. The registry also maps each farm's respective sustainability certifications. This paves the way for smaller farmers in developing countries to be recognised for sustainable practices, opening up potential markets and allowing them to become more visible and active participants in the global food supply chain.

Malaysia has been identified as one of the countries to run pilot programmes and supported by GS1 Malaysia.

APEC-Global Data Standards (GDS) - Pilot Project on Frozen Durian Traceability

The project was officially launched by Agriculture Minister, Datuk Seri Ismail Sabri on 27 Feb, 2014 and launched by Prime Minister's Special Envoy to China, Tan Sri Ong Ka Ting in China during Nanning International Convention and Exhibition Center on 17 Sept 2014.

GS1 Malaysia has submitted through MITI, its interest to participate in the pilot project on the exportation of Musang King durians to Hong Kong/China. The project adopted GS1 global data standard assisted by GS1 Malaysia.

The scope of the project was to ensure the authenticity of the product and to comply with the traceability requirements between Malaysia and Hong Kong/China. The use of interoperable GDS can benefit the supply chains by enhancing the efficiency, integrity, visibility as well as promoting innovation.

An APEC GDS Pilot Project meeting was held on April 26, 2016 to enable all relevant stakeholders to update on developments in their core areas and status of pilot projects, to address any key business issues, to brief on the proposed KPIs and to update on the next shipments of durians to China and Hong Kong.

The GS1 keys used are Global Trade Item Number (GTIN), Serial Shipping Container Code (SSCC), Global Location Number (GLN), Global Shipment Identification Number (GSIN) and Global Individual Asset Identifier (GIAI).

GS1 Malaysia Activities and Programmes

Collaboration with the Academia

2016 marks the 10 th year of the Packaging Design Does Matter project that GS1 Malaysia organised with First City University (formerly known as KBU International College). The project offered GS1 Malaysia member companies, the opportunity to enhance their packaging designs through the creativity of the university's students.

Assistance to SMEs

• Presented a paper at the SIRIM programme to improve the design packaging of food entrepreneurs of Selangor held on September 2, 2015 which was attended by about 30 food entrepreneurs.

• Participated in MARDI's workshop on "Halal Certification and Guidance for Entrepreneurs" on September 9, 2015.

• Trained officers from SME Corporation Malaysia on the benefits of GS1 standards on November 4, 2015.

Activities/Programmes - Seminars and Trainings

- Matrade organised a seminar on GS1 Standards for Retail and Non- Retail Packaging: Enhancing Opportunities for Local and Export Market on August 6, 2015. The seminar was organised for its members to pave the way for them to gain more market access locally as well as for export. Over 80 participants; a majority being SME suppliers attended the seminar. In addition to the topics on Bar Coding for Retail and Non-Retail, GS1 Malaysia has also invited Sato Auto ID to present a topic on Scanning Bar Codes for Better Efficiency and MIMOS to share on Innovative E-Commerce Powered by Mi-Trace.

- Conducted UDI (Unique Device Identification) training for Top Glove Corporation Bhd and Perusahaan Getah Asas Sdn Bhd. The participants were trained on how to create the UDI codes from the GS1 identification keys to comply with the United States Food and Drug Administration's (FDA) UDI new regulations. The staff of Duopharma Malaysia Sdn Bhd were also briefed on retail and non- retail identification, 2D DataMatrix and the implementation of GS1 in the healthcare industry.

- Two in-house training programmes on GS1 bar codes were conducted at AEL Engineering Sdn Bhd and Prominent Image Sdn Bhd on February 18 and May 31, 2016 respectively to prepare the companies to sell their products to the domestic and overseas markets.

- Organised a seminar on "Improve Marketability of Your Products through Better Packaging and Labelling" on May 24, 2016 to update participants on the regulations and compliance for labelling and latest trends and technical requirements for the production of a quality retail packaging.

- Organised the Digital Business Transformation Seminar 2016 on June 1, 2016 which focused mainly on the e-commerce platform and digital trend to expose businesses to new ways of conducting business by getting their conventional business into the digital space. Participants were also exposed to how e-commerce could facilitate cross-border trade and implement track and trace to improve visibilities with the adoption of GS1 standard.

- A Supply Chain Excellence seminar was held on June 2, 2016, to share best practices, strategic processes and innovative business improvements. Presentations also covered innovative solutions to enhance security and visibility of goods in transit, Supply Chain efficiency through collaboration among manufacturers, suppliers and retailers, insights into protecting the brands using authentication solutions on the packaging and sustainability programme to bring the SMEs to the required level of food safety.