

2023
ANNUAL REPORT



CONTENTS

OVERVIEW

Our Vision, Mission and Values	1
Our Company Profiles	2
Domestic Network	4
Yusen Logistics Group	6
Consolidated Financial Highlights	8

CORPORATE SECTION

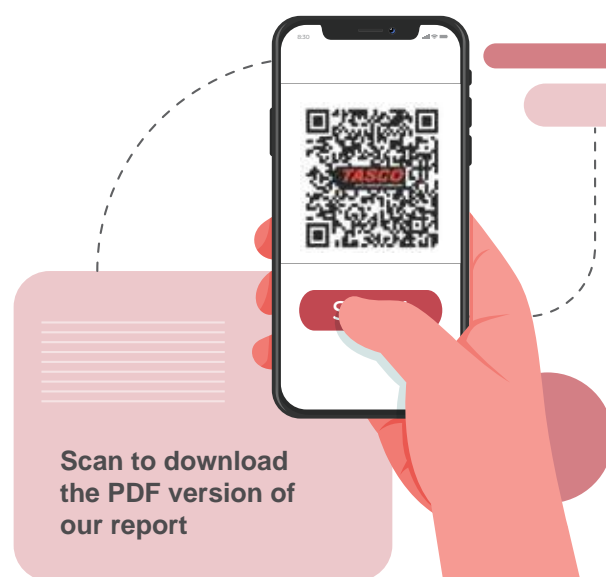
Chairman's Statement	10
Management Discussion and Analysis	16
Sustainability Statement	26
TASCO Basic Core Fundamentals	83
Business at a Glance	84
Corporate Information	86
Board of Directors	87
Profiles of Key Management	93
Corporate Governance Overview Statement	95
Audit Committee Report	110
Statement on Risk Management and Internal Control	113
Additional Compliance Information	115
Calendar of Events	116

FINANCIAL STATEMENTS

Financial Statements	118
----------------------	-----

OTHERS

List of Properties	206
Analysis of Shareholdings	208
Subsidiary and Associated Companies	210
Notice of Annual General Meeting	212
Form of Proxy	



Cautionary Statement With Regard To Forward - Looking Statements

Certain of the statements made in the Annual Report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which are valid only as of the date thereof. TASCO Berhad undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

OUR VISION, MISSION AND VALUES



VISION

Our new vision describes our ultimate ambition for the future

Connecting people, businesses & communities to a better future - through logistics



MISSION

This describes the business we need to become - and tells us what we must do to achieve our vision

To become the world's preferred supply chain logistics company - applying insight, service quality and innovation to create sustainable growth for business and society



VALUE

We also have three values that inform our personality and behaviours. A rational one, an emotional one, and a more aspirational one designed to stretch us.

Connected
Committed
Creative

BRAND PROMISE

This is our brand promise. It describes what we aim to deliver time and time again

LET'S LIVE THE VALUES

BE CONNECTED

Be open and transparent in the way you work - and make sure you truly understand your customers' challenges.

LET'S LIVE THE VALUES

BE COMMITTED

Build relationship, show your dedication to quality - and get every detail right.

LET'S LIVE THE VALUES

BE CREATIVE

Strive to develop better ways of working - then act on them and share them with colleagues.

LET'S KEEP OUR PROMISE

CREATE BETTER CONNECTIONS

Get close to customers, work closely with colleagues - and help secure the future of our business.

OUR COMPANY PROFILE



TASCO

CONTRACT LOGISTIC DIVISION

Customs Clearance
Haulage Transportation
Warehousing Services
Warehouse In-plant Services
E-Commerce

SUPPLY CHAIN SOLUTIONS DIVISION

Origin Management
Lead Logistics
Trading



COLD SUPPLY CHAIN DIVISION

Cold Supply Chain
Convenience Retail



TRUCKING DIVISION

Domestic Trucking
Cross Border Trucking

ABOUT TASCO BERHAD (“TASCO”)

TASCO was incorporated on 10 September 1974 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 December 2007. TASCO is a subsidiary of Yusen Logistics Co., Ltd., which in turn is a subsidiary of Nippon Yusen Kabushiki Kaisha.

TASCO has 27 logistics centres and 2,300 employees in Malaysia. It is a part of the global network of Yusen Logistics Co., Ltd. having 681 locations and 25,562 employees worldwide as at 31 March 2023.

TASCO offers logistics solutions covering air, sea and land transportation. It serves as a one stop logistics centre to handle domestic and international shipments for the customers.

TASCO has categorised its services into International Logistics Solutions and Domestic Logistics Solutions.

ABOUT Nippon Yusen Kabushiki Kaisha (“NYK”)

NYK is listed on the Tokyo Stock Exchange;

NYK has 61,273 employees globally; and

NYK’s major businesses consist of global logistics based on international marine transportation business, cruises, terminal and harbour transport, shipping-related services and real estate.

In October 2016, NYK, Kawasaki Kisen Kaisha (“K Line”) and Mitsui O.S.K. Line (“MOL”) have announced a joint venture agreement to form Ocean Network Express Pte Ltd (“ONE”) with the shareholding of 38%, 31% and 31% respectively, to integrate their container shipping businesses. ONE has commenced services on 1 April 2018.



OCEAN FREIGHT FORWARDING DIVISION

- Sea Freight Services

AIR FREIGHT FORWARDING DIVISION

- Air Freight Services

ABOUT Yusen Logistics Co., Ltd. (“YLK”)

YLK is a wholly-owned subsidiary of NYK and YLK shares were delisted from the Tokyo Stock Exchange on 29 January 2018;

YLK has 681 locations in 47 countries and 25,562 employees worldwide as at 31 March 2023;

YLK is one of the leading international air freight forwarders in Japan; and

Pursuant to a corporate exercise within the NYK Group, YLK became the immediate holding company of TASCO on 2 April 2012. NYK remains the ultimate holding company of TASCO.

DOMESTIC NETWORK

LOGISTICS CENTRES

PENINSULAR MALAYSIA

NORTHERN REGION

- 01. Penang Prai Logistics Centre
- 02. Penang Air Logistics Centre

CENTRAL REGION

- 3. Shah Alam Logistics Centre I
- 4. Shah Alam Logistics Centre II
- 5. Shah Alam Logistics Centre III
- 6. Berjaya Industrial Logistics Centre
- 7. KLIA Air Logistics Centre
- 8. KLIA Distribution Centre
- 9. Ipoh Logistics Centre
- 10. Melaka Logistics Centre

PORT KLANG REGION

- 11. Port Klang Logistics Centre I
- 12. Port Klang Logistics Centre II
- 13. Port Klang Logistics Centre III
- 14. Port Klang Container Depot
- 15. West Port Logistics Centre I
- 16. West Port Logistics Centre II
- 17. Bukit Raja Logistics Centre

BANGI REGION

- 18. Bangi Logistics Centre I
- 19. Bangi Logistics Centre II
- 20. Bangi Logistics Centre III
- 21. Bangi Container Depot

SOUTHERN REGION

- 22. Pasir Gudang Logistics Centre
- 23. Tanjung Pelepas Logistics Centre
- 24. Senai Seelong Logistics Centre

EAST COAST REGION

- 25. Kuantan Port Logistics Centre

EAST MALAYSIA

- 26. Kuching Logistics Centre
- 27. Kota Kinabalu Logistics Centre



**CORPORATE
HEAD OFFICE**

Lot No. 1A, Persiaran Jubli Perak,
Jalan 22/1, Seksyen 22,
40300 Shah Alam, Selangor
Darul Ehsan, Malaysia.

Tel: 603-5101 8888

Fax: 603-5548 8288

www.tasco.com.my



**EAST
MALAYSIA**



27
LOGISTICS
CENTRES

&

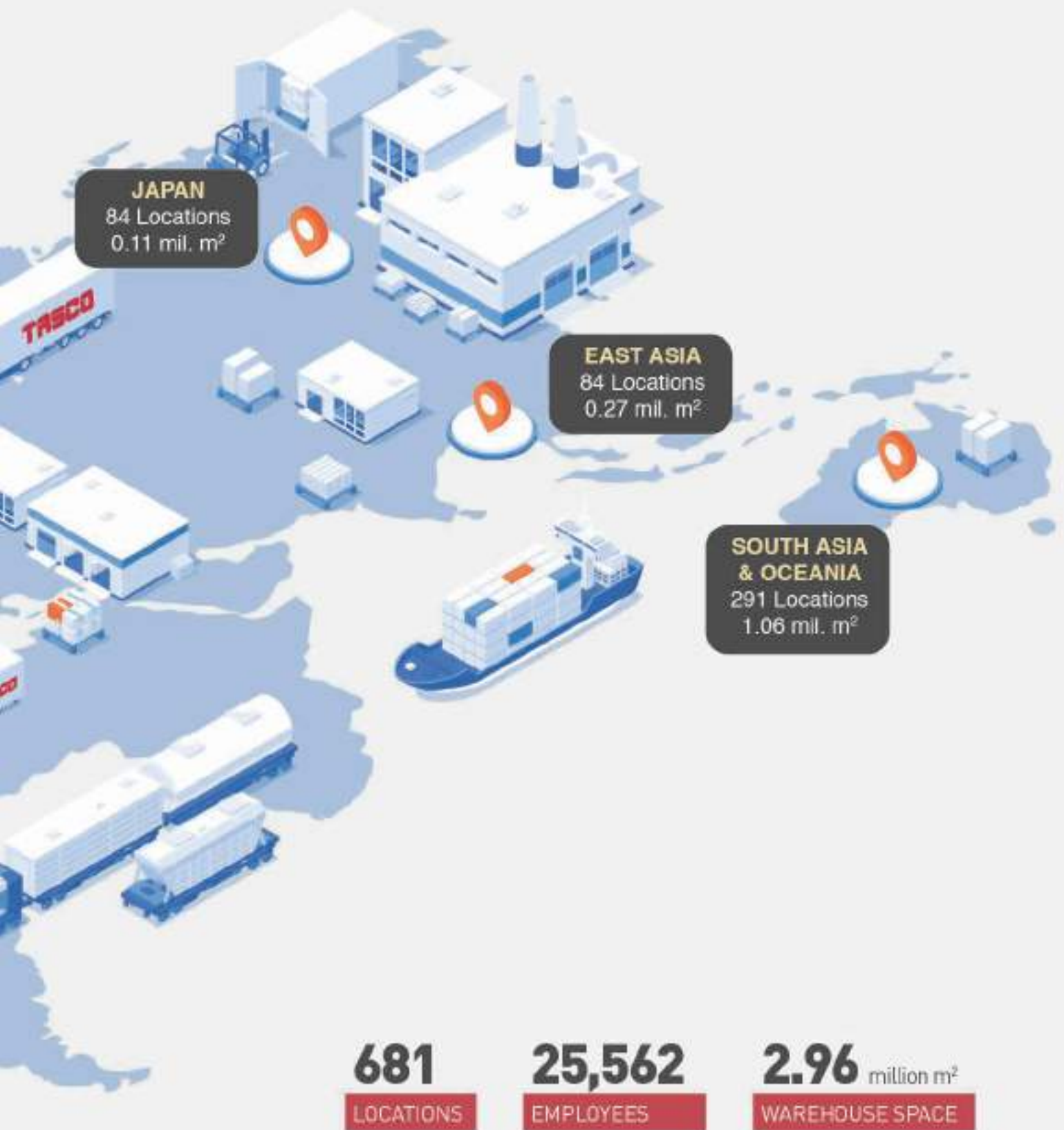
2,300
EMPLOYEES
in MALAYSIA



YUSEN LOGISTICS GROUP

AS AT 31 MARCH 2023





CONSOLIDATED FINANCIAL HIGHLIGHTS

Year/Period Ended **31 Mar '23** **31 Mar '22** **31 Mar '21** **31 Mar '20**

Results of operation (RM'000)

Revenue	1,606,834	1,481,413	946,612	747,438
PBTAMI	119,097	85,675	58,294	19,583
PATAMI	90,816	65,250	41,274	8,891
Capital expenditures	99,371	48,128	40,970	9,672

Financial position at year end (RM'000)

Share capital (ordinary shares)	100,801	100,801	100,801	100,801
Total assets	1,535,229	1,373,066	961,026	949,409
Cash and cash equivalents	241,142	87,462	110,938	191,781
Total liabilities	871,359	788,123	424,455	449,151
Total borrowings	282,925	252,894	271,250	342,332
Shareholder equity	595,666	516,850	469,600	435,682

Amount per share (sen)

Earnings per share ¹	11.35	8.16	5.16	1.11
Dividend per share (Annual) ¹	3.50	2.50	1.50	0.25

Ratios (%)

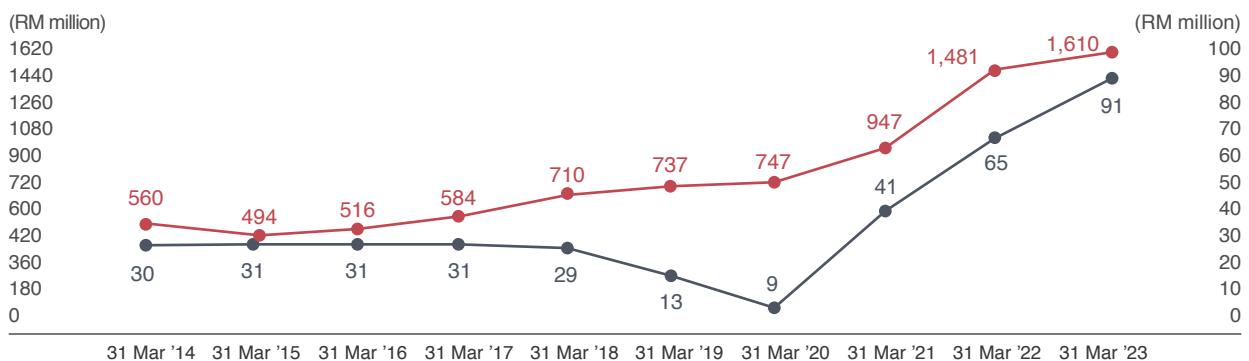
Shareholder equity ratio	38.8	37.6	48.9	45.9
Return on equity	15.2	12.6	8.8	2.0
Return on assets	5.9	4.8	4.3	0.9
Current ratio	127.7	121.1	198.4	201.3
Gearing ratio ²	42.6	43.2	50.5	68.4
Dividend payout ratio	30.8	30.7	33.9	45.0

Note:

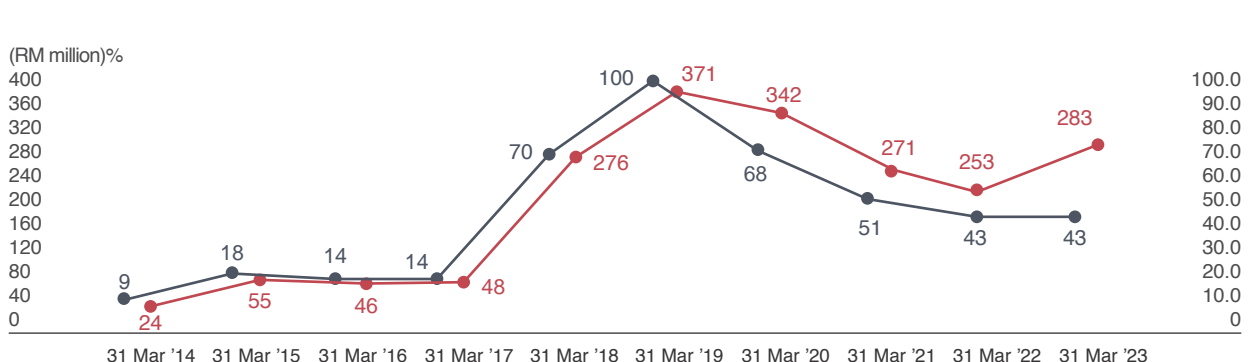
¹ Calculated based on 800,000,000 shares

² Calculated based on total debt divided by total equity (including non-controlling interest)

REVENUE AND PATAMI



TOTAL BORROWINGS AND GEARING RATIO



CONSOLIDATED FINANCIAL HIGHLIGHTS

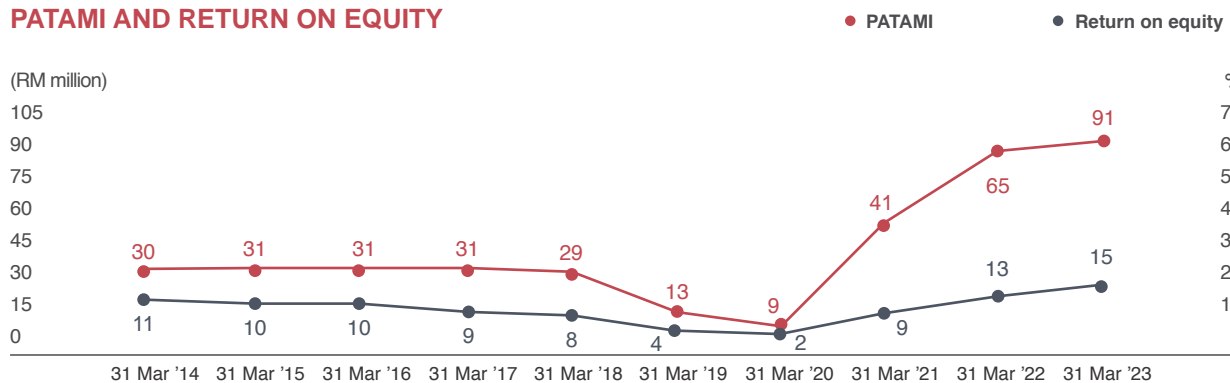
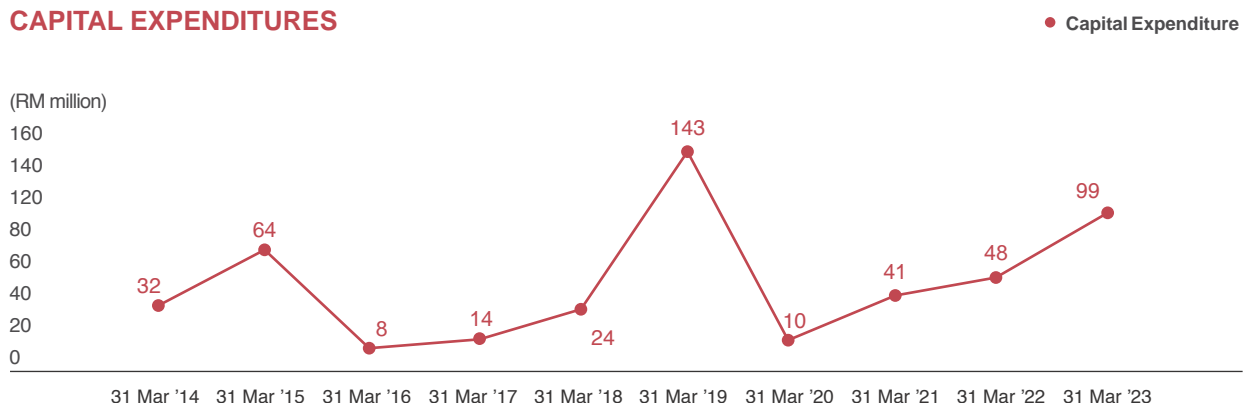
31 Mar '19 31 Mar '18 31 Mar '17 31 Mar '16 31 Mar '15 31 Mar '14

736,801	710,209	584,402	515,666	494,305	559,613
18,342	41,744	43,342	43,979	41,336	41,958
13,063	29,399	30,669	30,606	30,681	30,409
143,301	24,137	14,024	8,393	64,205	31,801

100,801	100,801	100,000	100,000	100,000	100,000
859,206	748,396	514,191	450,435	431,700	375,847
77,179	78,415	81,700	92,586	57,081	52,461
486,312	384,687	172,466	129,679	131,834	98,062
371,115	275,947	48,407	46,027	54,795	24,179
371,257	362,391	340,665	319,884	299,097	277,133

1.63	3.67	3.83	3.83	3.84	3.80
0.31	0.56	0.56	0.56	1.13	1.29

43.2	48.4	66.3	71.0	69.3	73.7
3.5	8.1	9.0	9.6	10.3	11.0
1.5	3.9	6.0	6.8	7.1	8.1
143.2	174.5	212.2	227.0	200.4	212.9
99.5	69.6	14.2	14.4	18.3	8.7
38.3	30.6	29.3	29.4	29.3	34.0

PATAMI AND RETURN ON EQUITY**CAPITAL EXPENDITURES**



Amidst the challenges of an unpredictable marketplace, TASCO's resilient business model proved its mettle, enabling us to once again attain record-high revenue and earnings. FY2023 marked the second consecutive year that the Group achieved over RM1 billion in revenue.

LEE CHECK POH

Non-Independent Executive Chairman

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors of TASCO Berhad ("TASCO" or "the Group"), it is my pleasure and privilege to present to you the Annual Report and Audited Financial Statements of TASCO for the financial year ended 31 March 2023 ("FY2023").

DELIVERING ANOTHER RECORD PERFORMANCE

It gives me great pleasure to report that TASCO delivered a record performance for the third year in a row despite having to contend with volatile market conditions. Amidst the challenges of an unpredictable marketplace, our resilient business model proved its mettle once again, enabling us to attain record-high revenue and earnings. The financial year's strong performance came mainly on the back of the robust performance of our Domestic Business Solutions segment and strategic investments.

CHAIRMAN'S STATEMENT

1 April 2022 marked the start of our FY2023 financial year and the official transition of the Malaysian economy to the endemic phase of the COVID-19 pandemic. As the nation began to reopen most economic sectors and its borders, businesses started to recover, unemployment began falling, and consumer sentiment improved considerably. For the year 2022 as a whole, Malaysia's gross domestic product ("GDP") growth rate surpassed all expectations as GDP surged to 8.7 per cent against 3.1 per cent previously, propelled by private consumption and investment.

With the reopening of most market sectors by mid-2022, there was a surge in demand for goods and logistics services. However, the pathway to recovery was not without its challenges as the domestic logistics industry encountered several headwinds. From supply chain disruptions due to the impact of the war in Ukraine and the lockdown in China, to volatile international freight costs, to worker shortages and higher labour costs, the industry had to contend with several obstacles.

I am pleased to report that in spite of these challenges, TASCO proved its mettle by remaining resilient and building upon strong business fundamentals to turn in the Group's strongest performance to date.

For FY2023, the TASCO Group posted record revenue of RM1.61 billion in comparison to the RM1.48 billion attained in the previous year. This strong RM125.4 million (8.5 per cent) year-on-year ("y-o-y") increase in revenue, marks the second consecutive year that we have achieved over RM1.0 billion in revenue. The financial year in review also saw the Group record a stellar RM32.4 million (36.8 per cent y-o-y) hike in profit before taxation to touch RM120.6 million from RM88.1 million previously. Meanwhile, our profit after tax for the financial year rose by a commendable RM24.5 million (36.2 per cent) y-o-y to RM92.3 million from RM67.7 million in the preceding year.

While revenue for the Domestic Business Solutions ("DBS") segment rose by RM153.8 million or 23.7 per cent to RM802.8 million, revenue for the International Business Solutions ("IBS") segment declined by RM28.4 million or 3.4 per cent to RM804.0 million. The drop in revenue for the IBS segment was due to the normalisation of international freight rates in the second half of FY2023 as compared to the surge in international freight rates that we experienced in the preceding year. Over this time, the more stable DBS segment performed credibly to mitigate the lower revenue from the international freight business due to volatile freight rates. Our efforts to diversify our businesses and balance our risks underscore the resilience of TASCO's business model.

The year's good performance was also bolstered by the steady returns we continued to reap from the strategic investments made in the Cold Supply Chain business and our investments over the years into strategically located logistics hubs. These segments continued to benefit from strong market demand for their offerings over FY2023. On top of this, the Integrated Logistics Solutions segment's tax incentive also had a more pronounced impact which sustained our overall profitability.

For the finer details of the Group's financial and operational performance in FY2023, please turn to the Management Discussion and Analysis ("MD&A") section on pages 16 to 25 of this Annual Report.

ONGOING VALUE-CREATION EFFORTS

Over the course of the financial year in review, we continued to deliver value on several fronts.

Rewarding Our Shareholders

TASCO's Board of Directors remains committed to bolstering the Group's financial position and ensuring the sustainable growth of our businesses. While we acknowledge the need to preserve the Group's capital for future growth, we also remain focused on delivering value to our shareholders by rewarding them for their continued support and confidence in TASCO.

In respect of the financial year ended 31 March 2023, the Board rewarded shareholders via the payment of a single-tier final dividend of 3.5 sen per ordinary share amounting to RM28.0 million on 26 May 2023. This represents approximately 30 per cent of the Group's profit after tax and minority interest and is TASCO's highest dividend pay-out to date.

CHAIRMAN'S STATEMENT

Moving forward, the Board intends to maintain this quantum of dividend at a fairly stable level. This will help us ensure that we are able to balance out our desire to reward our shareholders with our aim of fortifying TASCO's cash position to support future growth.

Strengthening Ongoing Transformation Efforts

As a subsidiary of our immediate holding company, Yusen Logistics Co., Ltd. ("Yusen"), TASCO is committed to ensuring that our long-term strategies are aligned with Yusen's shared vision and roadmap for the future – "Transform 2025". Our Mission under Transform 2025 is to become "the world's preferred supply chain logistics company." This mandates that we develop and deliver better ways to connect to our customers and improve the quality and delivery of our services, across our product lines.

To date, we have carried out the first two phases of Transform 2025 and are now rolling out Phase 3 of the roadmap which centres on customer-centric strategic pillars that inherently connect our key assets, our customers and our people. These pillars in turn are supported by two key transformation components – CX and DX. CX is the Corporate Transformation component of the roadmap, while DX is its Digital Transformation component – both of which are vital if we are to achieve our Mission.

Augmenting our CX and DX components is the Group's Environmental, Social and Governance or ESG story that serves as the cornerstone of our corporate operations and considers the values that we share with Yusen (i.e., Vision, Mission, Values, Customer Value Proposition, and Employee Value Proposition).

On TASCO's part, having undergone geographical expansion and diversification under previous phases (e.g., venturing into East Malaysia and diversifying into the cold chain services business), a good part of Phase 3 will see us focusing our efforts on investment efficiency, among other things. This calls for us to make investments to maximise the capacity of our warehouses as well as enhance our IT, human and digital capital capacity and capabilities, in addition to other activities. At the same time, we are proactively developing the Customer Value Proposition and Employee Value Proposition elements to drive the necessary change within TASCO.

In line with our plans to increase our capacity and reinforce our position as a key total logistics service provider, we have embarked on a large-scale expansion project involving various warehouses and our headquarters at our Shah Alam Logistics Centre ("SALC"). This project entails an investment of some RM520.0 million over a five-year period (August 2021-August 2026) to strengthen our logistics infrastructure, implement automated systems, as well as bolster our IT logistics and logistics handling asset capabilities. Of this amount, RM250.0 million has already been allocated.

To date, the progress of the first phase of construction (620,000 sq. ft.) of our main warehouse at the SALC is on track to be completed by January 2024. We already have in place electrical and electronics ("E&E") as well as retail customers to hand this rental space over to when it is completed in early 2024. Meanwhile, design works on the third phase (400,000 sq. ft. of leasable space) of the SALC are underway. This will meet the scarce supply and high demand for warehouse space in the area when it is completed in 2025.

Upon completion, TASCO's new, modern four-storey warehouse at the SALC will boast over one million sq. ft. of space. By building vertically, we are ensuring maximum space utilisation. On top of this, the warehouse will feature a ramp, which is a relatively new concept for warehouses in Malaysia. This will make our operations more efficient as trucks will now be able to drive up the multi-storey warehouse, instead of using a cargo lift for loading or unloading at the ground floor.

Under the second phase of construction at the SALC, the main offices of the Group's current headquarters are to be moved to another area on the same property and will incorporate a more contemporary design. Construction is on track and set for completion by the second half of 2023. Altogether, these expansion measures are expected to create more than 300 employment opportunities upon their completion.

CHAIRMAN'S STATEMENT

November 2022 saw us bringing the expansion works on our new 250,000 sq. ft. West Port Logistics Centre (“WPLC”) to completion in time to cater to new cargo from an existing customer. Moreover, our cold chain operation is currently operating at full capacity with 56,000 pallettes.

Given the investments we have made to date, we have been able to capitalise on the Malaysian Investment Development Authority’s Integrated Logistics Services (“ILS”) incentive programme since August 2021. This has not only effectively accorded us a lower payable corporate tax rate for a five-year period (with any unabsorbed tax incentives carried forward beyond the five-year period), but it is also enabling us to take full advantage of our strategic roadmap for diversification, step out into our next phase of growth, and sustain a strong cash position. Once the warehouses are completed and space expanded, we will have multiple additional revenue streams in hand.

Ensuring Continuous Customer and Market Support

As one of Malaysia’s leading logistics companies, TASCO is committed to continually delivering quality and value to our customers and the markets that we operate in – no matter what the operating conditions may be.

Today, we are reinforcing our commitment to our customers and markets by bringing Yusen’s renewed Customer Value Proposition or CVP into play. Spelling out the value that we deliver to our customers and markets – “a seamlessly connected suite of supply chain solutions that delivers superior efficiency, reliability and expertise” – our CVP also outlines three core motivating benefits, namely high quality, reliable service; access to insight and expertise; and superior value creation.

In line with our CVP, we continue to support our customers in diverse ways:

- We continue to push our customers products into the market via our e-commerce channels so that they can continue to generate sales. As the demand for e-commerce services grows exponentially, we are looking to leverage this by strengthening our logistical proficiencies in the e-commerce market.
- Through our Cold Supply Chain (“CSC”) business and our position as one of the largest cold chain providers in the country, we offer our customers a sizeable retail distribution capacity and extensive cold storage capabilities on the Peninsula and East Malaysia.
- As a subsidiary of Yusen, one of Japan’s leading logistics companies, we are able to leverage the Group’s extensive e-commerce platform to help our Business-to-Business-to-Consumer (“B2B2C”) customers introduce their products to market.
- Through our collaboration with GD Express Carrier Berhad (“GDEX”), we are able to offer last-mile logistics services to our e-commerce and retail business customers as a package when they engage us to provide e-fulfilment services.
- Being a Royal Malaysian Customs Department-certified Authorised Economic Operator (“AEO”) in the forwarder and warehouse operator category, we are able to offer our customers priority customs clearance; reduced physical inspection of imported or exported goods; faster release of shipments; and as well as enhanced security and improved risk mitigation.

These, among a host of other invaluable services that we offer our clients, are the reasons why they keep coming back to us.

UPHOLDING RESPONSIBLE CORPORATE PRACTICES**Advocating Good Governance and Risk Management**

Acknowledging that we have a responsibility to protect TASCO’s future and ensure sustainable value creation for the Group’s shareholders, the Board continues to observe and implement high standards of corporate governance as well as robust risk management and stringent internal control measures throughout our organisation. By leveraging these fundamental measures, the Board aims to deliver consistent value to our shareholders, safeguard our corporate reputation and reinforce investor confidence. Today, TASCO’s board governance policies are guided by the Malaysian Code on Corporate Governance (“MCCG”) 2021 and other current regulations.

For further details of our governance practices and risk management measures, please turn to the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control within this Annual Report.

CHAIRMAN'S STATEMENT

Embedding Sustainability in Greater Measure

Today, the agenda of sustainability is being embedded in greater measure within TASCO. By focusing on the Group's sustainable progress, we are providing the impetus for our businesses to enhance their operational efficiencies and deliver long-term growth. I am pleased to announce that we have been making strong strides forward in several areas on the sustainability front.

Recently, we elevated our sustainability aspirations several notches. I am delighted to announce that TASCO was included as a constituent of the FTSE4GOOD Bursa Malaysia ("F4GBM") Index and the FTSE4GOOD Bursa Malaysia Shariah ("F4GBMS") Index in June 2023. ESG criteria is increasingly becoming an important part of the investment and risk management decision process and our inclusion in these prestigious indices for the first time shows that we have come of age by way of our ESG practices and performance.

Not only does this recognition validate our commitment to implementing robust ESG practices, it entrenches us in the international market as a progressive and ethical company that is upholding a sustainability-based (and thus a safer) business model. Of the over 1,000 listed companies on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), there were 98 on the F4GBM Index and 77 on the F4GBMS Index respectively as of June 2023. We are very pleased with this recognition and our inclusion into these ESG indices. On our part, we will continue to undertake the necessary measures to enhance our sustainability performance by ensuring TASCO remains an attractive value proposition to financial institutions that have set down strict ESG criteria for their investments.

Back in April 2022, Yusen's former President, Mr. Toru Kamiyama, announced that the Group was setting a target of achieving net-zero carbon emissions for all its services by 2050. In line with this, the Group is today redoubling its efforts to build sustainable supply chains, including reduced greenhouse gas ("GHG") emissions, in close cooperation with its customers, so as to reinforce its Mission of becoming "the world's preferred supply chain logistics company".

As an interim target, TASCO has decided to start providing net zero GHG emissions services by 2030. As such, we have begun exploring the use of Electric Vehicles ("EV") within our fleet of trucks. The finer details of our sustainability efforts and aspirations can be found in our Sustainability Statement on pages 26 to 82 of this Annual Report. This year we are presenting a more comprehensive Sustainability Statement that has been developed in consultation with Bursa Malaysia.

Recognised for Our Commitment to Excellence

The Group continues to be recognised for its commitment to excellence. In July 2022, TASCO Yusen Gold Cold Sdn Bhd ("TYGC") was presented with Japanese Standards Association or JSAS1004:2020 certification which establishes TYGC as the first company within ASEAN to receive such an honour. It also reinforces TYGC's standing as a prime mover within ASEAN for third-party cold chain logistics services.

In September 2022, TASCO was lauded as the logistics player providing the highest returns to shareholders over three years (in the Transportation and Logistics category) at The Edge Malaysia Centurion Club Corporate Awards 2022 event. Based on the awards methodology, TASCO stood out from other logistics players for its success in providing total shareholder returns at an adjusted compound annual growth rate of 10.6 per cent between FY2019 and FY2021.

The month of July 2023 saw TASCO receiving two honours – the CLT Global Leader 2022 award from Yusen, and the Halal Logistics Excellence Award 2022 from Halal Development Corporation Berhad at the World Halal Business Conference. We are both humbled and elated by all these wins and will take the necessary measures to maintain high standards in all that we do.

MOVING FORWARD INTO FY2024

As we venture forth into FY2024, the Board remains confident but cautious of TASCO's prospects amidst the uncertainties brought on by ongoing supply chain disruptions and geopolitical tensions, lingering pandemic risks and the possibility of a global recession. For more insights into the outlook and prospects for the Group, please turn to the MD&A section within this Annual Report.

CHAIRMAN'S STATEMENT

TASCO's business model continues to prove its mettle in the face of ongoing marketplace challenges. While the past few years have seen us, to some extent, managing to capitalise on both pandemic-driven and post-pandemic-related circumstances that have been in our favour, nevertheless, our business success is very much the result of the strong business fundamentals, insightful strategies, and prudent management practices that we continue to uphold and bring into play.

As we continue to make the most of these elements and the strategic transformation that is taking place within the Group, the Board is cautiously optimistic that TASCO's IBS and DBS business segments will continue to deliver resilient performances in FY2024 – barring unforeseen circumstances.

Moving forward into FY2024, we will continue to closely monitor and enhance the Group's operational efficiencies so as to optimise and control our operational costs. By consolidating TASCO's resources, we resolve to strengthen our market position and prepare ourselves for any market or operational challenges that may arise. In terms of new areas of opportunity, we will continue to exercise prudence and focus our efforts on sensible ventures that will complement our businesses for the long-term. We will also do our part to support the Malaysian economy through our diverse offerings and intuitive customer support measures.

Given our offer of innovative total logistic solutions and the transformation efforts taking place within the Group, we are in a position to help our customers thrive as they adjust to the new market realities and the fact that “business unusual” is the new norm. All these, among other measures will go a long way in augmenting TASCO's position as a reputable and profitable key total logistics service provider.

IN APPRECIATION

On behalf of TASCO's Board of Directors, I wish to acknowledge the many parties who have supported the Group and contributed to our success.

My heartfelt gratitude to our valued shareholders, regulatory authorities, customers, vendors, business partners and all other stakeholders who continue to believe in TASCO despite the challenges of our marketplace. We look forward to your ongoing support as we set our sights on delivering sustainable, long-term value creation.

I wish to express my utmost appreciation to our loyal and diligent management team and all TASCO employees. Your steadfast resilience in the face of adversity and unwavering commitment to excellence have enabled us to make strong strides forward and we are truly grateful. Last but not least, my deep gratitude goes to my colleagues on the Board for their wise counsel and astute insights which helped us to steer through another demanding year and achieve good success.

There have been several recent movements on the Board. On 29 May 2023, three of our long-serving Independent Non-Executive Directors stepped down after having served TASCO for more than 12 years each. Our deep gratitude to Mr. Raymond Cha Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter, and Mr. Kwong Hoi Meng for their worthy service and noteworthy contributions to the Group. We bid them farewell and wish them every success in their future endeavours.

On the same day, we appointed two new Independent Non-Executive Directors as replacements. Please join me in welcoming on board Mr. Ong Heng Kah and Mr. David Dev Peter who bring to the table their respective experiences and expertise on the auditing/tax consulting and legal fronts. We look forward to their contributions.

As we venture forth to strengthen TASCO's position as an innovative and dynamic total logistics solutions specialist and a key industry player, I humbly call upon all our stakeholders to lend us their unstinting support. As we focus our efforts on overcoming all challenges and prudently capitalising on sensible opportunities, I am confident that TASCO will achieve new heights of success.



Lee Check Poh
Executive Chairman
28 July 2023

MANAGEMENT DISCUSSION AND ANALYSIS



FY2023 saw TASCO navigating a difficult operating environment to deliver record revenue and earnings for the third consecutive year. The robust results were due to the strong performance of the Domestic Business Solutions segment as well as stable returns from investments into the Cold Supply Chain business and logistics hubs at strategic locations. Moving forward, TASCO continues to leverage a strategy of diversification, among other strategies, to remain relevant to the marketplace.

ANDY LEE WAN KAI

Non-Independent
Group Chief Executive Officer

DEAR VALUED STAKEHOLDERS,

The financial year ended 31 March 2023 (“FY2023”), saw TASCO Berhad (“TASCO” or “the Group”) navigating a difficult operating environment to deliver a record performance for the third consecutive year. The financial year’s strong performance was mainly attributable to the strong performance of our Domestic Business Solutions segment. We also garnered stable returns from our strategic investments into the Cold Supply Chain business as well as investments into logistics hubs at strategic locations. Our International Business Solutions segment, however, registered a dip in revenue as a result of international freight rates normalising in the second half of FY2023 as compared to the surge in rates experienced previously. Overall, FY2023 was another productive year for the TASCO Group and I am pleased to present the details of our financial and operational performance as well as our strategic direction moving forward.

MANAGEMENT DISCUSSION AND ANALYSIS

THE YEAR IN REVIEW

The start of 2022 saw much of the world beginning to recover from the onslaught of challenges brought on by the COVID-19 pandemic. There was a sense of renewed hope even as things seemed to be turning around for the better. However, just as things began to look promising, Russia's invasion of Ukraine in February 2022 set off a global slowdown in economic activity and a widespread energy crisis. The manifold supply-chain disruptions coupled with an environment of stronger demand, tight labour markets, and elevated commodity prices contributed to a steep hike in inflation rates (particularly in the advanced economies) and the cost of living. This, in turn, kindled fears of a global recession in 2023.

Thankfully, economic growth proved remarkably resilient in the latter part of 2022, as evidenced by strong labour markets as well as robust consumer spending and business investment. The energy crisis in Europe too turned out to be less severe than initially feared as did the fears of inflation. Curiously, inflation too showed an improvement, with core inflation yet to peak in many countries. All in all, global economic and trade activity moderated to 3.4 per cent and 5.4 per cent respectively in comparison to 6.2 per cent and 10.4 per cent respectively in 2021.

Despite the economic turmoil in many parts of the world, Southeast Asia continued to demonstrate a steady growth trajectory in 2022 fuelled by strong private consumption, a momentum that is expected to be carried throughout 2023.

On the Malaysian front, as the domestic economy emerged from the hardships of the pandemic to make the official transition to endemicity in early April 2022, it still had to contend with a host of challenges including a weakening Ringgit, rising inflation, a global shortage of workers, and political uncertainty, among others. Nonetheless, by the year's end, the recovery of consumer sentiment led to surprisingly strong GDP growth of 8.7 per cent with many industries reporting improvements in their financial performance.

With Malaysia relentlessly pursuing a pathway of economic recovery, the logistics industry too registered a surge in demand for goods and logistics services. However, the pathway to recovery was not without its challenges. The domestic logistics industry had to contend with diverse headwinds including supply chain disruptions from the impact of the war in Ukraine and the lockdown in China, worker shortages, and higher labour costs. Where in previous years, international freight rates had risen due to increased demand, by the end of 2022, rates plummeted due to reduced demand following overstocking in the US and Europe. In January 2023, things picked up with the opening of China and the restoration of demand. Increased demand for the transport of solar panels to the US and UK due to the energy crisis and conflict in Ukraine, also helped drive demand for logistics services.

Although FY2023 was a challenging year for TASCO and we were forced to think out of the box to adapt to the volatile operating environment, I am, however, pleased to report that we were able to turn in record revenue and earnings for the third year in a row. To surmount the year's challenges and regain a steadfast momentum in our growth trajectory, we continued to leverage diversification and other proven strategies to remain relevant to our markets. Our strategies for sustainable growth are spelt out below.

OUR BUSINESS

The TASCO Group is part of Yusen Logistics Co. Ltd. ("Yusen"), one of Japan's leading logistics companies and a subsidiary of the Nippon Yusen Kabushiki Kaisha ("NYK") group of companies. Being a subsidiary of Yusen gives TASCO access to Yusen's global logistics network which comprises over 25,000 employees in more than 680 locations worldwide.

Established in 1974, the TASCO Group has grown exponentially over the years to become one of Malaysia's leading total logistics solutions providers. Today, the Group boasts 27 logistics centres in Malaysia and a workforce of approximately 2,300 employees. Our provision of end-to-end solutions to our customers ranges from warehouse and storage solutions to air, sea, and land transportation solutions. We offer readily accessible domestic and international shipment solutions via our strategically-located one-stop logistics hubs.

MANAGEMENT DISCUSSION AND ANALYSIS

The last few years have seen us actively bring various strategies into play to reinforce our competitive edge as a holistic logistics provider within the industry. Our strategy of diversifying our services has seen us venture into trading and convenience retail logistics services as well as the cold supply chain business. We have also expanded our footprint beyond Peninsular Malaysia into East Malaysia.

The Group's diverse businesses are helmed by our two main business segments, namely the International Business Solutions ("IBS") segment and Domestic Business Solutions ("DBS") segment.

The IBS segment mainly comprises our Air Freight Forwarding division (offering air freight services), and our Ocean Freight Forwarding division (offering sea freight services). In FY2023, we added a Supply Chain Solutions arm to our IBS offering which covers origin cargo management, lead logistics, and trading services.

The Group's DBS segment encompasses our Cold Supply Chain division, the Contract Logistics division (customs clearance, haulage transportation, warehousing and factory in-plant services), as well as the Trucking division (domestic trucking and cross-border trucking services). While we also ventured into the Convenience Retail Logistics business in 2018, we are currently reviewing how best to capitalise on the more lucrative opportunities within this market.

OUR STRATEGIES FOR SUSTAINABLE GROWTH

TASCO is focused on tapping proven strategies and exploring innovative new ones to create and deliver sustainable value to our stakeholders. By leveraging effective strategies, we are ensuring that we futureproof and bolster our various businesses so that they achieve and maintain their full capacity for sustainable growth and long-term value creation.

As we fortify our position as a trusted provider of innovative and holistic logistics solutions in the markets that we serve, we continue to expand the length and breadth of our solutions offerings, equip and upskill our workforce, as well as make effective use of technology and digitalisation to enhance and upscale our operations. We also continue to prudently manage the Group's existing resources by optimising costs and operational efficiencies.

To ensure sustainable, long-term growth, we continue to pursue a strategy of business diversification which has proven to be effective for some time now. To date, our ventures into the Cold Supply Chain and Convenience Retail Logistics businesses have delivered positive, steadfast growth. Moving forward, we will continue to prudently assess, modify and strengthen our market position in these segments. As for exploring new areas of opportunity, we will consider all such new ventures carefully given the current uncertain economic climate. Our focus will predominantly be on those opportunities that will serve to complement our existing businesses.

Strengthening the Cold Supply Chain Logistics Business

The Group's Cold Supply Chain ("CSC") business is helmed by subsidiary, TASCO Yusen Cold Sdn Bhd ("TYGC"), which is a 70:30 joint venture between TASCO and the Japan Overseas Infrastructure Investment Corporation or JOIN. Following several strategic acquisitions, TYGC has grown to become one of the largest cold chain providers in Malaysia. Not only is TASCO's partnership with JOIN doing much to facilitate TYGC's entry into new markets, the CSC business is also reaping the benefits of Yusen's plans to further expand its activities globally.

Today, TYGC boasts approximately 500 employees, 150 trucks, as well as an over 400,000-sq. ft. retail distribution capacity with more than 56,000 pallets and extensive cold storage capabilities. TYGC's capacity growth continues to be reflected in the increase in the uptake of tenancy at its cold storage facilities.

Back in FY2021, TASCO went on to expand its CSC footprint into East Malaysia through a 50:50 acquisition of Hypercold Logistics Sdn Bhd ("Hypercold") with Swift Haulage Berhad. This acquisition provided TASCO with the largest third-party logistics cold chain warehouse facilities and capabilities in Sabah, and positioned us for subsequent expansion into this region. With the Hypercold operations running at near capacity, the warehouse capacity will be expanded from 3,000 pallets to 6,400 pallets in September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

To optimise warehouse space, we are looking to invest in better automated storage as well as leverage technology in a greater manner to further streamline our operations. To this end, we will explore the use of more IT-oriented, semi-automated processes and robotic services throughout our operations. We have also sought to improve energy efficiency at our facilities by implementing a solar energy capability in our warehouses.

To date, TYGC caters to more than 40,000 retail outlets across the nation and dominates some 80 per cent of the market share in ice-cream sector logistics. Our customer base comprises mainly customers within the food and beverage industry such as manufacturers of foods and ice cream, quick service restaurants, as well chilled fresh foods vendors involved in producing ready-to-eat and ready-to-cook foods. TYGC also offers customised designs for warehousing systems to major convenience food retailers and a tobacco retail distributor.

The company has been endorsed by the Department of Islamic Development Malaysia or JAKIM for the company's halal-certified storage and transportation capabilities. Via its own facilities at Westport and other locations, the CSC business facilitates the onward distribution of halal-certified foods to their final destinations. In addition, TYGC is the first company within ASEAN to receive the Japanese Standards Association or JSAS1004:2020 certification from Japan's ClassNK which sets the company up as a key player in ASEAN for third-party cold chain logistics services. With this certification, clients have the assurance of the quality and competency of TYGC's cold chain logistics services.

In July 2023, the Group was awarded the CLT Global Leader 2022 award from Yusen, and the Halal Logistics Excellence Award 2022 from Halal Development Corporation Berhad. We have also been exploring opportunities with pharmaceutical companies to see how best to serve the pharmaceutical logistics space. With TYGC's subsidiary, Gold Cold Transport Sdn Bhd, having attained Good Distribution Practice certification in the areas of handling, storage, warehousing and transportation of prescription drugs, medicines and healthcare products, we are now well placed to undertake such activities.

Moving forward, our focus is on preserving and growing our customer base. There are currently a lot of opportunities coming from smaller retail players and even the FMCG segment, and we are weighing up all options. We are also focusing our efforts on retaining our loyal staff who know the workings of our business inside-out. The latter is all the more crucial in the face of increasing marketplace competition. All in all, we remain optimistic about the prospects for the CSC business over the next few years.

Addressing Niche Opportunities in the Convenience Retail Logistics Business

The Group entered the Convenience Retail Logistics ("CRL") business in 2018 to capitalise on the shift by urban consumers towards convenience food retail store networks. Serving as one-stop logistics provider, we have been specialising in restocking convenience retail outlets, liaising with suppliers on behalf of their customers, as well as providing inventory management, warehousing and logistics solutions. Being part of the Yusen network also enables us to give our customers access to our international network, regional coverage and end-to-end solutions.

Starting with an initial customer base of retail and chain outlets made up of petrol kiosks, convenience stores, hypermarkets, local independent supermarkets and pharmacies, we grew our customer base by catering to smaller traders or mom-and-pop stores, and thereafter, tobacco companies and the wellness sector, among other sectors.

Following the Group's strategic expansion into the Southern and Northern regions and the rollout of more automated processes in our operations, we bolstered our retail logistics storage and state-of-the-art sorting capabilities throughout Peninsular Malaysia. This strategic move not only reinforced our competitive edge but it also helped us achieve our ambition of serving all of the Peninsula as well as established us as the service provider of choice within the domestic retail logistics industry.

Today, while there are abundant opportunities in the CRL market, we are currently reviewing how best to capitalise on the more lucrative niche opportunities rather than cater to the entire market. We believe that the prospects for the CRL business would be better served if we streamline our efforts and focus on specific players who need our expertise within this market. We are quietly confident that this would be a more sustainable model moving forward and are excited about the prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

Leveraging a Host of Other Opportunities

Today, we continue to tap a host of diverse other opportunities to grow TASCO's overall business. As we do so, we are adapting the Yusen Group's renewed Customer Value Proposition ("CVP") to reinforce our own commitment to our customers and markets. The TASCO CVP mandates that we provide our customers and markets with "a seamlessly connected suite of supply chain solutions that delivers superior efficiency, reliability and expertise."

One of the opportunities that we are pursuing lies in meeting the rapidly growing logistics needs of e-commerce players. The e-commerce market saw unprecedented growth amidst the various phases of the pandemic in circa 2020-2022 and it continues to grow exponentially. Today, Malaysia remains among the fastest-growing e-commerce markets in Southeast Asia. According to analytics company, GlobalData, the Malaysian eCommerce market expanded by an estimated 19.9 per cent in 2022, reaching US\$9.2 billion in value. GlobalData's prediction is that e-commerce sales in Malaysia will increase at a compound annual growth rate ("CAGR") of 16.1 per cent between 2022 and 2026 to reach US\$16.6 billion by then.

Several initiatives, including the Malaysian Government's MyDigital initiative (underpinned by the Malaysia Digital Economy Blueprint) to transform Malaysia into a high-income digital nation and a regional leader in the digital economy, will support this projected growth. The ASEAN Digital Free Zone ("DFTZ") initiative too is set to expedite cross-border logistics and e-commerce transactions in an unprecedented manner throughout the region, making the nation Asia's leading trans-shipment hub by 2025.

To meet growing demand for e-commerce logistics services, we continue to develop our logistical proficiencies in this high-growth area. On our part, we are leveraging Yusen's extensive e-commerce platform to help our Business-to-Business-to-Consumer ("B2B2C") customers introduce their products to market. This initiative is doing much to facilitate mutually beneficial relationships between suppliers of goods and services and online retailers.

Through our mutually beneficial collaborative venture with GD Express Carrier Berhad ("GDEX"), we are today offering last-mile logistics services to our e-commerce and retail business customers market as a package when they engage us to provide e-fulfilment services. GDEX benefits from our numerous logistical resources even as we benefit from gaining priority access to their last-mile fulfilment capabilities. Customers are also reaping the benefits from integrating TASCO's fulfilment solutions e-Tower offering with the myGDEX online shipping platform. As we grow our customer base on the back of the wealth of activities taking place, we expect our e-commerce business to enjoy steady growth over the next few years.

In line with our plans to increase our overall capacity as a total logistics service provider, we embarked on a large-scale expansion project involving various warehouses and our headquarters at our Shah Alam Logistics Centre ("SALC"). Spread over five years, this RM520.0 million expansion project, which entails enhancing TASCO's logistics infrastructure, implementing automated systems, as well as augmenting our IT logistics and logistics handling asset capabilities, is making good headway and is set to reinforce TASCO's leadership position in the marketplace when it is fully completed. A status update on the progress of the various components within this project can be found in the Chairman's Statement of this Annual Report.

In view of the investments made into the SALC since August 2021, we have been able to make the most of the Malaysian Investment Development Authority's ("MIDA") Integrated Logistics Services ("ILS") incentive programme. Under MIDA's ILS initiative, logistics players who qualify are entitled to tap substantial income tax exemption and other incentives over a five-year period via the programme's investment tax allowance. This initiative is aimed at getting more Malaysian logistics companies to make long-term capital expenditure investments and establish themselves as regional logistics hubs.

The ILS scheme has provided TASCO with a lower payable corporate tax rate for a five-year period. On top of this, it is also enabling us to make full use of our strategic roadmap for diversification, advance into our next phase of growth, and maintain a strong cash position. Once the warehouses are completed and the space is expanded, the Group will have multiple new revenue streams to draw from.

MANAGEMENT DISCUSSION AND ANALYSIS

I am also pleased to report that expansion works on a new 250,000 sq. ft. West Port Logistics Centre (“WPLC”) will be completed by the end of 2023 in time to cater to new cargo from an existing customer. The WPLC is expected to be fitted out with solar panels that may generate an estimated 15 per cent in energy savings – this will complement our efforts on the Environmental, Social and Governance (“ESG”) front.

The year also saw us leveraging digitalisation in a more measured manner in several areas to strengthen our operations. We made enhancements to the Supply Chain Solution or SCS business specifically in relation to origin cargo management and also went on to implement fourth-party logistics (“4PL”) tracking to enable businesses to track their cargo. Our global presence (via the Yusen network) has enabled us to expand into 4PL activities and manage the entire supply chain for key clients. Leveraging Yusen’s proprietary software solutions and network, we are looking to grow our SCS business and build client loyalty by getting more clients to take advantage of our 4PL offerings. We also continue to tap technology to alert retailers when they need to make potential purchases and then do the necessary to fulfil their purchase requirements.

Back in early 2022, the Royal Malaysian Customs Department officially bestowed the Authorised Economic Operator (“AEO”) certification and emblem upon TASCO. As an AEO-certified operator in the category of forwarder and warehouse operator, we are able to offer our customers the following, among others: priority customs clearance; reduced physical inspection of imported or exported goods; faster release of shipments; and as well as enhanced security and improved risk mitigation. TASCO is also able to take advantage of fast, simple and efficient customs clearance and shipment handling for import or export shipments to and from countries that already have Mutual Recognition Arrangement agreements with Malaysia.

As a subsidiary of Yusen, TASCO is committed to ensuring ongoing alignment between our long-term strategies and Yusen’s “Transform 2025” Roadmap, its shared vision and roadmap for the future. We are currently in the third phase of Transform 2025. For the finer details of how we are aligning with Transform 2025, please turn to the relevant parts of the Chairman’s Statement.

As TASCO steps out amidst a uncertain operating environment, we will continue to tap our resources and business strategies in a prudent manner to ensure the stability of our business and our customer offerings.

OUR FINANCIAL PERFORMANCE**Group and Segmental Revenue**

For the financial year ended 31 March 2023 or FY2023, the Group posted record revenue of RM1.61 billion reflecting a RM125.4 million (8.5 per cent) year-on-year (“y-o-y”) increase against the RM1.48 billion registered a year earlier. This is the third consecutive year that TASCO has generated record revenue and the second consecutive year where our revenue has surpassed the RM1 billion mark.

The Domestic Business Solutions (“DBS”) segment recorded a RM153.8 million or 23.7 per cent y-o-y hike in revenue from RM649.0 million to RM802.8 million, while revenue from International Business Solutions (“IBS”) was lower by RM28.4 million (3.4 per cent) y-o-y dropping to RM804.0 million from RM832.4 million in the preceding financial year. The main reason for the drop in revenue of the IBS segment was due to the normalisation of international freight rates in the second half of the financial year in comparison to the surge in rates that the segment was able to capitalise on previously in the preceding financial year.

Within the IBS segment, the Air Freight Forwarding (“AFF”) division posted a RM26.9 million (5.2 per cent) y-o-y decline in revenue from RM512.7 million to RM485.8 million. This decline was partly attributable to reduced shipments from customers dealing in automotive parts, electronic capacitors, as well as electrical and electronics (“E&E”).

The Ocean Freight Forwarding (“OFF”) division too experienced a decline in revenue. Its revenue was lower by RM14.8 million (4.9 per cent) y-o-y, dropping from RM302.2 million to RM287.4 million, mainly as a result of reduced shipments from solar panel and food distribution customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Within the IBS segment, the new SCS business division, posted a commendable 75.9 per cent (RM13.3 million) y-o-y hike in revenue from RM17.5 million to RM30.8 million on the back of higher contributions from its retail logistics business. The SCS division, which comprises the former origin order management, lead logistics provision and e-commerce businesses under the OFF division, is today a separate business division in its own right under the ambit of the IBS segment.

Within the DBS segment, the Contract Logistics (“CL”) division continued to post a robust performance, recording a RM117.1 million (27.3 per cent) y-o-y increase in revenue from RM428.6 million to RM545.7 million. The CL division’s record surge in revenue came primarily from the Customs Clearance and Warehouse businesses. Revenue for the Custom Clearance business rose by a solid RM78.2 million (40.9 per cent) y-o-y, from RM191.4 million to RM269.6 million underpinned by shipments from newly-secured office equipment and insulation product manufacturing customers coupled with an increase in business from solar panel and food manufacturers. Meanwhile, revenue for the Warehouse business rose by RM39.5 million (27.8 per cent) y-o-y from RM142.2 million to RM181.7 million on the back of higher volume from solar panel and healthcare customers as well as a newly-secured sports apparel customer.

The In-Plant business recorded a RM1.7 million (6.0 per cent) y-o-y increase in revenue from RM28.4 million to RM30.1 million on the back of food manufacturing customers. However, this was partially offset by a RM2.3 million (3.4 per cent) y-o-y revenue drop in the Haulage business from RM66.6 million to RM64.3 million, which was largely attributable to a volume drop from an existing E&E customer.

The Cold Supply Chain or CSC division continued to contribute a steady stream of revenue to the DBS segment, posting a RM19.4 million (14.3 per cent) y-o-y increase in revenue. Its revenue rose from RM135.8 million to RM155.3 million on the back of higher demand from ice-cream, food and convenience retail customers.

Meanwhile, the Trucking division posted a RM17.2 million (20.4 per cent) y-o-y increase in revenue from RM84.6 million to RM101.9 million. This higher revenue was underpinned by contributions from solar panel, E&E, food manufacturing and retail customers as well as cross-border Thailand and Singapore trucking services.

Group and Segmental Profits

In FY2023, the Group’s profit from operations rose by RM33.0 million (33.0 per cent) y-o-y, from RM100.2 million to RM133.2 million. Meanwhile, TASCO’s profit before taxation (“PBT”) increased by a stellar RM32.4 million (36.8 per cent) y-o-y from RM88.1 million to RM120.6 million, while our profit after tax (“PAT”) shot up y-o-y by RM24.5 million (36.2 per cent) from RM67.7 million to RM92.6 million.

FY2023 also marked the second year in which the Group utilised its investment tax allowance under MIDA’s ILS incentive programme. This accorded us a an effective corporate tax rate of 23.4 per cent in FY2023 (vs. 23.2 per cent in FY2022) which was lower than the Malaysia statutory corporate tax rate.

Given the IBS segment’s lower revenue in FY2023, its PBT declined marginally y-o-y by RM0.9 million (1.5 per cent) from RM62.2 million to RM61.3 million. Within the IBS segment, the PBT for the AFF division reduced RM6.3 million (13.3 per cent) y-o-y from RM47.6 million to RM41.3 million. However, this drop was partially cushioned by the respective increases in the PBT of its OFF and SCS divisions. The OFF division’s PBT grew by RM2.4 million (18.1 per cent) y-o-y from RM13.2 million to RM15.6 million on the back of better profit margins, while the SCS division’s PBT surged by RM3.0 million (212.3 per cent) y-o-y, from RM1.4 million to RM4.4 million, on the back of its order management and retail logistics businesses.

The financial year under review saw the PBT for the DBS segment rising by RM9.1 million (17.4 per cent) y-o-y from RM52.5 million to RM61.6 million. This increase was mainly attributable to contributions from the DBS segment’s CL and Trucking divisions. The CL division contributed to a y-o-y increase of RM4.3 million (10.0 per cent), from RM43.3 million to RM47.6 million. Meanwhile, the chartered and project as well as cross-border trucking businesses gave a tremendous RM6.0 million (963.6 per cent) y-o-y push to the Trucking division which saw its PBT rise from RM0.6 million to RM6.6 million. Nonetheless, the increases in PBT for the CL and Trucking divisions were partially offset by a RM1.2 million (13.7 per cent) reduction in the PBT of the CSC division. The CSC division saw its PBT drop from RM8.6 million to RM7.4 million, mainly as a result of reduction in other income.

MANAGEMENT DISCUSSION AND ANALYSIS

Within the CL division, the PBT of its warehouse business increased by RM5.1 million (18.5 per cent) y-o-y, from RM27.9 million to RM33.0 million. A recovery in labour costs from customers due to the increase in minimum wages helped the In-Plant business to post a RM0.7 million (25.4 per cent) rise in PBT from RM2.8 million to RM3.5 million.

Despite an increase in revenue, the PBT for the custom clearance business dropped by RM0.8 million (21.6 per cent) y-o-y, down from RM3.7 million to RM2.9 million, mainly as a result of the decline in shipment volume from an E&E customer as well as a profit drop from custom clearance value-added activities and project cargo. The PBT of the haulage business dropped by RM0.7 million (8.3 per cent) y-o-y, from RM8.9 million to RM8.2 million following a reduction in the delivery of containers for an E&E customer and fleet operating costs.

Aside from PBT improvements in the abovementioned business segments, the bottom-line for the Support segment improved by RM24.2 million (91.4 per cent) y-o-y, mainly due to a RM15.9 million reduction from a write-off recognised in the third quarter of FY2022 whereby the old single-storey warehouse building block located at the SALC was demolished to make way for the reconstruction of a new four-storey modern warehouse. The reduction included the write-off of damaged properties, plant and equipment hit by a flood last year as well as partial contributions from the increase in interest income by some RM2.5 million.

Gearing and Liquidity

As at 31 March 2023, with total borrowings amounting to RM282.9 million in comparison to borrowings of RM252.9 million as at 31 March 2022, TASCO's gross gearing stood at 0.426 times in comparison to 0.432 times previously. The Group's financial position remains secure given our strong balance sheet. As at 31 March 2023, we had in hand significant cash and cash equivalents amounting to some RM241.1 million (31 March 2022: RM87.5 million).

While the Group is in a position to further increase its gearing and capitalise on investment opportunities, the Board intends to continue adopting a prudent and cautious approach towards further bank borrowings. Ideally, we will focus our efforts on stabilising and growing TASCO's cold chain and contract logistics businesses first before we seek out any new ventures.

BUSINESS RISKS AND MITIGATION MEASURES

As TASCO continues to advance steadfastly forward amidst a volatile marketplace and challenging operating environment, there are various risks that may materially affect the Group's operations, performance, financial condition and liquidity. To mitigate these anticipated and known risks, the Group has set several risk mitigation strategies in place.

By way of **Operational Risk**, our risk management measures revolve around the various hazards that logistics players typically have to contend with. To mitigate the potential loss of assets or customer cargoes due to a fire, all the Group's warehouses are required to follow a meticulous fire safety inspection schedule. On top of this, we have implemented a strict smoking ban across all our facilities and allocated exclusive storage spaces for highly flammable cargo and materials. Throughout the Group's warehouses, the various warehouse and safety teams are responsible for fire safety management while all team members are trained in firefighting. They are also tasked with ensuring all firefighting systems and equipment are suitably maintained, and that fire extinguishers are placed in the designated areas. To safeguard our business, we have got our customers to agree to our standard trading terms which state that we will not be held liable for any loss or damage to their cargoes in the event of a fire.

In the area of **Market/Business Risks**, one of the primary risks is the potential loss of major customers and key accounts. To counter such risks, TASCO is deeply committed to cultivating strong partnerships with our customers as well as delivering above and beyond their expectations to foster customer loyalty and goodwill. We are guided by customer progress reports which are provided by the director in charge of customer development. In line with the Group's overall business plan, we continue to leverage a customer diversification strategy to ascertain that we do not overly rely on a single customer, industry or sector. To alleviate the risk of accounts producing losses, we work closely together with our customers to manage their costs, as well as review the terms, conditions, validity and rates so that these are mutually beneficial. Any accounts considered as being at risk, are monitored closely by our division head who is tasked with investigating them and providing progress updates.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial stability is of the utmost importance, especially in these uncertain times. To reduce **Financial Risks** involving liquidity and cash flow risk (i.e., not having sufficient cash funding and credit facilities to operate our business and fulfil our financial commitments) and ensure sustainable business growth, we continue to proactively leverage several measures. The Group's Head Office, which has oversight for centralised cash management activities, continues to ensure that rigorous monitoring and control methods are in place. To safeguard our operating, investing and financing activities, all our business units are monitored to ensure that they constantly demonstrate optimum levels of liquidity (i.e., each business unit is required to be in possession of cash-convertible assets which are reserved for emergency payments). Given the nature of the Group's businesses, we remain committed to implementing effective working capital management measures (i.e., accounts receivable and accounts payable management) while ensuring that adequate credit lines are in place and set aside for our liquidity requirements.

When it comes to **Information/System Risk** relating to the security of TASCO's IT infrastructure, several stringent mitigation measures are in place. To prevent the risk of business data loss due to improper data backup management or to mitigate server crashes due to viruses or potential cyber-attacks, we make the most of RAID 5 hard disks and undertake daily backup of our data to tapes which are stored offsite. As added protection, all our production servers are insured with next-business-day warranties. Moreover, the Group is continuously assessing the security of the operating systems within our network to ensure they are kept updated and protected from external threats including viruses and hackers. On top of this, we proactively ascertain that up-to-date antivirus solutions, high grade firewalls and secure network configurations are always in place to safeguard our IT infrastructure.

The **safety and wellbeing of our people** remain at the top of our list of priorities. Over the course of the COVID-19 pandemic, while we did proactively implement various measures to control and reduce pandemic-related costs, we are grateful that we did not have to retrench any employees or implement any employee pay cuts. Although the nation has now transitioned to the endemic phase and has eased up on the once-stringent COVID-19 standard operating procedures ("SOPs"), our workforce continues to observe the necessary internal safety SOPs. We also have in place various committees that continue to uphold the Group's business continuity plan and oversee all risks related to business disruption caused by the pandemic.

OUTLOOK AND PROSPECTS

As the health of the logistics industry is closely aligned with economic activity and international trade, the Group's prospects are closely tied to the performance of the global as well as Malaysian economy.

The International Monetary Fund ("IMF") in its April 2023 World Economic Outlook has predicted a slowdown in the global economy from an estimated 3.4 per cent growth rate in 2022 to 2.8 per cent in 2023. The outlook is uncertain amid financial sector turmoil, high inflation, the ongoing effects of Russia's invasion of Ukraine, and three years of the pandemic.

The IMF's downgrade comes amid stubbornly high inflation and the recent financial sector turmoil, which the IMF believes, diminishes any chance of a soft landing. The side effects from the fast rise in policy rates are becoming evident, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions. The IMF warns of the possibility that financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Overall, the IMF is of the opinion that risks to the global outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply.

While the Malaysian economy has bounced back strongly from the pandemic slump, expanding at a 22-year high of 8.7 per cent in 2022, its outlook for 2023 has been clouded by cooling global demand. Despite the global headwinds, Bank Negara Malaysia ("BNM") in its *Economic and Monetary Review 2022*, has maintained the country's growth forecast at 4 per cent to 5 per cent for 2023.

BNM anticipates that the local economy will benefit from robust domestic demand, China's reopening, resilient labour markets, and the recovery in tourism. The improved domestic conditions will likely counterbalance risks stemming from a global slowdown and persistent inflation. Malaysia's banks remain well-capitalised and recent volatility in the global banking sector has had minimal impact on the country's financial markets. While inflation is expected to moderate, it will likely be tilted to the upside, while headline and core inflation are projected to average between 2.8 per cent to 3.8 per cent in 2023. Going forward, BNM has said that its monetary policy considerations will continue to centre on managing inflation risks while supporting sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Against this economic backdrop, and the fact that the TASCO Group has posted three consecutive years of record profits, we remain quietly confident that our business model will continue to prove its resilience. However, having said that, we cannot warrant that we will not be unaffected by a potential economic slowdown. Hopefully, our strategy of diversification, our strength in contract logistics and the cold chain business, coupled with the ILS tax incentive will hold us in good stead while our investments into automating our processes to raise our operational efficiencies will help offset any potential impact from a slowdown. We have begun to take advantage of the ILS tax incentives since August 2021 which effectively gives us a lower payable corporate tax rate for a five-year period while any unabsorbed tax incentives will be carried forward beyond the five-year period.

Looking into the prospects of the Group for this financial year, barring any unforeseen circumstances, we are positive but cautious of our performance. While things were undoubtedly in our favour over the course of the pandemic and we managed to capitalise on market trends, we also believe that our strong business fundamentals, insightful strategies and prudent management will continue to see us through. Additionally, as many of our customers are mostly multinationals, we are confident that they should be able to ride out any headwinds. Moreover, we have positioned ourselves in the middle now by being both a buyer and supplier. This means that we can benefit regardless of which direction the market moves. As a buyer, we can negotiate buying rates, as a supplier, we can negotiate selling rates.

While revenue within the freight segment will fluctuate when these rates soften, our bottom line should be cushioned by our ability to lock in ocean freight rates with our customers as well as leverage our strong bargaining power with shipping lines for better margins and volume certainty. This should help improve our earnings visibility moving forward, in contrast to the previous period of elevated freight rates where most rates were negotiated on a short-term basis. On top of this, the new warehouse spaces in Westport and Shah Alam which will be ready by the latter part of FY2024, will serve as growth catalysts for us come FY2024 and FY2025. TASCO will continue to reinvest in the business to ensure we future-proof ourselves. Our investment into digitalisation, which has become key to ensuring the reliable and efficient delivery of goods, will help ensure we achieve a sustainable future.

All in all, while we remain cautiously positive about TASCO's prospects for FY2024, we are mindful of the downside risks. These include the risk of recession amidst the current fragile global economy, the inflationary pressures within our cost structures, the possibility of geopolitical tensions affecting our customers, and the ongoing tightening of fiscal policy by central banks globally. While we do not have any significant exposure to the economic activity in Russia and Ukraine, nonetheless, the wider economic consequences caused by the Ukraine conflict may be felt by us in the form of higher energy expenses and other costs.

As we move forward, the TASCO Group remains committed to meticulously comprehending our customers' expectations and meeting their needs for safe and timely delivery. As we focus our efforts on elevating the customer experience in innovative ways and expanding our logistics capacity, we are confident that we will cement our position as a leading total logistics player while delivering good shareholder value in a responsible and sustainable manner.

The TASCO Group is committed to being agile and adaptable to the fast-evolving global landscape and new market realities. To maintain a competitive advantage, we will bolster our gameplan so that we remain relevant to our markets and target audiences. To ensure that our customers have access to all our services, we will maintain a laser-focus on our strategy of offering one seamless window to our customers.

Thank you for your kind support. Stay safe everyone.

Andy Lee Wan Kai
Group Chief Executive Officer
28 July 2023

SUSTAINABILITY STATEMENT

ABOUT TASCO BERHAD

TASCO was incorporated on 10 September 1974 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 December 2007. TASCO is a subsidiary of Yusen Logistics Co. Ltd., which in turn is a subsidiary of Nippon Yusen Kabushiki Kaisha. TASCO has 27 logistics centres and more than 2,000 employees in Malaysia. It is a part of the global network of Yusen Logistics Co. Ltd having 631 locations and more than 25,000 employees worldwide as of 31 March 2023.

TASCO offers total logistics solutions covering air, sea and land transportation. It serves as a one-stop logistics centre to handle domestic and international shipments for the customers. TASCO has categorized its services into International and Domestic Logistics Solutions.

OUR ESG STRATEGY

Our ESG strategy is centered around three core commitments, which encompass the areas that our Executive Leadership Team, in dialogue with our key stakeholders, has determined as priorities within the three (3) pillars; environment, social and governance dimensions.

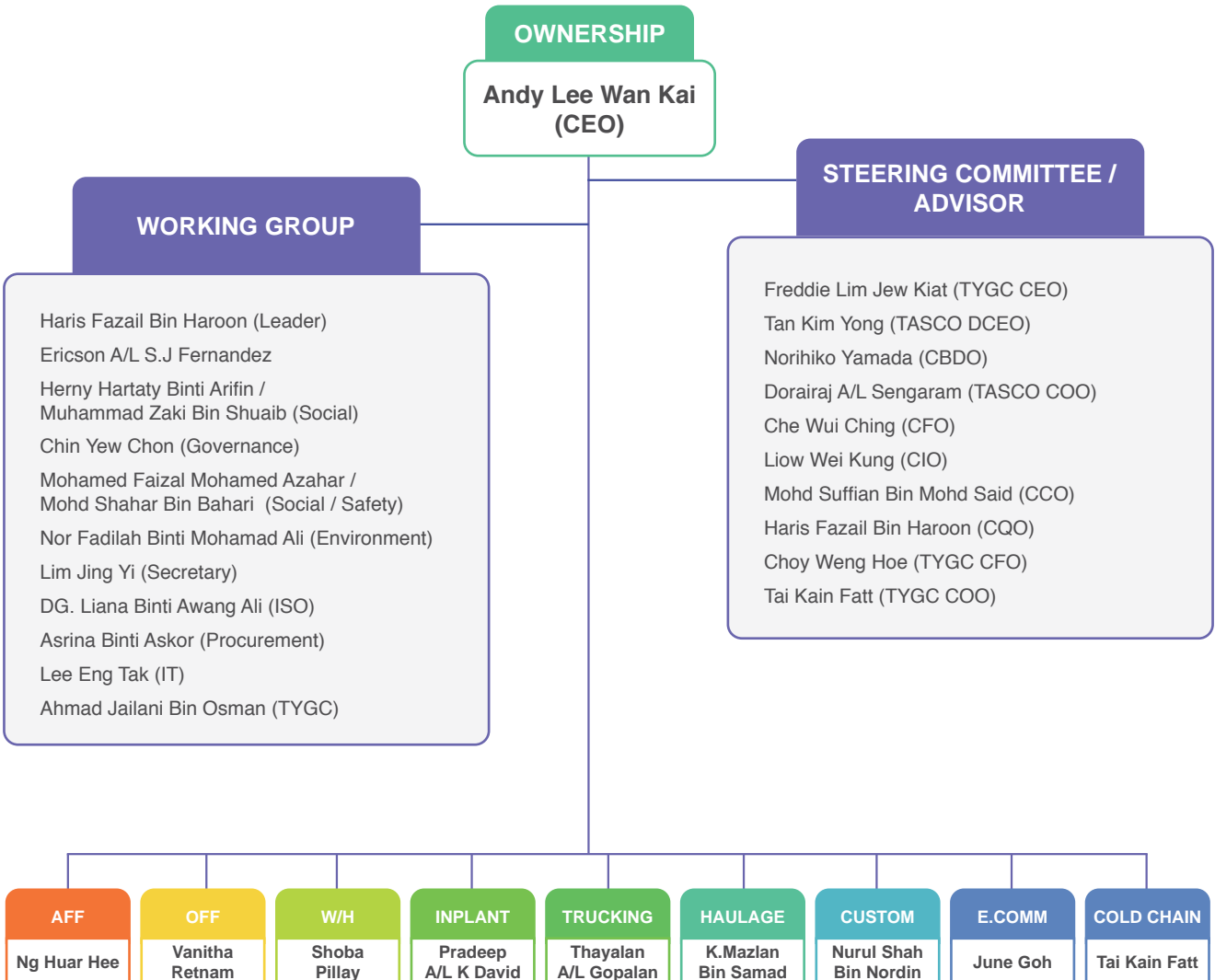
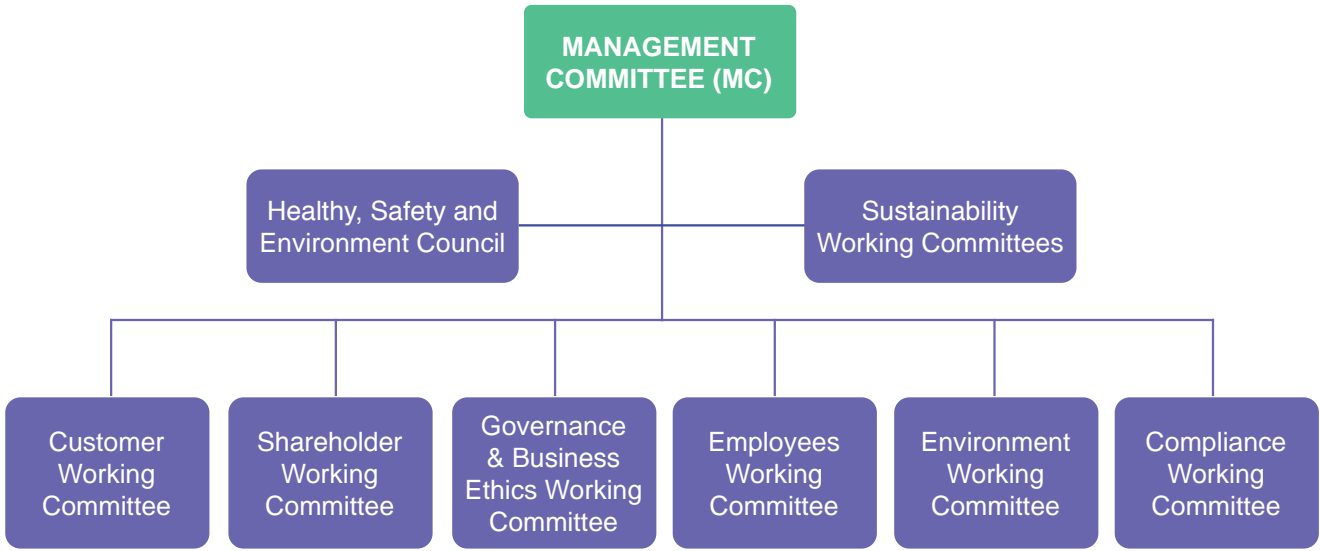
These commitments provide a framework for taking targeted action within seven (7) ESG theme categories that represent areas where we believe TASCO can create the greatest positive impact for the world.



Our governance of sustainability comes from the top of our organization. The Board has the ultimate responsibility to ensure sustainability is taken into account when setting the strategic direction of the company.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE



SUSTAINABILITY STATEMENT

MATERIALITY AND STAKEHOLDER ENGAGEMENT

The Company has identified key stakeholders who are impacted by or have the ability to influence the Company’s operations and business. Engagement with the stakeholders will assist in better understanding the sustainability expectations that allow the Company to make business decisions that promote a sustainable society in the future.

The Stakeholder Engagement Matrix below highlights the stakeholder engagement activities that we implemented during the financial year:

Stakeholders	Area of Focus	Platforms and Tools Utilised
Shareholders / Investors Bankers / Media and Analyst	<ul style="list-style-type: none"> • Business directions • Business performance • Corporate development • Prospect and Strategies • Business risks • Return on Investment 	<ul style="list-style-type: none"> • Bursa announcements • Corporate website • Press conferences and media releases • Annual General Meeting / Extraordinary General Meeting • Quarterly Results • Periodic engagements with equity analysts and fund managers
Government / Regulators	<ul style="list-style-type: none"> • Regulation and compliance • Accuracy, transparency and disclosure 	<ul style="list-style-type: none"> • Reports and policies • Corporate website • Site visits
Business Partners	<ul style="list-style-type: none"> • Business direction • Knowledge sharing • Safety procedures 	<ul style="list-style-type: none"> • Meetings, briefings and workshops • Participation in exhibitions
Customers	<ul style="list-style-type: none"> • Business direction • Knowledge sharing • Service culture 	<ul style="list-style-type: none"> • Meetings • Customer support centre • Customers surveys
Employees	<ul style="list-style-type: none"> • Career development • Welfare and benefits • Working environment • Training • Job performance evaluation • Employment equality 	<ul style="list-style-type: none"> • Regular communications via email blasts, newsletter and memo • Performance management system • Training programme and briefings • Employee activities and events • Internal surveys • Written policies and procedures
Local Communities	<ul style="list-style-type: none"> • Business opportunity • Employment support • Education and social assistance • Social responsibility 	<ul style="list-style-type: none"> • Engagement events and activities • Education and development programmes

The company values the feedback from stakeholders, and thus all the departments are continuously empowered to actively engage with stakeholders and take the necessary steps to address issues raised by stakeholders. The company believes that through active engagement with stakeholders, the Company will be able to stay updated with the issues and concerns of stakeholders.

MATERIAL MATTERS

The objective of the Group is to provide the facility of advanced and high-quality logistics services to maximize our corporate value through winning the trust of our clients and, ultimately, contributing to the advancement of the economy as a world-class global corporation.

SUSTAINABILITY STATEMENT

To achieve our objective, our business activities must comply faithfully with the by-laws and regulations of both local and international regulations, and to be fair-in-practice in conformity with social norms. At the same time, our business activities are build based on our human resources, the greatest asset of the Group. We believe that the betterment and enrichment of the capabilities of our manpower will lead to our growth as a truly global company. The Group also puts attention to the quality, environment, occupational safety & health and society.

ENVIRONMENT

TASCO is moving towards increasing the usage of alternative fuel such as biodiesel for our fleet since 2012 through our fleet replacement plan with the aim to increase energy security, improves air quality and the environment, and provides safety benefits. Besides, we are converting the diesel carbon-based material handling equipment (“MHE”) inside warehouse into the transition to gas based MHE. During the financial year under review, we have achieved 90% usage of electrical based MHE in our operations.

The action plan gives a positive impact to our working environment in the warehouse, loading bay and container depots, gain customers confident and satisfaction. Besides, it also contributes to better environmental solution.

Our cold chain segment has been certified with ISO 14001: 2015 Environmental Management System (“EMS”) and ISO 9001:2015 Quality Management System (“QMS”). We strictly adhere to the requirements of the ISO standards, there was no environmental fine and penalty imposed by the authority during the financial year under review. Our environmental and compliance officer, who certified by Department of Environment (“DOE”) with CEPSWAM has been monitoring the environment aspect strictly. All the scheduled waste is stored in the disposal shed and systematically disposed according to the scheduled waste management Environmental Quality Act 1974 (Malaysia).

To contribute to the global environment and the creation of sustainable societies, our strategies are as follow:-

OUR THREE STRATEGIES:

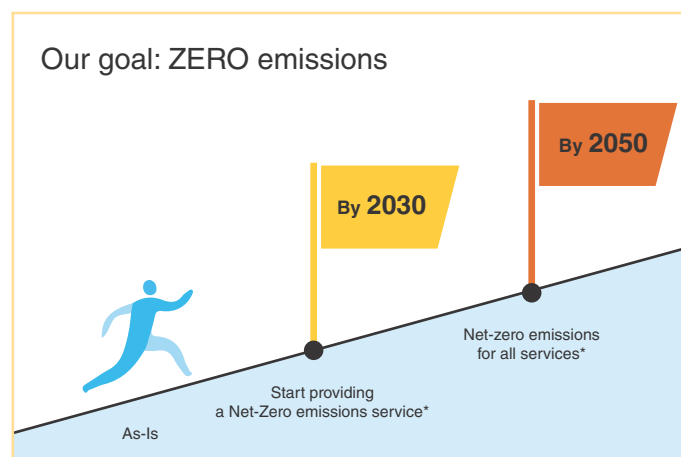
Strategy 1. Reducing greenhouse gas emissions

Strategy 2. Promoting social contribution through activities to conserve the global environment

Strategy 3. Strengthening Group environmental management

AIMING AT NET-ZERO GHG EMISSIONS BY 2050

Our immediate holding company Yusen Logistics Co., Ltd. aims to achieve net-zero GHG emissions for all services by 2050 as the Group’s environmental target. As an interim target, we have decided to start providing net-zero GHG emission services by 2030.



Achieving virtually zero emission of various substances that have a negative impact on the environment.

SUSTAINABILITY STATEMENT

As the entire world works together towards net-zero GHG emissions by 2050, we recognize that addressing climate change as one of our Group's most urgent and critical challenges. We have created a brand promise "Create Better Connections" to summarize our management ambition. It explains that we want to connect to a better future by building closer relationships and ties across the world with all stakeholders. Under "Create Better Connections," we will act as a bridge between all stakeholders, including customers and business partners, and contribute to the realization of a sustainable society by working together to solve global environment and social issues.

We define "Our Mission" to become the world's preferred supply chain logistics company – applying insight, service quality and innovation to create sustainable growth for business and society. As a strategic partner to generate sustainable growth with our customers, and as a core company of the Yusen Logistics Group whose growth strategy is ESG management, we will continue to promote initiatives based on a long-term sustainable perspective.

In consistent with our Environmental Policies, we have enacted targets and delivered the corresponding performance.

ENVIRONMENTAL POLICY

1. We will strive to conserve the global environment, biodiversity, water resources, forests, oceans, and other natural resources by considering the impact of our business activities on the environment, setting necessary objectives and targets, and periodically reviewing them and continuously improving our measures, based on the clear commitment of top management following the resolution at the board of directors.
2. In addition to complying with laws and regulations related to safety and the environment, we will strive to improve our environmental performance through the establishment and operation of our unique Environmental Management System, based on dialogue with diverse stakeholders both inside and outside the Group.
3. We will strive to ensure the safety of all modes of transportation, including inland and inland waters and air transportation, as well as services that spread across the sea, land, and air, such as terminals and warehouses and other places, including the safety of the operating fleet.
4. We will strive to collaborate with diverse stakeholders throughout our value chain, and work towards resource conservation, energy conservation, waste reduction, recycling, greenhouse gas reduction, reduction of the environmentally hazardous substances discharge, water resource management, and forest conservation, and address all environmental challenges, such as climate change countermeasures, marine environment and biodiversity conservation, and prevention of air pollution.
5. We will strive to minimize the environmental impact resulting from the procurement, operation, and disposal of transportation equipment such as ships, aircraft, vehicles, and other sources, and decisively implement new technologies and fuels into society through co-creation with diverse stakeholders.
6. We will practice a circular economy by promoting responsible, transparent ship dismantling with consideration given to safety, the environment, human rights, and other factors.
7. We will provide appropriate and sufficient education and training to internal and external parties and ensure a "Just Transition" when adopting new technologies to address environmental issues.
8. Through internal public relations activities and environmental seminars, we will tirelessly raise the environmental awareness of each employee and instill these environmental policies.
9. We will promote co-creation with diverse stakeholders by maintaining close dialogue with society, proactively disclosing environmental information including environmental risks and opportunities throughout the entire value chain, proactively engaging in and communicating effective initiatives, and providing grants and support for environmental conservation activities. Through collaboration with diverse stakeholders, we will respond to environmental issues inside and outside the Group and strive to enhance corporate value.

SUSTAINABILITY STATEMENT

OUR COMMITMENT ON ENVIRONMENT

We are committed to implement an environment management system in compliance to ISO 14001:2015. We recognize and accept the responsibility of prevention of pollution, preservation of natural resources and protection of our environment. Through integrating ISO 14001:2015 into our services and operations. These objectives will then be achieved through adherence to the following principles: -

The Goals of ESG Management



ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) TARGETS

Two of our subsidiaries in cold chain segment, Gold Cold Transport Sdn Bhd and Gold Cold Integrated Logistics Sdn Bhd have been accredited with ISO 14001:2015 Environmental Management System (EMS) on January 2012 and February 2020 respectively. Both of the accreditations were under the scope 'Provision of Transportation and Storage Activities for Multi-temperature Controlled Products'. The accreditation body was AGM Certification Sdn. Bhd.



11.8% of TASCO Group are in compliance with the ISO14001 standards which sets out the criteria for our environmental management system. This includes the policies, processes, plans, practices and records that defined the rules governing how a company interacts with the environment. We are looking into continuous improvement in getting more TASCO branches to be accredited ISO14001 in future.

SUSTAINABILITY STATEMENT

Targets are the means providing verifiable evidence that we have actually met the objective of ISO 14001. Each target is reviewed yearly commensurate to an achievement of three years. The key performance indicators that we applied to measure our environmental performance every year are reviewed during Management Review Meeting.

TASCO GROUP ISO 14001 ENVIRONMENTAL TARGETS AND PERFORMANCE

Objectives	Target	2020	2021	2022
Adopt environmentally friendly solutions and reduce waste	Maintain environmental accreditations Environmental awareness or campaign	Maintained ISO14001 status. No participation due to pandemic	Maintained ISO14001 status. No participation due to pandemic	Maintained ISO14001 status. Awareness training conducted
Monitor environmental impacts using trained and competent personnel	Certified person in handling Schedule Waste Management (CePSWaM)	Maintained competency	Maintained competency	Maintained competency
Raise awareness of environmental issue at worksite	Person in-charge in environment walks routinely to identify and address environmental issues.	No environmental issue identified.	No environmental issue identified.	No environmental issue identified.
Raise environmental awareness at office by encourage electricity energy saving among all staffs	Complete two (2) sessions of awareness training programmes to all staffs.	No participation due to pandemic	No participation due to pandemic	Achieved
To prevent scheduled waste leakage to land and drain.	No cases of scheduled waste leakage to land and drain.	Achieved To maintain secondary containment at Schedule Waste Storage to prevent leakage.	Achieved To maintain secondary containment at Schedule Waste Storage to prevent leakage.	Achieved To maintain secondary containment at Schedule Waste Storage to prevent leakage.
Install oil & grease trap at canteen	No cases of non-compliance against EQ (SIER) 1979 parameter limits of effluent of Standard B of Third Schedule.	Achieved	Achieved	Achieved

SUSTAINABILITY STATEMENT**ENVIRONMENTAL AWARENESS TRAINING**

TASCO Group employees are given the environmental awareness training session to encourage their contribution to the effectiveness of the Environmental Management System (EMS). The training has been conducted on a quarterly basis by the Compliance Department and coordinated by the Human Resources Department. After the training, the assessment test been given to all the participants to measure their understanding of environmental practices at their workplace.



Environmental Awareness Training

ENVIRONMENTAL PERFORMANCE

PARAMETER	Units	2020	2021	2022
Air Emission				
CO2	Tonne Co2	35,478.54	30,759.43	35,377.94
Water & Wastewater				
Water Withdrawal				
Municipal potable water (TASCO 17 stations)	m3	142,537.50	213,806.25	237,562.47
Harvested rainwater	m3	0	0	0
Surface water from rivers, lakes, natural ponds	m3	0	0	0
Groundwater from wells, boreholes	m3	0	0	0
Used quarry water collected in the quarry	m3	0	0	0
External wastewater	m3	0	0	0
Sea water, water extracted from the sea or the ocean	m3	0	0	0
Total water withdrawal	m3	142,537.50	213,806.25	237,562.47
Wastewater / Effluent Discharge				
Discharge to Off-site Water Treatment Plant	m3	142,537.50	213,806.25	237,562.47
Discharge to Ocean	m3	0	0	0
Discharge as Subsurface Water	m3	0	0	0
Discharge to Subsurface / Well Others	m3	0	0	0
Total Wastewater / effluent discharge	m3	142,537.50	213,806.25	237,562.47

SUSTAINABILITY STATEMENT

Percentage of TASCO sites located in water stressed area	%	0%	0%	0%
Water Consumed in water stressed area	Litres	0	0	0
Cost associated with water-related risk	MYR	0	0	0
Investment in water saving initiative	MYR	0	0	0
Number of incidents related to non-compliance with water consumption related to local regulations	No of Incidents	0	0	0
Material Used				
Paper	kg	32,550.40	48,825.60	40,688.01
Environmental Management & Compliances				
Environmental Fines / Penalties	MYR	0	0	0
Percentage of TASCO sites covered with Environmental Management System (ISO14001)	%	11.80	11.80	11.80
Percentage of TASCO sites covered with Building Management System	%	23.53	23.53	23.53
Greenhouse Gases and Climate Change				
GHG Emission				
Scope 1	Tonne Co2	30,867.31	24,842.46	28,849.23
Scope 2	Tonne Co2	4,611.23	5,916.97	6,528.71

ENVIRONMENTAL MONITORING

The objective of environmental monitoring is to manage and minimize the impact of an organization’s activities have on the environment, either to ensure compliance with laws and regulations or to mitigate risks of harmful effects on the natural environment and protect the health of human beings.

The Group has conducted two types of monitoring which are Environmental Noise Monitoring and Waste Water Quality Monitoring. The monitoring has been set to be conducted every three years or if there are any changes on the environment requirement or guidelines. Environmental monitoring has been conducted on 16th and 18th November 2020. The next monitoring will be conducted on 2023.

This monitoring has been performed by the accredited laboratory with ‘Skim Akreditasi Makmal Malaysia (SAMM)’ number registered.










ENVIRONMENTAL NOISE MONITORING

Environmental noise pollution is defined as any unwanted sound and it embraces noise from industrial sources, transportation as well as from domestic premises. Environmental noise pollution can cause public annoyance and hearing impairment may result from high noise levels.

The noise cannot exceed the limit of 75.0 dB as per stated on the guidelines by Receiving Land Use for Existing Built-Up Areas, 2nd Schedule; Schedule of Permissible Sound Levels; Guidelines for Environmental Noise Limit & Control, 3rd Edition, 2019, Department of Environment.

SUSTAINABILITY STATEMENT

The sample of noise level were taken from several location in our Cold Chain facilities as below:

Point	Picture	Result dB(A)	Guideline dB(A)	Compliance (Yes/No)
N1 (Front of warehouse)		63.8 55.9	75.0	Yes
N2 (Rear of warehouse)		67.4 66.3	75.0	Yes
N3 (Middle of warehouse)		70.7 67.3	75.0	Yes
N4 (Rear of warehouse)		68.7 63.1	75.0	Yes
N5 (Middle of warehouse)		70.2 66.6	75.0	Yes
N6 (Front of warehouse)		70.5 66.5	75.0	Yes
N7 (Near Guard House)		65.0 63.2	75.0	Yes

Our Group has been complied with the regulation since the result monitoring shown the noise level is less than 75.0 dB(A).

SUSTAINABILITY STATEMENT

WASTE WATER QUALITY MONITORING

The objective of water quality monitoring is to obtain quantitative information on the Physical Characteristics (e.g., temperature, color, light, sediment suspended in the water); Chemical Characteristics (e.g., dissolved oxygen, acidity (pH), salinity, nutrients and other contaminants); and Biological Characteristics (e.g., bacteria and algae).

The result has to comply with standard or guideline by Environmental Quality (Industrial Effluents) Regulations 2009 Fifth Schedule, Parameter Limits of Effluents (Standard B).

The sample of water monitoring were taken from several location in our Cold Chain facilities as below:



Location
Plant room



Location
Gate 1



Location
Gate 3



Location
Gate 4



Location
Truck washing
area



Location
Gate 2
(Additional Point)



Location
Canteen Drain
(Additional Point)

Since the result shown non-detection on any physical, chemical and biological that affected to our Cold Chain facilities water compound, Our Group has deemed complied with the regulation.

WASTE AND MATERIAL MANAGEMENT

We are committed to reuse materials, reduce waste and minimize waste to landfill which will conserve natural resources and reduce the pollution to the environment.

Our Compliance Department ensures that the material resources were efficiency used by assessing the environmental effects of our activities and identifying the aspects that can impact the environment. They also find ways to improve or adopt optimization technique and identify areas of major inefficiencies to maximize the use of materials.

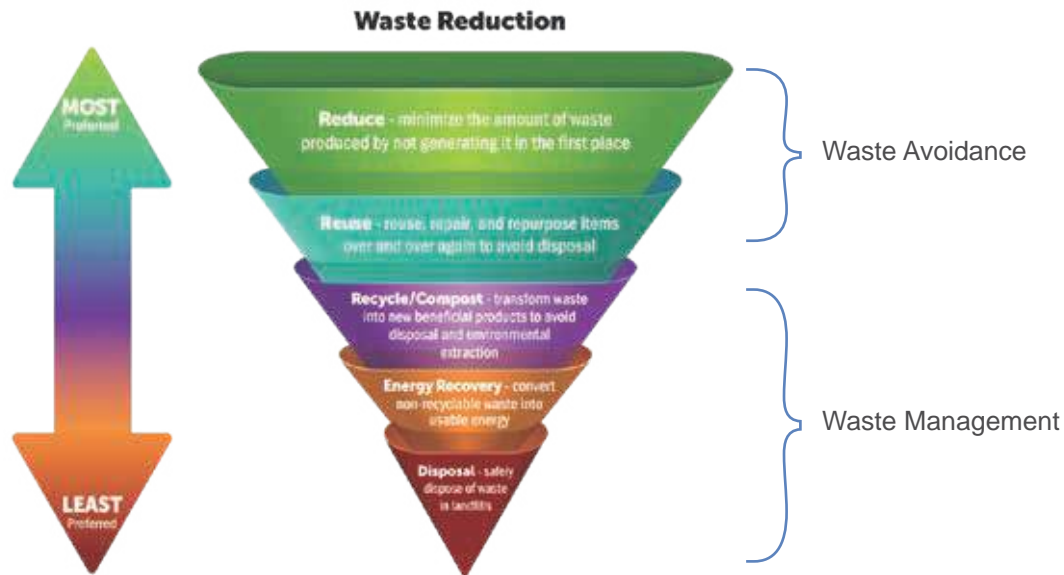
RESOURCE USE MANAGEMENT

Reduce, Reuse, Recycle, Recovery and Disposal

TASCO Group is committed to reduce and prevent the consumption of natural resources, particularly virgin materials. We have implemented measures to mitigate these issues by reusing, recycling and recovering. In 2020, TASCO Group reduced its production of waste by installing recycling bins throughout our office premises. We are in the midst of improving our recycle programme that focusing on aluminum, plastic bottles and paper. We remain committed towards expanding our recycling programme to cover other types of wastes, proper disposal method of all end-of-life and reducing and reusing relevant materials whenever it is practical to do so.

SUSTAINABILITY STATEMENT

We segregate our waste and apply the 4Rs rule (Reduce, Reuse and Recycle, Recovery and Disposal) in our business operations. Employees are enthusiastic to reduce the single-use plastics such as plastic bottles, straws, plastic cups, polystyrene and cutlery. Our offices are fitted with water refilling stations to eliminate single-use plastic bottles. This aims to raise awareness of the harm caused by plastic waste and consequently encourage all staff to reduce its use.

**Paper Usage**

We aim to manage paper usage effectively and efficiently at all offices. All employees are encouraged to reduce paper usage by only printing documents when necessary. Thoroughly checking and editing documents on computers before printing to prevent paper wastage.

In addition to that, our employees continue to practice simple daily routines such as separating and recycling wastes, and minimizing paper used by using both sides of paper as well as using recycled paper.

Waste Water Management

With regards to the wastewater (effluent) discharged at TASCO Group, it is our initiatives and commitment to ensure that the wastewater (effluent) is sampled once a year at the points of discharge to the public drain. All of the sampling results complied with the standard parameters set by the local authority. The environmental impact of water emission depends on the quality of the water discharged. Our water discharged does not require treatment and is mainly emitted to the drains and subsequently flows to national wastewater and sanitation service. In the year under review and the past three years of disclosure, there was no reported incidents of non-compliance with the local government rules and standard, with no penalty imposed in relation to water supply and discharge.

Scheduled Waste Management

Scheduled waste generation and characteristics are key factors that affect environmental sustainability. Thus, proper scheduled waste disposal through a qualified and certified waste contractor is a mandatory. Our scheduled waste management was in accordance with the Environmental Quality Act 1974 (Scheduled Waste) Regulation 2005 in order to manage the scheduled waste generation until the waste being collected by Scheduled Waste Contractor that been approved by Department of Environment (DOE).

SUSTAINABILITY STATEMENT

The waste contractor/collector for scheduled waste generated at TASCO Group are as below:

- I. TM Recycle IT Sdn Bhd – SW110
- II. Malik Family Resources Sdn Bhd – SW305 & SW410

DOE Website	Facility and Transporter License																					
<p>https://eswis.doe.gov.my/facilityList.aspx</p> <p>Home DOE Portal Support List Waste List Facility List Regulation References FAQ Inquiry</p> <p style="background-color: #4CAF50; color: white; text-align: center; padding: 2px;">LIST OF LICENSED SCHEDULED WASTE FACILITY/TRANSPORTER</p> <p>Total Records : 748</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>#</th> <th>Name Of Contractor/Address</th> <th>License No</th> <th>Type of License</th> <th>Waste Groups/Vehicle Registration No</th> <th>Tel No</th> <th>Fax No</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300</td> <td>003295</td> <td>Facilities : Kumpulan Penerimaan Segara Luar Tapak</td> <td>SW110</td> <td>06-6853123</td> <td>06-6853143</td> </tr> <tr> <td>2</td> <td>38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300</td> <td>003297</td> <td>Facilities : Penerimaan Kembara Luar Tapak</td> <td>SW305, SW405, SW410</td> <td>06-6853123</td> <td>06-6853143</td> </tr> </tbody> </table>	#	Name Of Contractor/Address	License No	Type of License	Waste Groups/Vehicle Registration No	Tel No	Fax No	1	38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300	003295	Facilities : Kumpulan Penerimaan Segara Luar Tapak	SW110	06-6853123	06-6853143	2	38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300	003297	Facilities : Penerimaan Kembara Luar Tapak	SW305, SW405, SW410	06-6853123	06-6853143	
#	Name Of Contractor/Address	License No	Type of License	Waste Groups/Vehicle Registration No	Tel No	Fax No																
1	38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300	003295	Facilities : Kumpulan Penerimaan Segara Luar Tapak	SW110	06-6853123	06-6853143																
2	38 CUST NDA BHD (PVT BT) LOT 5/25, JALAN PERINDUSTRIAN CHEMBONG 71300	003297	Facilities : Penerimaan Kembara Luar Tapak	SW305, SW405, SW410	06-6853123	06-6853143																

All scheduled wastes are managed by our own Certified Scheduled Waste Competent Person, registered and recognized by the Department of Environment (DOE).

At TASCO Group, Mrs. Nurfatim Amira Binti Hazir has been appointed as the Competent Person (CP) in scheduled waste management since December 2019.

<p>CePSWaM</p> <p style="font-size: 2em; opacity: 0.5; transform: rotate(-45deg); position: absolute; top: 50%; left: 50%;">SAMPLE <p>FATIN</p> <p>Nama : NURFATIN AMIRA HAZIR MY ID : No Siri : CePSWaM03310</p> </p>	<p>Sijil Kompetensi</p> <p>NUR FATIM AMIRA BINTI HAZIR</p> <p>Competent Person (CP) in Scheduled Waste Management (CePSWaM)</p>	<p>National Registry of Certified Environmental Professionals</p> <p>Nur Fatim Amira binti Hazir</p>
--	--	---

SUSTAINABILITY STATEMENT

To maintain the competency, CP have to collect Continuing Professional Development (CPD) points and submit to Environment Institute of Malaysia (EiMAS) on yearly basis.



PARAMETER	Units	2020	2021	2022
Waste				
Waste Generation				
Total Waste	Tonnes	118.90	131.97	126.10
Hazardous	Tonnes	21.11	4.53	10.25
Non-recycled	Tonnes	95.29	124.15	112.86
Recycled	Tonnes	2.50	3.29	2.99

Waste Generation at TASCO Group

The data showed that the total amount of scheduled waste for 2022 has increase compared to the 2021 ; this was mainly due to the resumption of activities with the gradual lifting of COVID-19 restrictions.

Under the Environmental Quality Act (1974) Regulation 2005, the Group has to ensure that the waste generated is properly stored, handled on-site and delivered to prescribe premises for treatment, disposal or recovery of material.

We were actively promoting the principle of 4Rs to extend product life in scheduled waste management, where applicable. The scheduled waste SW305 and SW410 were sent for recovery at Malik Family Resources Sdn Bhd. Whereas, SW110 was sent for recycle at TM Recycle IT Sdn Bhd. The scheduled waste activities were strictly monitored by TASCO Group to ensure the scheduled waste was 100% sent for recovery/recycle by licensed waste contractor/ collector and will be reused by others.



The flow chart above illustrated the Waste Management activities at TASCO Group

SUSTAINABILITY STATEMENT

SCHEDULED WASTE MANAGEMENT PRACTICE-SW CODE			TASCO Yusen Logistics
<p>*Any waste falling within the categories of waste listed in the First Schedules (Environmental Quality [Scheduled Wastes] regulation 2005).</p> <p>* In the First Scheduled (EQA 1974 [Scheduled Waste] regulation 2005), the scheduled waste consist of 77 categories and in GC, three type of waste were generated.</p>			 <p>SW110</p>
<p>SW110</p> <p>Waste from electrical and electronic assemblies containing components such as accumulation, mercury switches, glass from cathode ray tubes and other activated glass polychlorinated biphenyl capacitors, or contaminated with cadmium, mercury, lead, nickel, chromium, copper, lithium, silver, manganese or polychlorinated biphenyl.</p> <p>Source Office and Warehouse</p>	<p>SW305</p> <p>Spent Lubricating oil</p> <p>Source Plant Room and Transport Workshop</p>	<p>SW410</p> <p>Rags, plastics, papers or filters contaminated with scheduled waste</p> <p>Source Plant Room, Transport Workshop and Warehouse</p>	 <p>SW305</p>  <p>SW410</p>

Code of Scheduled Wastes and Waste Sources

Climate Change

Climate change refers to long-term shifts in temperatures and weather patterns primarily due to human activities such as burning fossil fuels like coal, oil and gas. Burning fossil fuels generates greenhouse gas emissions that act like a blanket wrapped around the Earth, trapping the sun's heat and raising temperature. Examples of greenhouse gas emissions that are causing climate change include carbon dioxide and methane. These come from using gasoline for driving a truck and haulage. Landfills for garbage are also a major source of methane emission.

We address and adapt to climate change by setting targets, improving our efficiency, reducing our waste generation, fossil fuel use and emissions. Combating the challenges of climate change is important in protecting our planet and creating long-term, sustainable economic growth. The Group as a responsible corporate citizen is at the same path with Malaysia, we aspire to achieve the commitments made at the United Nations (UN) Climate Change Conference 2021 (COP26) and embrace the trends in combatting climate change.

SUSTAINABILITY STATEMENT

In terms of climate related risk, we have identified the following as relevant to our business: -

Physical Risk: risks related to the physical impacts of climate change	Physical risks will impact TASCO Group
Time Horizon: Medium-term Acute risks Increased in extreme weather events such as floods	<ul style="list-style-type: none"> • There is a risk of extreme weather experience in various operating locations of the Group. This includes potential changing in rainfall. • In late 2021, Malaysia experienced extreme rainfall which resulted flood in Shah Alam's warehouse. • Any interruptions in the value chain could result in a material adverse effect on our financial, operational results and our reputation in marketplace.
Time Horizon: Long-term Chronic Risks Temperature rises	<ul style="list-style-type: none"> • Increase in temperatures may have impact on our supply chain interruptions. • Reduction in revenue and higher costs from negative impact on workforce Example: Health, safety, absenteeism • Increase in operating costs Example (Our refrigerator control system) • Increase in capital costs Example (Damage to facilities)

Note: The horizons used are short-term (2025 or earlier), medium-term (2030) and long-term (2050 or above).

Transition risks: risk related to the transition to a lower-carbon economy	Transition risk will impact TASCO Group
Time Horizon: Short-term Regulatory Increasing environmental policy and legislation	<ul style="list-style-type: none"> • Higher capital and operating cost associated with implementing compliance measures. Example (Higher compliance costs)
Time Horizon: Short-term Technological Development of new technologies for low-carbon solutions Training for the expertise and skills required to manage new environmentally logistic truck and forklift.	<ul style="list-style-type: none"> • Higher investment cost in research and development new technologies. • Higher costs to deploy new practices and process. • Increase in costs of reskilling the existing staffs to meet new technologies skills requirements.

SUSTAINABILITY STATEMENT

Time Horizon: Short-term	<ul style="list-style-type: none"> Market interest shift towards a low-carbon economy
Market	<ul style="list-style-type: none"> Reduction in demand for goods and services due to shift in customer preferences.
Shifts in customer behaviour	
Time Horizon: Short-term	<ul style="list-style-type: none"> Changing customer preferences when TASCO Group make contribution to the transition to a lower-carbon economy.
Reputation	<ul style="list-style-type: none"> Reduction in revenue from decrease demand for goods/services
Change of customer perceptions	<ul style="list-style-type: none"> Reduction in revenue from negative impact on workforce management and planning Example: employee attraction and retention Reduction in capital availability

Note: The horizons used are short-term (2025 or earlier), medium-term (2030) and long-term (2050 or above).

GHG Emission

In 2020, TASCO started reporting the greenhouse gas (GHG) emissions to ensure greater disclose and accountability of the company’s carbon footprint. As the adverse effects of climate change, we conducted the following initiatives to lower the impact of GHG emissions in our logistics areas in technical ways.

TASCO Group’s Initiatives to lower Impact of GHG emission

- 1) Use of trucks that with turbo diesel EURO 5 engine specifications to decrease harmful exhaust emissions. We are targeting to move towards using electric truck in 2025
- 2) Use of battery-operated handling equipment to powered forklifts to minimise noise pollution and warehouses’ carbon footprint.
- 3) Monitor fuel consumption of vehicles to ensure sustainable vehicle performance and decreased GHG emissions.
- 4) Training programme was conducted two times per year to ensure the drivers plan journeys effectively and encourage drivers to drive safely and efficiently to reduce fuel consumptions and improve the eco-friendly driving skill and habits among our drivers.
- 5) Fleet replacement programme had been implemented since 2012 for better fuel consumption and reduce emission levels.
- 6) Procure of 67 units eco-friendly prime movers that uses euro 5 engine burns less fuel that can produce lower carbon dioxide emissions.
- 7) We are actively towards transition the existing fleet in sustainable manner and ready for the future sustainable transport.
- 8) Designing new warehouse management systems to be greener warehouse and supports our customers requirement to be low-carbon supply chain.
- 9) TASCO Group has been practicing on the energy saving by creating awareness to all employees to save electricity and water consumption.
- 10) We also practice rainwater harvesting for our cooling system and chiller system which is use for air conditioning to the office.

SUSTAINABILITY STATEMENT

- 11) Used of Anhydrous Ammonia or Ammonia Gas at plant room refrigerators system for pollution control in ozone depletion potential, global warming potential and moderate flammability.

Product Identifier:
ANHYDROUS AMMONIA

Other means of identification:
Ammonia Gas

Recommended use for the chemical and restriction on use:
Anhydrous Ammonia itself is used in pollution control for large power generation facilities production of fertilizer crops, nitric acid and other specialty chemicals.





Anhydrous Ammonia
R-717

Ammonia
NH₃

© 2012 Honeywell Corporation, January 2014

Plant Room Refrigeration System

Carbon Dioxide (CO₂)

- A colorless, odorless gas produced by burning carbon and organic compounds and by respiration. It is naturally present in air (about 0.03 per cent) and is absorbed by plants in photosynthesis.
- Example: R-744
- Non-flammable, very low toxicity.
- Low efficiency & high operating pressure.
- Ozone depletion potential (ODP) ^{*1} is 1
- Global warming potential (GWP) ^{*1} is 0

Hydrofluorocarbons (HFC)

- The toxicity of the refrigerant is not identified at concentrations below 400 ppm by volume.
- Lower flammability but the toxicity is the largest hazard.
- Example : R32, R125, R134a, R245ca, R245fa, R404A, R407C, R410A, R507A, R508B

Hydrocarbon (HC)

- An organic compound consisting entirely of hydrogen and carbon.
- Example : R600a
- Substitutes for CFCs.
- Less chlorine than CFCs.
- European banned HCFCs 2004 at the latest.

Hydrochlorofluorocarbons (HCFC)

- Substitutes for CFCs.
- Less chlorine than CFCs.
- European banned HCFCs 2004 at the latest.

Chlorofluorocarbon (CFC)

- Contain chlorine.
- Banned since the beginning of the 90's because their negative environmental impacts.
- Environmental Quality Act 1974 (Prohibition on the use of CFC and other gases as propellant and blowing agent) order 1993

SUSTAINABILITY STATEMENT

- 12) Used of R-404A HFC blend truck refrigeration system to reduce GHG emission by prevention ozone depletion potential.

HFC Blend refrigerant
R-404A

- Is a blend refrigerant developed as a substitute for R-502 (HCFC/CFC blend refrigerant) which has been widely used for commercial-use refrigeration equipment.
- Is mainly used as a refrigerant for mid-to-low temperature refrigeration system.



Compartment Truck with Multi-temperature



Why R-404A?

- The discharge gas temperature can be kept as low as or even lower than that of R502.
- Colourless odourless mixture of three HFC compounds
- Ozone depletion potential (ODP)¹⁾ is 0
- Global warming potential (GWP)²⁾ is 3920 compared to R502 which 4660

1) The ODP R404A is based on December 1992 announcement by UNEP
2) GWP based on the IPCC 2007 report

Truck Refrigerator System

Environmental Quality Act 1974, Part III Smoke Emission Control Of Motor Vehicle

Maximum concentration of smoke shall not exceed Ringelmann No. 2

Regulation 10:

(1) The maximum concentration of smoke at or near the final point of emission from the exhaust pipe into the atmosphere shall not exceed Ringelmann No.2 of the Ringelmann Smoke Chart for the continuous period of more than 10 seconds when observed in accordance with the procedure as specified in the Fourth Schedule.

Maximum density of smoke permitted.

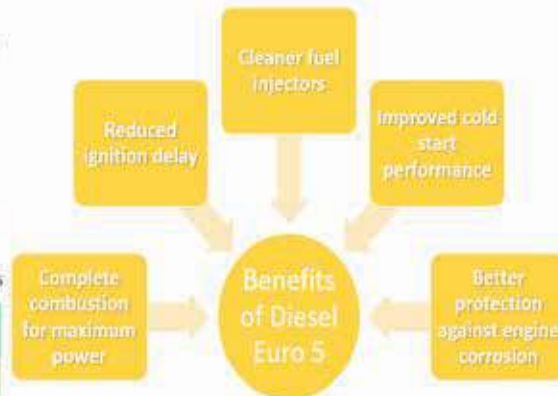
Regulation 11:

(1) The maximum density smoke at or near the final point of emission from the exhaust pipe of any motor vehicle when tested under the free acceleration test with a smoke meter shall not exceed 50 HSU or other equivalent smoke units or in percentage (%) or other units.

Environmental Quality (Control of Emission from Diesel Engine) Regulations 1996

Diesel Euro 5

- Turbo Diesel Euro 5 is a technologically-advanced diesel engineered with a premium additive system to provide improved engine performance for superior acceleration, better fuel economy, and reduced harmful exhaust emissions.
- Rollout in Malaysia since September 2016.



Energy Management

In all our office and warehouse, we have implemented initiatives to reduce our energy and consumption of fossil fuels. We have reduced our fuel consumption use by consolidating the transport frequency of our logistic vehicles.

SUSTAINABILITY STATEMENT

We set goals to reduce energy consumption annually through environmental awareness campaign “Save Electricity” to achieve minimum energy consumption as to mitigate the climate change. We have replaced old lighting system with energy saving LEDs to reduce heat and chemical emission at the office and warehouses.

To further conserve energy, we are continually in calculating in our staff habit of switching off lights, air-conditioners and other electrical appliances when the office space is not in use especially during lunch hour.

PARAMETER	Units	2020	2021	2022
Energy				
Fuel				
LPG Consumption	Joule	245,781.206	289,411.474	262,741.74
Diesel Consumption	Joule	764,626,464	863,831,384	783,797,515
Petrol / Gasoline Consumption	Joule	8,265,724.06	24,797,168.10	44,251,865.80
Total Electricity Consumption (17 Station)	Joule	2.40	3.07	3.39
Total Energy Consumption	Joule	773,137,971.67	888,917,966.64	828,312,125.93

Energy Consumption at TASCO Groups**Electricity Consumption**

In global supply chains, warehouses produce environmental pollution mostly from cooling and lighting. Generally, the bigger the warehouse, the larger the carbon footprint. We aim to reduce the carbon footprint by using alternatives lighting sources like use natural light, automatic lights and renewable energy such as solar energy.

In 2020, solar system has been installed at our Cold Chain facility to reduce the electricity consumption. The actual generated by the solar system is at follows: -

PARAMETER	Units	2020	2021	2022
Energy				
Electricity				
Total Electricity Consumption (17 Station)	kWh	6,644,422.24	8,525,896.32	9,407,370.40
Rooftop Solar PV Generation	kWh	0	0	1,362,354.72
Rooftop Solar PV Energy Consumption	kWh	0	0	1,358,234.70
Green Electricity Purchased via Green Electricity Tariff	kWh	0	0	0
Percentage of Solar Rooftop Energy Consumption in TASCO	%	0	0	99.70
Percentage of Renewable Energy Consumption in TASCO	%	0	0	14.44
Co2 Reduction from Solar PV Energy Harvest in	Tonne Co2	0	0	942.62

Electricity Consumption at TASCO Group

SUSTAINABILITY STATEMENT



Solar Panel

Moving forward, TASCO Group will continue to reduce electricity usage where possible and aim to improve energy efficiency as a whole.

Quality

The Group committed in delivering high quality and effective services that contributes to a better future for diversified needs and demands of our customers and society. This commitment driven by our corporate mission to become the world’s preferred supply chain logistics company, and by our values and behaviors under management initiatives.

Certification and Appreciation Awards

In order to provide and maintain quality of service to our customers, the Group is fully committed in maintaining the following certified standards: -

Standards	Certified Sites
ISO 9001: 2015 Quality Management System.	Major branches in the Group, <ul style="list-style-type: none"> • Shah Alam Logistics Centre • KLIA Air Logistics Centre • Port Klang Logistics Centre I • Penang Air Logistics Centre • Penang Prai Logistics Centre • Berjaya Industrial Logistics Centre
ISO 14001:2015 Environmental Management System.	<ul style="list-style-type: none"> • Berjaya Industrial Logistics Centre • Gold Cold Integrated Logistics Sdn Bhd
ISO 22000 Food Safety Management System.	<ul style="list-style-type: none"> • Berjaya Industrial Logistics Centre • West Port Logistics Centre
TAPA FSR (Facility Security Requirements) by the Transported Asset Protection Association (“TAPA”).	<ul style="list-style-type: none"> • KLIA Air Logistics Centre • Batu Maung Warehouse

SUSTAINABILITY STATEMENT

Appreciation Awards	Awarded Sites
Awarded by JAKIM HALAL certification by Department of Islamic Development Malaysia – has complied with Islamic Law & Malaysia Halal Standard for Transportation & Warehousing.	<ul style="list-style-type: none"> • Penang Prai Logistics Centre • Berjaya Industrial Logistics Centre • West Port Logistics Centre.
Awarded with Good Distribution Practice in Medical Device (GDPMD) by TUV Nord Malaysia	<ul style="list-style-type: none"> • Shah Alam Logistics Centre • Port Klang Logistics Centre I.
Awarded with Good Distribution Practice by AGM Certification Sdn Bhd	<ul style="list-style-type: none"> • Berjaya Industrial Logistics Centre.

SOCIAL

Our ambition is to ensure that we provide an engaging, safe and inclusive place to work, where we take action to secure that all workers have decent working conditions and that we continue to improve the working environment for all our employees.

Health, Safety and Security

Keeping our employees safe from harm means that we must work to eliminate fatalities and life-altering injuries and strive for as few lost-time injuries as possible associated with our operations.

Maintenance and continuous improvement of a safe and healthy working environment is one of the priorities for the TASCO Group. Our Group is engaged in keeping the working environment comfortable for workers by actively conducting measures that maintain and promote the sound physical and mental health of workers.

TASCO Group had established a Health and Safety Committee to formulate policies, action plans, and budgets for the implementation of road and workplace safety programmes. The Group is committed to providing excellence in safety, health, and the environment to all employees, customers, contractors, and the public in all its business activities, wherever it operates.

Leading the drive to improve safety

Reaching these targets requires us to invest and commit resources to building leadership capabilities and improving our safety culture.

Through comprehensive training in the TASCO Safety and Security Principles that form the core of our approach to safety and security, enabling leaders to champion and effectively take on the critical responsibility to ensure that we are doing everything we can to make safe work easier.

Health & Safety Policies

- Take appropriate practicable measures to prevent and eliminate the risk of injuries, occupational illness and damage to properties.
- Take proactive steps towards conservation of the environment.
- Ensure commitments from all employees and all levels of management.
- Provide the necessary resources and organization, and where appropriate, engage with key stakeholders on relevant Safety, Health and Environment matters.
- Ensure that appropriate contingency measures are in place to deal with emergencies.
- Furnish necessary information, training and support and provide a healthy and safe working environment.
- Comply with relevant Safety, Health and Environment legislations and others requirements.

SUSTAINABILITY STATEMENT

Statement of Commitment

- We at TASCO Group of companies are committed to ensure a safe & healthy working environment to all employees and others involved in or affected by our operations is implemented incorporating statutory requirements, relevant national & international standard and code practices.
- We are committed to achieving a zero work-related fatality target every year among employees.
- We will ensure that adequate resources, education, training and time are made available to implement this policy effectively.
- Safety and health training shall be given equal priority with other essential trainings required for the smooth running of our operation and major business objectives.
- Humanistic initiatives will be adopted to promote a safe & healthy work culture where employer and employees share the common responsibility of inculcating an occupational safety & health – focused working environmental for all
- We integrate this safety & health commitment into our management & operational activities with a perspective of accident prevention and protection of person at place of work.
- All persons at place of work shall take reasonable care for their own safety & health, co-operate with the requirements imposed, use personal protective equipment and comply with any occupational safety & health measures instituted by the management.
- This commitment shall form the guiding principle to establish and practice a safe & healthy working culture and will be periodically monitored & reviewed to ensure continuous improvement and achievement of our objectives.

During the financial year under review, meetings were held regularly by the Safety Committee to tackle material safety issues at work place and audits were conducted to ensure that safety policies and guidelines were being followed.

Safety and Health Committee

TASCO Groups has established a Safety and Health Committee to assist the Board in reviewing the Safety and Health related policies and practices under the applicable law. The Committee is headed by an Executive Director. The National Chairman will provide direction, oversight and guidance throughout TASCO Groups to implement safely related projects. The committee receives appropriate and timely updates to help all members discharge their duties.



SUSTAINABILITY STATEMENT

Roles of Safety & Health Committee



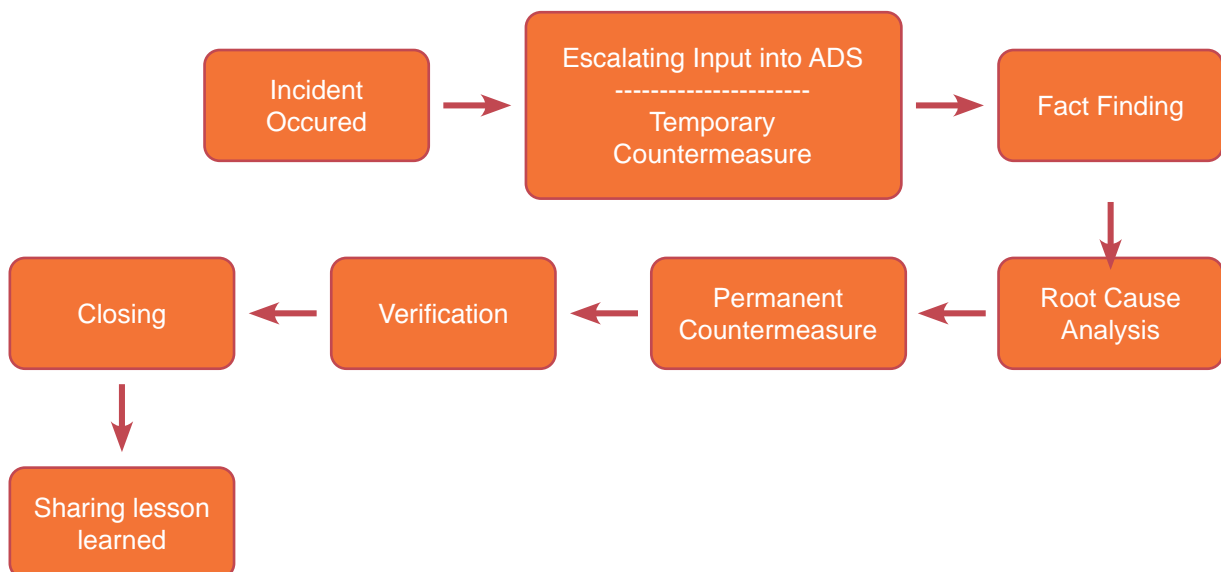
Safety Measures

Safety and Health issues are critical to any business. We have implemented health and safety risk assessments through the Groups on existing and new or potential projects. Training for new workers and refresher training for senior staff are mandatory.

Incident Management System (I.M.S)

We are working towards prevention of similar incidents from happening again by using our proprietary I.M.S to deal with incidents that have already occurred.

- I.M.S has been implemented at all TASCO Group’s operating sites and offices to ensure zero recurrence of incidents. I.M.S. includes its own IT system named ADS, through which it quickly identifies, manages and oversees incidents.
- When incidents occur, we follow the standard incident control process defines in I.M.S.



Incident Management System (I.M.S)

With I.M.S, we shall provide the best system to control the incident happen again.

SUSTAINABILITY STATEMENT

Safety and Health Training

To maintain agility and competitiveness, we have organised training and upskilling initiatives throughout the year. Our training programmes are not solely dedicated to career advancement but also nurture holistic Economic, Environmental and Social learning experiences.

The table below shows the Safety & Health training conducted in the period under review.

Safety and Health	2022
Percentage of TASCO Group with Safety Management System	0%
S&H Training	
Number of staff trained on safety	No. of staff
Forklift Operator's and Safety Training	155
Safety Awareness Training	41
Hearing Conservation Programme	18
Basic Occupational First Aid, CPR and AED	62
Emergency Response Team (ERT)	20
TASCO Driver Defensive, Safety & Eco	60
Total Number of Staffs Attend Training	356

The firefighting systems and backup generators of our major warehouses were inspected periodically by external fire contractors to ensure that they were in good operational condition. The hazardous areas in our major warehouses and offices were identified, updated, mapped and displayed in the buildings.

Driver Defensive and Safety Training

Defensive driving is essentially driving in a manner that utilizes safe driving strategies to enable drivers to address identified hazards in a predictable manner. Trainings assist in improving drivers' driving skills by reducing their driving risks by anticipating situations, making safe, well-informed decisions and also gaining knowledge on fuel-efficient driving techniques.

Certification of Forklift Operators

A forklift is a powerful tool that allows the movement and storage of products and materials efficiently and safely, provided if the employer provides the correct equipment and properly trains its operators. Each year forklift accidents result in the loss of lives, significant personal injuries and damages to products and property. Most forklift accidents are the result of driver error. Therefore, management has emphasized that all forklift drivers must be trained and certified.

First Aid

First Aid in the workplace includes the provision of first aid facilities, services and personnel required for the initial treatment of persons suffering from injury or illness at a workplace. It is the immediate treatment or care given to a victim of an accident or sudden illness before qualified health personnel attend to provide treatment.

The First Aid programme includes the placement of First Aid Kit at several locations that clearly identified, well-illuminated and accessible by employees if there is any minor injury that requires first aid treatment. The box should be kept locked and the key thereto should be kept by a responsible person available during all working hours. The employees should be informed of the location of all first aid boxes.

SUSTAINABILITY STATEMENT

The provision of First Aid Box at one location is in accordance with Guidelines on First Aid Facilities in The Workplace by the Department of Occupational Safety and Health (DOSH).

Type of Box	Number of employees at one location
Box A	1-10
Box B	11-50
Box C	> 50



We have Competent First Aider which can perform first aid treatment of any injury cause by accident at workplace. Competent First Aider has successfully completed a first-aid course and has awarded with a certificate of proficiency in first-aid by institution recognized by the Department of Occupational Safety and Health for providing training on First-Aid in the Workplace.



First Aid Training

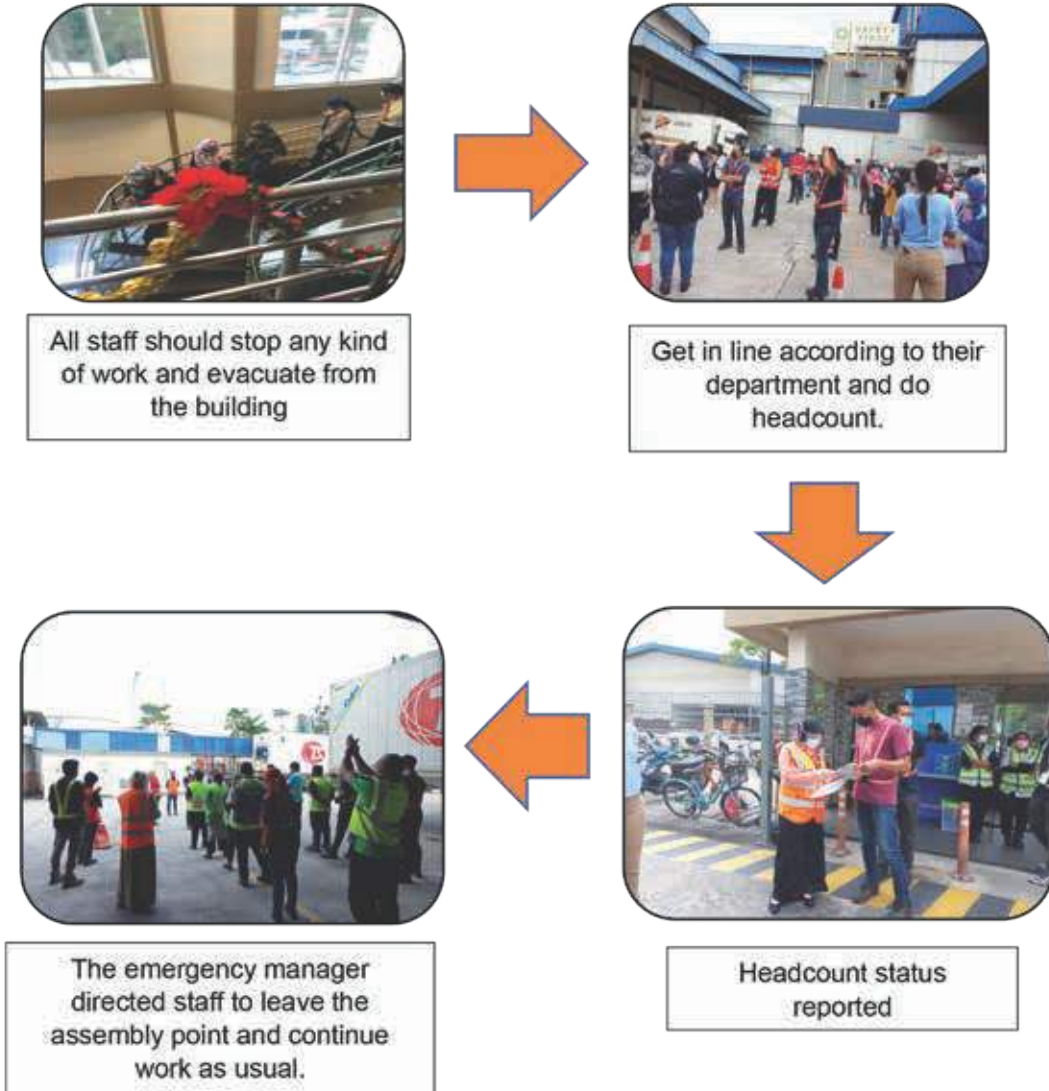
Fire Drill

We have an Emergency Response Team (“ERT”) that consists of employees from the respective departments that are responsible for planning and executing the Fire Drill exercise.

The fire drill was conducted annually to provide the employees an opportunity to practice an emergency procedure if an emergency incident occurs in a simulated but safe environment. The practice also enable the ERT to evaluate the effectiveness of evacuation procedures and to determine necessary improvement to be done.

SUSTAINABILITY STATEMENT

An evacuation layout plan has been pasted at several locations with the purpose of providing guidance for employees to evacuate from their locations to the allocated assembly points. The assembly point location is at every guard post for all phases and below is a picture of a fire drill conducted during the financial year under review.



Fire Drill

MHE Operator Competency

We have two types of Material Handling Equipment (“MHE”) that require a competent operator to handle it. These types of MHE are also operated with rechargeable batteries



Material Handling Equipment (MHE)

SUSTAINABILITY STATEMENT

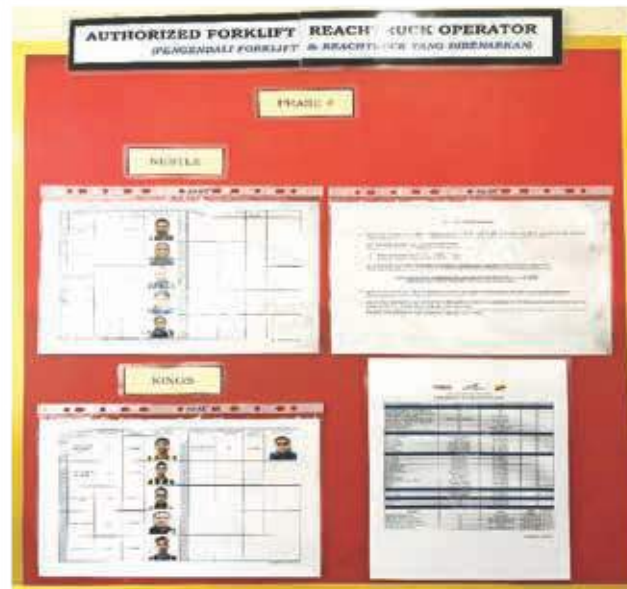
The MHE Operator is compulsory to attend training either internally or externally before they are authorised to use MHE. This is to ensure operator follow good safety practices during handling of the MHE.

For internal, the training was conducted annually by the internal personnel appointed by the Company. For external, the trainer is from an external provider and the personnel that pass the training will be awarded with a certificate of competency. Which is valid for two years. Every MHE Operator have their personal competency card and is compulsory to be displayed while handling the MHE.



Personal Competency Card

List of competent MHE Operators is placed at every safety information board at the workplace



List of competent MHE Operator is placed at every safety information board

SUSTAINABILITY STATEMENT

Safety Signage

We have published safety signage at all strategic locations to ensure employee safety is maintained while doing work at their workplace. Below are examples of signage in the warehouse cold room.



Cold Room Safety Guideline

Safety and Health Campaign

Safety and Health Campaign with the title - “Safety First; Utamakan Keselamatan” has been conducted from May to August 2022. A series of safety training programmes were conducted at branches and warehouses aiming to create awareness, promoting safety among the employees, understanding the safety and health conditions at workplaces, and initiating activities to estimate risks and dangers at the workplace. For the financial year under review, our company further focus on warehouse and transport operations safety.

Safety Gemba Walk has been conducted on 1 August 2022 at Port Klang Logistic Centre (PKLC) by our CEO, Mr. Andy Lee and Head of Compliance Department.

Objective of Safety and Health Campaign

- Reduce safety risks by clarifying the hidden issues and improve.
- Confirm COVID-19 preventive measures in each working environment.



Safety Gemba Walk with our CEO, Mr. Andy Lee at PKLC

SUSTAINABILITY STATEMENT

Gemba is derived from the Japanese word “Gemba” or “Gembutsu” which means “the real place”, so it is often literally defined as the act of seeing where the actual work happens. Gemba is a simple yet powerful lean method used by employers to promote continuous improvement.

Safety Gemba Walk: Emphasize the continuous improvement of safety by watching the actions required to complete daily tasks and determine ways to make the workplace is safer. While a typical site safety walkthrough aims to maintain compliance with safety standards, a safety Gemba Walk focuses on looking for opportunities to continuously improve workplace safety.

Report on Hazard Identification, Risk Assessment and Risk Control (HIRARC) at the Workplace

Safety hazards are unsafe working conditions that lead to injury, illness, and the possibility of death. Safety hazards are the most common workplace risks. According to Occupational Safety and Health Act 1994 section 15(1), it is the duty of the employer to ensure the workers are safe from any risk at the workplace. According to the Occupational Safety and Health Act 1994 section 24(1), it is also the duty of the employee to take reasonable care for their own safety and strictly adhere the safety guidelines set out by the employer. Accidents, ill health and incidents are seldom and random inevitable events. These generally can be happened from safety control failure and often have multiple causes. All activities involve a measurable risk. Therefore, the application of an effective management system can lead to a safer working environment and reduce the incidence of injuries and work-related diseases. Identifying hazards and assessing risks are important to reduce the probability of accidents. It is important to identify the possibilities of potential hazards at the workplace, and to take precautionary measures to reduce the chances of accidents. Many hazards in the workplace require immediate attention. Hazard Identification, Risk Assessment and Risk Control (HIRARC) is a compound word that is made up of three consecutive activities running one after the other.

Hazard identification is the recognition of things that may cause injury or harm to a person. Risk assessment looks at the possibility of injury or harm occurring to a person if exposed to a hazard. The introduction of measures that will eliminate or reduce the risk of a person being exposed to a hazard is known as risk control. Hazard Identification, Risk Assessment and Risk Control (HIRARC) are important to protect workers.

Its purpose is to identify all the factors that may cause harm to employees and others, to consider what the chances are of that harm actually falling to anyone in the circumstances of a particular case and the possible severity that could come from it and to enable employers to plan, introduce and monitor preventive measures to ensure that the risks are adequately controlled at all times (DOSH, 2008, p.6).

Objectives**General Objective**

- To identify safety hazards at the workplace and provide a measurable way to control the risks.

Specific Objective

- To identify types of safety hazards that may cause harm to people around the area at the workplace.
- To conduct risk assessments by calculating or estimating the likelihood of occurrence and severity of the hazard.
- To suggest, implement and review risk control in order to control the potential risk in the workplace.

Method of Risk Assessment

Risk assessment is a concept used to identify hazards and risk factors that can cause danger, to evaluate and determine the risk associated with the hazard and identify effective ways to remove the hazard or monitor the hazard when the hazard cannot be removed. Risk can be calculated by the equation Risk = Likelihood x Severity (DOSH, 2008, p. 5). There are two methods of risk assessment, which are risk estimation and risk evaluation.

SUSTAINABILITY STATEMENT

Risk estimation is the process used to produce a measure of the level of risk being analyzed. The table below shows the likelihood of the risk by referring to the value.

The table below shows the likelihood of the risk by referring to the value.

Likelihood of the risk (L)	Example	Value
Very high	Hazard or accident that are most likely to happen	5
High	The accident can happen	4
Can be predicted	The accident might happen in the future	3
Low	There is no accident happen	2
Very low	There is no accident happen and it is impossible for accident to occur	1

Table 1: Examples and rating for likelihood

Risk Evaluation

Risk Evaluation is the process used to compare the estimated risk against the given risk criteria to determine the significance of the risk. Risk evaluation is used to assist in the decision to risk treatment. Risk Evaluation as part of the ISO 31000 Risk Management Framework. The table below shows the severity of the hazard by referring to the value.

Severity of the Hazard (S)	Example	Value
Severity	Many deaths, damage to property, damage cannot be fixed	5
Catastrophic	Approximately one death, damage to property If hazard occur.	4
Critical	Accident is not fatal, losing ability to move like normal human	3
Marginal	Accident cause loss of ability but not a permanent injury.	2
Negligible	A bit of blistered, bruises cuts, and injury that need first aid	1

Table 2: Examples and rating for severity

The risk rated by using the risk matrix table

Likelihood	Severity				
	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Table 3: Risk matrix table

Indicators	Actions
HIGH (15-25)	Requires immediate action to control the hazard using hierarchy of control. Actions taken must be documented (risk assessment form), including date for completion
MEDIUM (5-14)	Requires a proper risk control plan to control the hazard and to apply temporary measures if required. Actions taken must be documented (risk assessment form), including date for completion
LOW (1-4)	Further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measures should be implemented and recorded

Table 4: Risk assessment indicator and suggested actions

SUSTAINABILITY STATEMENT**Result****Table 5: Summary of Hazard, Risk Rating and Risk control**

No	WORK ACTIVITY	HAZARDS	WHICH CAN CAUSE/ EFFECT	EXISTING RISK CONTROL (IF ANY)	SEVERITY	LIKELIHOOD	RISK LEVEL
1.	Truck/ container movement from Main Entrance to Loading Bay	Speeding	Hit the pedestrian which may cause physical injury	1) Speed limit of 5km/h signage 2) Signage of 'beware of pedestrian' 3) Gangways and aisles of sufficient space to enable lifting truck to load and unload	2	3	6
2.	Truck/ container parking at the loading bay	Driver blind spot	Hit the pedestrian which may cause physical injury		2	2	4
		Truck without tire choke	Truck may move without control and hit receiver staff or property	1) Signage of reminding for choking tire 2) Provide tire choke	2	2	4
3.	Staff pulling in and out stock to and from truck / container	Repetitive motion of pulling out of stock	Pain and discomfort to the muscle of back, neck, shoulder and knee	Advise to take rest in between the process.	1	1	3
		Moving hand jack or power pallet truck	May cause hitting to the staff working or hit the stock that temporary placed near the area	1) Signage of 'beware of moving machinery' 2) SOP of electric pallet truck	2	3	6
		Heavy load and unsecure stocks	- Muscle strain - may cause overturn of moving MHE	1) SOP Forklift & Reachtruck Handling 2) SOP of electric pallet truck	2	2	4
		Slippery floor of container/ truck	Fall or trip due to slippery floor may cause physical injury such as fracture or sprain.	Proper PPE; safety shoes have been provided to all warehouse staff	1	1	4
4.	Staff checking stocks condition at staging area	Long standing and repetitive motion	Pain and discomfort for the muscle of back, neck, shoulder and knee	Advise to take rest in between the process	1	1	4
		Unsecure stacking stocks on pallet	Fall of stacking stocks to the receiver staff	Safe work practice by wrapping the stocks	1	1	2
		Extreme cold temperature	May cause hypothermia; the excessive loss of body heat due to expose to the extreme cold temperature.	1) Proper PPE such as coverall cold room jacket, gloves, safety shoes and ear warmer have been provided to all warehouse staff 2) Advise to take rest and be outside of the area in between the process to gain body heat.	2	1	2
5.	Move the pallet of stocks into cold room	Untrained operators in handling forklift	Mishandling of MHE	1) Arrangement by MHE training coordinator based on the schedule 2) SOP MHE Competency	1	1	2
		Moving MHE	May cause hitting to the staff working or hit the stock that temporary placed near the area	1) SOP Forklift & Reachtruck Handling	2	3	6
		Heavy load and unsecure stocks	- Muscle strain - may cause overturn of moving MHE	1) SOP Forklift & Reachtruck 2) SOP of electric pallet truck	2	2	4
		Slippery floor of cold room	- Fall or trip due to slippery floor may cause physical injury such as fracture or sprain - May cause overturn of moving MHE	1) Proper PPE; safety shoes have been provided to all warehouse staff 2) Signage of 'beware of slippery floor' at loading area.	1	4	4

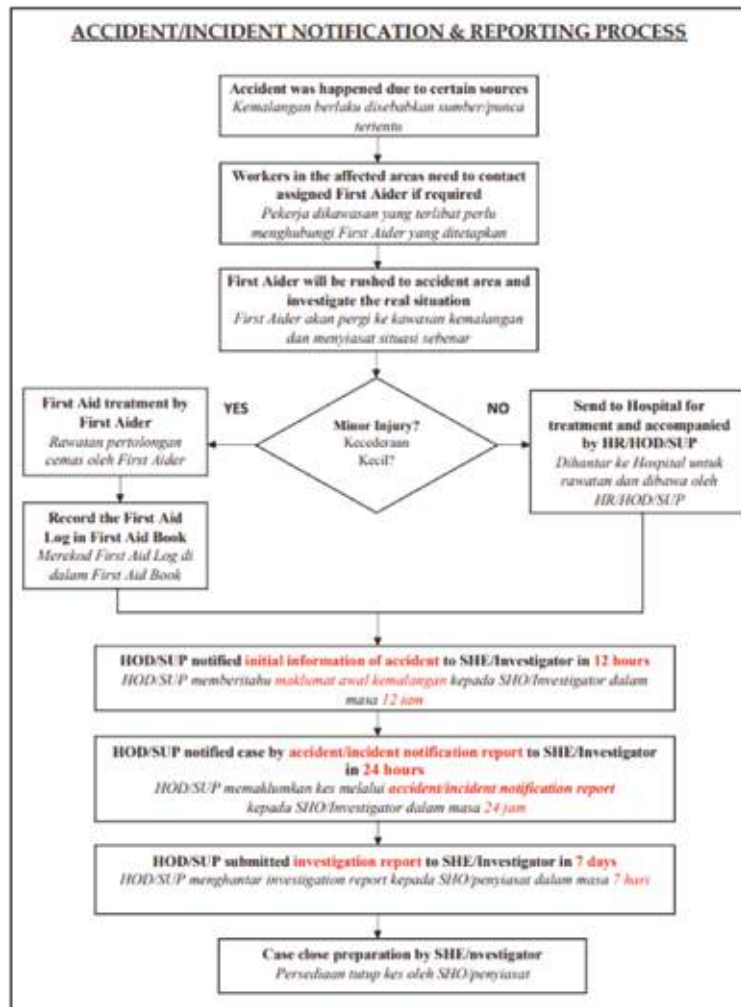
SUSTAINABILITY STATEMENT

No	WORK ACTIVITY	HAZARDS	WHICH CAN CAUSE/ EFFECT	EXISTING RISK CONTROL (IF ANY)			
6.	Arranging or picking the pallet of stocks at rack	Fall of stocks (Carton) due to improper wrapping	May resulting in physical injury (e.g.: fracture)	Supervision and training programme on proper wrapping method of stacks in order to prevent falls of goods to warehouse staff	1	1	2
		Extreme cold temperature	May cause hypothermia; the excessive loss of body heat due to expose to the extreme cold temperature	1) Proper PPE such as coverall cold room jacket, gloves, safety shoes and ear warmer have been provided to all warehouse staff 2) Advise to take rest and be outside of the area in between the process to gain body heat. 3) Reach truck with heater inside the cabin	2	1	2
		Slippery floor due to ice condensation	May cause overturn of moving MHE	1) Daily pre-inspection of MHE by using checklist 2) safe work procedure is practiced 3) Daily housekeeping inside cold room is practiced	1	4	4
7.	Picking of stocks by loose carton at racking in the cold room	Awkward posture while picking cartons one by one	May cause immediate body fatigue and stress to the upper body	Advise to take rest in between the process	1	3	3
		Repetitive motion while picking cartons one by one	Muscle fatigue which resulting in limits of body capacity to perform further task	Advise to take rest in between the process	1	3	3
		Slippery floor due to ice condensation	Fall or trip due to slippery floor may cause physical injury such as fracture or sprain	1) Proper PPE; safety shoes have been provided to all warehouse staff 2) Signage of 'beware of slippery floor' at loading area. 3) Daily housekeeping inside cold room is practiced.	1	4	4
8.	Moving the pallet of stocks in or out from cold room	Untrained operators in handling MHE	Mishandling of MHE	1) Arrangement by MHE training coordinator based on the schedule 2) SOP MHE Competency	1	2	2
		Moving MHE	Moving MHE may collide to each other which resulting in physical injury to the MHE operator or property damage	1) SOP Forklift & Reachtruck Handling	2	3	6
		Speeding of MHE	May cause collision between workers and goods which resulting in serious physical injury and property damage	1) Speed limit of 5km/h signage 2) Signage of 'beware of pedestrian' at warehouse area 3) Gangways and aisles of sufficient space to enable lifting truck to load and unload.	2	3	6

Hazard Identification, Risk Assessment & Risk Control Table

Accident/ Incident Process Flow

We have established an Accidents/ Incidents process flow for action to be taken during incidents at sites and offices. The reporting process as follows: -

**Our incident reporting framework in action:**

Incident occurred at Reach Truck Entrance Door Room 4C, Phase 4 (PH4), at Cold Chain Facilities. The Reach Truck slipped and lost control, hit on the door of cold room. The Reach Truck Driver (RTD) informed the supervisor on duty at PH4 on the incident. The supervisor immediately requested the ice surface floor to be cleared off and updated the issue to the Head of Department (HOD). HOD took immediate action by highlighting to the superior. HOD responsible to ensure the safety awareness and training to be conducted in order to ensure no repetitive incident to happen again.

The incident notification and reporting steps were taken, HOD rectified the situation through investigation by the supervisor (Ahmad Najib). Investigation revealed that RTD lacked of awareness and cautiousness of risk that may occur. Therefore, corrective action was taken by supervisor towards the RTD by briefing best handling of Material Handling Equipment (MHE) and counter measure was taken by scheduled MHE Training as safety reminder to all MHE Driver.

SUSTAINABILITY STATEMENT

Incidents will be investigated by trained personnel and preventive actions will be taken.

The below data was submitted to the Department of occupational Safety and Health on annual basis.

Health and Safety	2020	2021	2022
Lost Time Incident Rate (LTIR)	0.2	0.3	0.2
Number of Lost Time Injuries cases	2	3	2
Total Working Day Lost	114	18	15
Number of fatalities	0	0	0

**Note: The calculation of:
Lost Total Incident Rate =
(Number of Lost Time Injuries Cases x 1,000,000) / Total hours worked)*

The Group (LTIR) decreased from 0.3 to 0.2 in year 2021 to 2022, we are committed in driving the HSE programmes to further improve our HSE culture and ultimately realise HSE excellence.

Chemical Health Risk Assessment (CHRA)

A Chemical Health Risk Assessment (CHRA) was conducted for the purpose of assessing the risk to health from exposure to chemicals hazardous to health at TASCO Group's employees.

The assessment was conducted on site by identifying the Groups of workers that exposed to the chemicals hazardous. The assessment was done by assessing the adequacy of ventilation system, personal protective equipment, determination of the monitoring requirements and staff interview. The assessment was conducted once every five years.

The summary results of the Chemical Health Risk Assessment in year 2017 and 2022 as append in the table below: -

No.	Work Unit	Chemical Hazardous to Health	2017		2022	
			Risk Rating (RR)	Conclusion	Risk Rating (RR)	Conclusion
1.	Plant Room/ Chemical Storage Operator	Anhydrous Ammonia	2	C1	2	C1
		P-235	2	C1	2	C1
		H-510	2	C1	2	C1
		H-800	2	C1	2	C1
		Shell Tellus S2 M32	2	C1	2	C1
		Mobil Delvac MX15W40	1	C1	1	C1
		Gargoyle Arctic Oil 300	1	C1	1	C1
2.	Maintenance Workshop Operator	Anti-Freeze Coolant	2	C1	2	C1
		Compressed Oxygen	2	C1	2	C1
		Compressed Dissolved Acetylene	2	C1	2	C1
		LGMT 3TH	2	C1	2	C1
		Shell Tellus S2 MX 46	3	C2	3	C2

SUSTAINABILITY STATEMENT

No.	Work Unit	Chemical Hazardous to Health	2017		2022	
			Risk Rating (RR)	Conclusion	Risk Rating (RR)	Conclusion
3.	HR/Cleaner	CH 611 Chemin Multipurpose Cleaner	3	C2	3	C2
		CH627 Chemin Liquid Power Pine	3	C2	3	C2
		CH627 Chemin Disinfectant Deodorizer	3	C2	3	C2
		CH Chimin Hand Soap Antibacteria Apple	3	C2	3	C2
		DEB Universal Protect P/W Cream	3	C2	3	C2
		DEB Pure Restore Afterwork Cream	3	C2	3	C2
		CH615 Chemin Glass Cleaner	3	C2	3	C2
		Kuat Harimau Powder Detergent	3	C2	3	C2
		Zip Dishwashing Liquid (Triple Action) – Lime	2	C1	2	C1
4.	Scheduled Waste Storage Operator	Compressed Oil	2	C1	2	C1
		Grease	2	C1	2	C1
		Hydraulic Oil	2	C1	2	C1
		Used Oil	2	C1	2	C1

Note: C1: Risk not significant now and not likely to increase in future)

C2: Risk were found significant but already adequately controlled, could increase in the future

Risk Rating (RR): Likelihood of injury or illness

RR1-RR4= Low Risk

From the data above, all the chemical used at the work units achieved C1 and C2. Continuous of good practices and proper maintenance need to be maintained. Additional improvement is required to reduce further hazardous chemical exposure to the workers in future.

Labour Standard

All policies and practices within the Group aligned with the Employment Act 1955 and government guidelines. Work-life balance improved via comprehensive schedules that enable the operational department to obviate excessive working hours that might affect the employee's health, family time, and productivity.

Company Policy on Labour Standard

We have adopted the Code of Conduct established by Yusen Logistic Group, which promotes Respect for Human Rights as mentioned under the section – Equal Opportunity and Non-discrimination. The Code of Conduct is regularly reviewed and updated as and when necessary.

We provide regular communications and training to ensure awareness, understanding and adherence to our Code of Conduct, Policies and Terms and Conditions. The training exposes participants to practical business dilemmas.

TASCO Group promotes Company Policy on Labour Standard through its adoption of the Code of Conduct established by Yusen Logistic Group Code of Conduct can be found here (link to https://www.yusen-logistics.com/my_en/about-us/sustainability/governance)

SUSTAINABILITY STATEMENT

Employment Policy (Children and Young People)

There are no children and young people hiring in TASCO Group. We adopted a policy that complies with the Children and Young Persons (Employment) Act 1966 and any other relevant laws. The minimum age for employment in our Group is 18 years of age.

Grievance procedure

Grievance procedures is in place whereby any dissatisfaction or complaint can be brought to the attention of the immediate superior. The grievance procedures enable grievances to be resolved on a timely manner and ensure that a harmonious work environment is maintain. Alternatively, employees are also encouraged to raise concerns or make a complaint directly to the Human Resource department.

Incidents of human rights violations

There were no reported human rights violations or incident happen in TASCO. We strictly adhere to our human rights policy and act in accordance to the UN International Covenants and local human rights law.

Participation on human rights initiative

TASCO Group has been actively engaging with the government authorities, such as Jabatan Tenaga Kerja (JTK) and Jabatan Kesihatan dan Keselamatan Pekerja (JKKP) and we strictly comply with the rules and regulation of local authorities on human rights including foreign workers issues, accommodations and welfare.

Vaccination Programme for Employees

TASCO Group in collabouration with the Ministry of Transport (MoT) has arranged a vaccination programme, which the first and second doses of vaccination were sponsored by the company to the employees of TASCO Group. There were total four (4) vaccination centres allocated by MoT, i.e. Main Terminal KLIA, Penang Port, Kuantan Port and Johor Port. Approximately 1000 employees participated in this programme and the Company has sponsored RM 55,000.00 for this programme.

Contribution of TASCO Group to the National Covid-19 Immunisation Programme (PICK)

TASCO Group working hand in hand with our holding company, Yusen Logistic Japan to deliver 1,828,000 doses of AstraZeneca vaccine donated by Japan Government to Malaysia. The vaccines benefited the Malaysian Citizens under the National Covid-19 Immunisation Programme (PICK).



The vaccines arrived at the Gate C32 of the Kuala Lumpur International Airport via Japan Airlines flight JAL723 (Boeing 787)



One million doses of AstraZeneca vaccine from Japan arrive in KLIA

Employee Engagement on Charitable Activities**Contribution to the community**

As part of our contribution to the community, TASCO Group encouraged the participation of our employees from various path in life without prejudice and we oppose any discriminatory hiring policy.

It is also part of our firm initiative to employ locally which would contribute to the country economy sustainability.

Donation

Malaysia was hit by disastrous flood caused by heavy rainfall in December 2021. Many places in Central, Southern and East Coast of Peninsular Malaysia were severely affected. Houses and premises in Shah Alam, Klang and Port Klang area were flooded, roads closures, utilities and communication disruption. Offices and facilities, particularly HQ offices & Shah Alam Logistic Centre (SALC), in Central region have been badly affected by this unavoidable Act of God. A number of our employee, particularly those who were staying in Central region, were victimised during the floods as their houses, properties and cars were badly damaged. The Management contributed RM 500 per household as humanitarian aid/ welfare to the victimised employee to help them to rebuild the lives after the devastating floods. Total amount contributed by TASCO Group for flood relief fund was amounting to RM120,000 of 244 employees received the relief fund.

In early January 2022, it was reported that over 500 victims were affected and placed at temporary relief centres in Mersing, Johor. TASCO delivered dried food amounting to RM RM5,256 to Pertubuhan Kebajikan Ikatan Anak Mersing, a charitable organization in Mersing town to all the victims.

As part of the Company's Corporate Social Responsibility activities, we have an annual collection on Ramadhan month every year among our staff. The total of RM4,700 collected was donated to Hospital Tunku Azizah (Women & Children Ward) and the spouse of one of the staff to temporary ease her living after diagnosed with cervical cancer.

During the financial year under review, the total amount donation from TASCO Group was RM129,956.

Corporate Social Responsibility (CSR) Initiative

TASCO Groups brought much cheer to students at Sekolah Kebangsaan Sri Damansara by donating liquid baths and shampoos on 6 December 2022. We have collabourated with Guardian Malaysia in a consolidated effort to ensure they have a great bath time with gentle cleansing properties for underprivileged kids.



CSR Initiative at Sekolah Kebangsaan Sri Damansara

SUSTAINABILITY STATEMENT

Human capital

A key priority in our ESG strategy is to create an engaging environment for the employees. People are the foundation of company's success. We are committed to foster talent development via capitalizing on the strengths and abilities of employees, help them to become stronger and grow within the Group.

Training and Development

Recognizing that human resources is an important asset and in line with our quality policy which include development of all our employees and maximize their potential to the greatest extent so that they may benefit by growing with the Group yearly training needs analysis covering all levels of employee has been carried out and appropriate training programme provided on a continuous basis to increase their skills and knowledge.

During the financial year, the following training courses were attended by our employees:

Course Title	Month & Year	No. of Employee	Training Hours
Basic Cargo Training	Apr 2022	5	24
Performance Management & Organization Goal Settings	Apr 2022	14	8
Employee Performance Planning	Apr 2022	14	8
Food Handling Training	Apr 2022	4	4
Prevention & Elimination of Forced Labour	May 2022	5	7
Latihan Kompetensi Halal	Jun 2022	8	8
Webinar Towards Understanding Customs Regulation	Jul 2022	1	16
Webinar on Employment Act (Amendment)	Aug 2022	1	8
Microsoft Sharepoint Online	Aug 2022	7	8
Latest Amendment of EA 2022	Sept 2022	3	8
Forklift Train the Trainer	Sept 2022	2	24
MAICSA Annual Conference	Oct 2022	1	16
Custom Procedure & Quality Form	Oct 2022	19	7
First Aid & CPR Training	Oct 2022	19	16
ESG NXT 2022 Making ESG Actionable for All	Oct 2022	2	16
BOMBA Training	Nov 2022	20	24
Customs Legislation & Customs Subsidiary Legislation	Nov 2022	6	8
Microsoft Excel (Basic/Intermediate)	Dec 2022	30	16
Time Management Training	Feb 2023	60	16
Webinar: Directors Behaviour & Boardroom Dynamic	Feb 2023	1	4
Seminar Perintah Duti Kastam	Feb 2020	1	8
Webinar: Governance, Risk and Compliance Framework	Mar 2023	1	4
Behavioral Based Interviewing Skills	Mar 2023	1	14
EHS -Integrated Awareness & Understanding Training	Apr 22	6	4
Leadership Supervisory Skills:			
Batch 1	Apr 22	4	16
Batch 2	Jan 23	7	16
Batch 3	Feb 23	31	8
Batch 4	Feb 23	33	8

SUSTAINABILITY STATEMENT

Course Title	Month & Year	No. of Employee	Training Hours
Security Control Centre (SCC) & Security SOP/Training:			
Session A	Apr 22	6	2
Session B	Apr 22	12	2
Session C	Apr 22	12	2
Session D	Apr 22	5	7
Session E	May 22	12	7
Session F	May 22	2	2
Session G	Sept 22	5	2
JSA-S1004:2020 Internal Awareness Training	May 22	11	3
Internal Audit Refreshing Training	May 22	20	3
Hearing Conservation Programme	May 22	22	4
HR Induction, Personal Hygiene, and Covid19 Awareness	Jun 22	25	4
HR Induction, Personal Hygiene, and Covid19 Awareness (GCIL)	Sept 22	9	8
HR SOP	Jun 22	6	1
Internal Awareness Training (ISO 14001:2015, Safety & Health, Halal Assurance, Food Defense, GDP, JSA, BRC):			
Batch 1	Mar 22	27	4
Batch 2	Jun 22	11	8
Batch 3	Oct 22	20	8
Batch 4	Dec 22	24	8
Batch 5	Jan 23	5	8
Batch 6 (Extended 2022)	Jan 23	12	8
Batch 1	Mar 23	37	8
Latihan Kompetensi Halal	Jun 22	4	18
Effective Control of Documented Information Training	Jul 22	6	4
CepSWaM Field Training Report Preparation Workshop	Aug 22	1	16
HR Professionals Annual Symposium 2022	Sept 22	1	16
Lead Auditor Integrated Management System (IMS) ISO 9001, 14001, 45001	Sept 22	2	44
Basic Occupational First Aid, CPR & AED Training	Sept 22	30	16
Webinar: Service Tax	Oct 22	1	8
Simposium Pengurusan Stress & Kesehatan Mental Pekerja	Oct 22	1	8
IT SOP Training	Oct 22	4	2
Halal Competency Training	Nov 22	14	4
i-Land Training	Dec 22	18	3
Food Safety Internal Awareness Training	Jan 23	6	2
Emergency Response Team (ERT) Training	Feb 23	36	1
Webinar Service Tax: Recognize & Diversify Your Business	Feb 23	1	8
English Course: Mind Your Business English Training	Feb 23	2	16
Integrated Management System Internal Audit Training	Mar 23	33	16
HRD Corp Workshop 2023	Mar 23	1	16
Chemical Handling Training	Mar 23	27	8

SUSTAINABILITY STATEMENT

Human Rights Policies

TASCO Group are currently aligning with the Principles of the UN Global Compact relating to the respect of Human Rights on support and respect the protection of internationally proclaimed human rights and ensure we are not complicit in human right abuses. We are committing to take strategic actions to advance broader societal goals and implement sustainability strategy.

The Group respects international norms on human rights and will not engage in acts that violate human rights and the dignity of the private individual in any of our business activities and we also respect the rights of all persons and will not engage in discrimination action or make discriminatory remarks based on gender, age, nationality, ethnicity, creed, religion, occupation, social status, appearance, illness or disability which accordance to the United Nation.

We are also adhering to the International Human Rights of UN Guiding Principles on Business and Human Right. TASCO Group's has the responsibilities in: -

- Providing Equal Opportunities in Employment
- Eradicating Any Form of Harassment or Abuse or Discrimination
- Enhancing Health and Safety
- Eradicating Forced/Compulsory Labour
- Protecting the Rights of Children

Employment Act relating to Overtime

The Employment Act (Amendment) 2022 ("EA 2022") came into effect on 1 January 2023. To comply with the EA 2022, the Management has come out with the new standard operating procedures. The Group committed to strictly complies with the EA 2022.

Conventions of Human Rights and Child protection

We will not engage in libelous or slanderous acts that violate human dignity, abusive acts that may be regarded as harassment or any other act that may be misinterpreted as harassment, without any exception.

We will pay due attention to the social responsibility of business corporations and will not allow forced labour or child labour nor conduct trade with other business enterprises engaged in such acts.

We will observe labour contracts and other agreements with attention to the protection of the rights of workers established in international treaties and in laws and regulations of each country or region.

Right to freedom of Association

We encourage right of freedom of association as long it is in accordance to Malaysian by-law.

Diversity, Equity and Inclusion

TASCO remains driven by our Core Values and the need to attract and retain talented employees. For these reasons, we have made the DEI a special priority in our ESG strategy. In addition, employees increasingly hold us accountable for our actions and policies to protect and further the rights of vulnerable Group that experience discrimination in society. More recently, customers, investors and benchmarking agencies have also turned their attention to how we implement DEI.

LISTENING TO EMPLOYEES

Grievance Procedure

We have grievance procedures in place whereby any dissatisfaction or complaint by an employee can be brought to the attention of the immediate superior. The grievance procedures enable grievances to be resolved on a timely manner and ensure that a harmonious work environment is maintained. Alternatively, all employees have the right to raise concerns or make a complaint directly to the Human Resource department of our Group.

Whistleblowing Procedure

We have whistleblowing procedures in place whereby any dissatisfaction or complaint by an employee can be brought to the attention of our Compliance Officer.

Employees are encouraged to report any non-compliance issues, business fraud or business irregularities to the Management, either through e-mail or Compliance Hotline. The company established the whistleblowing system that acts as deterrent to malpractice, encourages openness, promotes transparency, underpins the risks management systems of the Company.

All channels of whistle blowing will be in charged by Compliance Office and all acknowledgement of receipt of the report will be made to the complainant within 48 hours (with the exception of the anonymous complaints). The investigations of most complaints will be handled internally and will typically be carried out by Compliance Officer or his designated body. On case-by-case basis, it may be determined that outside resources are required to assist in such investigation.

Confidentiality

It is essential for the employee to feel secure when participating in the Company's compliance system. Therefore, confidentiality is a priority and every effort will be made to protect the identity when employee interact with any element of the compliance system. In some instances, it may be impossible to keep the identity confidential because of conducting a thorough investigation or due to legal requirements. The employee may consider placing an anonymous call to the Compliance Hotline.

Compliance Hotline

The Compliance Hotline is available within office working hours (Monday to Friday, excluding public holiday, 8.30am to 6.00pm).

Fair and equal wage

Our values and commitments to international labour standards obligate us to pay fair and equal wages to all employees as we remunerate our employees in accordance with the provisions of the Malaysian Employment Act 1955 ("Employment Act"), including complying with the statutory minimum wage.

Employees will be paid higher than the minimum wage in accordance with their experience, skills and performance and working attitude.

TASCO Group promotes fair and equal wage through its adoption of the Code of Conduct established by Yusen Logistic Group Code of Conduct can be found here (link to https://www.yusen-logistics.com/my_en/about-us/sustainability/governance).

SUSTAINABILITY STATEMENT

Equal Opportunity and Non-Discrimination

We uphold the principle of diversity of the workforce, equality pay for equal work, non-discrimination and fair treatment in all aspects of employment. The right of just and favourable conditions of work, protection against unfair labour practice, including recruitment and hiring, compensation, benefits, working conditions, training, rewards and recognition, career development and retirement for employees at all levels regardless of races, gender, age, religion, nationality, marital status, cultural background, disabilities, or any status protected by law, and the underprivileged Groups. Employees must strive to create a workplace where everyone is treated fairly and equally.

TASCO Group promotes Respect for Human Rights through its adoption of the Code of Conduct established by Yusen Logistic Group Code of Conduct can be found here (link to https://www.yusen-logistics.com/my_en/about-us/sustainability/governance).

Involvement in Labour Standard Initiatives

We initiated a discussion with Ministry of Transport (Malaysia) on shortage of foreign man-power due to Covid-19.

Incidents of Labour Standard violations

There were no cases reported on any labour standard violations or incident happened in our Group. We take these matters seriously as stated in our labour rights policy and according the UN International Covenants and local human rights law.

COMMUNITY

Internship Program

We continuously accept students from higher institutes of education into our internship training programme as part of our commitment to the community. The objective of our internship programme is to provide students with exposure to real work experiences that will provide them with opportunities to explore their interests and develop professional skills and competencies.

During the financial year, we have taken in students into its internship programme from Tunku Abdul Rahman University College (TARUC), Universiti Teknologi Mara (UiTM), Universiti Utara Malaysia (UUM), Malaysia University of Science and Technology, Politeknik Metro, Politeknik Merlimau, Politeknik Seberang Prai, Universiti Malaysia Pahang (UMP), Universiti Malaysia Kelantan (UMK), Taylor's University, Universiti Tenaga Nasional (UNITEN), Kolej Komuniti, Universiti Pertahanan Nasional Malaysia (UPNM) and PICOMS.

The Group accepted 26 students from various institutes of higher education into its internship programme in previous financial year. Whereas for the financial year under review, the Group accepted 28 students into its internship programme.

TALENT RECRUITMENT AND RETENTION

Human Resource Status

We adhere to the principles of fairness and diversified employment. Employees of different age, gender, race, religion, political views, marital status and backgrounds are treated fairly and equally in term of recruitment and promotion. In 2020, the total number of employees of TASCO Group 1,849, while in 2021 the total number of employees 2,007 and followed by 2022 our total number of employees 2,074. Total logistics service provider is a labour intensive industry and also due to the nature of the industry, therefore, the proportion of male employees is higher than that of female employees. As part of equity and fairness, we also have one (1) disabled employee.

SUSTAINABILITY STATEMENT**Staff Turnover****Yearly Percentage of Resignation By Own Accord****April 2020 - March 2021**

Employment Status	Count of Employee	Grand Total	%
Resigned	139		7.5
Grand Total			

April 2020 - March 2021

Employment Status	Count of Employee	Grand Total	%
Resigned	190		9.5
Grand Total			

April 2022 - March 2023

Employment Status	Count of Employee	Grand Total	%
Resigned	285		13.7
Grand Total			

Staff by gender**April 2020 - March 2021**

Count of Employee	Employee Type		Grand Total	%
	Contract	Permanent		
Gender				
Female	33	522	555	30.0
Male	475	819	1294	70.0
Grand Total	508	1341	1849	

April 2021 - March 2022

Count of Employee	Employee Type		Grand Total	%
	Contract	Permanent		
Gender				
Female	43	558	601	29.9
Male	498	908	1406	70.1
Grand Total	541	1466	2007	

April 2022 - March 2023

Count of Employee	Employee Type		Grand Total	%
	Contract	Permanent		
Gender				
Female	27	603	630	30.4
Male	518	926	1444	69.6
Grand Total	545	1080	2074	

SUSTAINABILITY STATEMENT

Staff by Race

April 2020 - March 2021

Count of Employee Race	Employee Type		Grand Total	%
	Contract	Permanent		
Malay	272	956	1228	66.41
Indian	42	200	242	13.09
Chinese	8	132	140	7.57
Others	180	59	239	12.93
Grand Total	502	1347	1849	

April 2021 - March 2022

Count of Employee Race	Employee Type		Grand Total	%
	Contract	Permanent		
Malay	302	1061	1363	67.9
Indian	60	221	281	14.0
Chinese	9	131	140	7.0
Others	175	48	223	11.1
Grand Total	476	1052	2007	

April 2022 - March 2023

Count of Employee Race	Employee Type		Grand Total	%
	Contract	Permanent		
Malay	327	1,117	1444	69.6
Indian	58	230	288	13.89
Chinese	14	131	145	6.99
Others	146	51	197	9.50
Grand Total	545	1529	2074	

Staff by Age

April 2020 - March 2021

Count of Employee Age	Employee Type		Grand Total	%
	Contract	Permanent		
18-29	123	230	353	19.1
30-39	167	482	649	35.1
40-49	138	371	509	27.5
50-59	56	242	295	16.0
60-69	18	22	40	2.2
Grand Total	502	1347	1849	

SUSTAINABILITY STATEMENT**April 2021 - March 2022**

Count of Employee	Employee Type			%
	Contract	Permanent	Grand Total	
Age				
18-29	139	335	474	23.6
30-39	194	494	688	34.3
40-49	136	382	518	25.8
50-59	58	236	294	14.6
60-69	19	14	33	1.64
Grand Total	546	1461	2007	

April 2022 - March 2023

Count of Employee	Employee Type			%
	Contract	Permanent	Grand Total	
Age				
18-29	138	434	572	27.6
30-39	185	491	676	32.6
40-49	143	372	515	24.8
50-59	58	227	285	13.7
60-69	21	5	26	1.25
Grand Total	545	1529	2074	

Disabilities Staff**April 2020 - March 2021**

Disabilities	Employee Type			%
	Contract	Permanent	Grand Total	
Female	0	1	1	0.05
Male	0	0	0	0
Grand Total			1849	

April 2021 - March 2022

Disabilities	Employee Type			%
	Contract	Permanent	Grand Total	
Female	0	1	1	0.05
Male	0	0	0	0
Grand Total			2007	

SUSTAINABILITY STATEMENT

April 2022 - March 2023

Disabilities	Employee Type		Grand Total	%
	Contract	Permanent		
Female	0	1	1	0.05
Male	1	0	0	0.05
Grand Total			2074	

Summary of staff those absorb after completion internship (2018 -2023)

Row Labels	Count of Name
HQ (Shah Alam)	4
BD (Bangi Depot)	2
PK (Port Klang)	3
PN (Penang Prai)	3
JB (Senai Seelong)	2
SA (Shah Alam)	12
TP (Tanjung Pelepas)	1
WP (West Port)	1
YP (Bayan Lepas)	2
TYGC	7
GCT	3
GCL	7
GCIL	1
Grand Total	48

SUSTAINABILITY STATEMENT

Amount of time spent on employee development training to enhance knowledge or individual skills:

Below are the general trainings that have added in training hours.

Course Title	Month & Year	No. of Employee	Training Hours
Basic Cargo Training	Apr 2022	5	24
Performance Management & Organization Goal Settings	Apr 2022	14	8
Employee Performance Planning	Apr 2022	14	8
Food Handling Training	Apr 2022	4	4
Prevention & Elimination of Forced Labour	May 2022	5	7
Latihan Kompetensi Halal	Jun 2022	8	8
Webinar Towards Understanding Customs Regulation	Jul 2022	1	16
Webinar on Employment Act (Amendment)	Aug 2022	1	8
Microsoft Sharepoint Online	Aug 2022	7	8
Latest Amendment of EA 2022	Sept 2022	3	8
Forklift Train the Trainer	Sept 2022	2	24
MAICSA Annual Conference	Oct 2022	1	16
Custom Procedure & Quality Form	Oct 2022	19	7
First Aid & CPR Training	Oct 2022	19	16
ESG NXT 2022 _ Making ESG Actionable for All	Oct 2022	2	16
BOMBA Training	Nov 2022	20	24
Customs Legislation & Customs Subsidiary Legislation	Nov 2022	6	8
Microsoft Excel (Basic/Intermediate)	Dec 2022	30	16
Time Management Training	Feb 2023	60	16
Webinar: Directors Behaviour & Boardroom Dynamic	Feb 2023	1	4
Seminar Perintah Duti Kastam	Feb 2020	1	8
Webinar: Governance, Risk and Compliance Framework	Mar 2023	1	4
Behavioral Based Interviewing Skills	Mar 2023	1	14
EHS -Integrated Awareness & Understanding Training	Apr 22	6	4

SUSTAINABILITY STATEMENT

Course Title	Month & Year	No. of Employee	Training Hours
Leadership Supervisory Skills:			
Batch 1	Apr 22	4	16
Batch 2	Jan 23	7	16
Batch 3	Feb 23	31	8
Batch 4	Feb 23	33	8
Security Control Centre (SCC) & Security SOP/Training:			
Session A	Apr 22	6	2
Session B	Apr 22	12	2
Session C	Apr 22	12	2
Session D	Apr 22	5	7
Session E	May 22	12	7
Session F	May 22	2	2
Session G	Sept 22	5	2
JSA-S1004:2020 Internal Awareness Training	May 22	11	3
Internal Audit Refreshing Training	May 22	20	3
Hearing Conservation Programme	May 22	22	4
HR Induction, Personal Hygiene, and Covid19 Awareness	Jun 22	25	4
HR Induction, Personal Hygiene, and Covid19 Awareness (GCIL)	Sept 22	9	8
HR SOP	Jun 22	6	1

SUSTAINABILITY STATEMENT

Course Title	Month & Year	No. of Employee	Training Hours
Internal Awareness Training (ISO 14001:2015, Safety & Health, Halal Assurance, Food Defense, GDP, JSA, BRC:			
Batch 1	Mar 22	27	4
Batch 2	Jun 22	11	8
Batch 3	Oct 22	20	8
Batch 4	Dec 22	24	8
Batch 5	Jan 23	5	8
Batch 6 (Extended 2022)	Jan 23	12	8
Batch 1	Mar 23	37	8
Latihan Kompetensi Halal	Jun 22	4	18
Effective Control of Documented Information Training	Jul 22	6	4
CepSWaM Field Training Report Preparation Workshop	Aug 22	1	16
HR Professionals Annual Symposium 2022	Sept 22	1	16
Lead Auditor Integrated Management System (IMS) ISO 9001, 14001, 45001	Sept 22	2	44
Basic Occupational First Aid, CPR & AED Training	Sept 22	30	16
Webinar: Service Tax	Oct 22	1	8
Simposium Pengurusan Stress & Kesehatan Mental Pekerja	Oct 22	1	8
IT SOP Training	Oct 22	4	2
Halal Competency Training	Nov 22	14	4
i-Land Training	Dec 22	18	3
Food Safety Internal Awareness Training	Jan 23	6	2
Emergency Response Team (ERT) Training	Feb 23	36	1
Webinar Service Tax: Recognize & Diversify Your Business	Feb 23	1	8
English Course: Mind Your Business English Training	Feb 23	2	16
Integrated Management System Internal Audit Training	Mar 23	33	16
HRD Corp Workshop 2023	Mar 23	1	16
Chemical Handling Training	Mar 23	27	8

SUSTAINABILITY STATEMENT

Training for warehouse employee

Course Title	Month & Year	No. of Employee	Training Hours
IATA Dangerous Goods Regulations	Nov 2022	2	40
Licensed Manufacturing Warehouse	Dec 2022	2	8
Forklift Operators' & Safety Training (by UMW):			
Batch 1	Jun 22	17	8
Batch 2	Aug 22	14	8
Batch 3	Nov 22	12	8
Batch 4	Feb 23	12	8
Batch 5 (Refresh training)	Feb 23	10	2
Warehouse SOP Training:			
Batch 1	Sep 22	2	8
Batch 2	Nov 22	18	8
Batch 3	Nov 22	18	8
Train The Trainer (TTT) Forklift:			
Batch 1	Nov 22	4	24
Batch 2	Jan 23	4	24

Training for drivers

Course Title	Month & Year	No. of Employee	Training Hours
Mercedes-Benz Actross Driving			
Batch 1	May 2022	27	8
Batch 2	Jun 2022	6	8
Batch 3	Jun 2022	17	8
Batch 4	Feb 2023	25	8
HAZMAT Transport Driver Permit			
Batch 1	Jun 2022	1	8
Batch 2	Aug 2022	4	8
Driver Defensive, Safety & Eco Training			
Batch 1	Aug 2022	23	8
Batch 2	Nov 2022	28	8
Batch 3	Dec 2022	10	8
Batch 4	Dec 2022	10	8
Batch 5	Jan 2023	22	8
Batch 6	Feb 2023	40	8
HINO: DRIVER FAMILIARIZATION/SAFETY & ECO-CIEN			
Batch 1	Sept 2022	12	16
Batch 2	Oct 2022	11	16
Batch 3	Nov 2022	15	16
Batch 4	Jan 2023	16	16

SUSTAINABILITY STATEMENT

Training for warehouse general workers

Course Title	Month & Year	No. of Employee	Training Hours
Forklift Operators' & Safety Training (by UMW)			
Batch 2	Aug 22	1	8
Batch 3	Nov 22	1	8
Batch 4	Feb 23	3	8
Batch 5 (Refresh training)	Feb 23	1	2
Forklift Training			
Batch 1	May 2022	24	7
Batch 2	Jun 2022	13	7
Batch 3	Sept 2022	5	7
Batch 4	Sept 2022	10	7
Batch 5	Nov 2022	5	7
Batch 6	Nov 2022	13	7
Batch 7	Jan 2023	11	7
Batch 8	Mar 2023	15	7
Personal Hygiene Training	Oct 22	4	1
Warehouse SOP Training:			
Batch 2	Nov 2022	10	8
Batch 3	Nov 2022	10	8

1285 employees involved in our training for the financial year under review and total number of training hours were 1042 hours. Each employee manages to have at least 0.81 hours training.

Our Response to Covid-19 Endemic Phase

The wellbeing of the employees, business partners and communities remained the top priority to us. The Committees work tirelessly in ensuring all the employees adapt to the new normal and follows strictly to the SOP implemented by the authorities from time to time and all other safety and precautionary measures undertaken by the Group.

The Management reviews the business continuity plans regularly to ensure it adapts to the endemic and also requesting the operation teams and branches to response rapidly to meet the recommendations of government authorities and at the same time support those affected as much as possible. The Management has also expanded information sharing and collaboration across teams and branches to mitigate operations disruption.

As a responsible corporate citizen and in order to protect workplace safety and business continuity, our Company has determined that it is mandatory for all employees (except those with valid reasons) to be vaccinated against COVID-19. This is important as our company takes all necessary steps to ensure all employees' health and well-being. Vaccination is the primary way to put the pandemic behind us and to ensure our business continuity.

Governance

TASCO as a public listed company listed at the Main Market of Bursa Malaysia Securities Berhad, apart from the Listing Requirements of Bursa Malaysia, Malaysian Code on Corporate Governance 2021, the Companies Act 2016 and other rules and regulations from Malaysia regulatory bodies, the Group has set forth the Code of Conduct for all directors and employees belonging to the Group to observe and refer to for proper and ethical behaviour.

SUSTAINABILITY STATEMENT

Our employee Code of Conduct clearly mandates compliance with various international laws governing our business and also mandates that we do not use corrupt or prohibited methods, such as entertainment and gifts to public officials domestically or internationally, and the Group's strong practice is to vigorously enforce that policy. To ensure our employees are aware of the Code of Conduct, our Group organises trainings on a periodic basis

Full Compliance with the Antitrust Law

We commit to comply with the Competition Act 2010 of Malaysia, and any other laws and regulations to maintain fair trade and competition in all countries where the Group operates. We will not engage in cartel behavior, acts that impede free and fair competition nor any other act that may invite suspicion of such behavior. We assure that we do not promote nor participate in any meetings to discuss matters that could lead to the restriction of fair competition in the market.

Upon dealing with business partners, we assure that we will not use our dominant bargaining position to delay or refuse payments, unjustly return or refuse acceptance of products or services of subcontractors.

Training for employee on the anti-corruption policy been conducted periodically. It covers the elements of corruption which include bribery. The training covers all aspect of corruption from individual into responsibility towards company and obeying the prohibition of corruption. During the training, we provided the material and quiz through e-learning.

There were no cases reported on violation of anti-trust law happen in our Group.

Business Ethics

We blend the principles on business and human rights; to protect, to respect and access to remedy as fundamental in our business ethics which in line with the United Nations guidelines. A broad perspective on business ethics, looking at both responsibility, opportunity and risk related to our goal of promoting sustainable trade and a better society.

To mitigate key risks, we focus on all compliance topics including anti-corruption and sanctions as well as data ethics.

Prohibition of Bribery

The Group requires that our employees and our Group agents who carry out our operations and our business partners observe the Malaysian Anti-Corruption Commission Act, the US Foreign Corrupt Practice Act, the UK Bribery Act, the Chinese Criminal Law and Anti-Injustice Law, Japan Unfair Competition Prevention Law and any other law which prohibits corrupt practices and bribery.

Domestically or internationally, against any public or private individuals, direct or indirectly, we will not provide, offer or promise to pay, nor will we accept, request or agree to receive any sort of bribe or similar transaction in order to gain unlawful benefit.

There is no reported case on bribery either through violations or incident happen in our Group.

Gift-Giving and Entertainment

The Group will not engage in gift-giving and business entertainment exceeding the norms of social etiquette in our relationship with our customers and business partners. Also, we shall not accept gifts, entertainment and etc., that may lead to personal gain.

SUSTAINABILITY STATEMENT

Prohibiting Conflict of Interest

Except with the approval of the Company, individuals belonging to the Group will not serve as director, advisor, employee, agent, etc., for other business enterprises or organisations. We engage vendors in trade with fairness and impartiality and will not compromise the interests of the Company by promoting the interests of one individual, relatives, friends or acquaintances or designated organisations.

Focus on Third-Party Labour

We continue to work on ensuring that people working on our premises and performing tasks for us, but not hired by us directly, are offered working conditions that meet the standards in our Supplier Code of Conduct.

Supplier Code of Conduct

In recent years, with the global issues such as violation of human rights, bribery, and acts of environmental destruction having emerged with the globalization of supply chains, it is required to address compliance activities for not only individual companies but also all associated entities in the supply chains.

For this reason, we expect our suppliers, who is assigned to provide service for our customers on our behalf, to have a common understanding of business ethics standard. In line with this concept, we would like to request all suppliers to be committed to practicing the code as set forth below.

1. Services of Outstanding Quality and Safety

Supplier ensures the services of outstanding quality and safety with careful attention to fairness and integrity.

2. Compliance with Laws and International Rules

Supplier is committed to complying with all laws and regulations, both domestically and internationally. With respect to the business operations, Supplier engages in ethical business practices such as obtaining permits and approvals required by regulatory requirements.

3. Full Compliance with the Antitrust Law

Supplier is committed to complying with antitrust / anti-competition laws and regulations to maintain fair trade and competition.

4. Prohibition of Bribery

Supplier is committed to complying with all applicable laws and regulations that prohibit corrupt practices and bribery. Domestically or internationally, directly or indirectly, against any public or private individual, Supplier will not give, offer, promise to pay anything of value for the purpose of improperly obtaining or maintaining business advantage.

5. Prohibiting Conflict of Interest

In order to avoid conflict of interest in the business transaction, if supplier employee has a personal relationship with any Yusen Logistics Group's employee (such as family member, relative, or friend), the supplier must not take any action that effects YL Group's purchasing judgement.

SUSTAINABILITY STATEMENT

6. Respect for Human Rights

- Supplier respects international norms on human rights and will not engage in acts that violate human rights and the dignity of the private individual in any of its business activities.
- Supplier respects the rights of all persons and will not engage in discriminatory action based on gender, age, nationality, ethnicity, creed, religion, occupation, social status, appearance, illness or disability.
- Supplier is strongly opposed to all kinds of modern slavery and human trafficking, and shall not engage in inhumane acts such as forced labour, and child labour. Furthermore, Supplier will not conduct business with any organization that engages in such inhumane acts.

7. Assuring a Safe and Healthy Work Environment

- Supplier is requested to maintain a safe and healthy work environment and will also engage in the prevention of accidents and occupational injury.
- Supplier will strive to keep the work environment comfortable for the workers by actively conducting measures that maintain and promote the sound physical and mental health of workers.

8. Rejecting Transactions with Antisocial Forces

Supplier will not be involved in terrorism, money laundering or any other form of organized crime and will furthermore conduct careful study into the processes for transactions to ensure they are not used in such crimes.

9. Environmental Protection and Compliance

Supplier observe and comply with treaties, laws, regulations, and rules related to environmental protection and make efforts for environmental preservation.

10. Information Management and Administration

- Supplier shall comply with all laws and regulations concerning information security, and implement strict information management.
- Supplier shall pay attention to the handling of personal information and confidential information, and establish appropriate organizational system to prevent from information leakage. If a confidentiality agreement is concluded, Supplier will comply with the terms of the agreement.

11. Supply Chain

Supplier encourages its suppliers and subcontractors comply with this Supplier Code of Conduct.

Data Ethics

We recognize the need for the proper management of personal information as we aim for high ethical standards in their use, and we handle such information in our possession in accordance with the following principles:

1. Collection of Personal Information

We will collect and process your personal information (regardless of electronic or non-electronic information) lawfully, fairly and in a transparent manner only to the extent necessary for providing our services or performing our contractual obligations.

2. Data minimization

We will keep personal information adequate, relevant and limited to what is necessary in relation to the purpose for which it was provided. We will not collect personal information in advance or store personal information for future purposes, unless required or permitted by laws or regulations.

3. Intended Use of Personal Information

We will only use the personal information for one or more specified and legitimate purposes. Personal information will not be used or processed in any manner incompatible with those purposes. When we need to use your personal information beyond the scope of such purposes, we shall obtain your consent, except when extended use would be permitted by laws or regulations.

4. Accuracy

We will keep personal information accurate and up-to-date and shall take all reasonable steps to ensure that personal information that is inaccurate will be removed or rectified without delay.

5. Limited retention

We will keep personal information no longer than is necessary for the purposes for which the personal information was provided. Unless otherwise permitted by laws and regulations, personal information that is no longer needed or relevant will be purged or deleted.

6. Management of Personal Information

Your personal information is subject to data secrecy. In managing personal information, we assign an officer in charge of handling personal information, and take appropriate and adequate protective measures on a technical and organizational level against unauthorized or unlawful use and processing.

7. Provision to Third Parties

Unless otherwise permitted by laws and regulations, we will not provide your personal information to any third party without your consent. In addition, your personal information will not be transferred to another country or territory unless that country or territory will ensure an adequate level of data protection.

Board has oversight of anti-corruption and anti-bribery issue

Yusen Logistics Group has established Non-Bribery Basic Policy to lead the way in handling corruption and bribery issue in the organisation. We also based on Malaysia Act; Malaysian Anti-corruption Commission Act 2009 in handling corruption and bribery issue. Yusen Logistics Group Non-Bribery Basic Policy can be found here (link to https://www.yusen-logistics.com/my_en/about-us/sustainability/governance).”

The review and enforcement of this policy at TASCO Group is overseen by the Board, where Board is tasked to deliberate the reported cases.

SUSTAINABILITY STATEMENT

Whistle-blowing mechanism for staffs

TASCO Group has established a whistleblowing mechanism that encourages employees or any person or entity to report dishonest behavior, including giving or accepting bribes or inappropriate gifts, double-dealing, or defrauding investors. All complaints or grievances will be investigated, and appropriate action will be taken to stop such conduct and prevent future occurrences. This also covers concerns of public interest, and we may perform an initial investigation so that appropriate remedial action can be taken.

The Whistleblowing Mechanism acts as a medium for supporting and facilitating transparency and integrity within the company; it encourages the stakeholders to disclose any corruption, bribery, or improper conduct within the company.

Any complaints or reports can be directed to the Chief Human Resource Officer (CHRO), Group Chief Executive Officer (“CEO”), Chief Executive Officer CEO, Deputy Group CEO, or Chairman by compliance email or the compliance hotline.

Compliance Hotline: +603-51018820 (Mr. KY Tan)

Compliance Email:

checkpoh.lee@tasco.com.my (Mr. Lee Check Poh)

andy.lee@tasco.com.my (Mr. Andy Lee)

ky.tan@tasco.com.my (Mr. KY Tan)

MOVING FORWARD

As a conscientious corporate citizen, the Group genuinely committed to balancing out our good economic performance with responsible Environment and Social consideration. Even as we focus our efforts on delivering a sustainable performance on the Economic, Environmental and Social fronts, we will work hard to ensure that the notion of sustainability becomes embedded within our working culture in a more prominent manner.