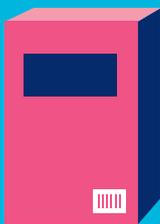




ANNUAL REPORT 2014-2015



The Unique Role of GS1

GS1 designs and implements a global system of supply chain standards. GS1 is the largest global supply chain standards setter in the world.

We are

- **Global, neutral, multi-sector standards**
- **Not for profit, user-driven organisation with 1.5 million members**
- **111 local offices providing local support and expertise, serving 150 countries**

Introducing GS1 Malaysia

GS1 Malaysia, established in 1988, under the aegis of Federation of Malaysian Manufacturer is a member of GS1, the world's leading supply chain standards organization. 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 organization 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.

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Message from the Chairman



For many years, GS1 has been and still is largely synonymous with bar codes and the retail sector only. This perception is progressively changing as GS1 engages itself in the development of standards for sectors other than the traditional retail sector. From retail to healthcare and fresh foods to transportation, GS1 provides the solutions to help businesses work more efficiently.

Since its inception in 1998, GS1 Malaysia has played a vital role in the Malaysia business community to help enterprises and businesses become globally competitive by adopting supply chain standards.

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 especially in the past year:

Mi-Trace Traceability System with MIMOS

GS1 Malaysia has worked with MIMOS to promote Mi-Trace, the traceability system developed by MIMOS which uses the GS1 GTIN as key for end users to access product information.

Driving adoption of GS1 Standards and identification keys in Port Klang

The Port Klang Net System adopted GS1 Standards in the tracking, monitoring, validating and authenticating of the port and maritime operational activities. GS1 keys would be used to identify all registered users/operators at Port Klang including shipping agents, forwarding agents, freight forwarders, bonded warehouse operators, hauliers, importers and exporters.

Adoption by PharmaServ Alliances Sdn Bhd

PharmaServ Alliances Sdn Bhd, a buying and negotiating house for KPJ Healthcare Bhd, group of hospitals has a plan to that all medical products sent by their suppliers must carry the GS1 bar codes as this would greatly decrease the time used by their staff to re-label the medical products which is very time consuming but more importantly, reduce potential errors.

APEC demonstrator project

Global Data Standards such as GS1 standards allow for Governments to get enhanced product identification capabilities and enable seamless sharing of product data in international supply chains. APEC Governments are now required to advance work on interoperable GDS activities which include developing GDS pilot projects to enhance understanding about GDS operation to track the movement of selected products along the supply chain. In Malaysia's case the scope of the project is ensuring product authenticity and compliance with traceability requirements involving export of Musang King durian between Malaysia - Hong Kong/China using the Mi-Trace Traceability Platform.

World's First Global Halal Market

GS1 Malaysia and 1WorldSync presented the GS1 Standards in Global Halal datapool covering the Global Halal Datapool and Global Data Synchronisation Network (GDSN), benefits of GDSN and the benefits of the datapool to business at the Seminar on the Introduction of the World's First Global Halal Datapool on April 2, 2015.

The datapool will serve as a point of access to global markets especially for the SMEs. The datapool will also enable greater supply chain transparency and traceability-traits that are necessary for the systematic authentication of Halal products on offer to consumers whether locally produced or imported.

I would like to record my appreciation to everyone who has been involved in the progress made over the past year. In particular, my thanks to our Board members for their commitment and dedication in furthering the objectives of GS1 Malaysia in helping our subscribers.

YBhg Tan Sri Datuk Yong Poh Kon
Chairman



Global Initiatives

The Data Quality Challenge

More and more businesses are finding themselves having to compete not only in the brick-and-mortar arena but increasingly also on the internet. High quality of data is essential for capturing the interest of consumers and driving sales. There is a growing demand from consumers on quality data they can trust. GS1 standards provide the tools to build a firm foundation for improving data quality and collaborative commerce.

Acknowledging the challenge behind maintaining quality data in the digital world, GS1 Global Office has launched the GS1 data checker solution which supports all Member Organisations at the local level to provide dashboards and reports to the local community by checking, validating and monitoring trading partner data.



The Changing Landscape of Retail

Due to the enormous changes to the retail landscape in recent years, GS1 acknowledges the need to rapidly shift from the mindset where retail simply means a consumer purchasing an item from a physical store. In today's environment, GS1 standards need to stay relevant not only in the B2B or B2C space but also the C2C space. A consumer now has access to multiple channels of purchasing a particular product resulting in the concept of omni-channel retail.

GS1 is poised to leverage on its widely used standards in traditional retail channels in penetrating the omni-channel retail environment by providing a standardised way to identify, capture and share information about any retail product anywhere in the physical or digital world.





The Omni-Channel Conundrum

Research by the Consumer Goods Forum over the last year has found that brand owners and retailers alike have agreed that they can no longer rely on traditional sales channels to drive growth. This clearly points to the omni-channel retail approach as a viable solution. However, although omni-channel retail is seen as the way forward, these same brand owners and retailers find their execution ineffective and do not have much positive impact on profit margins. There is a general agreement that the reason for this is that the existing supply chain as they are is not fit for the purpose of omni-channel.

GS1 continues engagement with member companies on omni-channel opportunities to leverage on their existing use of GS1 standards to increase supply chain agility and visibility as part of an embedded omni-channel strategy.

Transport, Logistics & Customs

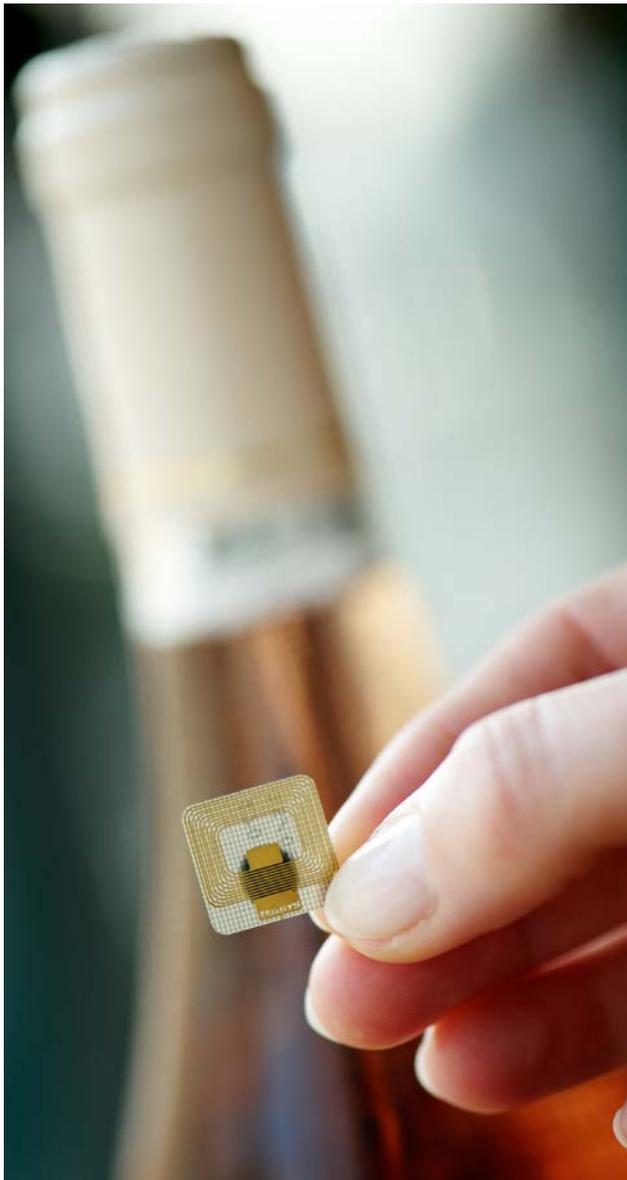
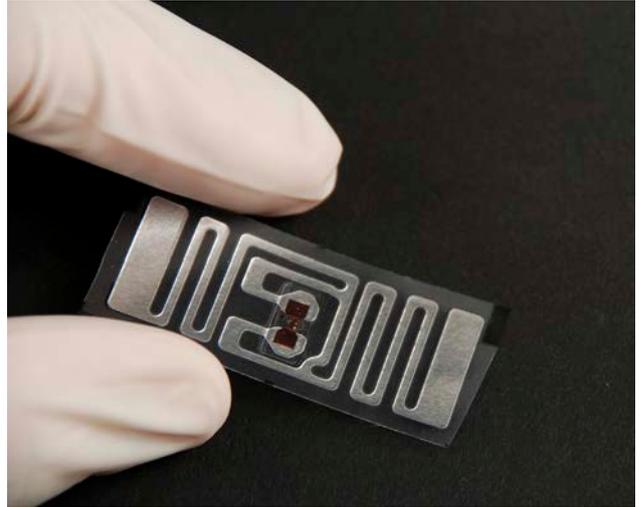
Retailers, manufacturers and wholesalers who ship and receive goods – and the logistics service providers (LSPs) who work with and for them – are looking for ways to improve visibility over their shipments and shorten lead times. GS1 standards enable trading partners to do exactly that, as well as to achieve more efficient handling and inventory management, enhance security and accelerate operations.

Just like industry, customs organisations too wish to reduce the complexity, time and costs related to importing and exporting goods. GS1 standards can provide visibility into products arriving at borders, creating new ways for government organisations and businesses to improve security and gain efficiencies.



GS1 EPC/RFID

GS1 standards are enhanced with the Electronic Product Code (EPC) which uses Radio Frequency Identification (RFID) for the automatic capture of an object's unique identification. Since then, GS1 EPC/RFID business applications have gained traction throughout the global supply chain, increasing the efficiency of business processes in sectors as diverse as retail apparel and rail transportation. This past year, GS1 published an update of its EPC Gen2 Standard, which includes a range of new features to improve security and help deter counterfeiting.



GS1 EPCIS and GS1 eCom

EPCIS is a GS1 Standard that enables trading partners to share information about movement and status of products (as well as logistics units and other assets) as they travel throughout the supply chain - from business to business and ultimately to consumers. With EPCIS data, trading partners gain visibility into real-life events that happen in the supply chain.

GS1eCom - the GS1 term for Electronic Data Interchange (EDI), the sharing of structured data according to agreed message standards by electronic means - also provides numerous ways to securely share information. GS1 has two sets of eCom message standards: GS1 XML and GS1 EANCOM.

Both GS1 EPCIS and GS1eCom share data drawn from GS1 identification keys, no matter whether these keys are encoded in GS1 barcodes or on EPC/RFID tags.

Product and Consumer Safety: Establishing Consumer Trust through Global Standards

Today's consumers are influenced by various factors in making their decision to purchase. Consumers buy from brands which they trust in quality and safety for their families. Therefore, ensuring the safety and quality of products and maintaining the confidence of consumers are top priorities for companies in virtually every industry. Adoption of GS1 Global supply chain standards can help industries:

- **To implement full chain traceability**
- **To meet key regulations and safety standard requirements worldwide**
- **To prevent mislabelling by ensuring trusted source of product information for consumers**
- **To fight counterfeiting by making it more difficult for counterfeit products to enter the supply chain and easier to detect them**
- **To detect and recall unsafe products from the market**





A Global Cure for Healthcare

The Healthcare industry faces major challenges, counterfeiting, ineffective product recall, medication errors and lack of inventory resulting in high inventory costs and supply chain inefficiencies. Therefore the healthcare industry around the world needs to align on a **single global standard** to ensure patient safety. This is clearly shown where leading countries and organisations are adopting global standards.

The USA Drug Quality and Security Act 2013, signed by President Barack Obama, where one of the sections, The Drug Supply Chain Security Act (DSCSA) which outlines critical steps to build an electronic system to identify and trace prescriptive drugs distributed in the USA also states that the trading partners must encode their medical products with a unique product identifier between the years of 2017-2020. GAVI, the global vaccine alliance which brings together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world's poorest countries are also using the GS1 standards. Barcodes have been used in UNICEF supply division warehouse at Denmark for over 15 years. UNICEF now wishes to expand the use of barcodes to other country offices.

Realising the importance of the global standards, countries in the ASEAN region are starting to mandate the GS1 standards. The Philippines Food and Drug Administration (FDA) had issued a circular that indicated the GS1 Global Trade Item Number (GTIN) is to be adopted as a requirement for all products that are registered with Philippines FDA.



GS1 Malaysia Advisory Board

The GS1 Malaysia Advisory Board, chaired by YBhg Tan Sri Datuk Yong Poh Kon, FMM 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

Managing Director
Royal Selangor International Sdn Bhd

Members

Mr Misnadi Mat Piah

Regional General Manager,
South Region
AEON BIG (M) Sdn Bhd

Encik Leonard Ariff bin Abdul Shatar

Chief Executive Officer
Duopharma Malaysia Sdn Bhd

Mr Lai Sia Ling

Executive Director
Eonsave Cash & Carry Sdn Bhd

Mr Khalid Alvi

Managing Director
F&N Beverages & Manufacturing
Sdn Bhd

YBhg Dato' Dr Haminnuddin Abd Hamid

Chief Executive Officer
Ideal Healthcare Sdn Bhd

Mr Gerardo Fuerte Pagtalunan

Customer Services & Logistic
Director
Mondelez Malaysia Sales
Sdn Bhd

Mr Gavin Schwarzenbach

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

Mr Jason Godley

Commercial Director
Tesco Stores (Malaysia)
Sdn Bhd

Mr John Lee Boon Haw

Managing Director
Umami Medical & Life Sciences
Sdn Bhd

Mr Francis Chok Yin Fatt, PMP

Group General Manager
(Finance & Investment)/
Executive Director
Yee Lee Trading Co Sdn Bhd

Ms Amy Liong

Operations Director
L'oreal Malaysia Sdn Bhd

Encik Ariffin Buranudeen

Managing Director
Malaysian Agrifood Corporation
Berhad (MAFC)

Mr Joseph Lawrence Dybell (Joe Dybell)

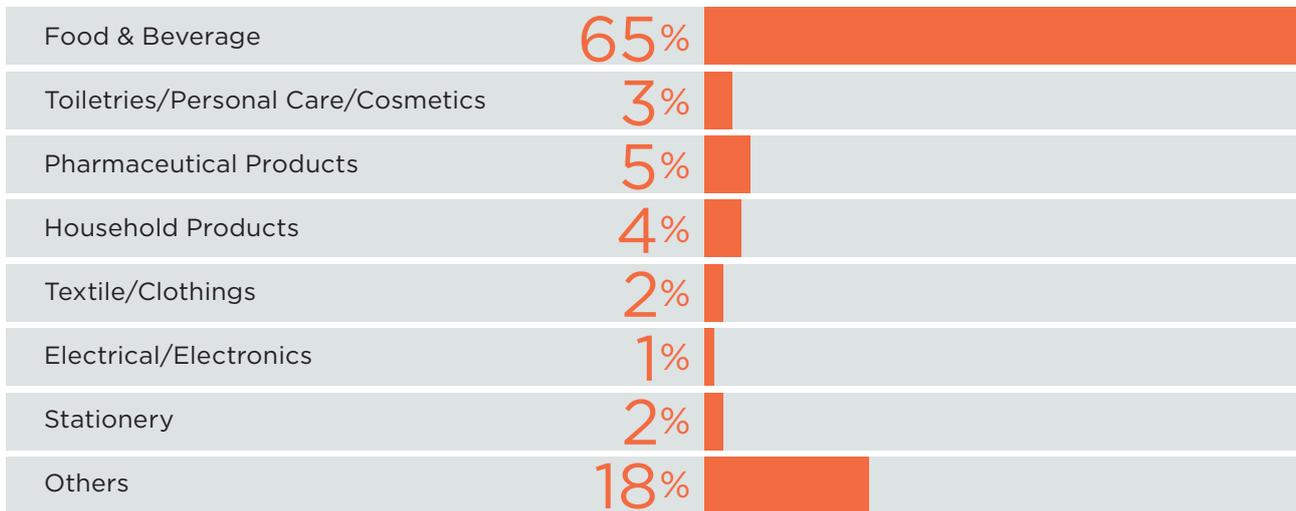
Supply Chain Director
GCH Retail (Malaysia) Sdn Bhd

GS1 Malaysia Membership Overview

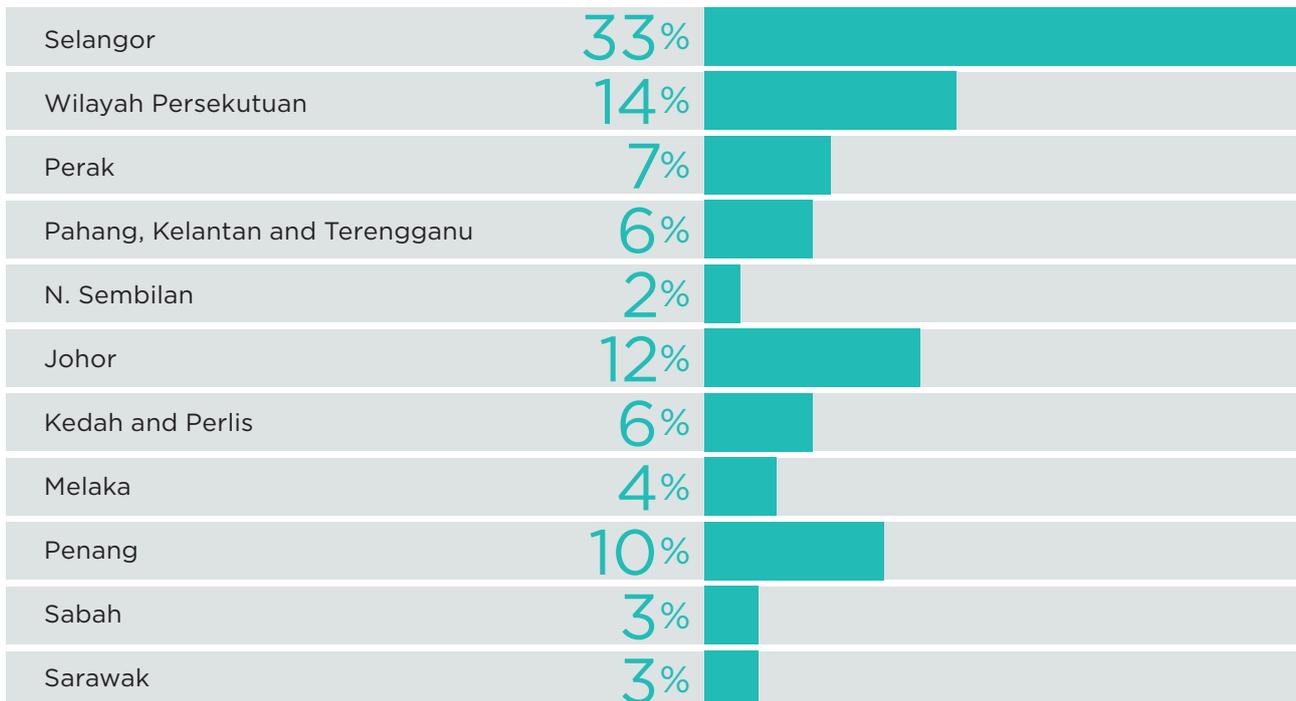
GS1 Malaysia continued to promote and facilitate the implementation of GS1 System of standards in multiple sectors and industries in Malaysia. The number of users of the GS1 System in Malaysia has steadily increased

The GS1 System, although started 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 6,900 companies subscribe to the GS1 System and 83% are small and medium sized companies. GS1 members include manufacturers, suppliers, distributors, wholesalers, service providers and retailers.

Membership by Industry



Membership by Location





Industry Engagements

APEC-Global Data Standards (GDS) and the Role of GS1

APEC targets to reduce supply chain cost by 10% by 2015. Use of Global Data Standards (GDS) as a Supply Chain improvement tool was first proposed by APEC – Business Advisory Council (ABAC) at SOM1 in 2013. GDS refers to standards widely used in private sector supply chains such as GS1 standards that could also allow for Governments to get enhanced product identification capabilities and enable seamless sharing of product data in international supply chains. APEC’s 2013 Joint Ministerial Statement recognised the contribution that GDS can make to improved regional connectivity and enhanced supply chain performance.

Following the Leaders’ Declaration and Ministers’ Statement in Beijing in November 2014 endorsing GDS pilots, APEC Governments were required to advance work on GDS. This would include developing pilot projects, cooperating with private sector, conducting a study and establishing a set of policy-based principles or recommendations for future GDS initiatives.

GS1 is supporting ABAC in promoting the use of Global Data Standards in cross-border Government functions as a way to help reduce supply chain costs and address chokepoints. Of particular interest is the augmentation of the existing systems with GS1 identifiers to enhance risk assessment and streamline admissibility over the border.

Pilot Project APEC-GDS

Moving forward Hong Kong and New Zealand have invited Member Economies to participate in the GDS pilot projects. Hong Kong Department of Trade and Industry is to fund five GDS pilots during 2015. GS1 Malaysia has submitted through MITI the nomination form to participate in this pilot project on March 4, 2015. The product is Durian fruit the Musang King variety. The scope of the project is ensuring product authenticity and compliance with traceability requirements involving export between Malaysia – Hong Kong/China using the Mi-Trace Traceability Platform.

GDS pilot projects have been officially submitted to APEC for the following economies and goods:

Country	Goods
Hong Kong	Wine Phase 2
New Zealand	Deer Velvet
New Zealand	Seafood
Mexico	Tequila
Peru	Asparagus
Russia	Fur
Australia	Boxed Beef
Malaysia	Durian
ABAC US	Pharmaceuticals

The pilot projects aim to enhance understanding about GDS’ operation and explore the benefits, costs and resolutions to possible obstacles and challenges by providing APEC member economies with first-hand experience in trying out GDS.

Global Food Safety Conference

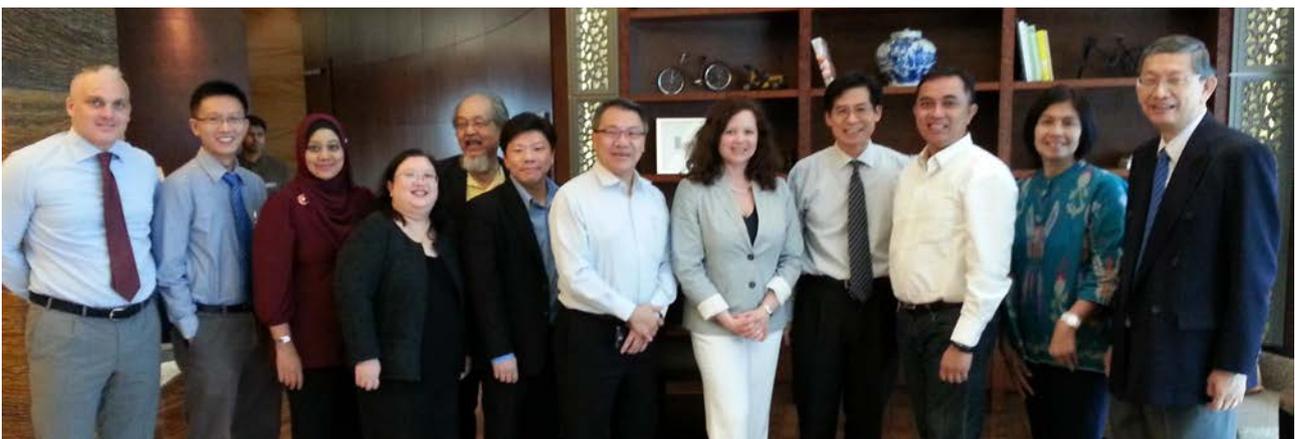
The Global Food Safety Conference organised by Global Food Safety Initiative (GFSI) was held in Kuala Lumpur on March 3 - 5, 2015. This event took place in Asia for the first time under the theme “Food Safety: a Shared Responsibility”. Over 900 decision makers from the food industry worldwide attended this world’s leading business-driven food safety event. GS1 participated in the exhibition that was held during the conference. About 20 GS1 representatives from 15 countries participated in the conference.



Implementation of Safety Strategy in Asia Pacific Meeting

GS1 Global Office hosted the Implementation of Safety Strategy in Asia Pacific Meeting on March 2, 2015 to align regional strategy. The meeting outlined key points of GS1’s strategy for food and consumer safety, with extensive discussions on country by country implementation status. The discussion was also aimed to clarify the alignment between safety strategy and Global Data Standards (GDS) strategy in Asia-Pacific.

It was highlighted that GDS strategy targets cooperation with Government agencies in cross-border Government processes, focusing on border risk management and supply chain visibility. Whereas safety strategy targets cooperation with market surveillance authorities and the focus are on traceability, recall and anti-counterfeit.





Integrated Sustainable Agriculture Programme (ISAP)

GS1 Malaysia attended the first meeting of the Integrated Sustainable Agriculture Programme (ISAP) on May 11, 2015. GS1 and the United Nations Global Compact (UNGC) agreed that unique and unambiguous identification of agricultural business, especially SMEs as contributors to global food system is fundamental to food security and sustainable food and agriculture systems. The unique identification key is needed in the process of monitoring and reporting a farm's compliance with good and sustainable agricultural principles and practices. The agreement includes the provision of Global Farm Registry Service by GS1 to UNGC which will allocate GLNs to agricultural businesses and store them with an agreed set of data attributes.

The UNGC is seeking to run pilot programmes in a number of countries to encourage the adoption by smaller farmers of Good Agricultural Practice. The purpose of the programme is to assist small farmers to improve their farm productivity whilst at the same time reducing the environmental impact. UNGC has identified Malaysia as one of the countries for the pilot together with Colombia, Denmark, Myanmar, Netherlands, Singapore, Spain, Switzerland, Turkey and Vietnam.

Healthcare

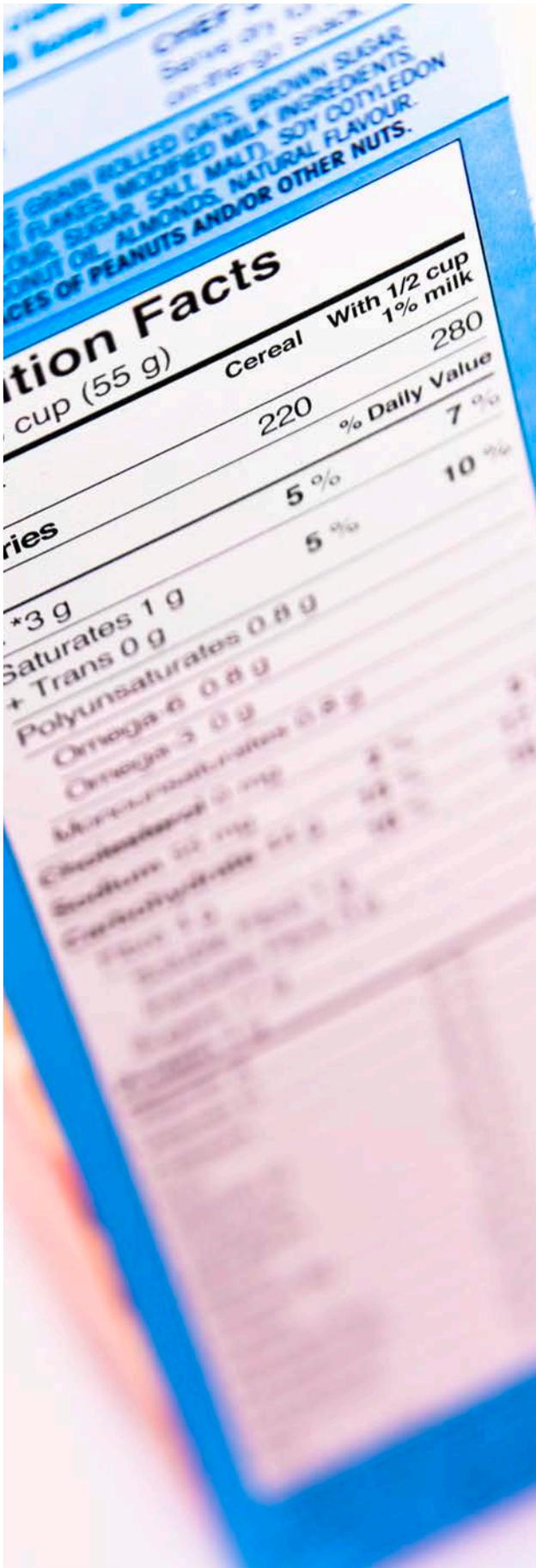
GS1 standards in healthcare can ensure patient, effective product recalls and efficient inventory control. GS1 Malaysia Healthcare Working Group continued to create awareness about GS1 standards in the Malaysian healthcare sector.



- GS1 Malaysia met and briefed the Director, Deputy Directors and officers of the National Pharmaceutical Control Bureau (NPCB), Ministry of Health, on the benefits and implementation of GS1. NPCB agreed that GS1 standards would be beneficial to the healthcare industry in Malaysia. As a significant outcome of GS1 efforts, the Pharmaceutical Services informed that they had established a Task Force looking into the implementation of the GS1 standards for the Malaysian pharmaceutical sector.
- GS1 Malaysia updated the Medical Device Authority (MDA) on U.S. Food and Drug Administration's (FDA) Unique Device Identification (UDI) Regulations. The briefing was given to the Chief Executive of Medical Device Authority and their officers. GS1 has received accreditation by the U.S. FDA as an issuing agency for the UDIs.
- PharmaServ Alliances Sdn Bhd is the buying and negotiating house for KPJ Healthcare Bhd, group of hospitals. GS1 briefings were organised for PharmaServ suppliers to encourage them to implement the GS1 bar codes onto the packaging of their products. Many of the companies were interested to implement.
- GS1 Malaysia continued to visit hospitals to encourage them to implement the GS1 standards. Presentations and discussions were held with UM Specialist Centre, National Heart Institute (Institut Jantung Negara), Prince Court Hospital and iHeal Medical Centre. The GS1 system would ensure that the hospitals would be able to track the expiration of their pharmaceutical goods within their organisation as GS1 coding will give them full visibility and better control over their inventory.
- Briefings were made to the members of two healthcare associations, the Association of Malaysian Medical Industries (AMMI) and the Malaysian Organisation of Pharmaceutical Industries (MOPI) to encourage implementation of GS1 and to seek the associations' support of the GS1 standards in the Malaysian healthcare industry. Both associations were supportive of the GS1 global standards.
- GS1 Malaysia also visited healthcare companies to brief them on the benefits of GS1 standards and also to update them on the latest regulations.



GS1 Malaysia Activities and Programmes



Traceability and Food Safety Activities

- A briefing on overview of GS1, GS1 Standards and its areas of applications, GS1 Standards of Traceability and the role of GS1 Standards in enhancing food safety was held for Encik Adnan Pawanteh, Chairman of FMM MAFMAG and Executive Director, Technical & Production, Nestle Manufacturing (Malaysia) Sdn Bhd and his team on July 11, 2014.
- A briefing on GS1 identification and barcoding and GS1 Traceability Standards was held for Lucky Food Sdn Bhd on September 4, 2014.
- GS1 Malaysia was invited to do a presentation on Enhancing Consumer Safety: The Role of Supply Chain Standard at the Continuous Food Safety Education Conference organised by the North East Health District, Penang State Health Department on October 23, 2014.
- GS1 Malaysia presented the GS1 Standards in Traceability & Authentication at the seminar on Halal Certification: Regulatory Updates, Testing & Traceability which was held on November 4, 2014.
- A seminar on Product and Consumer Safety was held on March 2, 2015. Ms Diane Taillard, Director Safety & Traceability, GS1 together with Mr Patrik Jonasson, Director Public Policy Asia-Pacific, GS1 presented the Consumer Safety Issues and Trends, GS1 Role and Standards for Consumer Safety, Key Applications Supported by GS1 and Global and Regional Initiatives Related to Consumer Safety.
- Malaysian Nuclear Agency (Nuclear Malaysia) has invited Mr Goh Chiang Fein, Chief Executive Officer, GS1 Malaysia to be one of the panellists in a forum at their annual Seminar on Food Safety which was held at Hotel Istana Kuala Lumpur on June 15 - 16, 2015. He took the opportunity to address the importance of food safety and GS1 roles in enhancing food safety using the global supply chain standard.



Supply Chain Solutions Seminars

Supply Chain Solutions Seminars were held in Kuala Lumpur on November 13, 2014 and January 22, 2015 in Johor Bahru. The theme of the Seminars was Creating and Sustaining Excellence in the Supply Chain. Mini exhibition was organised concurrently and the exhibitors were SMTrack, Exim Bank, Dematic and MHE-Demag.



ASEANSME Showcase 2015

GS1 Malaysia together with GS1 Hong Kong participated in the ASEANSME Showcase 2015 which was held from May 26 to 28, 2015 at the Kuala Lumpur Convention Centre. GS1 took the opportunity to promote the benefits of EPCIS standard for end to end traceability to enable products and consumer safety. Omni-channel retailing was also highlighted to demonstrate that seamless consumer journey could be achieved using GS1 Standards which would enable trusted source of data, smarter analysis on consumer choice and accurate inventory.



GS1 Healthcare Seminar



A GS1 Healthcare Seminar was organized where Ms. S.C. Chiang, Senior Pharmacist, of Hong Kong Hospital Authority (HKHA) gave a talk on how HKHA used the GS1 global standards to significantly improve their workflow efficiency with much enhances on pharmaceutical product traceability which paved the way to patient safety. Ms Chiang was one of the first pharmacists to develop a dispensing and labelling system, which eventually used in all public sector pharmacies in Hong Kong.

The Hong Kong Hospital Authority is a statutory body that manages all 42 public hospitals and institutions in Hong Kong. HKHA began its Supply Chain Modernisation project with the aim to achieve two main goals; to enable the track and trace of large volume of pharmaceutical products through the adoption of global standards and to achieve operational efficiency in the supply chain management process.

The seminar was successfully attended by over 50 participants from the private and public hospitals, senior officers from the Pharmaceutical Services and National Pharmaceutical Control Bureau, Ministry of Health, pharmaceutical companies, healthcare associations and solution provider. The participants found the seminar to be very informative and will take back the knowledge with a view of implementing at their organizations.

Seminars and Trainings



Department of Agriculture (DOA) of Johor organized a 2-day seminar on “Entrepreneurship Development” at Johor Bahru in September 2014. The programme covered topics which are relevant on assisting Small Medium Enterprises (SMEs) and micro enterprises to promote their products in the international markets. Speakers from government departments and agencies, Iskandar Regional Development Authority (IRDA), SME Corporation and MyIPO were invited to brief the participants on their latest programmes as well as providing updates on opportunities. GS1 Malaysia was also invited to provide information on how to apply for the GS1 bar codes. The event attracted more than 100 participants where most of them were in the food industry.

Technical workshops were held in Kuala Lumpur in August and November 2014, and March and May 2015. A technical workshop was also held in Johor in September 2014.

Assisting the SMEs

GS1 Malaysia continued to be involved in events organised to assist SMEs and entrepreneurs.

- GS1 Malaysia participated in a “Groom Big” workshop which was organized by SIRIM Pahang.
- GS1 briefings were made at the “Packaging, Branding, Halal Certification & Implementation of Online Business” seminars which were organized by SME Corp Malaysia, held in Melaka, Sabah and Perak.
- SIRIM working together with Entrepreneur ECER (East Coast States Economy) invited GS1 Malaysia to participate in a programme to upgrade east coast entrepreneurs and small businesses, called “Fast Track to Increase Productivity & Quality Improvement” on June 2, 2015 in Kuantan, Pahang. GS1 briefed on the benefits of having GS1 bar codes and how to implement the GS1 system in all the events.

Collaboration with the Academia

Knowing the importance of a packaging design, GS1 Malaysia again organized the Packaging Design Does Matter project for the 9th time, with KBU International College - School of Design. The project offered GS1 Malaysia member companies, the opportunity to enhance their packaging designs through the ingenuity of KBU’s final year design students. The programme was carried out with success from April 6-10, 2015. The students designed and re-designed the packaging of the companies’ products. The eleven companies that participated in the project were very happy with the designs produced by the students.





GS1 Malaysia

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